

**WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES
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December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
World Hope International, Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of World Hope International, Inc. and Affiliates ("WHI"), which comprise the consolidated statements of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the statement of financial position of World Hope International, Inc. and Affiliates as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WHI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of World Hope International, Inc. and Affiliates for the year ended December 31, 2020, were audited by other auditors, who expressed an unmodified opinion on those statements on November 15, 2021.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 WHI's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

(Continued)

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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 WHI'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 WHI'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities and are 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 consolidating 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 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 consolidated financial statements as a whole.



Crowe LLP

New York, New York
December 6, 2022

WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents		
Headquarters	\$ 657,288	\$ 974,299
Field offices	754,301	442,030
Investments	733,386	17,941
Grants and accounts receivable, net	623,639	397,405
Contributions receivable	111,934	-
Prepaid expenses	474,250	107,028
Inventory	689,312	195,429
Beneficial interest in assets held in trust by others	517,782	518,165
Investment in subsidiaries	300,000	300,000
Property and equipment, net	537,657	158,540
Deposits and other assets	<u>76,278</u>	<u>51,357</u>
 Total assets	 <u>\$ 5,475,827</u>	 <u>\$ 3,162,194</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 953,987	\$ 531,696
Refundable advances	492,468	306,611
Deferred rent	<u>163,819</u>	<u>92,631</u>
Total liabilities	1,610,274	930,938
Net assets		
Without donor restrictions	2,550,659	643,575
With donor restrictions	<u>1,314,894</u>	<u>1,587,681</u>
Total net assets	<u>3,865,553</u>	<u>2,231,256</u>
 Total liabilities and net assets	 <u>\$ 5,475,827</u>	 <u>\$ 3,162,194</u>

See accompanying notes to consolidated financial statements.

WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
In-kind contributions	\$ 10,494,653	\$ 459,233	\$ 10,953,886	\$ 7,404,616	\$ -	\$ 7,404,616
Contributions	8,865,052	-	8,865,052	3,894,072	2,258,593	6,152,665
International grants	2,941,695	-	2,941,695	1,375,488	-	1,375,488
Federal grants	376,172	-	376,172	331,878	-	331,878
Program income	642,252	-	642,252	382,669	-	382,669
Other income	499,744	-	499,744	354,536	2,165	356,701
Investment income	41,711	-	41,711	3,435	-	3,435
Net assets released from restrictions	732,020	(732,020)	-	2,610,288	(2,610,288)	-
Total support and revenue	24,593,299	(272,787)	24,320,512	16,356,982	(349,530)	16,007,452
Expenses						
Program services						
Global health	12,164,635	-	12,164,635	9,066,650	-	9,066,650
Protection and anti-trafficking	2,592,782	-	2,592,782	2,002,508	-	2,002,508
Water, sanitation and energy	4,424,255	-	4,424,255	1,473,122	-	1,473,122
Social ventures	877,919	-	877,919	1,000,111	-	1,000,111
Public awareness	311,290	-	311,290	280,940	-	280,940
Total program services	20,370,881	-	20,370,881	13,823,331	-	13,823,331
Supporting services						
General and administrative	1,652,719	-	1,652,719	1,536,217	-	1,536,217
Fundraising	662,615	-	662,615	781,797	-	781,797
Total supporting services	2,315,334	-	2,315,334	2,318,014	-	2,318,014
Total expenses	22,686,215	-	22,686,215	16,141,345	-	16,141,345
Change in net assets	1,907,084	(272,787)	1,634,297	215,637	(349,530)	(133,893)
Net assets, beginning of year	643,575	1,587,681	2,231,256	427,938	1,937,211	2,365,149
Net assets, end of year	<u>\$ 2,550,659</u>	<u>\$ 1,314,894</u>	<u>\$ 3,865,553</u>	<u>\$ 643,575</u>	<u>\$ 1,587,681</u>	<u>\$ 2,231,256</u>

See accompanying notes to consolidated financial statements.

WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2021

	Program Services					Supporting Services				Total
	Global Health	Protection and Anti-trafficking	Water Sanitation, and Energy	Social Ventures	Public Awareness	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Grants and assistance	\$ 10,985,740	\$ 1,388,579	\$ 3,154,632	\$ 466,942	\$ 287	\$ 15,996,180	\$ 4,210	\$ -	\$ 4,210	\$ 16,000,390
Salaries, taxes and benefits - field offices	849,061	685,743	437,856	209,559	-	2,182,219	10,797	-	10,797	2,193,016
Salaries, taxes and benefits - headquarters	110,279	322,176	274,753	23,113	89,130	819,451	1,057,570	520,900	1,578,470	2,397,921
Professional fees	30,331	10,695	126,056	67,325	5,620	240,027	78,982	28,901	107,883	347,910
Occupancy	2,400	14,870	26,666	1,245	15,918	61,099	84,326	35,604	119,930	181,029
Office expenses	85,368	53,987	79,383	29,505	2,699	250,942	91,481	9,607	101,088	352,030
Travel	28,607	6,042	162,591	6,640	6,493	210,373	23,346	24,611	47,957	258,330
Depreciation and amortization	15,378	1,900	47,353	27,673	1,997	94,301	26,405	4,249	30,654	124,955
Information technology	40,870	71,879	65,892	15,314	8,703	202,658	188,907	16,075	204,982	407,640
Advertising and promotion	5,675	23,488	12,612	4,325	175,306	221,406	7,006	5,427	12,433	233,839
Other expenses	9,881	3,839	5,154	25,623	1,981	46,478	34,329	6,039	40,368	86,846
Interest	-	-	-	-	-	-	8,389	-	8,389	8,389
Conferences, conventions and meetings	596	6,239	26,892	425	40	34,192	20,463	1,836	22,299	56,491
Insurance	449	3,345	4,415	230	3,116	11,555	16,508	9,366	25,874	37,429
Total expenses	\$ 12,164,635	\$ 2,592,782	\$ 4,424,255	\$ 877,919	\$ 311,290	\$ 20,370,881	\$ 1,652,719	\$ 662,615	\$ 2,315,334	\$ 22,686,215

See accompanying notes to consolidated financial statements.

WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2020

	Program Services					Supporting Services				Total
	Global Health	Protection and Anti-trafficking	Water Sanitation, and Energy	Social Ventures	Public Awareness	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Grants and assistance	\$ 8,178,155	\$ 953,713	\$ 1,021,477	\$ 764,561	\$ 368	\$ 10,918,274	\$ 1,170	\$ 8,491	\$ 9,661	\$ 10,927,935
Salaries, taxes and benefits - field offices	458,064	494,317	217,233	137,527	-	1,307,141	3,240	1,080	4,320	1,311,461
Salaries, taxes and benefits - headquarters	56,473	383,073	176,040	13,960	94,152	723,698	1,044,731	635,884	1,680,615	2,404,313
Professional fees	168,188	28,556	11,250	2,830	7,448	218,272	120,012	44,308	164,320	382,592
Occupancy	50,739	7,369	3,421	12,466	7,311	81,306	40,821	20,609	61,430	142,736
Office expenses	80,876	52,680	19,010	11,832	2,162	166,560	66,319	12,692	79,011	245,571
Travel	15,974	13,317	10,151	2,742	106	42,290	15,955	16,452	32,407	74,697
Depreciation and amortization	1,563	2,191	1,024	3,800	2,172	10,750	24,126	6,121	30,247	40,997
Information technology	28,684	24,833	9,792	9,692	1,577	74,578	157,819	7,063	164,882	239,460
Advertising and promotion	16,007	4,367	1,449	2,729	161,042	185,594	183	5,899	6,082	191,676
Other expenses	11,537	32,544	1,111	37,924	2,578	85,694	46,787	8,112	54,899	140,593
Interest	-	-	-	-	-	-	1,000	-	1,000	1,000
Conferences, conventions and meetings	213	3,009	-	48	25	3,295	3,065	6,714	9,779	13,074
Insurance	177	2,539	1,164	-	1,999	5,879	10,989	8,372	19,361	25,240
Total expenses	\$ 9,066,650	\$ 2,002,508	\$ 1,473,122	\$ 1,000,111	\$ 280,940	\$ 13,823,331	\$ 1,536,217	\$ 781,797	\$ 2,318,014	\$ 16,141,345

See accompanying notes to consolidated financial statements.

WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating activities		
Change in net assets	\$ 1,634,297	\$ (133,893)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	124,955	40,997
Net realized and unrealized gain on investments	(41,711)	-
Loss on sales of property and equipment	1,031	-
Change in beneficial interest	383	(2,165)
Bad debt expense	6,224	48,084
Changes in assets and liabilities		
Grants and accounts receivable	(232,459)	(303,889)
Contributions receivable	(111,934)	192,508
Prepaid expenses	(367,222)	(27,684)
Inventory	(493,883)	(40,504)
Deposits and other assets	(24,921)	20,442
Accounts payable and accrued expenses	422,291	33,975
Deferred rent	71,188	(34,078)
Refundable advances	<u>185,857</u>	<u>225,435</u>
Net cash provided by operating activities	1,174,096	19,228
Investing activities		
Purchase of property and equipment	(527,061)	(19,241)
Proceeds from sale of property and equipment	21,958	-
Sale of investments	191,286	-
Purchase of investments	<u>(865,020)</u>	<u>(300,000)</u>
Net cash used in investing activities	(1,178,837)	(319,241)
Net decrease in cash and cash equivalents	(4,740)	(300,013)
Cash and cash equivalents, beginning of year	<u>1,416,329</u>	<u>1,716,342</u>
Cash and cash equivalents, end of year	<u>\$ 1,411,589</u>	<u>\$ 1,416,329</u>
Supplemental cash flow information:		
Interest paid	<u>\$ 8,389</u>	<u>\$ 1,000</u>

See accompanying notes to consolidated financial statements.

WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: World Hope International, Inc. (“World Hope”) is a nonprofit organization incorporated under the Indiana Non-Profit Corporation Act. World Hope’s mission is to alleviate poverty, suffering, and injustice. World Hope pursues this mission by delivering: 1) global health, 2) water, sanitation and energy, 3) protection and anti-trafficking, 4) social venture, and 5) public awareness programs through A) market-based, B) community-based or C) disaster response mechanisms. The consolidated financial statements include the accounts of World Hope, but do not include the various foreign locations where World Hope may provide some support but over which it has no legal or direct control.

First Step Economic Opportunity Zone, Inc. (“First Step”) was incorporated in the state of Delaware in June 2009. First Step was established to help bring ethical foreign direct investment to Sierra Leone. First Step is leveraging the substantial presence and experience of World Hope in Sierra Leone to reduce the risks and costs for international businesses to establish export processing activity in Sierra Leone. World Hope initially had a 65.42% ownership in First Step, while the remaining 34.58% was owned by related parties. In December 2019, World Hope purchased the remaining 34.58% from the related parties.

World Hope Social Ventures LLC (“WHSV”) was incorporated in the state of Delaware in August 2018 as a for-profit social venture entity owned 100% by World Hope. In January 2019, WHSV signed a shareholder agreement for 35% share in TapEffect, a private limited company in Cambodia, which was established to enable access to clean piped water for semi-urban, semi-rural and rural households and small and medium enterprises. WHSV provided capital to TapEffect of \$300,000, which WHSV paid to TapEffect from January to April 2020.

La Gonave Wesleyan Hospital provides hospital-based care to the 120,000 people living on the island of La Gonave, Haiti. WHSV entered into a grant agreement with La Gonave Wesleyan Hospital in June 2020. Pursuant to the grant agreement, WHSV supports the hospital with capital projects, administrative and financial expertise, and board governance. The June 2020 grant agreement gives World Hope International board control during the term of the agreement. La Gonave Wesleyan Hospital is a wholly-owned subsidiary of WHSV and its activities and result of operations are consolidated to WHSV.

In December 2020, the WHSV entered into an equity agreement with FryFry Media PLC, a national Christian radio broadcasting station in Sierra Leone. FryFry Media is wholly-owned by WHSV and is expanding its broadcast infrastructure to reach a national audience. The results of operations are consolidated to WHSV.

Principle of Consolidation: The consolidated financial statements include the activities of World Hope, First Step and WHSV (collectively known as WHI). All material intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America (US GAAP).

Use of Estimates: The preparation of consolidated financial statements in conformity with the generally accepted accounting principles of the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

(Continued)

WORLD HOPE INTERNATIONAL, INC.
AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents include highly liquid investments with an original maturity of three months or less. Cash consists of bank deposits in accounts that are federally insured up to \$250,000 per financial institution.

Concentration of Credit Risk: WHI's cash deposits may, at times, exceed federally insured limits.

Grants and Accounts Receivables: Receivables are carried at original invoice amounts, less an estimate made for doubtful receivables based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. As of December 31, 2021 and December 31, 2020, the Organization reported and allowance for doubtful accounts of \$7,490 and \$0, respectively. All grants and accounts receivable are due within one year.

Inventory: Inventory is valued at the lower of cost or net realizable value. As of December 31, 2021 and 2020, inventory comprised mostly supplies and equipment used mainly for the clean water wells and sanitation program. As of December 31, 2021, and 2020, the Organization reported \$689,313 and \$195,429, respectively.

Investments: Investments are reported at fair value. The College reports money market funds and cash equivalents held in investment portfolios as investments. Realized and unrealized gains and losses are recognized in the accompanying statements of activities. Investment return, including realized and unrealized gains and losses, are included as a component of the change in net assets consistent with the purpose of the investment and donor-imposed restrictions.

Purchased investments are initially recorded at cost and contributed investments are initially recorded at fair value on the date received, and any net appreciation or loss arising thereafter is reported annually in the consolidated statement of activities. Gains and losses on investments, including changes in market value, are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions or net assets with donor restrictions.

Investments in Subsidiaries: WHSV has an investment in a limited liability company, TapEffect Inc., in which they have 35% interest and World Hope has one out of the three board members. The investment is accounted using the equity method of accounting.

