

# **HOPE *worldwide*, Ltd. and affiliate**

Consolidated Financial Statements  
Years Ended December 31, 2021 and 2020



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
HOPE *worldwide*, Ltd.

### ***Opinion***

We have audited the accompanying consolidated financial statements of HOPE *worldwide*, Ltd. and affiliate, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of HOPE *worldwide*, Ltd. and affiliate as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### ***Basis for Opinion***

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 *worldwide*, Ltd. and affiliate 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 the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HOPE *worldwide*, Ltd. and affiliate's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 *worldwide*, Ltd. and affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HOPE *worldwide*, Ltd. and affiliate'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.

#### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidating Statements of Financial Position and Activities is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Philadelphia, Pennsylvania**  
**June 24, 2022**

**HOPE worldwide, Ltd. and affiliate****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****December 31, 2021 and 2020**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 4,054,982	\$ 6,022,593
Accounts receivable, net	72,143	136,105
Inventory	-	346,151
Advances	6,447	193,053
Prepaid expenses and other current assets	<u>232,337</u>	<u>252,069</u>
<b>Total current assets</b>	<u><b>4,365,909</b></u>	<u><b>6,949,971</b></u>
<b>NONCURRENT ASSETS</b>		
Investments	<u>1,640,669</u>	<u>1,374,131</u>
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	126,061	1,322,993
Leasehold improvements	<u>176,201</u>	<u>312,935</u>
	302,262	1,635,928
Less accumulated depreciation and amortization	<u>17,095</u>	<u>1,160,887</u>
<b>Net property and equipment</b>	<u><b>285,167</b></u>	<u><b>475,041</b></u>
	<u><b>\$ 6,291,745</b></u>	<u><b>\$ 8,799,143</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 153,415	\$ 368,344
Accrued expenses and other current liabilities	81,694	111,896
Refundable advances	<u>43,200</u>	<u>337,655</u>
<b>Total current liabilities</b>	<u><b>278,309</b></u>	<u><b>817,895</b></u>
<b>OTHER LIABILITIES</b>		
Deferred rent	<u>6,741</u>	<u>6,741</u>
<b>Total liabilities</b>	<u><b>285,050</b></u>	<u><b>824,636</b></u>
<b>NET ASSETS</b>		
Without donor restrictions	1,450,456	3,759,602
With donor restrictions	<u>4,556,239</u>	<u>4,214,905</u>
<b>Total net assets</b>	<u><b>6,006,695</b></u>	<u><b>7,974,507</b></u>
	<u><b>\$ 6,291,745</b></u>	<u><b>\$ 8,799,143</b></u>

**See accompanying notes**

**HOPE worldwide, Ltd. and affiliate**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

**Years ended December 31, 2021 and 2020**

	<b>2021</b>			<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and revenues						
Contributions	\$ 2,677,111	\$ 4,443,785	\$ 7,120,896	\$ 2,592,161	\$ 4,998,750	\$ 7,590,911
In-kind contributions	96,397	6,391,428	6,487,825	99,750	5,108,716	5,208,466
Grants and other	470,064	227,596	697,660	107,273	650,897	758,170
Medical services	617,813	-	617,813	6,980,189	-	6,980,189
Other revenue	185,730	-	185,730	262,372	1,081	263,453
Investment income, net	31,514	235,364	266,878	20,031	127,665	147,696
Unrealized gain on exchange rate	1,650	-	1,650	1,964	-	1,964
<b>Total support and revenue</b>	<b>4,080,279</b>	<b>11,298,173</b>	<b>15,378,452</b>	<b>10,063,740</b>	<b>10,887,109</b>	<b>20,950,849</b>
Net assets released from restrictions	10,956,839	(10,956,839)	-	10,646,521	(10,646,521)	-
	<u>15,037,118</u>	<u>341,334</u>	<u>15,378,452</u>	<u>20,710,261</u>	<u>240,588</u>	<u>20,950,849</u>
Expenses						
U.S. programs	1,478,895	-	1,478,895	1,934,621	-	1,934,621
Non-U.S. programs	10,897,054	-	10,897,054	14,279,772	-	14,279,772
Management and general	2,842,079	-	2,842,079	2,374,713	-	2,374,713
Fundraising	848,356	-	848,356	672,141	-	672,141
<b>Total expenses</b>	<b>16,066,384</b>	<b>-</b>	<b>16,066,384</b>	<b>19,261,247</b>	<b>-</b>	<b>19,261,247</b>
<b>Change in net assets before other changes</b>	<b>(1,029,266)</b>	<b>341,334</b>	<b>(687,932)</b>	<b>1,449,014</b>	<b>240,588</b>	<b>1,689,602</b>
<b>OTHER CHANGES</b>						
Discontinued operations contribution	(1,279,880)	-	(1,279,880)	-	-	-
Loan forgiveness	-	-	-	722,437	-	722,437
<b>CHANGE IN NET ASSETS</b>	<b>(2,309,146)</b>	<b>341,334</b>	<b>(1,967,812)</b>	<b>2,171,451</b>	<b>240,588</b>	<b>2,412,039</b>
<b>NET ASSETS</b>						
Beginning of year	3,759,602	4,214,905	7,974,507	1,588,151	3,974,317	5,562,468
<b>End of year</b>	<b>\$ 1,450,456</b>	<b>\$ 4,556,239</b>	<b>\$ 6,006,695</b>	<b>\$ 3,759,602</b>	<b>\$ 4,214,905</b>	<b>\$ 7,974,507</b>

