

RESTORATION HOUSE OF
GREATER KANSAS CITY d/b/a
REHOPE

Financial Statements
With Independent Accountants' Review Report

December 31, 2024 and 2023



**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Restoration House of Greater
Kansas City d/b/a ReHope
Greenwood, Missouri

We have reviewed the accompanying financial statements of Restoration House of Greater Kansas City d/b/a ReHope (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of ReHope and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Naperville, Illinois
July 1, 2025

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Statements of Financial Position

	December 31,	
	2024	2023
ASSETS:		
Cash	\$ 335,637	\$ 18,957
Restricted cash	346,592	1,049,726
Investments restricted for capital projects	590,481	1,101,071
Prepaid expenses and other assets	23,268	38,838
Property and equipment–net	4,322,743	2,003,825
 Total Assets	 \$ 5,618,721	 \$ 4,212,417
 LIABILITIES AND NET ASSETS:		
Liabilities:		
Accrued expenses	\$ 18,864	\$ 68,057
Note payable	150,419	-
Total liabilities	169,283	68,057
 Net assets:		
Without donor restrictions	2,517,346	1,981,524
With donor restrictions	2,932,092	2,162,836
Total net assets	5,449,438	4,144,360
 Total Liabilities and Net Assets	 \$ 5,618,721	 \$ 4,212,417

See independent accountants' review report and notes to financial statements

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Statements of Activities

	Year Ended December 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 769,965	\$ 876,474	\$ 1,646,439	\$ 574,346	\$ 423,382	\$ 997,728
Contributions-net assets acquired (Note 9)	521,379	-	521,379	-	-	-
Special events						
Special event revenue	302,307	-	302,307	245,192	-	245,192
Less: costs of direct benefits to donors	(72,617)	-	(72,617)	(166,751)	-	(166,751)
	229,690	-	229,690	78,441	-	78,441
ReHope sales						
Merchandise sales	25,902	-	25,902	62,887	-	62,887
Cost of goods sold	(11,643)	-	(11,643)	(25,860)	-	(25,860)
	14,259	-	14,259	37,027	-	37,027
(Loss) gain on disposal of property and equipment	(52,500)	-	(52,500)	116,522	-	116,522
Investment income	52,849	-	52,849	52,536	-	52,536
Other revenue	6,904	-	6,904	2,879	1,360	4,239
Net assets released from restrictions	107,218	(107,218)	-	448,545	(448,545)	-
Total Support and Revenue	1,649,764	769,256	2,419,020	1,310,296	(23,803)	1,286,493
EXPENSES:						
Program services	824,118	-	824,118	969,634	-	969,634
General and administrative	188,032	-	188,032	266,054	-	266,054
Fundraising	101,792	-	101,792	80,662	-	80,662
Total Expenses	1,113,942	-	1,113,942	1,316,350	-	1,316,350
Change in Net Assets	535,822	769,256	1,305,078	(6,054)	(23,803)	(29,857)
Net Assets, Beginning of Year	1,981,524	2,162,836	4,144,360	1,987,578.00	2,186,639	4,174,217
Net Assets, End of Year	\$ 2,517,346	\$ 2,932,092	\$ 5,449,438	\$ 1,981,524	\$ 2,162,836	\$ 4,144,360

See independent accountants' review report and notes to financial statements

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Statements of Functional Expenses

Year Ended December 31, 2024

	Program Services	General and Administrative	Fundraising	Costs of Direct Benefit to Donors	Total
Salaries and benefits	\$ 433,749	\$ 73,988	\$ 65,481	\$ -	\$ 573,218
Professional services	65,801	63,961	-	-	129,762
Depreciation	88,119	15,073	12,753	-	115,945
Occupancy	62,239	8,238	6,970	-	77,447
Office expenses	40,391	18,551	6,054	-	64,996
Survivor occupancy	61,920	-	-	-	61,920
Insurance	42,970	7,350	6,219	-	56,539
Conference registrations and travel	18,482	871	429	-	19,782
Other	10,447	-	3,886	72,617	86,950
Total functional expenses	<u>\$ 824,118</u>	<u>\$ 188,032</u>	<u>\$ 101,792</u>	<u>\$ 72,617</u>	<u>\$ 1,186,559</u>
Less: costs of direct benefits to donors	-	-	-	(72,617)	(72,617)
Total expenses on statements of activities	<u>\$ 824,118</u>	<u>\$ 188,032</u>	<u>\$ 101,792</u>	<u>\$ -</u>	<u>\$ 1,113,942</u>

