HOPE worldwide, LTD. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2026 and 2025
and
SUPPLEMENTARY INFORMATION

with
INDEPENDENT AUDITORS' REPORT

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SMITH+HOWARD PC

INDEPENDENT AUDITORS' REPORT

Board of Directors
HOPE worldwide, Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of HOPE worldwide, Ltd. and affiliate (the “Agency”) (a nonprofit Agency), which comprise the consolidated statement of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2026 and 2025, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

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 Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Agency 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP; this includes 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 the Agency’s ability to continue as a going concern for one year after the date of this report.

Auditors’ Responsibilities for the Audit of the Consolidated 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 auditors’ 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 can arise from fraud or error and 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.

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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 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 the Agency'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 the Agency'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 consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with GAAS. In our opinion, the information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

Smith and Howard, PC

Atlanta, GA
August 28, 2026

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 and 2025

ASSETS

	2026	2025
Assets		
Cash	$ 2,866,972	$ 2,608,294
Grant receivable	49,500	200,261
Advances	5,633	6,261
Inventory	9,700	-
Prepaid expenses	107,006	82,119
Right-of-use asset	841,756	1,001,028
Investments	2,011,993	1,645,852
Property and equipment, net	135,541	178,840
Total Assets	$ 6,028,101	$ 5,722,655

LIABILITIES AND NET ASSETS

	2026	2025
Liabilities		
Accounts payable	$ 175,443	$ 84,726
Accrued expenses and other liabilities	76,855	40,628
Operating lease liability	959,334	1,054,433
Refundable advances	82,950	104,360
Total Liabilities	1,294,582	1,284,147
Net Assets		
Without donor restrictions	1,310,609	1,087,520
With donor restrictions	3,422,910	3,350,988
Total Net Assets	4,733,519	4,438,508
	$ 6,028,101	$ 5,722,655

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

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contributions	$ 2,877,039	$ 2,414,878	$ 5,291,917
In-kind contributions	112,024	7,987,528	8,099,552
Grants and other	290,452	42,700	333,152
Other revenue	60,601	-	60,601
Investment income, net	18,532	354,099	372,631
Total support and revenue	3,358,648	10,799,205	14,157,853
Net assets released from restrictions	10,727,283	(10,727,283)	-
	14,085,931	71,922	14,157,853
Expenses			
U.S. programs	10,138,056	-	10,138,056
Non-U.S. programs	1,117,187	-	1,117,187
Management and general	2,049,002	-	2,049,002
Fundraising	558,597	-	558,597
Total expenses	13,862,842	-	13,862,842
Change in Net Assets	223,089	71,922	295,011
Net Assets at Beginning of Year	1,087,520	3,350,988	4,438,508
Net Assets at End of Year	$ 1,310,609	$ 3,422,910	$ 4,733,519

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

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contributions	$ 3,410,542	$ 2,540,015	$ 5,950,557
In-kind contributions	115,363	5,416,367	5,531,730
Grants and other	240,914	33,500	274,414
Other revenue	140,401	-	140,401
Investment income, net	-	216,607	216,607
Total support and revenue	3,907,220	8,206,489	12,113,709
Net assets released from restrictions	8,146,479	(8,146,479)	-
	12,053,699	60,010	12,113,709
Expenses			
U.S. programs	7,524,174	-	7,524,174
Non-U.S. programs	861,204	-	861,204
Management and general	2,723,973	-	2,723,973
Fundraising	894,850	-	894,850
Total expenses	12,004,201	-	12,004,201
Change in Net Assets	49,498	60,010	109,508
Net Assets at Beginning of Year, as previous report	(60,028)	4,389,028	4,329,000
Reclassification of net assets (Note 5)	1,098,050	(1,098,050)	-
Net Assets at Beginning of Year, as restated	1,038,022	3,290,978	4,329,000
Net Assets at End of Year	$ 1,087,520	$ 3,350,988	$ 4,438,508

