

2000 FINANCIAL SUMMARY

HOPE *worldwide* is a tax-exempt 501(c)(3) non-profit corporation founded in 1991 by the International Churches of Christ. Since its inception, the organization has been committed to managing its financial resources effectively and efficiently. Funds are accounted for under generally accepted standards and practices for non-profit accounting and in strict accordance with donor restrictions.

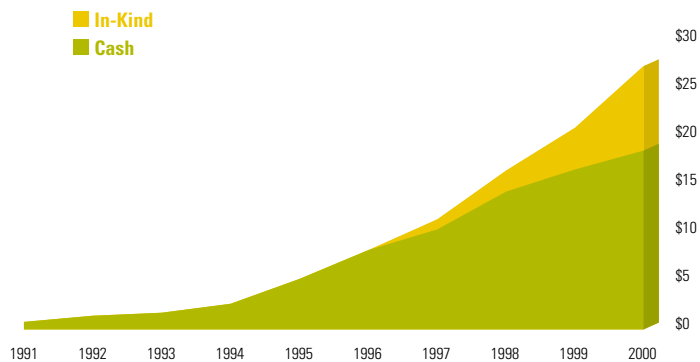
Revenue

As HOPE *worldwide* begins its 10th year, it will be building on a legacy of substantial growth and diversification of services to people suffering from poverty and neglect. From less than \$0.8 million in 1991, revenue generated in the U.S. has grown to more than \$27 million in 2000. In the U.S. alone, the organization has grown to 40 corporations with programs in 156 cities. Around the world, programs have been established in 80 different nations that encompass a variety of needs from healthcare, nutrition and education to orphan care, adoption, and senior

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centers. To leverage the most value from available funds, HOPE *worldwide's* programs utilize the talents of its vast pool of 100,000 volunteers.

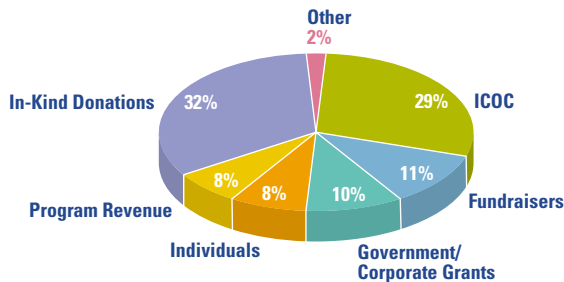
U.S. Donations/Revenue (in millions)
(1991-2000)



In 1991, HOPE *worldwide's* revenue was comprised almost exclusively (95%) of donations from the International Churches of Christ (ICOC). While the ICOC continue to make a substantial contribution (29% in 2000), HOPE *worldwide* now draws support from a broad range of sources including local fundraising events (11%), government and corporate grants (10%), program revenue (such as fees for service) (8%), and individual donors (8%). Another source of revenue that has grown dramatically over the past three years is that of “in-kind” donations. In 2000, in-kind donations of

medical equipment and supplies to our largest program (a charity hospital in Cambodia) accounted for \$8.7 million, or 32% of total revenue.

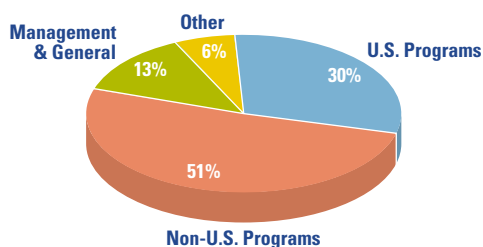
2000 Donations & Revenue from U.S. Sources
(\$27,479,200)



Allocation of Expenditures

Overall expenditures in 2000 were up 35% over the previous year, primarily due to the growth of in-kind donations. Cash expenditures for the same period were up 16%. Of the total expenditures for the year, 81% went to programs, 13% to management and general activities, and 6% to fundraising. Overall efficiency has improved largely as a result of centralizing the accounting function. Management and general costs, at 13%, were down from 16% of total expenditures in 1999. Of the funds that went to program support, about 37% went to U.S. programs (30% of total expenditures) while 63% went to non-U.S. programs (51% of total expenditures).

Allocation of Total Expenditures
(\$27,017,800)



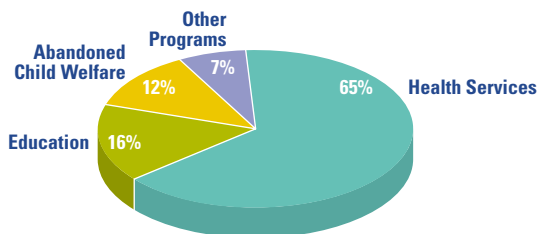
Strategic Program Areas

In order to track HOPE *worldwide's* performance against strategic goals and objectives, program expenditures are characterized in two ways. The first is by type of service provided. "Health" is by far the largest category, accounting for 65% of all program funds expended. The programs encompass not only primary and secondary healthcare (clinics and hospitals) but other health-related activities such as feeding, nutrition, disease eradication and immunization. These also include volunteer-driven community outreach programs designed to promote awareness of public health issues such as HIV/AIDS and tuberculosis. The next largest category is "Education", accounting for 16% of all program dollars. This includes a wide range of activities from schools to after-school programs, computer learning and job training, as well as youth leadership development. The third largest category has to do with programs for abandoned children.

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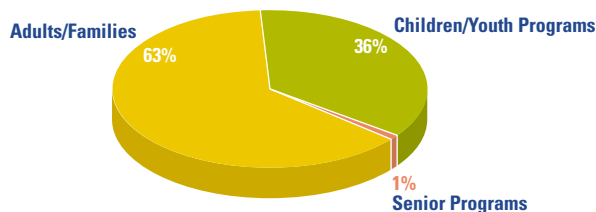
“Abandoned Child Welfare” includes orphan care, foster care and adoption services and comprises 12% of all program funds expended.