WHI invests in a professionally managed portfolio that contains various securities during the years ended December 31, 2021 and 2020, which are exposed to various risks, such as interest rate, market and credit risk. 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 risks in the near-term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Beneficial Interest in Assets Held in Trust by Others: World Hope has been named as a beneficiary in a charitable remainder trust and a perpetual trust in which World Hope is not the trustee. When World Hope is notified of the existence of a trust, an asset and contribution revenue are recorded at the fair value of the beneficial interest. It is World Hope's policy not to record contributions receivable from trusts if the trust is revocable or if the donor retains the unilateral right to change beneficiaries. The perpetual trust and charitable remainder trust are recorded within beneficial interest in assets held in trust by others and unconditional promises to give on the consolidated statements of financial position, respectively.

(Continued)

WORLD HOPE INTERNATIONAL, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Equipment and Leasehold Improvements: Office and other equipment, vehicles and software are stated at cost and are depreciated or amortized on a straight-line basis over the estimated useful lives of the assets, ranging from three to five years. Leasehold improvements are stated at cost and are amortized using the straight-line method over the shorter of the lease term or the estimated useful lives of the assets. Buildings and improvements are recorded at cost and depreciated over 27.5 years. World Hope capitalizes all property and equipment purchased with a cost of \$5,000 or more with a useful life of more than one year.

Valuation of Long-Lived Assets: Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Refundable Advances: Revenue from grants and contracts are recorded based upon terms of the award allotment which generally provide that revenue are earned when the allowable costs of the specific grant or contract provisions have been incurred. Support received from awarding agencies in advance of related allowable costs is recorded as refundable advances. Unexpended advances may have to be returned to the awarding agency at the end of the contract term. Revenues are subject to audit by the contract or grant awarding agency and, if the examination results in a disallowance of any expenditure, repayment could be required. WHI had \$492,468 and \$306,611 of refundable advances in nine different grants or contracts as of December 31, 2021.

Net Asset Classification: GAAP requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are classified as without donor restrictions or with donor restrictions, as defined below:

Without Donor Restrictions Net Assets – net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions Net Assets – Net assets subject to donor-imposed restrictions that will be met either by the actions of WHI or through the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt.

Revenues are reported as increases in without donor restriction net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in without donor restriction net assets.

Gains and losses on investments and other assets or liabilities are reported as increases or decreases in without donor restriction net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(Continued)

WORLD HOPE INTERNATIONAL, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions: Contributions, including unconditional contributions are recognized as revenue upon receipt or when unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Contribution revenue is recorded as increases in net assets without donor restrictions, unless their use is limited by time or donor-imposed restrictions.

WHI recognizes pledges at their estimated fair value. Fair value is determined by calculating the present value of the risk adjusted estimated future cash flows using rates at the date of the donation. When WHI receives donor-restricted contributions whose restrictions are met in the same reporting period, the College reports the contributions as without donor restriction.

Contributions receivable are recognized as revenue when the donor has made an unconditional promise to contribute funds to WHI in future periods. Contributions receivable are recorded at their net realizable value if expected to be collected in one year or at their present value if expected to be collected in more than one year. Conditional contribution receivables are recognized when the conditions on which they depend are substantially met. WHI provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off. Contributions receivable due as of December 31, 2021 was \$111,934. There were no contributions receivable due as of December 31, 2020. All contributions receivable are due within one year.

Government Grants and Contracts: WHI receives grants and enters into contracts with the U.S. government, foreign governments and multi-lateral organizations, which support various WHI programs on a cost reimbursement basis. Support and revenue related to government and other grants is recognized when donor-imposed conditions are met. These revenues are subject to right of return if funds are not spent and also have other performance and/or control barriers that must be met to be entitled to the funds. For this reason, WHI's grant revenues are considered to be conditional and revenue is recognized as funds are utilized for programmatic activities specified in the grant agreement. Accordingly, amounts received, but not recognized as revenue, are classified in the consolidated statements of financial position as refundable advances.

Gifts-in-kind: WHI recognizes in kind donations of property, equipment and other valuables at their estimated fair value determined using the market approach. revenue is recognized in circumstances in which WHI has sufficient discretion over the use and disposition of the items to recognize a contribution in conformity with the Codification. Accordingly, the recognition of gifts-in-kind revenue is limited to circumstances in which WHI takes constructive possession of the gifts-in-kind and WHI is the recipient of the gift, rather than an agent or intermediary (as defined by the ASC).

(Continued)

WORLD HOPE INTERNATIONAL, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition: WHI derives some of its revenues from various programs and activities, as follows:

Program revenue – revenue includes revenue from various program activities, including mushroom sales, water distribution sales, english class tuitions, and life skills trainings. Revenue generated from program services throughout the fiscal year is recognized when the sale of the product takes place. There are no deferred revenue as of December 31, 2021 and 2020 for program income.

