

HANOVER CHARITIES USA, INC.

*Financial Statements as of and for the
Years Ended October 31, 2024 and 2023
and Independent Auditors' Report*

HANOVER CHARITIES USA, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Hanover Charities USA, Inc.
St. Helena Island, South Carolina

Opinion

We have audited the accompanying financial statements of Hanover Charities USA, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—cash basis as of October 31, 2024 and 2023, and the related statements of support, revenue, and expenses—cash basis 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 assets, liabilities, and net assets of Hanover Charities USA, Inc. as of October 31, 2024 and 2023, and its support, revenue, and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 2.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hanover Charities USA, 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.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

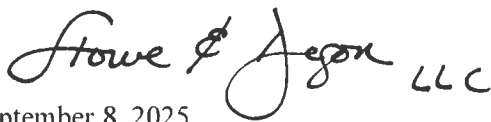
Auditors' Responsibilities for the Audit of the Financial Statements

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 Hanover Charities USA, 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 Hanover Charities USA, 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.

 Stowe & Degon LLC

September 8, 2025

HANOVER CHARITIES USA, INC.

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS OCTOBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ <u>20,367</u>	\$ <u>164,249</u>
Total Assets	\$ <u>20,367</u>	\$ <u>164,249</u>
NET ASSETS		
Without donor restrictions	\$ <u>20,367</u>	\$ <u>164,249</u>
Total Net Assets	\$ <u>20,367</u>	\$ <u>164,249</u>

See independent auditors' report and notes to financial statements.

HANOVER CHARITIES USA, INC.

STATEMENTS OF SUPPORT, REVENUE, AND EXPENSES - CASH BASIS FOR THE YEARS ENDED OCTOBER 31, 2024 AND 2023

	2024	2023
SUPPORT AND REVENUE:		
Donations received	\$ 1,012,353	\$ 813,722
Interest income	86	60
Total support and revenue	<u>1,012,439</u>	<u>813,782</u>
EXPENSES:		
Program:		
Donations to Associated Hanover Charities, Ltd.	885,000	453,724
Donations to others	207,796	142,291
Program expenses	-	10,368
Total program expenses	<u>1,092,796</u>	<u>606,383</u>
Supporting activities:		
Management and general:		
Professional fees	13,000	25,100
Office/general administrative expense	585	5,785
Miscellaneous expense	4,975	3,301
Total management and general	<u>18,560</u>	<u>34,186</u>
Fundraising:		
Charity events	<u>44,965</u>	<u>33,573</u>
Total expenses	<u>1,156,321</u>	<u>674,142</u>
Change in Net Assets	(143,882)	139,640
NET ASSETS - BEGINNING - without donor restrictions	<u>164,249</u>	<u>24,609</u>
NET ASSETS - ENDING - without donor restrictions	<u>\$ 20,367</u>	<u>\$ 164,249</u>

See independent auditors' report and notes to financial statements.

HANOVER CHARITIES USA, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED OCTOBER 31, 2024 AND 2023

1. ORGANIZATION

Hanover Charities USA, Inc. (the Organization) is a nonprofit organization whose mission is to improve the health, welfare, and education of the people in Hanover Parish, Jamaica. The Organization supports programs to provide health services including improvements to facilities, clinics, and institutions, programs to feed school children, elderly, and the indigent, and programs to promote positive values and education for children.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The Organization’s policy is to prepare its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (US GAAP). The principal differences between the cash basis of accounting and generally accepted accounting principles are recognition of contributions when received rather than when earned and expenses when paid rather than when incurred.

Basis of presentation – The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the original contributed funds to be maintained in perpetuity. The Organization did not have any net assets with donor restrictions at October 31, 2024 or 2023.

Donor restricted contributions which restrictions are met during the year are recorded as without donor restricted contributions.

Functional expenses – All expenses relate to the mission to improve the health, welfare, and education of the people in Hanover Parish, Jamaica. Therefore, all expenses are part of one program. Additionally, the Organization, which has no paid employees, is managed entirely by volunteers.

Cash and cash equivalents – Cash and cash equivalents are comprised of cash on hand and other short-term highly liquid investments that are readily convertible into known amounts of cash. The Organization maintains its cash in two bank deposit accounts that, at times, may exceed federally insured limits; however, the Organization has not experienced, nor does it anticipate, any losses in such accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes – The Organization is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income taxes. Donors may deduct contributions made to the Organization within the Internal Revenue Code requirements. The Organization is subject to audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for the years prior to 2021.

Donated services – The Organization also receives support from many individuals who contribute their time, without charge, to enable the Organization to accomplish its purpose. These services are not reflected in the accompanying statements of support, revenue, and expenses – cash basis because they do not meet the necessary criteria for recognition under the cash basis of accounting.

Subsequent events – The Organization has evaluated all subsequent events through September 8, 2025, the date the financial statements were available to be issued.

3. RELATED PARTY

The Organization shares board members and mission with Associated Hanover Charities, Ltd. (AHC), a nonprofit organization in Jamaica. The Organization transfers funds to AHC to support many programs throughout the Hanover Parish, Jamaica. A total of \$885,000 and \$453,724 was transferred to AHC in 2024 and 2023, respectively.