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

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2026

	Program (U.S. and Non - U.S.)							
	Community Services	International Services	Education and Development	Disaster Response	Health	Management and General	Fundraising	Total
Salaries, benefits and payroll taxes	$ 208,266	$ 146,084	$ 192,957	$ 215,523	$ 76,900	$ 1,197,886	$ 322,515	$ 2,360,131
Advertising and promotion	13,139	3,689	2,696	1,540	1,540	13,494	35,164	71,262
Conferences and seminars	-	-	-	3,891	-	3,049	-	6,940
Credit card processing and other service charges	7,675	12,120	7,885	9,149	1,826	39,893	5,067	83,615
Depreciation	5,549	-	-	-	-	42,099	-	47,648
Dues and subscriptions	500	-	-	1,755	-	32,044	3,319	37,618
Meetings and facilities	3,559	1,813	-	1,516	-	12,015	358	19,261
Insurance	7,180	28,899	1,011	1,460	-	94,588	-	133,138
Office equipment	11,031	6,982	957	2,953	41	85,342	33,773	141,079
Office supplies	932	3,231	15	1,108	-	17,186	201	22,673
Professional and legal fees	47,828	176,393	11,395	37,339	79,607	205,197	10,661	568,420
Charitable support	189,215	38,588	35,635	248,373	7,923,397	27,667	76,493	8,539,368
Grants to foreign entities	245,829	-	515,805	70,500	338,666	-	-	1,170,800
Supplies	114,291	-	-	-	-	5,933	-	120,224
Rent	38,226	12,784	1,442	12,570	1,442	162,976	-	229,440
Special events	18,041	4	-	-	-	-	58,465	76,510
Shipping and postage	1,066	206	-	992	-	830	1,695	4,789
Telephone and internet	1,783	978	900	2,233	-	14,064	2,964	22,922
Travel	16,973	25,646	6,896	30,987	-	53,016	7,922	141,440
Utilities	5,960	11,921	-	5,960	-	41,723	-	65,564
	$ 937,043	$ 469,338	$ 777,594	$ 647,849	$ 8,423,419	$ 2,049,002	$ 558,597	$ 13,862,842

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

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program (U.S. and Non - U.S.)							
	Community Services	International Services	Education and Development	Disaster Response	Health	Management and General	Fundraising	Total
Salaries, benefits and payroll taxes	$ 206,821	$ 258,886	$ 165,014	$ 134,021	$ -	$ 1,728,191	$ 547,997	$ 3,040,930
Advertising and promotion	6,967	2,347	1,101	5,055	-	30,751	32,664	78,885
Conferences and seminars	-	500	-	-	-	9,328	-	9,828
Credit card processing and other service charges	6,857	6,445	7,673	10,909	1,902	47,225	5,006	86,017
Depreciation	5,393	-	-	-	-	42,100	-	47,493
Dues and subscriptions	552	-	-	2,315	-	17,190	10,157	30,214
Meetings and facilities	4,367	1,541	-	1,005	-	10,499	1,485	18,897
Insurance	3,963	1,295	-	-	-	153,113	-	158,371
Office equipment	9,553	9,635	1,881	1,006	68	83,378	18,865	124,386
Office supplies	16,965	-	-	-	-	4,206	107	21,278
Professional and legal fees	57,516	206,607	6,557	20,642	-	260,395	74,872	626,589
Charitable support	199,017	48,519	16,592	32,125	5,419,860	40,023	53,967	5,810,103
Grants to foreign entities	241,110	13,006	660,496	33,795	185,077	-	16,552	1,150,036
Supplies	121,767	-	-	-	-	780	-	122,547
Rent	21,780	-	-	-	-	190,070	-	211,850
Special events	48,719	-	-	-	-	-	123,646	172,365
Shipping and postage	819	767	-	194	-	406	3,277	5,463
Telephone and internet	2,305	2,238	900	1,249	-	20,735	4,638	32,065
Travel	28,066	44,213	9,509	22,889	-	63,839	6,624	175,140
Utilities	-	-	-	-	-	81,744	-	81,744
	$ 982,537	$ 595,999	$ 869,723	$ 265,205	$ 5,606,907	$ 2,783,973	$ 899,857	$ 12,004,201

