HOPE WALKS

FREEDOM FROM CLUBFOOT

HOPE WALKS, INC.

Financial Statements
With Independent Auditor's Report

June 30, 2026 and 2025

HOPE WALKS, INC.

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CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hope Walks, Inc.
York Springs, Pennsylvania

Opinion
We have audited the accompanying financial statements of Hope Walks, Inc., which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities, 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 Walks, Inc. as of June 30, 2026 and 2025, 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 audits 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 Walks, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Walks, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Board of Directors
Hope Walks, Inc.
York Springs, Pennsylvania

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 Walks, 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 Walks, 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 the audit.

Capin Crouse LLC

Colorado Springs, Colorado
November 5, 2026

HOPE WALKS, INC.

Statements of Financial Position

	June 30, 2026	June 30, 2025
ASSETS:		
Cash and cash equivalents	$ 2,410,062	$ 1,792,086
Grants receivable	249,102	339,750
Prepaid expenses and other assets	132,387	98,860
Operating leases–right-of-use assets	76,819	48,844
Furniture and equipment-net	102,827	157,013
Total Assets	$ 2,971,197	$ 2,436,553
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	$ 69,570	$ 57,983
Accrued expenses	22,158	37,155
Operating lease obligations	76,819	48,844
Total liabilities	168,547	143,982
Net Assets:		
Without donor restrictions	2,088,033	1,811,877
With donor restrictions	714,617	480,694
Total net assets	2,802,650	2,292,571
Total Liabilities and Net Assets	$ 2,971,197	$ 2,436,553

See notes to financial statements

HOPE WALKS, INC.

Statements of Activities

	Year Ended June 30,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions and grants	$ 1,797,098	$ 3,574,112	$ 5,371,210	$ 1,623,765	$ 2,791,195	$ 4,414,960
Donated medical services and clinic space	142,658	-	142,658	159,247	-	159,247
Other income	83,225	-	83,225	122,498	-	122,498
Total Support and Revenue	2,022,981	3,574,112	5,597,093	1,905,510	2,791,195	4,696,705
NET ASSETS RELEASED:						
Purpose and time restrictions	3,340,189	(3,340,189)	-	2,631,109	(2,631,109)	-
EXPENSES:						
Program activities	4,067,005	-	4,067,005	3,397,998	-	3,397,998
Supporting activities:						
Fundraising	737,493	-	737,493	740,679	-	740,679
General and administrative	282,516	-	282,516	240,205	-	240,205
	1,020,009	-	1,020,009	980,884	-	980,884
Total Expenses	5,087,014	-	5,087,014	4,378,882	-	4,378,882
Change in Net Assets	276,156	233,923	510,079	157,737	160,086	317,823
Net Assets, Beginning of Year	1,811,877	480,694	2,292,571	1,654,140	320,608	1,974,748
Net Assets, End of Year	$ 2,088,033	$ 714,617	$ 2,802,650	$ 1,811,877	$ 480,694	$ 2,292,571

See notes to financial statements

HOPE WALKS, INC.

Statement of Functional Expenses

Year ended June 30, 2026

	Program Activities	Supporting Activities: Fundraising	Supporting Activities: General and Administrative	Total
Personnel and labor	$ 1,190,008	$ 453,933	$ 71,933	$ 1,715,874
Medical partner grants	1,585,399	-	-	1,585,399
Activities and materials	495,876	538	-	496,414
Travel	201,416	48,983	474	250,873
Occupancy and depreciation	198,046	-	19,862	217,908
Marketing and advancement	18,027	172,327	-	190,354
Training	145,580	6,806	10,712	163,098
Information technology	112,430	31,244	12,650	156,324
Professional services	23,153	6,187	122,355	151,695
Office expense	75,089	8,078	7,091	90,258
Other	21,981	9,397	37,439	68,817
Total expenses	$ 4,067,005	$ 737,493	$ 282,516	$ 5,087,014

See notes to financial statements

HOPE WALKS, INC.

Statement of Functional Expenses

Year ended June 30, 2025

	Program Activities	Supporting Activities: Fundraising	Supporting Activities: General and Administrative	Total
Personnel and labor	$ 1,100,753	$ 443,516	$ 63,764	$ 1,608,033
Medical partner grants	1,310,721	-	-	1,310,721
Activities and materials	366,792	66	-	366,858
Travel	163,029	42,856	3,770	209,655
Occupancy and depreciation	182,154	-	19,925	202,079
Marketing and advancement	15,129	190,329	-	205,458
Training	90,805	2,270	10,948	104,023
Information technology	53,493	37,861	8,585	99,939
Professional services	26,310	8,764	87,475	122,549
Office expense	66,824	6,766	5,494	79,084
Other	21,988	8,251	40,244	70,483
Total expenses	$ 3,397,998	$ 740,679	$ 240,205	$ 4,378,882

See notes to financial statements

HOPE WALKS, INC.