See independent accountants' review report and notes to financial statements

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Statements of Functional Expenses

Year Ended December 31, 2023

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Costs of Direct Benefit to Donors</u>	<u>Total</u>
Salaries and benefits	\$ 477,537	\$ 117,476	\$ 28,208	\$ -	\$ 623,221
Professional services	186,199	51,260	36,750	-	274,209
Survivor occupancy	112,259	-	-	-	112,259
Depreciation	81,956	15,799	987	-	98,742
Occupancy	59,590	16,713	365	-	76,668
Office expenses	10,269	33,420	7,877	-	51,566
Insurance	23,083	8,322	-	-	31,405
Conference registrations and travel	18,169	1,698	101	-	19,968
Other	572	21,366	6,374	166,751	195,063
	<u>\$ 969,634</u>	<u>\$ 266,054</u>	<u>\$ 80,662</u>	<u>\$ 166,751</u>	<u>\$ 1,483,101</u>
Total functional expenses					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(166,751)</u>	<u>(166,751)</u>
Less: costs of direct benefits to donors					
	<u>\$ 969,634</u>	<u>\$ 266,054</u>	<u>\$ 80,662</u>	<u>\$ -</u>	<u>\$ 1,316,350</u>
Total expenses on statements of activities					

See independent accountants' review report and notes to financial statements

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,305,078	\$ (29,857)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	115,945	98,742
Receipt of donated property (Note 9)	(450,417)	-
Assumption of accrued expenses (Note 9)	10,350	-
Assumption of note payable (Note 9)	146,256	-
Loss (gain) on disposal of property and equipment	52,500	(116,522)
Reinvested dividends and interest	(52,622)	(50,191)
Realized/unrealized loss (gain) on investments	282	(1,926)
Contributions restricted for capital projects	(823,022)	(416,882)
Changes in operating assets and liabilities:		
Accounts receivable	-	61,481
Prepaid expenses and other assets	15,570	(5,974)
Accrued expenses	(59,543)	(32,111)
Deferred revenue	-	(5,952)
Net Cash Provided (Used) by Operating Activities	260,377	(499,192)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	750,000	-
Purchases of fixed assets	(2,036,946)	(125,183)
Purchases of investments	(187,070)	(37,774)
Net Cash Used by Investing Activities	(1,474,016)	(162,957)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(901)	(122,730)
Proceeds from refinanced debt	5,064	-
Contributions received for capital projects	823,022	416,882
Proceeds from sale of property	-	264,870
Net Cash Provided by Financing Activities	827,185	559,022
Net Change in Cash and Restricted Cash	(386,454)	(103,127)
Cash and Restricted Cash, Beginning of Year	1,068,683	1,171,810
Cash and Restricted Cash, End of Year	\$ 682,229	\$ 1,068,683

(continued)

See independent accountants' review report and notes to financial statements

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Statements of Cash Flows
(continued)

	Year Ended December 31,	
	<u>2024</u>	<u>2023</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 10,447</u>	<u>\$ 558</u>
Assumption of noncash assets from Veronica's Voice, Inc. acquisition	<u>\$ 450,417</u>	<u>\$ -</u>
Assumption of liabilities from Veronica's Voice, Inc. acquisition	<u>\$ 156,606</u>	<u>\$ -</u>

See independent accountants' review report and notes to financial statements

RESTORATION HOUSE OF GREATER KANSAS CITY d/b/a REHOPE

Notes to Financial Statements

December 31, 2024 and 2023

1. NATURE OF ORGANIZATION:

Restoration House of Greater Kansas City d/b/a ReHope (the Organization) is a faith-based, long-term, residential program for survivors of sex trafficking. The Organization's holistic restoration program focuses on healing survivors from the indignities they have suffered by providing physical needs, trauma and addiction therapy, as well as education and job skill training. The Organization is primarily supported by contributions from donors, who reside primarily in the greater Kansas City metropolitan area.

The Organization operates as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and is not a private foundation under Section 509(a) of the Code. Contributions to the Organization are tax deductible within the limitations prescribed by the Code.