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

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities:		
Change in net assets	$ 295,011	$ 109,508
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by operating activities:		
Depreciation	47,648	47,493
Realized and unrealized gains on investments	(366,141)	(216,607)
Lease expense	198,948	208,301
Payments on operating lease liability	(134,775)	(192,191)
Changes in assets and liabilities:		
Grant receivable	150,761	346,435
Advances	628	2,500
Inventory	(9,700)	-
Prepaid expenses	(24,887)	3,668
Accounts payable	90,717	12,105
Accrued expenses and other liabilities	36,227	(21,606)
Refundable advances	(21,410)	98,327
Net Cash Provided by Operating Activities	263,027	397,933
Cash Flows from Investing Activities:		
Purchases of property and equipment	(4,349)	-
Net Cash Required by Investing Activities	(4,349)	-
Net Change in Cash	258,678	397,933
Cash at Beginning of Year	2,608,294	2,210,361
Cash at End of Year	$ 2,866,972	$ 2,608,294

Supplemental Disclosures of Cash Flow Information:

	2026	2025
Cash paid for interest	$ -	$ 10,502

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

NOTE 1 – DESCRIPTION OF AGENCY

HOPE worldwide, Ltd. (the "Agency") 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, contributions from churches, individuals, volunteer fundraisers and from medical service fees. The Agency'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 Agency serves more than two million needy people annually. The Agency is a recognized nongovernmental Agency in special consultative status with the Economic and Social Council of the United Nations.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

U.S. generally accepted accounting principles ("GAAP") require a nonprofit Agency to consolidate the financial statements of affiliated nonprofit Agency 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 the consolidation. The entities are referred to collectively as ("the Agency").

Basis of Accounting

The Agency follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

Basis of Presentation

The accompanying consolidated financial statements include the accounts of HOPE worldwide, Ltd. and HOPE worldwide - MASSACHUSETTS, Inc., which are under common control. The accompanying consolidated financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All significant inter-Agency accounts and transactions have been eliminated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets Presentation

Net assets, revenue, and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- 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 Agency.

- Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity.

Use of Estimates

The presentation of consolidated financial statements in conformity with 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Endowments

GAAP requires the following financial statement disclosures for the Agency:

- Classification of net assets

  Endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowments (Continued)

- Interpretation of Relevant Law

  The Agency has interpreted the Delaware Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulation to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Agency in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

  (1) The duration and preservation of the fund.
  (2) The purposes of the Agency and the donor-restricted endowment fund.
  (3) General economic conditions.
  (4) The possible effect of inflation and deflation.
  (5) The expected total return from income and the appreciation of investments.
  (6) Other resources of the Agency.
  (7) The investment policies of the Agency.

- Return Objectives and Risk Parameters

  The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Agency must hold in perpetuity or for a donor-specified period(s).

- Strategies Employed for Achieving Objectives

  It is the policy of the Agency to add an amount equal to the change in the Consumer Price Index from year to year (attrition rate) to the principal of the permanently restricted endowment funds in order to sustain their investment power in the future. The remaining investment interest/earnings are available for use as the endowment stipulates therefore should be shown as net assets with donor restrictions until expended.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund (Continued)

- Spending Policy

  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.

- Underwater Endowment Funds

  From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Agency has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. The Agency's policy is to refrain from disbursement from individual endowment funds if the fund's value is 95% or less of the corpus. At June 30, 2026 and 2025, the Agency had no underwater endowments.

  The Agency's endowment had the following activity for the years ended June 30, 2026 and 2025:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets at June 30, 2024	$ -	$ 1,429,245	$ 1,429,245
Reclassification	38,769	(38,769)	-
Net appreciation	-	216,607	216,607
Endowment net assets at June 30, 2025	38,769	1,607,083	1,645,852
Net appreciation	12,042	354,099	366,141
Endowment net assets at June 30, 2026	$ 50,811	$ 1,961,182	$ 2,011,993

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 had no conditional contributions at June 30, 2026 or 2025.