Statements of Cash Flows

	Year Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 510,079	$ 317,823
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	64,109	64,457
Change in operating assets and liabilities:		
Grants receivable	90,648	(259,750)
Prepaid expenses and other assets	(33,527)	(45,097)
Accounts payable	11,587	(8,039)
Accrued expenses	(14,997)	(14,363)
Net Cash Provided by Operating Activities	627,899	55,031
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(9,923)	(86,598)
Net Cash Used by Investing Activities	(9,923)	(86,598)
Change in Cash and Cash Equivalents	617,976	(31,567)
Cash and Cash Equivalents, Beginning of Year	1,792,086	1,823,653
Cash and Cash Equivalents, End of Year	$ 2,410,062	$ 1,792,086
SUPPLEMENTAL DISCLOSURE:		
Right-of-use assets obtained in exchange for operating lease obligations	$ 96,586	$ -

See notes to financial statements

HOPE WALKS, INC.

Notes to Financial Statements

June 30, 2026 and 2025

1. NATURE OF ORGANIZATION:

Hope Walks, Inc. (HWI) started operations in May 2019 and is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law(s). Hope Walks, Inc. is not a private foundation under Section 509(a) of the Internal Revenue Code.

Clubfoot needlessly disables thousands of children every year even though there is a cost-effective and relatively simple treatment available. HWI frees children and families from the physical, emotional, and economic burden of clubfoot. Our vision is hope for every child and family to walk free from clubfoot and encounter the love of Christ as we believe that God loves and values all His children, and that through this ministry God will be glorified.

HWI builds clubfoot treatment programs within the national healthcare systems by forming a network of partnerships to train and equip local healthcare providers and provide dedicated parent support and education. Building capacity for excellent clubfoot care within national healthcare systems requires a multi-faceted strategy to overcome the many barriers to effective implementation in developing countries. HWI's strategy includes education and mentoring in the best-practice Ponseti method, equipping facilities with resources, raising awareness, providing dedicated parent support, and community outreach. In this context, partnerships and local leadership are foundational for success. It is HWI's desire to welcome families and patients regardless of gender, race, religion, tribe, and economic status and provide compassionate, excellent clubfoot treatment. These actions build trust and develop relationships. Through quality treatment and compassionate care, we make freedom from clubfoot a reality.

HWI currently supports clubfoot treatment programs in over 220 partner clubfoot clinics across Burkina Faso, Burundi, Democratic Republic of the Congo, Dominican Republic, Ethiopia, Ghana, Haiti, Honduras, Kenya, Malawi, Mozambique, Niger, Rwanda, Zambia, and India. All of these partners, except for those in Ethiopia, Niger, and Rwanda, do not meet the consolidation requirements within accounting principles generally accepted in the United States of America; therefore, the balances and activities of these partner ministries are not included within the financial statements. The activities in Ethiopia, Niger, and Rwanda are conducted as field offices of HWI and are reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES:

HWI maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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 and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for uncollectible grants receivable, depreciation of property and equipment, functional allocation of expenses, valuation of right-of-use assets and lease liabilities, and the valuation of donated medical services and clinic space. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held in checking and savings accounts, cash on hand, and money market funds. As of June 30, 2026 and 2025, cash on deposit with financial institutions exceeded federally insured limits by approximately $13,000 and $111,000, respectively.

GRANTS RECEIVABLE

Grants receivable represent amounts due to HWI that have not been received from granting organizations as of year end. Management expects to receive the full amount of the receivables; therefore, no allowance for uncollectible amounts has been recorded.

HWI has not recorded a present value discount on grants receivable due to any discount being immaterial to the financial statements, and grants receivable are expected to be realized in the following periods:

	June 30, 2026	June 30, 2025
To be collected within 1 year	$ 249,102	$ 234,750
To be collected in 1 to 5 years	-	105,000
	$ 249,102	$ 339,750

During the year ended June 30, 2025, HWI was awarded a conditional grant of approximately $366,000. As of June 30, 2026 and 2025, approximately $167,000 and $73,000, respectively, had been received and recognized as contributions and grants revenue due to qualifiying expenses being incurred. The remaining portion of the grant (approximately $126,000, as of June 30, 2026) will be recognized as revenue when the conditions have been met via qualified spending.

CONDITIONAL GRANT EXPENSES

During the years ended June 30, 2026 and 2025, HWI entered into conditional grant expense agreements in the amounts of $97,218 and $56,375, respectively. These agreements were signed and funded as of June 30, 2026 and 2025, and are included in prepaid expenses and other assets on the statements of financial position as of June 30, 2026 and 2025 until the conditions are met.

OPERATING LEASES–RIGHT-OF-USE ASSETS AND OBLIGATIONS

Some of HWI's contracts contain the right to control the use of property or assets and are therefore considered leases. HWI records right-of-use assets and obligations on the statements of financial position for the rights and obligations created by leases with initial terms of more than twelve months. The additional lease disclosures can be found in Note 4.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FURNITURE AND EQUIPMENT–NET

Furniture and equipment is recorded at cost if purchased and includes improvements that significantly add to utility or extend useful lives. Costs of maintenance and repairs are charged to expense as incurred. Depreciation is recorded using the straight-line method over the estimated useful lives, which range from three to five years. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in support and revenue for the period. Purchases in excess of $1,000 are capitalized, with lesser amounts expensed when incurred.