**See accompanying notes**

**HOPE worldwide, Ltd. and affiliate**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2021**

	Program (U.S. and Non - U.S.)					Management and General	Fundraising	Total
	Community Services	International Services	Education & Development	Disaster Response	Health			
Salaries, benefits and payroll taxes	\$ 340,121	\$ 271,821	\$ 202,485	\$ 232,737	\$ 375,109	\$ 1,933,008	\$ 509,490	\$ 3,864,771
Advertising and promotion	14,870	485	474	779	-	39,435	46,516	102,559
Bad debt	-	-	-	-	-	10	-	10
Conferences/seminars	453	-	-	-	-	13,708	3,411	17,572
Credit card processing and other service charges	8,503	10,044	10,635	19,913	2,640	34,627	6,014	92,376
Depreciation	2,619	-	-	-	8,597	3,223	-	14,439
Dues and subscriptions	85	-	-	7,915	945	15,653	3,389	27,987
Foreign taxes	-	-	-	-	-	-	-	-
Meetings and facilities	9,787	175	39	56	610	27,950	2,303	40,920
Insurance	854	7,665	-	-	607	139,228	859	149,213
Office equipment	22,578	11,781	1,462	6,692	5,817	144,656	17,465	210,451
Office supplies	1,410	-	-	600	3,328	22,349	1,081	28,768
Professional/legal fees	52,398	340,196	3,014	59,328	616,408	223,620	85,343	1,380,307
Program expenses	557,395	53,355	353,787	1,668,689	6,873,424	5,593	19,672	9,531,915
Rent	21,785	-	-	-	18,440	89,304	-	129,529
Special events	-	-	-	-	-	-	126,115	126,115
Shipping/postage	6,015	200	138	5,555	2,668	8,933	2,657	26,166
Telephone and internet	9,300	5,300	3,092	3,963	2,888	37,527	9,016	71,086
Travel	69,815	30,252	5,079	9,721	11,980	98,991	15,025	240,863
Utilities	125	-	-	-	6,948	4,264	-	11,337
	<u>\$ 1,118,113</u>	<u>\$ 731,274</u>	<u>\$ 580,205</u>	<u>\$ 2,015,948</u>	<u>\$ 7,930,409</u>	<u>\$ 2,842,079</u>	<u>\$ 848,356</u>	<u>\$ 16,066,384</u>

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**HOPE worldwide, Ltd. and affiliate**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2020**

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	<b>Program (U.S. and Non - U.S.)</b>					<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
	<b>Community Services</b>	<b>International Services</b>	<b>Education &amp; Development</b>	<b>Disaster Response</b>	<b>Health</b>			
Salaries, benefits and payroll taxes	\$ 335,615	\$ 309,532	\$ 191,824	\$ 570,907	\$ 1,992,734	\$ 1,556,931	\$ 455,681	\$ 5,413,224
Advertising and promotion	17,202	250	1,072	3,524	977	47,966	30,946	101,937
Bad debt	-	-	-	-	-	2,694	-	2,694
Conferences/seminars	611	425	7,479	277	296	8,475	708	18,271
Credit card processing and other service charges	5,374	4,746	-	36,811	14,244	27,885	5,464	94,524
Depreciation	2,371	-	-	-	135,057	-	-	137,428
Dues and subscriptions	-	85	-	7,865	5,369	16,538	2,732	32,589
Foreign taxes	-	-	-	-	1,189	-	-	1,189
Meetings and facilities	6,486	420	-	2,799	20,469	14,420	-	44,594
Insurance	-	17,612	-	-	5,715	100,829	859	125,015
Office equipment	16,255	10,556	1,679	9,968	57,423	105,231	21,854	222,966
Office supplies	875	305	-	391	68,137	16,450	133	86,291
Professional/legal fees	43,739	159,333	4,836	158,791	807,528	247,480	59,798	1,481,505
Program expenses	256,364	31,967	175,839	2,165,425	8,066,835	11,950	6,750	10,715,130
Rent	25,061	-	-	-	213,567	115,420	-	354,048
Special events	8,749	-	-	-	-	-	70,495	79,244
Shipping/postage	401	-	27	2,911	2,179	4,195	2,594	12,307
Telephone and internet	7,849	5,024	1,899	10,348	17,005	28,415	5,979	76,519
Travel	13,640	17,168	934	30,809	14,376	44,867	8,148	129,942
Utilities	299	-	-	-	106,564	24,967	-	131,830
	<u>\$ 740,891</u>	<u>\$ 557,423</u>	<u>\$ 385,589</u>	<u>\$ 3,000,826</u>	<u>\$ 11,529,664</u>	<u>\$ 2,374,713</u>	<u>\$ 672,141</u>	<u>\$ 19,261,247</u>



