
GLOBAL HOPE, INC.

FINANCIAL STATEMENTS

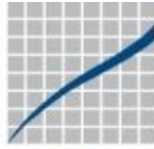
DECEMBER 31, 2016 AND 2015

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS SPECIALISTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Trustees
Global Hope, Inc.
Broomfield, Colorado

Management is responsible for the accompanying financial statements of Global Hope, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

BiggsKofford, P.C.

Colorado Springs, Colorado
May 12, 2017

GLOBAL HOPE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Cash and equivalents	\$ 87,462	\$ 84,600
Accounts receivable	12,590	5,516
Investments	40,559	42,315
Prepaid expenses	1,750	1,750
Total assets	\$ 142,361	\$ 134,181
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 500	\$ 1,300
Total liabilities	500	1,300
Net assets:		
Unrestricted		
Board designated - emergency funds	42,521	33,761
Undesignated	97,479	94,670
Total unrestricted	140,000	128,431
Temporarily restricted	1,861	4,450
Total net assets	141,861	132,881
Total liabilities and net assets	\$ 142,361	\$ 134,181

See accompanying notes and independent accountant's compilation report.

GLOBAL HOPE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Contributions	\$ 241,290	\$ -	\$ 241,290
Events, net of expenses	88,439	-	88,439
Investment loss	(1,284)	-	(1,284)
Total support and revenue	<u>328,445</u>	<u>-</u>	<u>328,445</u>
<u>RECLASSIFICATIONS</u>			
Satisfaction of program restrictions	<u>2,589</u>	<u>(2,589)</u>	<u>-</u>
<u>EXPENSES</u>			
Program expenses:			
Romania operations	86,637	-	86,637
Kenya operations	76,526	-	76,526
India operations	55,695	-	55,695
College fund expense	1,746	-	1,746
Mission team expense	22,049	-	22,049
Total program expenses	<u>242,653</u>	<u>-</u>	<u>242,653</u>
Support services:			
General and administrative	33,398	-	33,398
Fundraising	43,414	-	43,414
Total support services	<u>76,812</u>	<u>-</u>	<u>76,812</u>
Total expenses	<u>319,465</u>	<u>-</u>	<u>319,465</u>
Change in net assets	11,569	(2,589)	8,980
Net assets, beginning of year	<u>128,431</u>	<u>4,450</u>	<u>132,881</u>
Net assets, end of year	<u>\$ 140,000</u>	<u>\$ 1,861</u>	<u>\$ 141,861</u>

See accompanying notes and independent accountant's compilation report.

GLOBAL HOPE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>SUPPORT AND REVENUE</u>			
Contributions	\$ 231,248	\$ 1,600	\$ 232,848
Events, net of expenses	73,437	-	73,437
Investment loss	(381)	-	(381)
Total support and revenue	<u>304,304</u>	<u>1,600</u>	<u>305,904</u>
<u>RECLASSIFICATIONS</u>			
Satisfaction of program restrictions	<u>10,152</u>	<u>(10,152)</u>	<u>-</u>
<u>EXPENSES</u>			
Program expenses:			
Romania operations	101,913	-	101,913
Kenya operations	82,916	-	82,916
India operations	74,664	-	74,664
College fund expense	253	-	253
Medical fund expense	1,713	-	1,713
Total program expenses	<u>261,459</u>	<u>-</u>	<u>261,459</u>
Support services:			
General and administrative	40,539	-	40,539
Fundraising	47,553	-	47,553
Total support services	<u>88,092</u>	<u>-</u>	<u>88,092</u>
Total expenses	<u>349,551</u>	<u>-</u>	<u>349,551</u>
Change in net assets	(35,095)	(8,552)	(43,647)
Net assets, beginning of year	<u>163,526</u>	<u>13,002</u>	<u>176,528</u>
Net assets, end of year	<u>\$ 128,431</u>	<u>\$ 4,450</u>	<u>\$ 132,881</u>

See accompanying notes and independent accountant's compilation report.