Laboratory income – revenue includes services performed through laboratory testing and services. Revenue from laboratory services are recognized in the period in which the related services were provided to the patients. The performance obligation of providing services is simultaneously received by the patients; therefore, the revenue is recognized. There are no deferred revenue as of December 31, 2021 and 2020 for laboratory income.

Meds/Pharmacy – revenue includes sales of medicine and other pharmacy items to patients and customers. Revenue from these services are recognized in the period in which the related services were provided to the patients. The performance obligation of providing services is simultaneously received by the patients; therefore, the revenue is recognized. There are no deferred revenue as of December 31, 2021 and 2020 for Meds/Pharmacy income.

Dossier/Patient Records – revenue includes costs associated with patient record maintenance and requests from patients for copies. Revenue from these services are recognized in the period in which the related services were provided to the patients. The performance obligation of providing services is simultaneously received by the patients; therefore, the revenue is recognized. There are no deferred revenue as of December 31, 2021 and 2020 for Dossier/Patient Records income

Hospitalization – revenue includes all services related to revenue from hospitalization services are recognized in the period in which the related services were provided to the patients. The performance obligation of providing services is simultaneously received by the patients; therefore, the revenue is recognized. There are no deferred revenue as of December 31, 2021 and 2020 for hospitalization income.

Designated Project Income – revenue generated from these services throughout the fiscal year is recognized when the sale of the product takes place. There are no deferred revenue as of December 31, 2021 and 2020 for designated project income

Functional Expense Allocation: The consolidated financial statements report certain categories of expenses that are attributable to more than one program or function. As a result, these expenses require allocation on a reasonable basis that is consistently applied within the organization. Salaries and benefits are allocated to programs on a basis of time and effort. The categories of occupancy and insurance, information services and telephone and internet are allocated to programs based on the percentage of time and effort identified to each program.

Income Taxes: WHI is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on activities unrelated to its exempt purpose. In addition, WHI qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation.

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WORLD HOPE INTERNATIONAL, INC.
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December 31, 2021 and 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

World Hope follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, World Hope may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes and accounting in interim periods.

Management evaluated World Hope tax positions and concluded that World Hope had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. Generally, World Hope is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2018.

First Step Economic Opportunity Zone, Inc. (First Step) was incorporated as corporation in the state of Delaware and is owned by World Hope International. There was no tax liability at December 31, 2021 and 2020.

World Hope Social Ventures LLC (WHSV) was incorporated in the state of Delaware in August 2018 as a for-profit social venture entity owned 100% by World Hope International and is considered a disregarded entity for tax purposes.

Foreign Currency Translation: The functional currency of WHI is the U.S. dollar. The consolidated financial statements and transactions of WHI's foreign operations are generally maintained in the relevant local currency. Where local currencies are used, assets and liabilities are remeasured at the consolidated statements of financial position date at the exchange rate in effect at year-end. Gains and losses from foreign currency translation are included in change in the net assets. Monthly expenses that are incurred by project field office operations in foreign countries are translated using the adjusted monthly average exchange rate in effect at the end of each month.

Reclassification: Certain amounts in the 2020 consolidated financial statements have been reclassified to conform to the presentation of the 2021 consolidated financial statements. These reclassifications had no effect on the previously reported net assets or changes therein.

Subsequent Events: WHI evaluated subsequent events through December 6, 2022, which is the date the consolidated financial statements were available to be issued.

NOTE 2 – PAYCHECK PROTECTION PROGRAM PROMISSORY NOTE

In May 2020, WHI applied for and received \$290,903 from the Paycheck Protection Program (PPP) as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act. Funds from the note may only be used for payroll costs, interest on other debt obligations, leases and utilities. WHI used the entire loan amount for qualifying expenses. During the year ended December 31, 2020, WHI recognized the amount as unrestricted revenue in the consolidated statement of activities, as the conditions were met. WHI applied for loan forgiveness, and subsequently received loan forgiveness in February 2021.

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WORLD HOPE INTERNATIONAL, INC.
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NOTE 2 – PAYCHECK PROTECTION PROGRAM PROMISSORY NOTE (Continued)

In February 2021, WHI applied and received an additional \$376,172 from the Paycheck Protection Program and included the amounts within the federal grants line item of the related statements of activities. WHI applied for loan forgiveness, and subsequently received loan forgiveness in August of 2022.

NOTE 3 – INVESTMENTS

The composition of investments at fair value, are as follows at December 31:

	<u>2021</u>	<u>2020</u>
Mutual funds	\$ 733,386	\$ 4,941
Equities	<u>-</u>	<u>13,000</u>
Total investments	<u>\$ 733,386</u>	<u>\$ 17,941</u>

Interest and dividends and realized and unrealized gains and losses on investments are comprised of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 20,953	\$ 13,653
Net realized gain on investments	33,634	273
Net unrealized gain on investments	<u>8,077</u>	<u>3,162</u>
Total realized and unrealized gain on investments	<u>41,711</u>	<u>3,435</u>
Total investment income	<u>\$ 62,663</u>	<u>\$ 13,653</u>

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 - Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

(Continued)

WORLD HOPE INTERNATIONAL, INC.
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NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Following is a description of the valuation methodologies and inputs used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2021 and 2020, respectively.