# HOPE worldwide, Ltd. and affiliate

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ (1,967,812)	\$ 2,412,039
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Bad debt expense	10	2,694
Depreciation	14,439	137,428
Realized and unrealized gain on investments	(266,495)	(144,317)
Contributions and investment income received for long-term purposes	(61,606)	(16,113)
Reorganization contribution	1,279,880	-
(Increase) decrease in		
Accounts receivable	(15,111)	457,532
Inventory	22,982	(143,859)
Advances	185,334	(175,252)
Prepaid expenses and other current assets	(132,251)	15,628
Increase (decrease) in		
Accounts payable	310,591	(417,416)
Accrued expenses and other current liabilities	(145)	(71,770)
Refundable advances	(258,726)	280,164
Security deposits held	-	(16,962)
Deferred rent	-	(4,373)
<b>Net cash provided by (used for) operating activities before reorganization items</b>	(888,910)	2,315,423
<b>Cash effect of discontinued operations contribution</b>	(816,494)	-
<b>Net cash provided by (used for) operating activities</b>	<u>(1,705,404)</u>	<u>2,315,423</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(324,153)	(179,339)
Proceeds from sales of investments	240,706	189,785
Purchases of investments	(240,366)	(190,978)
<b>Net cash provided by (used for) investing activities</b>	<u>(323,813)</u>	<u>(180,532)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions and investment income received for long-term purposes	61,606	16,113
Proceeds (repayments) on line-of-credit, net	-	-
<b>Net cash provided by (used for) financing activities</b>	<u>61,606</u>	<u>16,113</u>
<b>Net change in cash</b>	(1,967,611)	2,151,004
<b>CASH</b>		
Beginning of year	<u>6,022,593</u>	<u>3,871,589</u>
<b>End of year</b>	<u>\$ 4,054,982</u>	<u>\$ 6,022,593</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid	<u>\$ 1,525</u>	<u>\$ 61</u>

Noncash items for years ended 2021 and 2020 include approximately \$6.5 million and \$5.2 million of donated medical supplies.

See accompanying notes

## HOPE *worldwide*, Ltd. and affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

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#### (1) DESCRIPTION OF ORGANIZATION

HOPE *worldwide*, Ltd. (the "**Organization**") is a not-for-profit, faith-based charity founded in 1991 by the International Churches of Christ dedicated to developing, managing, and funding programs domestically and internationally to help the poor and needy. Funding is provided by corporate grants, federal, state and local government grants, contributions from churches, individuals, volunteer fundraisers and from medical service fees. The Organization's mission is to change lives by empowering the compassion and commitment of dedicated staff and volunteers to deliver sustainable, high-impact, community-based services to the poor and needy. Through its employees and global pool of volunteers on six inhabited continents, the Organization serves more than two million needy people annually. The Organization is a recognized nongovernmental organization in special consultative status with the Economic and Social Council of the United Nations and is a registered private voluntary organization with the United States Agency for International Development ("**USAID**").

HOPE *worldwide*, Massachusetts, Inc. (the "**HOPEMA**") is a not-for-profit, faith-based charity founded by members of the International Churches of Christ in Boston, Massachusetts dedicated to changing lives through compassion and commitment of dedicated volunteers to serve local communities and abroad. Funding is provided by corporate grants, contributions from individuals and fundraisers.

#### (2) SIGNIFICANT ACCOUNTING POLICIES

##### Principles of Consolidation

U.S. generally accepted accounting principles ("**GAAP**") require a nonprofit organization to consolidate the financial statements of affiliated nonprofit organizations when it has (a) certain kinds of control and (b) other kinds of control coupled with an economic interest.

The accompanying consolidated financial statements include the accounts of HOPE *worldwide, Ltd.* and HOPE *worldwide* Massachusetts, Inc. HOPE *worldwide* Massachusetts, Inc. is an affiliate of HOPE *worldwide*, Ltd. which approves or disapproves of all Directors appointed to HOPE *worldwide* Massachusetts, Inc.'s Board of Directors. Intercompany transactions have been eliminated in consolidation. The entities are referred to collectively as the Agency.

##### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

##### Basis of Presentation

The Agency reports information regarding its financial position and activities according to the following classes of net assets:

##### ***Without donor restrictions***

Net assets that are not subject to donor-imposed restrictions.

##### ***With donor restrictions***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Agency and/or the passage of time. When a 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.***"

## HOPE worldwide, Ltd. and affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

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Also included in this category are net assets that are subject to donor-imposed restrictions that require the net assets be maintained indefinitely while permitting the Agency to spend the income generated in accordance with the provisions of the contributions.

#### **Estimates**

The presentation of financial statements in conformity with U.S. generally accepted accounting principles ("**GAAP**") 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Inventory**

Purchased inventory is stated at the lower of cost or market, using the first-in, first-out (FIFO) method for determining cost. Donated inventory is valued at wholesale acquisition cost, which approximates fair-value, as determined on the date of donation.

#### **Investments**

Investments are recorded in the statements of financial position at fair value, as determined based on quoted market prices. Cash equivalents classified as investments are short-term, highly liquid investments with original maturities of three months or more. Realized and unrealized gains and losses are included in the statements of activities.

The Agency invests in a professionally-managed portfolio that contains various types of securities (**See Note 6**). Such investments are exposed to market and credit risks. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect the investment balances and the amounts reported in the financial statements.

#### **Fair Value Measurements of Assets and Liabilities**

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Agency. Unobservable inputs reflect the Agency's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations based on quoted prices in active markets for identical assets or liabilities that the Agency has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable, that is, inputs that reflect the Agency's own assumptions.