GLOBAL HOPE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 8,980	\$ (43,647)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
<u>Net unrealized and realized losses on investments</u>	1,756	822
(Increase) decrease in operating assets:		
<u>Accounts receivable</u>	(7,074)	(348)
<u>Prepaid expenses</u>	-	3,741
Decrease in operating liabilities:		
<u>Accounts payable and accrued expenses</u>	(800)	(4,612)
<u>Net cash provided by (used in) operating activities</u>	<u>2,862</u>	<u>(44,044)</u>
<u>Cash and equivalents, beginning of year</u>	<u>84,600</u>	<u>128,644</u>
<u>Cash and equivalents, end of year</u>	<u>\$ 87,462</u>	<u>\$ 84,600</u>

See accompanying notes and independent accountant's compilation report.

GLOBAL HOPE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. ORGANIZATION

Global Hope, Inc. (the "Organization") was incorporated as a Colorado nonprofit corporation in 1996. The Organization's primary purpose is to provide charitable, religious and educational support to orphans in foreign countries.

The Organization equips their mission partners with the appropriate resources, education, mentoring, and financial support to effectively care for abandoned, orphaned, and at-risk children. The Organization also facilitates relationships with other organizations that can assist their mission partners in their ministry. Their goal is to help the mission partners achieve long-term sustainability.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of presentation

Under US GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows. Unrestricted net assets are resources currently available at the discretion of the board of directors for use in the Organization's operations. As of December 31, 2016 and 2015, the Organization did not have any permanently restricted net assets.

In accordance with US GAAP, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of donor restrictions.

Contribution income is recorded when cash is received, when unconditional promises are made or when ownership of contributed assets are transferred to the Organization. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

See independent accountant's compilation report.

GLOBAL HOPE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and equivalents

For purposes of the statement of cash flows, the Organization considers cash and all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash and equivalents.

Accounts receivable

Accounts receivable are recorded at the amount the Organization expects to collect on balances outstanding. The Organization considers accounts receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Functional expenses

The cost of providing the various programs and supporting activities has been summarized on a functional basis in the statement of activities. Accordingly, costs relating to more than one function (salaries and related benefits, postage, office supplies and other operating expenses) have been allocated between programs, general and administrative and fundraising.

Financial instruments

The Organization's financial instruments are cash and equivalents and accounts payable and accrued expenses and are recorded at values that approximate their fair values based on their short-term nature.

Income taxes

Global Hope, Inc. is exempt from income taxes under Internal Revenue Code ("Code") Section 501(c)(3).

The Organization evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of *FASB ASC 450, Contingencies*. No tax accrual for uncertain tax positions has been recorded as management believes there are no uncertain tax positions for the Organization. Management believes tax returns for the years 2013 and later are subject to audit by the applicable taxing jurisdictions.

See independent accountant's compilation report.

GLOBAL HOPE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent events

Management has evaluated subsequent events through the date of the attached independent accountant's compilation report, the date on which the financial statements were available to be issued.

3. DISCLOSURE ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

US GAAP 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. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. US GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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 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 that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

See independent accountant's compilation report.

GLOBAL HOPE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

3. DISCLOSURE ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Investments

The Organization invests in various exchange-traded funds. Because quoted market prices are available for identical securities in an active market, these securities are classified within Level 1 of the valuation hierarchy.

Fair value measurements of assets recognized in the accompanying financial statements, measured at fair value on a recurring basis, consist of the following as of:

	December 31, 2016		
	Level 1	Level 2	Level 3
Exchange-traded funds	\$ 40,559	\$ -	\$ -
	December 31, 2015		
	Level 1	Level 2	Level 3
Exchange-traded funds	\$ 42,315	\$ -	\$ -

4. FOREIGN PROGRAMS

The Organization provides monthly operations funding for the missions in Romania, Kenya, and India. Their commitments fluctuate from month to month and are impacted by currency exchange rates. The reasons for the large difference between program expenses in Romania, Kenya and India is due to large cost of living differences between the countries and the fact that in Romania, the Organization is the primary funding source that includes mission staff for Ana's House, and support of foster families in Arad, Romania. The Organization's mission is to partner with the local church and leaders to support their fund raising efforts and to create opportunities for improved self-sufficiency.

5. DONATED SERVICES

The value of donated services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's programs.

6. CONCENTRATIONS

For the year ended December 31, 2015, one donor accounted for approximately 10% of total contributions.

See independent accountant's compilation report.