The Agency holds special fundraising events and records special events revenue when the event takes place.

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 consolidated statements of financial position. The Agency received advance payments of $82,950 and $104,360 that have not been recognized at June 30, 2026 and 2025, respectively, because qualifying expenditures have not yet been incurred and are included in the consolidated statements of financial position as refundable advances.

Investments

Investments are recorded in the consolidated 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 less. Realized and unrealized gains and losses are included in the consolidated statement of activities.

The Agency invests in a professionally-managed portfolio that contains level 1 securities. 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 consolidated financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Agency’s investments at June 30, 2026 and 2025 were wholly invested in level 1 equity funds.

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 June 30, 2026 and 2025 was $47,648 and $47,493, respectively.

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 June 30, 2026 and 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and disaster relief. 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 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 consolidated financial statements. However, more than 23,000 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 consolidated financial statements. Key executives of the Agency periodically provide business advisory services to member Agency, the value of which is de minimis and has not been reflected in these consolidated financial statements.

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 consolidated statement of activities at their estimated values at the time received.

The following is a summary of the countries that benefited from the in-kind contributions included as revenue on the consolidated statements of activities for the years ended June 30, 2026 and 2025:

	2026	2025
Cambodia	$ 187,054	$ 1,841,152
Cote d'Ivoire	2,294,509	619,814
Haiti	25,000	-
Jamaica	1,500	-
Papua New Guinea	5,437,836	2,935,401
Philippines	15,000	-
Nepal	15,000	20,000
United States	123,653	115,363
	$ 8,099,552	$ 5,531,730

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been presented on a functional basis in the consolidated statement of activities and functional expenses. The consolidated statement 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.

The consolidated financial statement has 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 federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Agency is subject to federal and state income taxes on income which is determined to be unrelated to its exempt purpose, if any. The Agency recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of June 30, 2026 and 2025, there are no known items which would result in a material accrual related to where the Agency has uncertain federal or state tax positions. Tax years that remain subject to examination by major tax jurisdictions date back to the year ended 2023.

Risks and Uncertainties

The Agency's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and receivables. The Agency believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash and cash equivalents with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

NOTE 3 – 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 consolidated statement of financial position date, comprise the following:

	2026	2025
Cash	$ 2,866,972	$ 2,608,294
Grant receivable	49,500	200,261
Advances	5,633	6,261
Investments	2,011,993	1,645,852
Total financial assets	4,934,098	4,460,668
Less: Endowments	(1,961,182)	(1,607,083)
Total financial assets available for general expenditures	$ 2,972,916	$ 2,853,585

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 4 for information about the Agency's line of credit.

NOTE 4 – 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%. There were no advances outstanding under this line of credit as of June 30, 2026 and 2025. The line of credit matures on November 30, 2027.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2026 and 2025:

	2026	2025
Subject to expenditure for specified purposes		
Community and International Programs	$ 658,631	$ 773,398
Disaster response	186,554	285,466
Health and social services	-	93,341
Education and development	616,543	591,700
Total subject to expenditure for specified purposes	1,461,728	1,743,905
Endowments:		
Subject to appropriation and expenditure when a specified event occurs (earnings on corpus):		
Restricted by donors for		
Programs benefitting orphans and the needs of disadvantaged in Eastern Europe and the Balkan States	34,941	22,737
International medical programs	36,195	23,689
Global Health Fund		
Endowment fund	467,163	299,822
Venture fund	300,367	176,611
	838,666	522,859
Subject to Agency endowment spending policy and appropriation (corpus and attrition):		
Programs benefitting orphans and the needs of disadvantaged in Eastern Europe and the Balkan States	43,378	41,898
International medical programs	44,451	42,935
Global Health Fund		
Endowment fund	594,804	574,514
Venture fund	439,883	424,877
	1,122,516	1,084,224
Total endowments	1,961,182	1,607,083
Total assets with donor restrictions	$ 3,422,910	$ 3,350,988

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Reclassification of Net Assets

During the fiscal year ended June 30, 2025, management conducted a review of donor-imposed restrictions on net assets. As a result of this analysis, it was determined that certain restrictions had been satisfied in prior periods but had not been released from restriction in the consolidated financial statements. Accordingly, a reclassification of $1,098,050 from net assets with donor restrictions to net assets without donor restrictions was recorded to reflect the appropriate release of these funds. The adjustment does not impact total net assets.