Program Expenses by Type of Service
(\$21,799,100)



The second way that program expenditures are characterized is by target populations served, specifically whether they are children and youth, adults (including families) or the elderly. Most of HOPE *worldwide's* programs provide services to adults and their families. This group is the recipient of 63% of all program funds. Another 36% of funds go to programs serving children and youth, while only 1% of program funding serves the elderly. Most programs for the elderly involve large numbers of volunteers whose impact is not adequately reflected by the dollars spent.

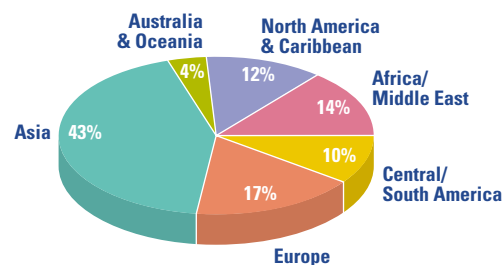
Program Expenses by Population Served
(\$21,799,100)



Global Support

While HOPE *worldwide's* U.S. operations raise the vast majority of funds (\$27.5 million), the non-U.S. affiliated organizations are growing in their capacity to generate revenue for program support. The three largest affiliated organizations contributing the most to global operations in 2000 were HOPE *worldwide*-Hong Kong (\$800,000), HOPE *worldwide*-U.K. (\$414,000), and HOPE *worldwide*-South Africa (\$416,000). Total non-U.S. generated revenue in 2000 was approximately \$3.0 million.

Donations & Revenue from Non-U.S. Sources
(\$3,006,500)



Reports of Audited Financial Statements

The consolidated financial information provided for the United States corporations has been derived from the audited consolidated financial statements of HOPE *worldwide*, Ltd. (Wayne, Pennsylvania) and its U.S. subsidiaries as of and for the years ending December 31, 2000 and 1999. The consolidated financial data presented on the following page were derived from financial statements audited by PricewaterhouseCoopers LLP. A complete copy of audited consolidated financial statements is available upon request. Financial information for non-U.S. affiliates is unaudited. Audits for these entities were not available in time for this publication.

HOPE worldwide, Ltd.
Consolidated Statements of Financial Position

Years ended December 31	2000	1999
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,297,089	\$ 2,708,430
Accounts receivable	426,171	176,363
Pledges receivable (net of \$15,000 allowance for doubtful accounts)	351,490	645,056
Prepaid expenses and other current assets	206,604	100,587
Total current assets	4,281,354	3,630,436
Non-current assets:		
Investments	893,627	794,849
Property and equipment:		
Building	3,034,602	2,831,313
Equipment	1,288,283	990,111
Equipment under capital lease obligations	—	15,000
Leasehold improvements	215,091	167,836
	4,537,976	4,004,260
Less: Accumulated depreciation and amortization	(1,084,317)	(785,450)
	3,453,659	3,218,810
Total assets	\$ 8,628,640	\$ 7,644,095
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 555,333	\$ 340,729
Accrued expenses and other current liabilities	37,052	26,285
Short-term debt	337,164	45,859
Current capital lease obligations	—	1,034
Current maturities of long-term debt	126,084	101,043
Total current liabilities	1,055,633	514,950
Long-term capital lease obligations	—	—
Long-term debt	2,360,967	2,378,520
Total liabilities	3,416,600	2,893,470
Net assets:		
Unrestricted	3,529,085	2,768,222
Temporarily restricted	643,462	982,403
Permanently restricted	1,039,493	1,000,000
Total net assets	5,212,040	4,750,625
Total liabilities and net assets	\$ 8,628,640	\$ 7,644,095

HOPE worldwide, Ltd.
Consolidated Statements of Activities and Changes in Net Assets

Years ended December 31	2000	1999
Changes in unrestricted net assets:		
Operating support and revenues:		
Contributions	\$22,804,560	\$15,166,514
Grants and other	2,142,850	2,450,322
	24,947,410	17,616,836
Net assets released from restrictions	2,831,235	2,732,646
Total operating support, revenues and net assets released from restrictions	27,778,645	20,349,482
Expenses:		
U.S. programs	8,003,245	7,024,530
Non-U.S. programs	13,795,829	8,546,345
Management and general	3,489,333	3,153,922
Fundraising	1,729,376	1,300,854
Total expenses	27,017,782	20,025,651
Increase in unrestricted net assets	760,863	323,831
Changes in temporarily restricted net assets:		
Operating support and revenues:		
Contributions	2,483,009	3,381,549
Investment income, net	17,635	18,534
Unrealized (depreciation) appreciation on investments	(6,357)	1,315
Net assets released from restrictions	(2,831,235)	(2,732,646)
Investment earnings allocation	(1,993)	—
Transfer to establish endowment	—	(1,000,000)
Increase (decrease) in temporarily restricted net assets	(338,941)	(331,248)
Changes in permanently restricted net assets:		
Operating support and revenues:		
Contributions	37,500	—
Investment earnings allocation	1,993	—
Transfer to establish endowment	—	1,000,000
Increase in permanently restricted net assets	39,493	1,000,000
Increase (decrease) in net assets	461,415	992,583
Net assets at beginning of year	4,750,625	3,758,042
Net assets at end of year	\$ 5,212,040	\$ 4,750,625

A complete copy of audited consolidated financial statements is available upon request.