
OUR DAUGHTERS INTERNATIONAL

**Financial Report
For The Year Ended
December 31, 2023**



certified public accountants

1301 WEST LONG LAKE ROAD, SUITE 200, TROY MI 48098

PH: 248-952-0200 • FAX: 248-952-0290

OUR DAUGHTERS INTERNATIONAL
Rochester Hills, Michigan

I N D E X

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 9

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Our Daughters International
Rochester Hills, Michigan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Our Daughters International (a Michigan non-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Our Daughters International as of December 31, 2023, and the changes in its net assets and its cash flows for the year 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 (GAAS). 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 Our Daughters International 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 Our Daughters International's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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.

***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

In performing an audit in accordance with GAAS, 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 Our Daughters International'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 Our Daughters International'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 the audit.

Gordon Advisors, P.C.

November 13, 2024

OUR DAUGHTERS INTERNATIONAL
Statement of Financial Position
December 31, 2023

ASSETS

Current Assets

Cash	\$ 2,770,846
	<u>\$ 2,770,846</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 35,726	
Accrued expenses	<u>3,148</u>	
Total Current Liabilities		<u>\$ 38,874</u>

Net Assets

Without donor restrictions	1,222,981	
With donor restrictions	<u>1,508,991</u>	
Total Net Assets		<u>2,731,972</u>
		<u>\$ 2,770,846</u>

OUR DAUGHTERS INTERNATIONAL
Statement of Activities and Changes In Net Assets
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 475,459	\$ 964,753	\$ 1,440,212
Child sponsorship	-	89,254	89,254
Special fund-raising event, net	69,476	-	69,476
Interest	6,346	-	6,346
Other revenue	75,130	-	75,130
Net assets released from restrictions	907,910	(907,910)	-
Total Revenue, Support, and Net Assets Released From Restrictions	<u>1,534,321</u>	<u>146,097</u>	<u>1,680,418</u>
Expenses			
Program services	1,106,524	-	1,106,524
Fundraising	86,357	-	86,357
Management and general	141,166	-	141,166
Total Expenses	<u>1,334,047</u>	<u>-</u>	<u>1,334,047</u>
Increase In Net Assets	200,274	146,097	346,371
Net Assets - Beginning of Year	<u>1,022,707</u>	<u>1,362,894</u>	<u>2,385,601</u>
Net Assets - End of Year	<u><u>\$ 1,222,981</u></u>	<u><u>\$ 1,508,991</u></u>	<u><u>\$ 2,731,972</u></u>

See Independent Auditor's Report and Accompanying Footnotes.

OUR DAUGHTERS INTERNATIONAL
Statement of Functional Expenses
For the Year Ended December 31, 2023

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants to others	\$ 1,022,492	\$ -	\$ -	\$ 1,022,492
Travel	34,264	-	2,225	36,489
Program supplies	22,637	-	-	22,637
Office supplies	-	9,110	377	9,487
Promotional materials	-	-	58,189	58,189
Insurance	-	1,637	-	1,637
Professional fees	-	25,000	9,788	34,788
Salaries and related expenses	27,131	27,989	70,242	125,362
Conferences and meetings	-	-	25,814	25,814
Dues and subscriptions	-	14,653	-	14,653
Bank and credit card fees	-	7,968	-	7,968
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	1,106,524	86,357	166,635	1,359,516
Less Expenses Included With Revenues on the Statement of Activities	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	25,469	25,469
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 1,106,524</u>	<u>\$ 86,357</u>	<u>\$ 141,166</u>	<u>\$ 1,334,047</u>

OUR DAUGHTERS INTERNATIONAL
Statement of Cash Flows
For the Year Ended December 31, 2023

Cash Flows From Operating Activities

Increase in net assets \$ 346,371

Adjustments to reconcile change in net assets to cash
flows from operating activities:

Increase (decrease) in operating liabilities:

Accounts payable (119,018)

Accrued expenses 217

Net Cash Provided By Operating Activities \$ 227,570

Net Increase In Cash 227,570

Cash - Beginning of Year 2,543,276

Cash - End of Year \$ 2,770,846

OUR DAUGHTERS INTERNATIONAL

Notes to the Financial Statements

December 31, 2023

NOTE:

1. Summary of Significant Accounting Policies

Description of Entity – Our Daughters International (the Organization) is a non-profit corporation organized under the laws of the State of Michigan. Our Daughters International is supported primarily through contributions from donors interested in helping to increase awareness of human trafficking and funding the development of leaders that oversee ministry projects in Nepal. The Organization's mission is to further the global effort to prevent human trafficking through strategic partnerships and education.