Money Market Mutual Funds: Where quoted market prices are available in an active market, money market mutual funds are classified within Level 1 of the valuation hierarchy.

Beneficial Interest in Assets Held in Trust by Others: The fair value is estimated using a discounted cash flow model. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

	2021			
	Total			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets				
Mutual funds	\$ 733,386	\$ 733,386	\$ -	\$ -
Total investments	<u>733,386</u>	<u>733,386</u>	-	-
Beneficial interest in assets held in trust by others	<u>517,782</u>	-	-	<u>517,782</u>
	<u>\$ 1,251,168</u>	<u>\$ 733,386</u>	<u>\$ -</u>	<u>\$ 517,782</u>
	2020			
	Total			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets				
Mutual funds	\$ 4,941	\$ 4,941	\$ -	\$ -
Equities	<u>13,000</u>	<u>13,000</u>	-	-
Total investments	<u>4,941</u>	<u>4,941</u>	-	-
Beneficial interest in assets held in trust by others	<u>518,165</u>	-	-	<u>518,165</u>
	<u>\$ 541,047</u>	<u>\$ 22,882</u>	<u>\$ -</u>	<u>\$ 518,165</u>

NOTE 5 – BENEFICIAL INTEREST IN ASSETS HELD IN TRUST BY OTHERS

World Hope has been named as a beneficiary in a charitable remainder trust and a perpetual trust in which World Hope is not the trustee. For the fair value measurement, the investment held in the trust are investments with significant unobservable inputs and thus are Level 3. The balance as of December 31, 2021 and 2020 was \$517,782 and \$518,165, respectively.

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NOTE 6 – INVESTMENT IN SUBSIDIARY

WHI invests in its subsidiaries that are either wholly or partly owned by them. As of December 31, 2021 and 2020, these investments are as follows:

	<u>2021</u>	<u>2020</u>
TapEffect	\$ <u>300,000</u>	\$ <u>300,000</u>
	<u>\$ 300,000</u>	<u>\$ 300,000</u>

The investment in TapEffect of \$300,000 was made during the year ended December 31, 2020, by WHSV that has 35% interest.

TapEffect offers a market-based solution for households in rural Cambodia to have access to clean, piped water. As a result, women—upon whom the majority of the clean water burden falls—can have clean water piped into their homes for drinking, washing, gardening and more.

The investment is accounted using the equity method of accounting as WHI has no control of the Company but has significant influence. WHI's share of net income was distributed within the same year.

The following is a summary of the consolidated statements of financial position and results of operations of TapEffect, as of and for the year ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Total assets	\$ <u>602,650</u>	\$ <u>594,243</u>
Total liabilities	\$ 217,854	\$ 225,143
Total members' equity	<u>384,796</u>	<u>369,100</u>
	<u>\$ 602,650</u>	<u>\$ 594,243</u>
Total revenue	\$ 155,107	\$ 177,578
Total expenses	<u>140,243</u>	<u>93,873</u>
Net income	<u>\$ 14,864</u>	<u>\$ 83,705</u>
WHSV share of income	<u>\$ 5,202</u>	<u>\$ 29,297</u>

NOTE 7 – INVENTORY

WHI received approximately \$689,000 and \$195,000 in medical supplies that was not used in WHI's operations as of December 31, 2021 and 2020, respectively.

Approximately 93% and 96% of the WHI's gifts-in-kind revenues were provided by five companies during the year ended December 31, 2021 and 2020, respectively.

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NOTE 8 – PROPERTY AND EQUIPMENT

WHI held the following property and equipment as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
WHI:		
Land	\$ 9,400	\$ 9,400
Leasehold improvements	219,580	219,580
Vehicles	1,405,041	976,337
Office and other equipment	600,773	515,460
Software	376,480	364,528
WHI Social Ventures (Hospital Wesleyen De La Gonave):		
Land	-	20,964
Office and other equipment	<u>9,199</u>	<u>12,064</u>
Total property and equipment	2,620,473	2,118,333
Less accumulated depreciation and amortization	<u>(2,082,816)</u>	<u>(1,959,793)</u>
Property and equipment, net	<u>\$ 537,657</u>	<u>\$ 158,540</u>

Depreciation and amortization expense amounted to \$124,955 and \$40,997 for the years ended December 31, 2021 and 2020, respectively. In 2020, an impairment loss of \$134,900 was recorded by First Step to reduce the recorded amount of its property and equipment to its estimated recoverable value.