## **HOPE worldwide, Ltd. and affiliate**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2021 and 2020**

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#### **Property and Equipment and Depreciation**

Property and equipment are stated at cost, if purchased, and are depreciated over their estimated useful lives, generally 3 to 10 years, using the straight-line method. Donated property and equipment are recorded at estimated fair value when received. Expenditures in excess of \$5,000 are capitalized, and repairs and maintenance are expensed as incurred. When assets are disposed of, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss from such disposition is included in the change in net assets without donor restriction. The Agency's policy is to report gifts of buildings and equipment as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used.

Depreciation for the years ended December 31, 2021 and 2020 was \$14,439 and \$137,428, respectively.

#### **Revenue Recognition**

Contributions and grants received are recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions and grants whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

Unconditional contributions and grants are recognized as revenue when the related promise to give is received. Conditional contributions and grants – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Agency holds special fundraising events throughout the year. The Agency records special events revenue equal to the fair value of direct benefits to donors and contribution income for the excess received when the event takes place.

The Agency recognizes revenue from medical services when the services are provided to the patients. Generally, patients are billed at the time that the service takes place and the majority of payments are received in the form of cash. Performance obligations are determined based on the nature of the services provided. The Agency recognizes revenue for performance obligations satisfied over time based on actual charges incurred in relation to total expected charges. Generally, performance obligations satisfied over time relate to patients receiving inpatient care. The Agency measures performance obligations from admission to the point when there are no further services required for the patient, which is generally the time of discharge. The Agency recognizes revenues for performance obligations satisfied at a point in time, which generally relate to patients receiving outpatient services when: (1) the services are provided; and (2) when it is believed the patient does not require additional services.

A portion of the Agency's revenue is derived from cost-reimbursement grants which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Agency received advance payments of \$43,200 and \$337,655 that have not been recognized at December 31, 2021 and 2020 because qualifying expenditures have not yet been incurred and are included in the statements of financial position as a refundable advance.

#### **Accounts Receivable**

Accounts receivable are periodically reviewed by management for collectability. Bad debts are provided for on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. Accounts are written off when they are deemed uncollectible. Allowances for doubtful accounts were \$-0- and \$11,462 as of December 31, 2021 and 2020, respectively.

## HOPE worldwide, Ltd. and affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

#### Advances

Advances represent Agency funds sent to grant subrecipients where the measurable performances and barriers of those grants have not been fulfilled by the subrecipients as of December 31, 2021 and 2020.

#### In-Kind Gifts and Contributed Services

The Agency receives in-kind gifts primarily consisting of medical supplies and equipment for use in the Agency's medical programs. Gifts of donated supplies with explicit restrictions that specify how or where the assets are to be used are reported as contributions with donor restrictions. The Sihanouk Hospital Corporation is the largest individual recipient of in-kind gifts (**See Note 3**). The value of in-kind contributions is recorded at the wholesale acquisition cost ("**WAC**"), which approximates the exit price. The Agency has determined the WAC is the most appropriate estimate of fair value for its donated medicines and medical supplies. The WAC is estimated by using the wholesale value provided by the donor, published industry information such as Thompson Reuter's "RedBook", or other publicly available pricing sources.

If the Agency receives contributed services that require specialized skills, are provided by individuals possessing those skills, and would typically be purchased by the Agency if they had not been provided by donation, the value of these services is included in the financial statements. However, more than 9,200 volunteers, including the members of the Board of Directors, have made significant contributions of time to the Agency's policy-making, program and support functions. These contributed services do not meet the above criteria for recognition of contributed services and, accordingly, are not included in the accompanying financial statements. Key executives of the Agency periodically provide business advisory services to member organizations, the value of which is de minimus and has not been reflected in these financial statements.

In-kind contributions were distributed as follows as of December 31,:

	<u>2021</u>	<u>2020</u>
Cambodia	\$4,819,423	\$1,971,061
Cote d'Ivoire	1,169,634	2,985,836
Lebanon	62,393	
Mexico	-	29,815
Papua New Guinea	8,280	-
St. Vincent	128,698	-
United States	299,397	221,754
	<u>\$6,487,825</u>	<u>\$5,208,466</u>

The Agency records contributed services that create or enhance nonfinancial assets and that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services are included as support in the accompanying statements of activities at their estimated values at the time received.

The Agency also receives significant amounts of time from individuals who perform various functions for the Agency without compensation. The financial statements do not reflect the value of these contributed services since the services do not meet the criteria for recognition.

#### Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

## HOPE *worldwide*, Ltd. and affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

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The financial statements have certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include administrative and executive salaries and wages (and related benefits and payroll taxes), insurance, professional fees, and office supplies, which are allocated on the basis of estimates of time and effort.

#### **Income Tax Status**

The Agency is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. HOPEMA is included under a group exemption. Accordingly, no provision for income taxes is made in the accompanying financial statements.

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain tax positions. GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in the financial statements. The Agency believes that it had no uncertain tax positions as defined in the standard.

#### **Concentration of Credit Risk**

Financial instruments which subject The Agency to concentrations of credit risk are cash and accounts receivable. The Agency maintains its cash at high quality financial institutions. At times, such deposits may exceed federally-insured limits. Accounts receivable are expected to be collected in 2022. One organization accounted for approximately 65% of accounts receivable as of December 31, 2021 and a different organization account for approximately 26% of accounts receivable as of December 31, 2020.

