HOPE STORY, INC.

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

To Those Charged with Governance and Management of
Hope Story, Inc.
Richardson, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hope Story, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025, and 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope Story, Inc. as of December 31, 2025, and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hope Story, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope Story, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hope Story, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope Story, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during



A Bricks Coggin CPA, PLLC
Southlake, Texas

November 12, 2026

FINANCIAL STATEMENTS

HOPE STORY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025, AND 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 1,136,810	$ 566,922
Accounts receivable	29,670	42,927
Due from employee	487	800
Prepaid events	171,767	58,575
Inventory, at cost	12,505	-
Tax holding account	7,965	-
TOTAL CURRENT ASSETS	1,359,204	669,224
TOTAL ASSETS	1,359,204	669,224
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	314	-
Credit card payable	15,831	46,913
Payroll liabilities	16,045	12,752
Direct deposit payable	2,594	-
TOTAL CURRENT LIABILITIES	34,784	59,665
TOTAL LIABILITIES	34,784	59,665
NET ASSETS		
Without donor restrictions	1,324,420	609,559
TOTAL NET ASSETS	1,324,420	609,559
TOTAL LIABILITIES AND NET ASSETS	$ 1,359,204	$ 669,224

The accompanying notes are an integral part of these financial statements.

HOPE STORY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and grants	$ 1,321,980	$ -	$ 1,321,980
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
TOTAL REVENUES	1,321,980	-	1,321,980
EXPENSES			
Program services	479,281	-	479,281
General and administrative expenses	133,416	-	133,416
TOTAL EXPENSES	612,697	-	612,697
CHANGE IN NET ASSETS	709,283	-	709,283
NET ASSETS AT BEGINNING OF YEAR	609,559	-	609,559
PRIOR PERIOD ADJUSTMENT	5,578	-	5,578
NET ASSETS AT END OF YEAR	$ 1,324,420	$ -	$ 1,324,420

The accompanying notes are an integral part of these financial statements.

HOPE STORY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions and grants	$ 672,029	$ -	$ 672,029
Net assets released from restrictions:			
Satisfaction of program restrictions	-	-	-
TOTAL REVENUES	672,029	-	672,029
EXPENSES			
Program services	377,570	-	377,570
General and administrative expenses	46,388	-	46,388
TOTAL EXPENSES	423,958	-	423,958
CHANGE IN NET ASSETS	248,071	-	248,071
NET ASSETS AT BEGINNING OF YEAR	314,687	-	314,687
PRIOR PERIOD ADJUSTMENT	46,801	-	46,801
NET ASSETS AT END OF YEAR	$ 609,559	$ -	$ 609,559

The accompanying notes are an integral part of these financial statements.

HOPE STORY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program services	General and administrative expenses	Fundraising	Total
EXPENSES				
Advertising and marketing	$ 4,564	$ -	$ -	$ 4,564
Running events	150,864	-	-	150,864
Gifts	2,482	-	-	2,482
Hope advocate events	2,358	-	-	2,358
Race apparel	3,263	-	-	3,263
Conference/Event expense	15,368	-	-	15,368
Travel	42,198	-	-	42,198
Meals and entertainment	4,395	776	-	5,171
Reimbursements	11,175	-	-	11,175
Payroll expenses	209,439	-	-	209,439
Bank charges and fees	-	503	-	503
Fundraising/Stripe fees	-	69,608	-	69,608
Shipping, freight and delivery	9,171	524	-	9,695
Postage	13,168	2,910	-	16,078
Insurance	-	870	-	870
Legal and professional services	-	22,447	-	22,447
Office supplies	-	3,083	-	3,083
Software	-	27,299	-	27,299
Printing	10,836	370	-	11,206
Rent and lease	-	3,869	-	3,869
Utilities	-	1,047	-	1,047
Repairs and maintenance	-	16	-	16
Taxes and licenses	-	94	-	94
TOTAL EXPENSES	$ 479,281	$ 133,416	$ -	$ 612,697

The accompanying notes are an integral part of these financial statements.