NOTE 9 – LINE OF CREDIT

WHI has a secured line of credit with its financial institution that has a \$250,000 credit limit. This line of credit was renewed annually, and the new maturity date is April 30, 2022. The line of credit has an interest rate equal to the bank's prime rate plus 0.05%. The line of credit is secured by WHI's personal property, including its receivables, inventory and equipment. There was no outstanding balance on this line of credit as of December 31, 2021 and 2020.

WHI opened a Loan Management Account (revolving line of credit) with Merrill Lynch in May 2021 using the existing Endowment Management Accounts (EMA) held by Merrill Lynch as collateral. Credit limit was \$500,000 and was determined by the value of the portfolio. The line of credit has an interest rate equal to the bank's prime rate plus 0.05%. The line of credit is secured by WHI's investment in the Merrill Lynch EMA. There was no outstanding balance on this line of credit as of December 31, 2021 and 2020.

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WORLD HOPE INTERNATIONAL, INC.
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December 31, 2021 and 2020

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Foreign Operations: WHI had field offices in Cambodia, Sierra Leone, Haiti, Azerbaijan, Albania, Liberia, the Philippines and Bosnia during the years ended December 31, 2021 and 2020. WHI maintained cash, accounts receivable, fixed assets and other assets in each of these countries. The future of these programs can be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate. As of December 31, 2021 and 2020, WHI had assets in these countries totaling approximately \$1,821,869 and \$1,010,158, respectively, representing approximately 33% and 35% of WHI's total consolidated assets.

Leases: In January 2013, World Hope entered into a noncancelable 10-year lease agreement for its headquarters office space, commencing on May 1, 2013, and expiring on July 31, 2031. Under the terms of the lease, WHI is committed to annual rentals, adjusted for defined escalations of 2.5% annually, and its share of the buildings operating expenses. As an inducement to this lease, the landlord provided WHI with a leasehold construction allowance of \$76,346.

Under U.S. GAAP, lease incentives and all rental payments, including fixed rent increases, are amortized over the life of the lease on a straight-line basis as a reduction to rent expense. The difference between the U.S. GAAP rent expense and the required lease payment is reflected as deferred rent liability in the accompanying consolidated statements of financial position.

Office rent expense for World Hope's headquarters, including its share of the building's operating expenses, amounted to \$181,029 and \$142,735 for the years ended December 31, 2021 and 2020, respectively, and is included in occupancy expense in the accompanying consolidated statement of functional expenses.

WHI also leases office space in various countries under short-term lease agreements that allow for cancellation with minimal cost and at WHI's discretion. The leases in Sierra Leone, Liberia and Haiti are over a year old with no escalations in rent amount.

Total future minimum lease payments at December 31, 2021 under the lease above and the leases in Sierra Leone, Liberia and Haiti are as follows:

<u>Year ending December 31,</u>	
2022	\$ 133,532
2023	137,204
2024	140,977
2025	144,854
2026	148,837
Thereafter	<u>736,695</u>
	<u>\$ 1,442,099</u>

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WORLD HOPE INTERNATIONAL, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021 and 2020, net assets with donor restrictions were available as follows:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specific purposes:		
Global health	\$ 553,606	\$ 524,032
Protection and anti-trafficking	130,384	242,050
Water, sanitation and energy	30,227	144,406
Social ventures	<u>82,895</u>	<u>159,028</u>
	797,112	1,069,516
Beneficial interest in assets held in trust by others	<u>517,782</u>	<u>518,165</u>
Total net assets with donor restrictions	<u>\$ 1,314,894</u>	<u>\$ 1,587,681</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	<u>2021</u>	<u>2020</u>
Global health	\$ 449,660	\$ 529,946
Protection and anti-trafficking	111,665	499,482
Water, sanitation and energy	109,184	662,564
Social ventures	<u>61,511</u>	<u>918,296</u>
	\$ 732,020	\$ 2,610,288

NOTE 12 – AVAILABILITY OF RESOURCES AND LIQUIDITY

WHI regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. WHI's financial assets available within one year of the consolidated statements of financial position date for general expenditures at December 31, 2021 and 2020, were as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,411,589	\$ 1,416,329
Investments	733,386	17,941
Grants and accounts receivable, net	623,639	397,405
Contributions receivable, net	111,934	-
Beneficial interest in assets held in trust by others	<u>517,782</u>	<u>518,165</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,398,330</u>	<u>\$ 2,349,840</u>

(Continued)

WORLD HOPE INTERNATIONAL, INC.
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December 31, 2021 and 2020

NOTE 12 – AVAILABILITY OF RESOURCES AND LIQUIDITY (Continued)

WHI has various sources of liquidity at its disposal, including cash and cash equivalents and receivables, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of WHI throughout the year. This is done through monitoring and reviewing WHI's cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of WHI's cash flow related to WHI's various funding sources and is, therefore, able to ensure that there is cash available to meet current liquidity needs.