2. SUMMARY OF ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements are prepared on the accrual basis of accounting. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant accounting policies followed are described below.

CASH AND RESTRICTED CASH

Cash and restricted cash consist of checking and saving accounts. Cash is restricted for future capital projects. These accounts, at times, may exceed federally insured limits. At December 31, 2024 and 2023, the Organization had approximately \$421,000 and \$798,000 in excess of federally insured limits, respectively. As of December 31, cash consists of:

	2024	2023
Cash	\$ 335,637	\$ 18,957
Restricted cash	346,592	1,049,726
Total cash and restricted cash	<u>\$ 682,229</u>	<u>\$ 1,068,683</u>

INVESTMENTS

Investments consist of money market funds and are reported at fair market value using quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy. The Organization reports investment income and gains and losses on investments as increases or decreases in net assets without donor restrictions, unless a donor or law restricts their use.

RESTORATION HOUSE OF GREATER KANSAS CITY d/b/a REHOPE

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT - NET

The Organization capitalizes all expenditures for property and equipment over \$1,500. Property and equipment are stated at cost at the date of acquisition. Depreciation is provided using the straight line method over the estimated useful lives of the assets, excluding land, which range from 5 to 35 years. Repairs and maintenance are charged to expenses as incurred. The Organization received donated property in the amount of \$456,066 from another organization (the Association) in 2019. The Organization holds an agreement with the Association, that if the Organization ceases to use the property for any reason, the property will be donated back to the Association.

NET ASSETS

The financial statements report amounts separately by class of net assets.

Net assets without donor restrictions are currently available for general use in operations and not subject to donor or certain grantor restrictions. They also include any designation by the governing board.

Net assets with donor restrictions are stipulated by donors or grantors for specific operating purposes or programs, with time restrictions, for the acquisition of property and equipment, or not currently available for use until commitments regarding their use have been fulfilled.

SUPPORT, REVENUE, AND RECLASSIFICATIONS

Contributions are recognized when made, which may be when cash is received, unconditional promises to give are made or ownership of other assets are transferred. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statements of activities as net assets released from restrictions. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Conditional promises to give received prior to meeting those conditions are included in deferred revenue in the statements of financial position.

Special event revenue is comprised of an exchange element based on the benefits received and a contribution element for the difference. As sponsorships do not include an explicit waiver of sponsors' rights to refunds if an event were not to take place, the exchange and contribution elements are both recognized when the underlying special events are held. Payments are required at the time of commitment. Revenues such as sales, investment income and other revenues are reported as income when earned.

RESTORATION HOUSE OF GREATER KANSAS CITY d/b/a REHOPE

Notes to Financial Statements

December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

EXPENSES

Expenses are reported when incurred. All advertising costs are expensed as incurred. The Organization's advertising expense was approximately \$3,900 and \$28,300 for the years ended December 31, 2024 and 2023, respectively. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, occupancy, and interest, which are allocated on a square footage basis, as well as salaries and benefits, professional services and office expenses, which are allocated on the basis of estimates of time and effort. The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of functional expenses. The Organization incurred no joint cost for the years ended December 31, 2024 and 2023.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the Organization's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, if they have contractual or donor-imposed restrictions, or because the governing board has set aside the funds for specific contingency reserves and projects within one year of the statements of financial position date.

	December 31,	
	2024	2023
Financial assets:		
Cash	\$ 335,637	\$ 18,957
Restricted cash	346,592	1,049,726
Investments restricted for capital projects	590,481	1,101,071
Financial assets, at year-end	1,272,710	2,169,754
Less those unavailable for general expenditures within one year:		
Net assets restricted for capital projects	(937,073)	(2,150,797)
Financial assets available to meet cash needs for general expenditures within one year	\$ 335,637	\$ 18,957

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2024, the Organization has approximately \$1,995,000 in net assets with donor restrictions that is reported as part of construction in process. As of December 31, 2023, the Organization has approximately \$12,000 in net assets with donor restrictions for support, which are considered available to meet needs for general expenditures within one year. As part of the Organization's liquidity management, it has established guidelines for making decisions related to managing short term cash reserves in a prudent matter.