NET ASSETS

The financial statements report amounts separately by class of net assets as follows:

Net assets without donor restrictions are those resources currently available for use at the discretion of the board of directors in HWI's operations.

Net assets with donor restrictions are those contributions restricted by donors for various ministry projects and programs.

SUPPORT, REVENUE, AND EXPENSES

Contributions and grants are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions and grants are considered available for use without donor restrictions unless specifically restricted by the donor.

Donated medical services and clinic space consist of donated services, supplies, and use of facilities. Donated services are recorded at the estimated fair values of the services received. Contributed supplies are recorded at estimated fair value at the date of donation. The contributed use of facilities is recorded at estimated fair value based on rental rates of comparable facilities in the area. These non-financial asset contributions are received without any donor restrictions and are primarily utilized in HWI's program activities.

Other income is recorded when earned, and consists primarily of interest income and net gains from foreign currency translation. Expenses are recorded when incurred in accordance with accrual basis of accounting.

FUNCTIONAL ALLOCATION OF EXPENSES

The statements of functional expenses and statements of activities present expenses by functional classification that are attributable to one or more program or supporting functions. Accordingly, certain costs, such as personnel and development, have been allocated among the program services and supporting activities benefited based on time and effort.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects HWI's financial assets, 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.

	June 30, 2026	June 30, 2025
Financial assets:		
Cash and cash equivalents	$ 2,410,062	$ 1,792,086
Grants receivable	249,102	339,750
	2,659,164	2,131,836
Less those unavailable for general expenditures within one year, due to:		
Donor restricted funds not expected to be used within one year	(67,690)	-
Grants receivable to be collected in more than one year	-	(105,000)
	$ 2,591,474	$ 2,026,836

HWI had $646,927 and $375,694 of net assets with donor restrictions available for general expenditure within one year of June 30, 2026 and 2025, respectively, as the restrictions are expected to be met by conducting the normal activities of HWI in the coming year. HWI structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. OPERATING LEASES–RIGHT-OF-USE ASSETS AND OBLIGATIONS:

HWI leases office space under various noncancelable operating leases expiring at various dates through June 2028. The discount rates used represent the risk-free discount rates using a period comparable with that of the individual lease terms. Monthly payments under these leases total approximately $4,100 with discount rates ranging from 3.56% - 4.05%.

	June 30, 2026	June 30, 2025
Operating lease–right-of-use assets	$ 76,819	$ 48,844
Operating lease obligations	$ 76,819	$ 48,844
Operating lease costs	$ 78,914	$ 65,208
Cash paid for leases	$ 78,914	$ 65,208
Weighted-average discount rate	3.61%	3.78%
Weighted-average remaining lease term	1.85 years	1.04 years

4. OPERATING LEASES–RIGHT-OF-USE ASSETS AND OBLIGATIONS, continued:
Future minimum lease payments required under operating leases that have an initial non-cancelable lease term in excess of one year are as follows:

Year Ending June 30,	
2027	$ 45,179
2028	34,860
	80,039
Less imputed interest	(3,220)
	$ 76,819

5. FURNITURE AND EQUIPMENT–NET:
Furniture and equipment–net consists of:

	June 30, 2026	June 30, 2025
Furniture and equipment	$ 80,921	$ 70,998
Vehicles and machinery	192,934	192,934
Program IT	152,199	152,199
	426,054	416,131
Less accumulated depreciation and amortization	(323,227)	(259,118)
	$ 102,827	$ 157,013

Depreciation expense of $64,109 and $64,457 has been recorded for the years ended June 30, 2026 and 2025, respectively.

6. DONATED MEDICAL SERVICES AND CLINIC SPACE:
Donated medical services and clinic space consist of:

	Year Ended June 30, 2026	Year Ended June 30, 2025
Donated medical services	$ 92,981	$ 105,822
Contributed clinic space, office rent, and other	49,677	53,425
	$ 142,658	$ 159,247

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	June 30, 2026	June 30, 2025
Time restricted	$ 249,102	$ 339,750
India	238,402	-
Hope Walks Global Programs	146,825	11,745
Ethiopia	61,096	72,639
Other Africa Programs	19,192	1,010
Dominican Republic	-	34,352
Niger	-	21,198
	$ 714,617	$ 480,694

In connection with its foreign projects, HWI maintains programs and supporting facilities and services in various countries outside the United States. For the years ended June 30, 2026 and 2025, assets in other countries totaled approximately $103,000 and $157,000, respectively. The account balances relating to foreign operations are reflected in the financial statements in U.S. Dollars.

8. RELATED PARTY TRANSACTIONS:

Contributions received from board members, including gifts from donor advised funds that were directed by board members, totaled $193,098 and $158,452, during the years ended June 30, 2026 and 2025, respectively.

9. CONCENTRATIONS:

During the years ended June 30, 2026 and 2025, the top five donors gave $2,717,288 and $1,974,500, respectively, to HWI. This represents approximately 51% and 45% of HWI's contributions and grants revenue during the years ended June 30, 2026 and 2025, respectively.

10. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through November 5, 2026, which represents the date the financial statements were available to be issued, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.