#### **Reclassification**

Certain amounts have been reclassified in the 2020 financial statements to confirm with the 2021 presentation.

### **(3) MEMBERSHIP AGREEMENTS**

The Agency has entered into membership agreements with organizations around the world that have a similar mission and purpose as the Agency. These members use the HOPE *worldwide* brand name, however, they are not related to the Agency and the Agency does not have any legal control over these members or their operations.

Effective December 10, 1996, the Agency entered into a joint sponsorship agreement with two other organizations: World Mate Foundation and World Assistance for Cambodia/Japan Relief for Cambodia (formerly known as American Relief for Cambodia and Japan Relief for Cambodia) to sponsor the Sihanouk Hospital Center of HOPE, in Phnom Penh, Cambodia. A nonprofit 501(c)(3) Delaware corporation was set up for the purpose of owning and operating the Sihanouk Hospital (the "***Sihanouk Hospital Corporation***"). The Board of Directors of the Sihanouk Hospital Corporation oversees the development and operation of the Sihanouk Hospital. The Agency has one-third representation on the Board of Directors of the Sihanouk Hospital Corporation, and provides certain management services to the hospital. Accordingly, the Sihanouk Hospital Corporation is not consolidated in the financial statements of the Agency nor is it accounted for on the equity method.

Effective October 14, 2021, the Agency was released from its management agreement and no longer holds a seat on the Board of Directors.

## HOPE worldwide, Ltd. and affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### December 31, 2021 and 2020

Contributions and revenues recognized by the Agency for the Sihanouk Hospital Corporation during the years ended December 31, 2021 and 2020 consisted of:

	<u>2021</u>	<u>2020</u>
In-kind donations	\$ 4,459,865	\$ 691,846
Cash contributions	<u>286,201</u>	<u>176,172</u>
	<u>\$ 4,746,066</u>	<u>\$ 868,018</u>

The Agency forwarded \$975,000 and contributed \$408,000 to the Sihanouk Hospital Corporation during the years ended December 31, 2021 and 2020, respectively.

Sihanouk Hospital Corporation paid management fees to the Agency in the amount of \$-0- and \$57,000 for the years ended December 31, 2021 and 2020, respectively, and are included in other revenue on the statements of activities.

#### (4) LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions that allow their use during the 12 months after the statement of financial position dates, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 4,054,982	\$ 6,022,593
Accounts receivable, net	72,143	136,105
Advances	6,447	193,053
Investments	<u>1,640,669</u>	<u>1,374,131</u>
Total financial assets	5,774,241	7,725,882
Less: Donor restricted endowments	<u>(1,392,973)</u>	<u>(1,212,609)</u>
Total financial assets available for general expenditures	<u>\$ 4,381,268</u>	<u>\$ 6,513,273</u>

#### Liquidity Management

The Agency receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. None of the financial assets are subject to donor restrictions that make them unavailable for general expenditures. The Agency manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Agency regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Agency has various sources of liquidity at its disposal, including cash, equity securities, and a line of credit. See Note 7 for information about the Agency's line of credit.

The endowment fund consists of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of amounts available for general use. Donor-restricted endowment funds are not available for general use.

**HOPE worldwide, Ltd. and affiliate****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****December 31, 2021 and 2020****(5) INVENTORY**

Inventory consisted of the following as of December 31,:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Medical supplies	\$ -	\$ 165,544
Medicines/vaccinations	-	180,607
	<u><u>\$ -</u></u>	<u><u>\$ 346,151</u></u>

Inventory was primarily maintained at the Health Centers in Cambodia.

**(6) INVESTMENTS**

Investments consisted of the following as of December 31,:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Money market funds	\$ 445,324	\$ 445,281
Mutual funds - Equities	1,195,345	928,850
	<u><u>\$ 1,640,669</u></u>	<u><u>\$ 1,374,131</u></u>

Investment income was comprised of the following:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Realized and unrealized gain	\$ 266,495	\$ 144,317
Interest and dividends	383	3,379
	<u><u>\$ 266,878</u></u>	<u><u>\$ 147,696</u></u>

All investments held as of December 31, 2021 and 2020 were measured at fair value on a recurring basis using Level 1 inputs.

**(7) LINE-OF-CREDIT**

The Agency has a line-of-credit, up to \$900,000 which is collateralized by a UCC lien on all tangible property. The line-of-credit bears interest at the prime rate plus .50%, but the effective interest rate shall never be below 4.25% (prime rate was 3.25% as of December 31, 2021). Borrowings under this line-of-credit as of December 31, 2021 and 2020 were \$-0-, respectively. The line-of-credit matures on November 30, 2022.