HOPE STORY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program services	General and administrative expenses	Fundraising	Total
EXPENSES				
Advertising and marketing	$ 9,925	$ -	$ -	$ 9,925
Running events	148,994	-	-	148,994
Gifts	11,266	-	-	11,266
Hope advocate events	1,843	-	-	1,843
Race apparel	13,849	-	-	13,849
Conference/event expense	9,054	-	-	9,054
Travel	26,356	-	-	26,356
Meals and entertainment	1,500	260	-	1,760
Resident dinners	1,688	-	-	1,688
Reimbursements	1,338	51	-	1,389
Payroll expenses	135,066	-	-	135,066
Bank charges and fees	-	204	-	204
Fundraising/stripe fees	-	26,448	-	26,448
Shipping, freight and delivery	5,000	283	-	5,283
Postage	300	66	-	366
Insurance	-	725	-	725
Legal and professional services	-	1,250	-	1,250
Office supplies	-	977	-	977
Software	-	3,791	-	3,791
Printing	11,000	372	-	11,372
Website expenses	-	7,823	-	7,823
Other business expenses	391	388	-	779
Rent and lease	-	3,750	-	3,750
TOTAL EXPENSES	$ 377,570	$ 46,388	$ -	$ 423,958

The accompanying notes are an integral part of these financial statements.

HOPE STORY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 709,283
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Non-cash/income effect	5,578
Change in operating assets and liabilities:	
(Increase) Decrease in assets:	
Accounts receivable	13,257
Due from employee	313
Prepaid events	(113,192)
Inventory	(12,505)
Tax holdings account	(7,965)
Increase (Decrease) in liabilities:	
Accounts payable	314
Credit card payable	(31,082)
Payroll liabilities	3,293
Direct deposit payable	2,594
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	569,888
NET CHANGE IN CASH AND CASH EQUIVALENTS	569,888
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	566,922
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,136,810

The accompanying notes are an integral part of these financial statements.

HOPE STORY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	248,071
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Change in operating assets and liabilities:		
(Increase) Decrease in assets:		
Accounts receivable		7,901
Due from employee		(800)
Prepaid events		(58,575)
Increase (Decrease) in liabilities:		
Accrued expenses		49,729
Payroll liabilities		1,573
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		247,899
NET CHANGE IN CASH AND CASH EQUIVALENTS		247,899
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		319,023
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	566,922

The accompanying notes are an integral part of these financial statements.

NOTE 1. NATURE OF ORGANIZATION

Organization Background

Hope Story, Inc. ("the Organization") is a nonprofit organization based in Richardson, Texas. The Organization focuses on supporting families whose children have been diagnosed with Down syndrome—especially parents whose child is newly diagnosed—including through a nationwide peer-to-peer support network that connects parents with other parents. The Organization also supports medical professionals (e.g., OB/GYNs, pediatricians) by providing educational content through in-person training, online training, and mailings, to help them deliver a Down syndrome diagnosis in compassionate, informed ways. Additionally, Hope Story takes part in various charity endurance events where athletes have an opportunity to learn about Down syndrome, be connected to a Champion of Hope (a child with Down syndrome whom the athlete runs for), hear parents' diagnosis experiences, and be impacted by their running.

Program services include individual donor campaigns, online giving, recurring monthly contributions, corporate support, and event-based fundraising through the Organization's running program ("Team Hope Story"). Through its "Team Hope Story" program, runners sign up for organized races—often big destination races—and raise money by soliciting donations tied to their participation. In addition, Hope Story provides charitable program services through direct family support, a nationwide peer-to-peer support network, educational resources for new parents (including a new parent booklet), and training and resources for medical providers.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

In fulfilling its responsibility for the preparation of Hope Story's financial statements and disclosures, management selects accounting principles generally accepted in the United States of America and adopts methods for their application. The application of accounting principles requires the estimating, matching, and timing of revenue and expense in the determination of support or expenditures. It is also necessary for management to determine, measure and allocate resources and obligations within the financial process according to those principles. Below is a summary of certain significant accounting policies selected by management.

Basis of Accounting

Hope Story, Inc. prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities using the accrual basis of accounting. The significant accounting and reporting policies used by Hope Story, Inc. are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting periods.

Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness.

Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. It is reasonably possible that changes may occur in the near term that would affect management's estimates with respect to these estimates.

Net Assets

As a nonprofit organization, Hope Story, Inc. maintains its records on a fund accounting basis in order to ensure observance of the limitations and restrictions placed on the use of its resources. The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting form the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets

with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of financial statement presentation, cash and cash equivalents consist of highly liquid bank deposit holdings available for current use with initial maturities of three (3) months or less, when initially purchased. Hope Story, Inc. maintains cash balances in excess of FDIC insurance limits. Deposit accounts at the bank are insured by the FDIC up to $250,000 per depositor, per FDIC-insured bank, per account ownership category. As of December 31, 2025, and 2024, the Organization had $1,136,810 and $566,922 of cash and cash equivalents respectively. The Organization has not experienced any losses and believes it is not exposed to any significant credit risk as a result of these deposits. The organization's singular financial institution's cash balances could occasionally exceed the FDIC insurance limit.