NOTE 6 – 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 $99,409 and $118,884 of expense related to the defined-contribution plan for the years ended June 30, 2026 and 2025, respectively.

NOTE 7 – OPERATING LEASE

The Agency has entered into a non-cancelable operating lease for office space in Atlanta, Georgia.

Specifics pertaining to the Agency's operating lease liability at June 30, 2026 are as follows:

Lease expense		
Operating lease expense	$	198,948
Other Information		
Cash paid for amounts included in the measurement of lease liability		
Operating cash flows from operating leases		134,775
Weighted-average remaining lease term in years for operating leases		5.17
Weighted-average discount rate for operating leases		3.96%
Maturity Analysis		
2027	$	182,311
2028		185,397
2029		211,096
2030		220,906
2031		226,803
Thereafter		37,965
Total undiscounted cash flows		1,064,478
Less: present value discount		(105,144)
Total lease liability	$	959,334

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 28, 2026, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2026

	HOPE worldwide, Ltd.	HOPE worldwide - MASSACHUSETTS, Inc.	Eliminations	Total
ASSETS				
Assets				
Cash	$ 2,565,175	$ 301,797	$ -	$ 2,866,972
Grant receivable	49,500	-	-	49,500
Advances	5,633	-	-	5,633
Inventory	9,700	-		9,700
Prepaid expenses	95,570	11,436	-	107,006
Right-of-use asset	829,934	11,822	-	841,756
Investments	2,011,993	-	-	2,011,993
Property and equipment, net	111,855	23,686	-	135,541
Total Assets	$ 5,679,360	$ 348,741	$ -	$ 6,028,101
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	$ 175,339	$ 104	$ -	$ 175,443
Accrued expenses and other current liabilities	67,231	9,624	-	76,855
Operating lease liability	947,512	11,822	-	959,334
Refundable advances	82,950	-	-	82,950
Total Liabilities	1,273,032	21,550	-	1,294,582
Net Assets				
Without donor restrictions	1,046,781	263,828	-	1,310,609
With donor restrictions	3,359,547	63,363	-	3,422,910
Total Net Assets	4,406,328	327,191	-	4,733,519
	$ 5,679,360	$ 348,741	$ -	$ 6,028,101

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

	HOPE worldwide, Ltd.	HOPE worldwide - MASSACHUSETTS, Inc.	Eliminations	Total
ASSETS				
Assets				
Cash	$ 2,350,518	$ 257,776	$ -	$ 2,608,294
Grant receivable	200,261	-	-	200,261
Advances	6,261	-	-	6,261
Prepaid expenses	71,144	10,975	-	82,119
Right-of-use asset	972,050	28,978	-	1,001,028
Investments	1,645,852	-	-	1,645,852
Property and equipment, net	153,955	24,885	-	178,840
Total Assets	$ 5,400,041	$ 322,614	$ -	$ 5,722,655
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	$ 66,404	18,322	$ -	$ 84,726
Accrued expenses and other current liabilities	38,974	1,654	-	40,628
Operating lease liability	1,025,455	28,978	-	1,054,433
Refundable advances	104,360	-	-	104,360
Total Liabilities	1,235,193	48,954	-	1,284,147
Net Assets				
Without donor restrictions	854,515	233,005	-	1,087,520
With donor restrictions	3,310,333	40,655	-	3,350,988
Total Net Assets	4,164,848	273,660	-	4,438,508
	$ 5,400,041	$ 322,614	$ -	$ 5,722,655