Our Daughters International and partners in Nepal continue to impact the lives of many girls and women who were victims of human trafficking. The organizations in Nepal that Our Daughters International supports and monitors utilize a holistic approach and each year these organizations rescue hundreds of young girls and women that have been victimized. These individuals are restored as daughters, empowered as leaders, and allow communities throughout Nepal to be transformed.

Cash Equivalents – The Organization considers all highly liquid investments purchased with maturities of three months or less when purchased to be cash equivalents.

Property and Equipment – Property and equipment in excess of \$1,000 is recorded at cost when purchased or at fair value at the date of donation and is being depreciated under the straight-line method over estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Classification of Net Assets – Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes net assets previously restricted in which restrictions have expired or been met.

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Revenue With and Without Donor Restrictions – Contributions received are recorded as either increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions Without Conditions – Gifts received by the Organization that do not include conditions are recorded as either increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. These contributions are recognized at the point in time that the contribution is promised to the Organization.

Conditional Contributions – In general, the Organization receives contributions from individuals to oversee ministry projects in Nepal that Our Daughters International supports. The Organization only recognizes these contributions when all conditions associated with the contribution are met. During the year ended December 31, 2023, all contributions received were unconditional at the time the donation was promised to the Organization.

OUR DAUGHTERS INTERNATIONAL

Notes to the Financial Statements (Continued)

December 31, 2023

NOTE:

1. Summary of Significant Accounting Policies (Continued)

In-Kind Contributions – In-kind contributions represent the estimated fair value of professional services provided at no charge to the Organization. Donated services are recognized as both support and expenditures when the following criteria are met: (a) value can be reasonably estimated, (b) requires specialized skills that are provided by individuals possessing those skills or creates or enhances non-financial assets, and (c) would typically need to be purchased if not provided by donation.

In-kind donations for accounting services were \$19,000 for the year ended December 31, 2023. This amount was included in contributions on the statement of activities and changes in net assets and in professional fees on the statement of functional expenses.

Donated Assets – Donated assets are recorded as contributions at estimated fair value at date of receipt.

Major Donors – Approximately 44% of the Organization's revenue was received from four donors.

Federal Income Taxes – The Organization is exempt from income tax as a charitable organization under the provisions of Internal Revenue Code Section 501(c)(3).

Use of Estimates – The preparation of 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – The Organization has evaluated events and transactions that occurred through November 13, 2024, which is the date the financial statements were available for issue.

Uncertain Tax Positions – Management evaluates, at least annually, whether any tax positions reported on a return are more likely than not to be sustained if challenged. Management believes no such positions exist that would have significant impact on the Organization's financial position and results of operations. As of December 31, 2023, no liability for uncertain tax benefits was recorded.

2. Functional Allocation of Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statement of functional expenses. Certain costs that are not directly identifiable as to function have been allocated between program and supporting services based on estimates by management using, primarily time spent by employees on various activities. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

3. Cash Balances

The Organization maintains its cash accounts at financial institutions whose balances are insured up to limits established by the Federal Deposit Insurance Corporation (FDIC). The Organization at times maintains cash balances in excess of federally insured limits. To mitigate this risk, the Organization utilizes an agency account maintained by a commercial bank that segregates the cash balance between a series of FDIC-insured banks so that all of the bank balances within the account are below the federally insured limits. At December 31, 2023 approximately \$180,000 of cash exceeding the insured limit.

4. Net Assets with Donor Restrictions

All net assets with donor restrictions relate to funding the Organization will provide to its partner agencies restricted to defined geographical areas and projects.

OUR DAUGHTERS INTERNATIONAL
Notes to the Financial Statements (Continued)
December 31, 2023

NOTE:

5. Liquidity

At December 31, 2023, the Organization maintains \$2,770,846 of liquid financial assets, in the form of cash, that the Organization expects will be available within one year of the statement of financial position to meet cash needs for general expenditures. At December 31, 2023, net assets with donor restrictions amount to \$1,508,991 but this amount does not reduce liquid financial assets because the restrictions allow for the funding of continuing program services.

The Organization prepares a budget and continually reviews the budget to predict and manage cash disbursements and available liquid financial assets.