Accounts Receivable

Accounts receivable consist primarily of uncollected unconditional promises to give (pledges) and amounts due from donors, as well as reimbursements or small receivables from third-party platforms related to fundraising events. Receivables are recorded when an unconditional promise to give or other contractual right to receive cash has been established. Receivables are stated at the amount management expects to collect.

Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Prepaid Events

Prepaid events consist of payments made in advance for costs associated with program-related events that will occur in a future period. These amounts are recorded as assets until the related event takes place, at which time the costs are recognized as expenses in the appropriate functional category.

Prepaid event costs may include, but are not limited to:

- deposits for race entries or event registrations paid on behalf of Team Hope Story participants
- advance purchases of apparel, promotional items, and participant materials
- venue deposits and facility fees
- marketing, printing, and media costs incurred before the event date
- technology and platform fees for event hosting
- travel or logistical costs paid in advance

Prepaid event balances are reviewed regularly, and amounts are expensed when the Organization has received the related goods or services or when the event occurs, whichever is earlier. All prepaid events are expected to be utilized within the next fiscal year.

Inventory

Inventory is stated at cost and computed using the average method. The Organization purchases inventory in bulk for distribution at future events. The majority of inventory is given away at events with a small portion held for sale. As of December 31, 2025, the inventory balance is as follows.

Purchased inventory, at cost	$	12,505
Total inventory as of December 31, 2025	$	12,505

The Organization did not record inventory as of December 31, 2024.

Property and Equipment

Property and equipment with a cost in excess of $500 is capitalized and depreciated over its estimated useful life. Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the useful lives of the assets.

Revenue Recognition

Hope Story adopted ASC 606 using the modified retrospective method applied to all contracts not completed for annual reporting periods beginning after December 15, 2019. Results for reporting periods beginning after December 15, 2019, are presented under ASC 606 while prior period amounts continue to be reported in accordance with legacy GAAP. The adoption of ASC 606 did not result in a change to the accounting for any of the in-scope revenue streams; as such, no cumulative effect adjustment was recorded.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration Hope Story, Inc. expects to receive in exchange for those products or services. Hope Story, Inc. enters into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of allowances for returns.

The Organization conducts annual campaigns, social media appeals, donor-engagement initiatives, and special fundraising efforts throughout the year. Contributions received through these channels are recorded as revenue when received or when an unconditional promise to give is made.

Contributions revenue

Contributions revenue is recognized when received, or unconditional promise to give is received. Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Contributions with donor-imposed restrictions are reported as increases in net assets with donor restrictions. Expirations of donor-imposed restrictions are reported as releases of restrictions between the applicable classes of net assets.

- Unconditional promises to give are recognized as revenue in the period in which a written or oral agreement to contribute cash or other assets is received. An allowance for doubtful accounts is established based on the prior collection history of pledged contributions and management's analysis of specific promises made.
- Conditional promises to give are not recognized until they become unconditional; that is, when the donor-imposed conditions are substantially met.

Contributed Goods and Services

Contributed services or the use of equipment, materials, or facilities at less than fair value are recorded at their fair value in accordance with professional standards, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Hope Story, Inc. Contributed foods and materials are recorded at their fair value when they are promised.

Functional Allocation of Expenses

The costs of providing Hope Story, Inc.'s various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the various programs and supporting services benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of Hope Story, Inc.

Income Taxes

Hope Story, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, Hope Story, Inc. is subject to Federal excise tax and unrelated business income taxes. In addition, Hope Story, Inc. has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There were no unrelated business income or known Federal excise taxes for the year ended December 31, 2025, or 2024.

If it is probable that an uncertain tax position will result in material liability and the amount of the liability can be estimated, the estimated liability is accrued. If Hope Story, Inc. was to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. As of December 31, 2025, or 2024, there were no uncertain tax positions.

Compensated Absences

Hope Story, Inc. has not accrued compensated absences, as that amount cannot be reasonably estimated and is not considered material as of December 31, 2025, or 2024.