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

	HOPE worldwide, Ltd.			HOPE worldwide - MASSACHUSETTS, Inc.				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
Revenues and Other Support:								
Contributions	$ 2,739,774	$ 2,322,333	$ 5,062,107	$ 247,760	$ 92,545	$ 340,305	$ (110,495)	$ 5,291,917
In-kind contributions	-	7,987,528	7,987,528	112,024	-	112,024	-	8,099,552
Grants and other	266,894	-	266,894	23,558	42,700	66,258	-	333,152
Other revenue	60,601	-	60,601	-	-	-	-	60,601
Investment income, net	12,042	354,099	366,141	6,490	-	6,490	-	372,631
Total support and revenue	3,079,311	10,663,960	13,743,271	389,832	135,245	525,077	(110,495)	14,157,853
Net assets released from restrictions	10,614,746	(10,614,746)	-	112,537	(112,537)	-	-	-
	13,694,057	49,214	13,743,271	502,369	22,708	525,077	(110,495)	14,157,853
Expenses								
U.S. programs	9,963,510	-	9,963,510	184,546	-	184,546	(10,000)	10,138,056
Non-U.S. programs	1,117,187	-	1,117,187	-	-	-	-	1,117,187
Management and general	2,006,192	-	2,006,192	133,210	-	133,210	(90,400)	2,049,002
Fundraising	414,902	-	414,902	153,790	-	153,790	(10,095)	558,597
Total expenses	13,501,791	-	13,501,791	471,546	-	471,546	(110,495)	13,862,842
Change in Net Assets	192,266	49,214	241,480	30,823	22,708	53,531	-	295,011
Net Assets at Beginning of Year	854,515	3,310,333	4,164,848	233,005	40,655	273,660	-	4,438,508
Net Assets at End of Year	$ 1,046,781	$ 3,359,547	$ 4,406,328	$ 263,828	$ 63,363	$ 327,191	$ -	$ 4,733,519

HOPE worldwide, LTD. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	HOPE worldwide, Ltd.			HOPE worldwide - MASSACHUSETTS, Inc.				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
Revenues and Other Support:								
Contributions	$ 3,222,064	$ 2,488,478	$ 5,710,542	$ 303,921	$ 51,537	$ 355,458	$ (115,443)	$ 5,950,557
In-kind contributions	-	5,416,367	5,416,367	115,363	-	115,363	-	5,531,730
Grants and other	239,573	-	239,573	1,341	33,500	34,841	-	274,414
Other revenue	128,502	-	128,502	11,899	-	11,899	-	140,401
Investment income, net	-	216,607	216,607	-	-	-	-	216,607
Total support and revenue	3,590,139	8,121,452	11,711,591	432,524	85,037	517,561	(115,443)	12,113,709
Net assets released from restrictions	8,062,948	(8,062,948)	-	83,531	(83,531)	-	-	-
	11,653,087	58,504	11,711,591	516,055	1,506	517,561	(115,443)	12,113,709
Expenses								
U.S. programs	7,335,088	-	7,335,088	196,086	-	196,086	(7,000)	7,524,174
Non-U.S. programs	861,204	-	861,204	-	-	-	-	861,204
Management and general	2,660,364	-	2,660,364	154,427	-	154,427	(90,818)	2,723,973
Fundraising	770,130	-	770,130	142,345	-	142,345	(17,625)	894,850
Total expenses	11,626,786	-	11,626,786	492,858	-	492,858	(115,443)	12,004,201
Change in Net Assets	26,301	58,504	84,805	23,197	1,506	24,703	-	109,508
Net Assets at Beginning of Year	(269,836)	4,349,879	4,080,043	209,808	39,149	248,957	-	4,329,000
Reclassification of net assets	1,098,050	(1,098,050)	-	-	-	-	-	-
Net Assets at End of Year	$ 854,515	$ 3,310,333	$ 4,164,848	$ 233,005	$ 40,655	$ 273,660	$ -	$ 4,438,508