**(8) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes and periods:

	<u><b>December 31,</b></u> <u><b>2020</b></u>	<u><b>Additions</b></u>	<u><b>Releases</b></u>	<u><b>December 31,</b></u> <u><b>2021</b></u>
Subject to expenditure for specified purposes				
Community services	\$ 985,297	\$ 860,497	\$ (799,833)	\$ 1,045,961
Disaster response for areas including but not limited to the United States, Philippines, Indonesia and Haiti	690,715	1,494,427	(1,689,651)	495,491
Health and social services	434,006	5,388,309	(5,624,171)	198,144
International services	151,009	835,905	(679,498)	307,416
Education and development	<u>741,269</u>	<u>2,483,671</u>	<u>(2,108,686)</u>	<u>1,116,254</u>
Total subject to expenditure for specified purposes	<u><u>3,002,296</u></u>	<u><u>11,062,809</u></u>	<u><u>(10,901,839)</u></u>	<u><u>3,163,266</u></u>



# HOPE worldwide, Ltd. and affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

	December 31, 2020	Additions	Releases	December 31, 2021
Endowments:				
Subject to appropriation and expenditure when a specified event occurs:				
Restricted by donors for				
Programs benefitting orphans and the needs of disadvantaged in Eastern Europe and the Balkan States	12,297	6,644	-	18,941
International medical programs	12,283	6,728	(2,080)	16,931
Global Health Fund				
Endowment fund	192,943	95,702	(32,674)	255,971
Venture fund	119,551	64,684	(20,246)	163,989
	337,074	173,758	(55,000)	455,832
Subject to Agency endowment spending policy and appropriation:				
Programs benefitting orphans and the needs of disadvantaged in Eastern Europe and the Balkan States	33,834	2,381	-	36,215
International medical programs	34,670	2,439	-	37,109
Global Health Fund				
Endowment fund	463,933	32,644	-	496,577
Venture fund	343,098	24,142	-	367,240
	875,535	61,606	-	937,141
Total endowments	1,212,609	235,364	(55,000)	1,392,973
Total assets with donor restrictions	\$ 4,214,905	\$ 11,298,173	\$ (10,956,839)	\$ 4,556,239
	December 31, 2019	Additions	Releases	December 31, 2020
Subject to expenditure for specified purposes				
Community services	\$ 933,072	\$ 798,729	\$ (746,504)	\$ 985,297
Disaster response for areas including but not limited to the United States, Philippines, Indonesia and Haiti	1,084,719	3,214,917	(3,608,921)	690,715
Health and social services	322,622	2,832,447	(2,721,063)	434,006
International services	228,718	155,633	(233,342)	151,009
Education and development	320,242	3,757,718	(3,336,691)	741,269
Total subject to expenditure for specified purposes	2,889,373	10,759,444	(10,646,521)	3,002,296
Endowments:				
Subject to appropriation and expenditure when a specified event occurs:				
Restricted by donors for				
Programs benefitting orphans and the needs of disadvantaged in Eastern Europe and the Balkan States	8,011	4,286	-	12,297
International medical programs	7,918	4,365	-	12,283
Global Health Fund				
Endowment fund	132,569	60,374	-	192,943
Venture fund	77,024	42,527	-	119,551
	225,522	111,552	-	337,074

# HOPE worldwide, Ltd. and affiliate

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

	December 31, 2019	Additions	Releases	December 31, 2020
Subject to Agency endowment spending policy and appropriation:				
Programs benefitting orphans and the needs of disadvantaged in Eastern Europe and the International medical programs	33,216	618	-	33,834
Global Health Fund	34,043	627	-	34,670
Endowment fund	455,146	8,787	-	463,933
Venture fund	337,017	6,081	-	343,098
	<u>859,422</u>	<u>16,113</u>	<u>-</u>	<u>875,535</u>
Total endowments	<u>1,084,944</u>	<u>127,665</u>	<u>-</u>	<u>1,212,609</u>
Total assets with donor restrictions	<u>\$ 3,974,317</u>	<u>\$ 10,887,109</u>	<u>\$ (10,646,521)</u>	<u>\$ 4,214,905</u>

### (9) ENDOWMENT

Endowment net assets are available to support the following purposes as of December 31,:

	2021	2020
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be		
Programs benefitting orphans and the needs of disadvantaged children in Eastern Europe and the Balkan States	\$ 55,156	\$ 46,131
International medical programs	54,040	46,953
Global Health Fund		
Endowment fund	752,548	656,876
Venture fund	531,229	462,649
	<u>\$ 1,392,973</u>	<u>\$ 1,212,609</u>

The Board of Directors has interpreted state law as requiring the preservation of the purchasing power (real value) of the endowment funds with donor restriction unless explicit donor stipulation specifies how net appreciation must be used. To meet that objective, the Agency endowment management policies require that net appreciation be maintained in perpetuity in an amount necessary to adjust the historic dollar value of original endowment gifts by the change in the Consumer Price Index. After maintaining the real value of the endowment funds, any remainder is available for appropriation.

For the years ended December 31, 2021 and 2020, the Agency's endowment and Board designated net assets had the following activity:

	Year ended December 31, 2021		
	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets at beginning of year	\$ -	\$ 1,212,609	\$ 1,212,609
Interest and dividends	-	39	39
Net appreciation (depreciation)	-	235,325	235,325
Release of restriction	-	(55,000)	(55,000)
Change in endowment net assets	-	180,364	180,364
Endowment net assets end of year	<u>\$ -</u>	<u>\$ 1,392,973</u>	<u>\$ 1,392,973</u>

**HOPE worldwide, Ltd. and affiliate****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****December 31, 2021 and 2020**

	<b>Year ended December 31, 2020</b>		
	<b><u>Without Donor Restriction</u></b>	<b><u>With Donor Restriction</u></b>	<b><u>Total</u></b>
Endowment net assets at beginning of year	\$ 82,643	\$ 1,084,944	\$ 1,167,587
Interest and dividends	-	1,053	1,053
Net appreciation (depreciation)	-	126,612	126,612
Release of restriction	(82,643)	-	(82,643)
Change in endowment net assets	(82,643)	127,665	45,022
Endowment net assets end of year	\$ -	\$ 1,212,609	\$ 1,212,609

**(10) IN-KIND CONTRIBUTIONS**

The following is a summary of the in-kind contributions included as revenue on the statements of activities during the years ended December 31, 2021 and 2020.