Advertising Costs

Advertising costs are expensed as incurred. Hope Story, Inc. incurred $4,564 and $9,925 in advertising costs for the years ended December 31, 2025, and 2024 respectively.

Fair Value

Hope Story, Inc. reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value.

This hierarchy, established by U.S. GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement.

The three levels of inputs used to measure fair value are as follows:

Level 1 inputs: Quoted prices for identical assets or liabilities in active markets to which Hope Story, Inc. has access at the measurement date.

Level 2 inputs: Inputs other than quoted prices included in level 1 are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets in markets that are not active
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves), and
- inputs derived principally from, or corroborated by, observable market data by correlation or by other means

Level 3 inputs: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, Hope Story, Inc. measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

However, level 1 inputs are not available for many of the assets and liabilities that Hope Story, Inc. is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in Hope Story, Inc. 's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give
- recurring measurement of short-term investments
- recurring measurement of endowment and long-term investments
- recurring measurement of beneficial interests in trusts

As of December 31, 2025, or 2024, there were no assets subject to the fair value measurement.

Leases

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures.

Hope Story, Inc. adopted FASB ASC 842, with a date of initial application of July 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, Leases (Topic 842): Targeted Improvements.

As part of the transition, Hope Story, Inc. implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases.

Other practical expedients:

- Election whereby the lease and non-lease components will not be separated for leases of office space, warehouses, and vehicles.
- Election not to record right-of-use assets and corresponding lease liabilities for short-term leases with a lease term of 12 months or less, but greater than 1 month. Leases of 1 month or less are not included in short-term lease costs.

As of December 31, 2025, and 2024, Hope Story, Inc. has one month-to-month storage rental agreement. The total storage rental expense was $3,869 and $3,750 for the year then ended December 31, 2025, and 2024 respectively.

NOTE 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donors or other restrictions limiting their use, within one year of December 31, 2025, and 2024, are:

	2025	2024
Cash and cash equivalents	$ 1,136,810	$ 566,922
Accounts receivable	29,670	42,927
Amount available for general expenditures within one year	$ 1,166,480	$ 609,849

Hope Story, Inc. has financial assets available within one (1) year of the financial position date December 31, 2025, and 2024, to meet cash needs for general expenditure consisting of the following: cash and accounts receivable $1,166,480 and $609,849 respectively.

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the financial position dates. Hope Story Inc has a goal to maintain financial assets on hand to meet at least sixty (60) days of normal operating expenses, which are, on average as of December 31, 2025, and 2024, approximately $102,000 and $70,660 respectively. Hope Story, Inc. structures its financial assets to be available as its general expenditure, liabilities, and other obligations come due.

NOTE 4. CONCENTRATION OF RISKS

A significant portion of the Organization's annual support is derived from contributions associated with event-based fundraising and individual donations. The Organization's ability to sustain programs depends significantly on the continued success of these fundraising efforts.

NOTE 5. RISKS, COMMITMENTS, CONTINGENCIES, AND UNCERTAINTIES

The Organization is subject to various litigation and other claims in the normal course of business. The Organization establishes liabilities in connection with legal actions that management deems to be probable and estimable. The Organization had no litigation in process at December 31, 2025, or 2024.

The Organization evaluates its income tax positions and related accruals based on current facts and circumstances. Management believes that its estimates are appropriate, as the Organization has no non-related income. It is at least reasonably possible that a change in estimates reflected in the financial statements will occur in the near term. The estimates are material as related to the financial condition of the Organization.

The Organization enters contracts that contain a variety of indemnifications for which the maximum exposure is unknown. Management expects the risk due to such contracts, if any, to be remote. The Organization has no current claims or losses in relation to these contracts or purchase commitments other than short term purchase orders for ongoing requirements.

In addition to the risks inherent in the Organization's operations, the Organization is exposed to certain market risks, including changes in interest rate.

NOTE 6. PRIOR PERIOD ADJUSTMENT

During the fiscal years ending December 31, 2025, and 2024, Hope Story, Inc. recorded prior period adjustments to correct errors identified in previously issued financial statements. During fiscal year 2024 the Organization recorded a debit adjustment of $4,027 to correct payroll liabilities, and an adjustment of $50,828 was recorded to correct accounts receivable.

During fiscal year 2025 the Organization recorded debit adjustments of $3,791 and $1,787 to correct tax payment expense and payroll expense respectively. These corrections have been reflected in the beginning net assets as required by applicable accounting standards.

NOTE 7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 12, 2026, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.