NOTE 13 – PENSION PLAN

WHI sponsors a defined contribution annuity retirement plan for all employees. If an employee is eligible to participate in the plan and elects to participate, WHI contributes 4% of the participating employee's annual compensation to the plan. Pension expense totaled \$67,102 and \$54,150 for the years ended December 31, 2021 and 2020, respectively, and is included as part of salaries, taxes and benefits in the accompanying consolidated statement of functional expenses.

SUPPLEMENTARY INFORMATION

WORLD HOPE INTERNATIONAL, INC.
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CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2021

	<u>World Hope International, Inc.</u>	<u>First Step Economic Opportunity Zone, Inc.</u>	<u>World Hope Social Ventures</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents - headquarters:					
Headquarters	\$ 653,764	\$ 1,834	\$ 1,690	\$ -	\$ 657,288
Field offices	729,320	-	24,981	-	754,301
Investments	733,386	-	-	-	733,386
Grants and accounts receivable, net	895,004	-	28,635	(300,000)	623,639
Contributions receivable, net	111,934	-	-	-	111,934
Prepaid expenses	474,250	-	-	-	474,250
Inventory	653,097	-	36,215	-	689,312
Beneficial interest in assets held in trust by others	517,782	-	-	-	517,782
Investment in subsidiaries	-	-	523,714	(223,714)	300,000
Property and equipment, net	534,679	-	2,978	-	537,657
Deposits and other assets	76,278	-	-	-	76,278
	<u>\$ 5,379,494</u>	<u>\$ 1,834</u>	<u>\$ 618,213</u>	<u>\$ (523,714)</u>	<u>\$ 5,475,827</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued expenses	\$ 785,959	\$ -	\$ 691,742	\$ (523,714)	\$ 953,987
Refundable advances	492,468	-	-	-	492,468
Deferred rent	163,819	-	-	-	163,819
Total liabilities	1,442,246	-	691,742	(523,714)	1,610,274
Net assets:					
Without donor restrictions	2,622,354	1,834	(73,529)	-	2,550,659
With donor restrictions	1,314,894	-	-	-	1,314,894
Total net assets	3,937,248	1,834	(73,529)	-	3,865,553
	<u>\$ 5,379,494</u>	<u>\$ 1,834</u>	<u>\$ 618,213</u>	<u>\$ (523,714)</u>	<u>\$ 5,475,827</u>

See independent auditor's report.

WORLD HOPE INTERNATIONAL, INC.
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CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended December 31, 2021

	World Hope International, Inc.	First Step Economic Opportunity Zone, Inc.	World Hope Social Ventures	Eliminations	Total
Support and revenue:					
In-kind contributions	\$ 10,953,016	\$ -	\$ 6,594	\$ (5,724)	\$ 10,953,886
Contributions	8,913,399	-	18,608	(66,955)	8,865,052
International grants	2,941,695	-	-	-	2,941,695
Federal grants	376,172	-	-	-	376,172
Program income	103,649	-	538,602	-	642,251
Other income	453,470	-	46,275	-	499,745
Investment income	41,711	-	-	-	41,711
Total support and revenue	<u>23,783,112</u>	<u>-</u>	<u>610,079</u>	<u>(72,679)</u>	<u>24,320,512</u>
Expenses					
Program services:					
Global health	11,583,232	-	659,765	(78,362)	12,164,635
Protection and anti-trafficking	2,592,782	-	-	-	2,592,782
Water, sanitation and energy	4,424,255	-	-	-	4,424,255
Social ventures	877,718	201	-	-	877,919
Public awareness	311,290	-	-	-	311,290
Total program services	<u>19,789,277</u>	<u>201</u>	<u>659,765</u>	<u>(78,362)</u>	<u>20,370,881</u>
Supporting services					
General and administrative	1,652,719	-	-	-	1,652,719
Fundraising	662,615	-	-	-	662,615
Total supporting services	<u>2,315,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,315,334</u>
Total expenses	<u>22,104,611</u>	<u>201</u>	<u>659,765</u>	<u>(78,362)</u>	<u>22,686,215</u>
Change in net assets	1,678,501	(201)	(49,686)	5,683	1,634,297
Net assets, beginning of year	<u>2,258,747</u>	<u>2,035</u>	<u>(23,843)</u>	<u>(5,683)</u>	<u>2,231,256</u>
Net assets, end of year	<u>\$ 3,937,248</u>	<u>\$ 1,834</u>	<u>\$ (73,529)</u>	<u>\$ -</u>	<u>\$ 3,865,553</u>

See independent auditor's report.