	<b><u>2021</u></b>	<b><u>2020</u></b>
Supplies and gifts	\$ 6,407,125	\$ 5,135,738
Special event supplies	49,696	41,190
Donated administrative and fiscal services	31,004	31,538
	<b><u>\$ 6,487,825</u></b>	<b><u>\$ 5,208,466</u></b>

A portion of in-kind contributions not used by the Agency as of December 31, 2021 and 2020 have been included in prepaid expenses and other assets on the statements of financial position.

The following is a summary of the in-kind contributions included as expenses on the statements of activities and functional expense during the years ended December 31, 2021 and 2020.

	<b><u>2021</u></b>	<b><u>2020</u></b>
Program expenses	\$ 6,411,150	\$ 5,145,738
Management and general expenses	31,004	32,705
Fundraising expenses	47,088	31,538
	<b><u>\$ 6,489,242</u></b>	<b><u>\$ 5,209,981</u></b>

**(11) LOAN FORGIVENESS**

In April 2020, the Agency borrowed \$722,437 under the Paycheck Protection Program funded by the Coronavirus Aid, Relief and Economic Security ("**CARES**") Act. This loan was underwritten by WSFS Bank and bore interest at 1% maturing May 1, 2022. This loan was eligible to be forgiven if the proceeds were used in accordance with the terms of the program. The Agency has complied with the terms of the program and received payment relief in November 2020. Therefore, this amount has been recorded as an increase in net assets on the statements of activities for the year ended December 31, 2020.

## HOPE worldwide, Ltd. and affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

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#### (12) RETIREMENT PROGRAM

The Agency participates in a 403(b) multiemployer defined-contribution pension plan, which covers all employees who have met certain service requirements. The Agency recorded \$137,298 and \$ 125,089 of expense related to the defined-contribution plan for the years ended December 31, 2021 and 2020, respectively.

#### (13) COMMITMENTS

The Agency leases facilities and equipment for operations. Future minimum lease obligations under noncancelable operating leases are as follows:

**Year ending December 31,**

2022	\$ 175,560
2023	165,260
2024	167,142
2025	172,176
2026	177,331
Therafter	899,997
	<u>\$ 1,757,466</u>

Rent expense was \$129,529 and \$354,048 for the years ended December 31, 2021 and 2020, respectively.

#### (14) DISCONTINUED OPERATIONS

On January 29, 2021, the Agency executed various agreements with Endeavor for SEA Health ("**ESH**") to accomplish a donation of the Agency's assets related to the HOPEww Medical Centers in Cambodia to ESH, a Delaware 501(c)(3) corporation with a similar mission, namely to provide high quality healthcare to the people of Cambodia. Besides some listed excluded assets such as intellectual property, the Agency donated all assets related to the HOPEww Medical Centers in Cambodia plus an agreed-upon amount of working capital to ESH. In addition, on January 29, 2021, the Agency delegated operational authority of HOPEww Medical Centers to ESH but the Agency maintained the ultimate legal authority to run the former HOPE worldwide Medical Centers (now called the Center of Hope Friendship Clinics) until its Memorandum of Understanding with the Cambodian Ministry of Health expired August 8, 2021. At that time, ESH received its license from the Cambodian Ministry of Health to operate medical clinics and the donation was closed/completed and the Agency finalize its exit from the HOPEww Medical Centers.

**2021**

Carrying amounts of major classes of assets and liabilities as part of discontinued operations

Cash	\$ 816,494
Accounts receivable	79,063
Inventory	323,169
Prepaid and other assets	153,255
Property and equipment, net	<u>499,588</u>
Total assets donated in disposal group	<u>\$ 1,871,569</u>

## HOPE worldwide, Ltd. and affiliate

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

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Accounts payable	\$ 547,683
Refundable advances	<u>44,006</u>
Total liabilities included in disposal group	591,689
Net assets of disposal group	<u>\$ 1,279,880</u>
Major classes of line items constituting net change in assets of discontinued operations	
Medical service revenue	\$ 617,813
Other	7,355
Salaries and benefits expense	(62,123)
Professional and legal fees	(162,706)
Program related expenses	(1,190,785)
Other expenses	<u>(176,445)</u>
Total change in net assets on discontinued operations that is presented in the statement of activities	<u>\$ (966,891)</u>

#### (15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2022, the date on which the financial statements were available to be issued. The extent of the continued impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Agency's clients and employees and impact on our donors and their level of contributions, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

In the first quarter of 2022, the Agency received a donation of medicine and supplies valued at approximately \$19 million from Heart to Heart International. The medicine and supplies were distributed to approximately 100 hospitals and clinics in Ukraine by the Ministry of Health during 2022.

No other material subsequent events have occurred since December 31, 2021 that would require recognition or disclosure in the financial statements.