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Notes to Financial Statements

December 31, 2024 and 2023

4. INVESTMENTS-FAIR VALUE MEASUREMENTS:

The Organization follows accounting standards which establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under accounting standards are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level of input that is significant to the fair value measurement in its entirety. Fair values of assets measured on a recurring basis as follows:

	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 590,481	\$ 590,481	\$ -	\$ -
	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 1,101,071	\$ 1,101,071	\$ -	\$ -

For the year ended December 31, investment income consists of:

	2024	2023
Interest	\$ 509	\$ 419
Reinvested dividends and interest	52,622	50,191
Realized/unrealized (loss) gain on investments	(282)	1,926
	\$ 52,849	\$ 52,536

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Notes to Financial Statements

December 31, 2024 and 2023

5. PROPERTY AND EQUIPMENT–NET:

As of December 31, property and equipment–net, consist of:

	2024	2023
Land	\$ 213,577	\$ 178,073
Building and building improvements	2,090,772	1,675,859
Furniture and equipment and website	35,588.00	32,588
Vehicles	54,500	14,800
Intangible assets	-	52,500
	2,394,437	1,953,820
Less accumulated depreciation	(401,223)	(285,278)
	1,993,214	1,668,542
Construction in process	2,329,529	335,283
	\$ 4,322,743	\$ 2,003,825

6. NOTE PAYABLE:

In April 2018, the Organization obtained a mortgage that was secured by real property located in Missouri. The note required 59 monthly payments of \$963 with a balloon payment of \$122,616 due at maturity. The note had an interest rate of 4.95%. The Organization sold the property in 2023, at which time the loan balance of \$122,730 was paid off.

Per Note 9, on July 1, 2024, the Organization assumed the Veronica's Voice Inc, debt balance of \$146,256. Since the lender would not allow the Organization to assume this debt, the Organization refinanced this debt with a new bank mortgage that was secured by real property located in Kansas on September 5, 2024. The note requires 59 monthly payments of \$1,159 with a balloon payment of approximately \$131,400, due at maturity on September 5, 2029. The note has a fixed interest rate of 6.75%. The Organization was in compliance with all debt covenants as of December 31, 2024.

Note payable matures as follows Year Ending December 31,

2025		\$ 3,733
2026		3,997
2027		4,279
2028		4,554
2029		133,856
		\$ 150,419

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Notes to Financial Statements

December 31, 2024 and 2023

7. NET ASSETS:

As of December 31, net assets consist of:

	2024	2023
Net assets without donor restrictions:	\$ 2,517,346	\$ 1,981,524
Net assets with donor restrictions:		
Capital projects	937,073	2,150,797
Capital projects reported as part of construction in process	1,994,891	-
Other	128	12,039
	2,932,092	2,162,836
	\$ 5,449,438	\$ 4,144,360

8. DONOR CONCENTRATION:

During the years ended December 31, 2024 and 2023, top four donors contributed 66% and 28% of the Organization's contributions, respectively.

9. ACQUISITION OF VERONICA'S VOICE, INC.:

On July 1, 2024, the Organization acquired a nonprofit organization that ministers to survivors of sex trafficking. In accordance with the U.S. GAAP, assets acquired and liabilities assigned are required to be measured at fair value as of the date of the acquisition, which included comparable sales for property and equipment. No donor restrictions were placed on these assets and are being utilized within the Organization's programs.

The fair value as of the assets and liabilities of the acquired organization on July 1, 2024, was:

Cash	\$ 227,568	
Property and equipment	450,417	
Accrued expenses	(10,350)	
Debt	(146,256)	
Contribution-net assets acquired	\$ 521,379	

10. CONTINGENCIES:

In the normal course of business, the Organization is subject to proceedings and other claims. Such matters are subject to uncertainties and outcomes are not predictable. While these matters could affect the operating results when resolved in future periods, management believes that after final disposition, any monetary liability or financial impact would not be material to the Organization's operations.

**RESTORATION HOUSE OF GREATER
KANSAS CITY d/b/a REHOPE**

Notes to Financial Statements

December 31, 2024 and 2023

11. RETIREMENT PLAN:

The Organization established a 403(b) retirement plan for the benefit of all eligible employees. Employees, through salary reduction, may make contributions up to the maximum allowed by law. The Organization's matching contributions are entirely discretionary and are determined by the Board of Directors. The Organization did not make any matching contributions for the years ended December 31, 2024 and 2023, respectively. Participants should refer to the respective plan agreement for a more complete description of the retirement plan provisions.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through July 1, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.