## **SUPPLEMENTARY INFORMATION**

**HOPE worldwide, Ltd. and affiliate**
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**
**December 31, 2021**

	<b>HOPE worldwide, Ltd</b>		<b>HWW -</b>		
	<b>Administration</b>	<b>HMC</b>	<b>HOPEMA</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 3,865,738	\$ -	\$ 189,244	\$ -	\$ 4,054,982
Accounts receivable, net	66,691	-	5,452	-	72,143
Advances	6,447	-	-	-	6,447
Prepaid expenses and other current assets	221,244	-	11,093	-	232,337
<b>Total current assets</b>	<b>4,160,120</b>	<b>-</b>	<b>205,789</b>	<b>-</b>	<b>4,365,909</b>
<b>NONCURRENT ASSETS</b>					
Investments	1,640,669	-	-	-	1,640,669
<b>PROPERTY AND EQUIPMENT</b>					
Equipment	105,289	-	20,772	-	126,061
Leasehold improvements	176,201	-	-	-	176,201
	281,490	-	20,772	-	302,262
Less accumulated depreciation and amortization	3,223	-	13,872	-	17,095
<b>Net property and equipment</b>	<b>278,267</b>	<b>-</b>	<b>6,900</b>	<b>-</b>	<b>285,167</b>
	<b>\$ 6,079,056</b>	<b>\$ -</b>	<b>\$ 212,689</b>	<b>\$ -</b>	<b>\$ 6,291,745</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 145,412	\$ -	\$ 8,003	\$ -	\$ 153,415
Accrued expenses and other current liabilities	81,694	-	-	-	81,694
Refundable advances	43,200	-	-	-	43,200
<b>Total current liabilities</b>	<b>270,306</b>	<b>-</b>	<b>8,003</b>	<b>-</b>	<b>278,309</b>
<b>OTHER LIABILITIES</b>					
Deferred rent	6,741	-	-	-	6,741
<b>Total liabilities</b>	<b>277,047</b>	<b>-</b>	<b>8,003</b>	<b>-</b>	<b>285,050</b>
<b>NET ASSETS</b>					
Without donor restrictions	1,316,887	-	133,569	-	1,450,456
With donor restrictions	4,485,122	-	71,117	-	4,556,239
<b>Total net assets</b>	<b>5,802,009</b>	<b>-</b>	<b>204,686</b>	<b>-</b>	<b>6,006,695</b>
	<b>\$ 6,079,056</b>	<b>\$ -</b>	<b>\$ 212,689</b>	<b>\$ -</b>	<b>\$ 6,291,745</b>

**HOPE worldwide, Ltd. and affiliate**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**Year ended December 31, 2021**

	<b>Administration</b>			<b>HOPEMA</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>HMC</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Eliminations</b>	<b>Total</b>
<b>SUPPORT AND REVENUES</b>							
Contributions	\$ 2,415,614	\$ 4,332,726	\$ -	\$ 261,497	\$ 111,059	\$ -	\$ 7,120,896
In-kind contributions	-	6,391,428	2,000	94,397	-	-	6,487,825
Grants and other	435,357	227,596	3,705	31,002	-	-	697,660
Medical services	-	-	617,813	-	-	-	617,813
Other revenue	181,111	-	-	4,619	-	-	185,730
Investment income, net	31,514	235,364	-	-	-	-	266,878
Unrealized gain on exchange rate	-	-	1,650	-	-	-	1,650
<b>Total support and revenue</b>	<b>3,063,596</b>	<b>11,187,114</b>	<b>625,168</b>	<b>391,515</b>	<b>111,059</b>	<b>-</b>	<b>15,378,452</b>
Net assets released from restrictions	10,870,706	(10,870,706)	-	86,133	(86,133)	-	-
	<u>13,934,302</u>	<u>316,408</u>	<u>625,168</u>	<u>477,648</u>	<u>24,926</u>	<u>-</u>	<u>15,378,452</u>
<b>EXPENSES</b>							
U.S. programs	1,343,087	-	-	135,808	-	-	1,478,895
Non-U.S. programs	9,336,310	-	1,560,744	-	-	-	10,897,054
Management and general	2,751,417	-	31,315	59,347	-	-	2,842,079
Fundraising	726,745	-	-	121,611	-	-	848,356
<b>Total expenses</b>	<b>14,157,559</b>	<b>-</b>	<b>1,592,059</b>	<b>316,766</b>	<b>-</b>	<b>-</b>	<b>16,066,384</b>
<b>Change in net assets before other changes</b>	<b>(223,257)</b>	<b>316,408</b>	<b>(966,891)</b>	<b>160,882</b>	<b>24,926</b>	<b>-</b>	<b>(687,932)</b>
<b>OTHER CHANGES</b>							
Discontinued operations contribution	-	-	(1,279,880)	-	-	-	(1,279,880)
Transfers	131,646	-	-	(131,646)	-	-	-
<b>CHANGE IN NET ASSETS</b>	<b>(91,611)</b>	<b>316,408</b>	<b>(2,246,771)</b>	<b>29,236</b>	<b>24,926</b>	<b>-</b>	<b>(1,967,812)</b>
<b>NET ASSETS</b>							
Beginning of year	1,408,498	4,168,714	2,246,771	104,333	46,191	-	7,974,507
<b>End of year</b>	<b>\$ 1,316,887</b>	<b>\$ 4,485,122</b>	<b>\$ -</b>	<b>\$ 133,569</b>	<b>\$ 71,117</b>	<b>\$ -</b>	<b>\$ 6,006,695</b>