

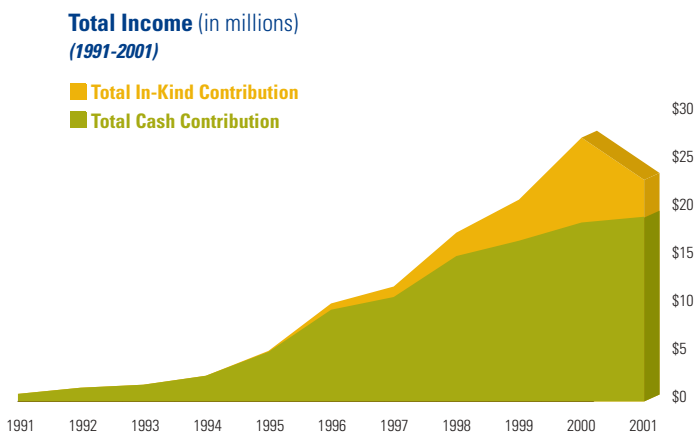
HOPE *worldwide* 2001 Annual Report

Financial Supplement

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

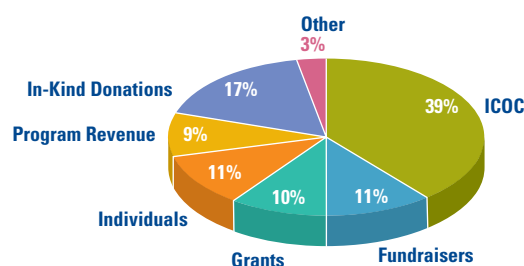
Revenue

In 2001, HOPE *worldwide* celebrated its 10th year of service to the poor and needy around the world. From less than \$0.8 million in 1991, annual revenue generated in the United States has grown to more than \$23 million. Today, programs in more than 100 nations are meeting a variety of needs from healthcare, nutrition and education to orphan care, adoption, and senior services. While a value cannot be placed on the time and energy contributed by the more than 100,000 volunteers who serve our programs around the world, we are truly grateful for their generous and compassionate hearts.



In 1991, HOPE *worldwide's* revenue consisted almost exclusively (95%) of donations from the International Churches of Christ (ICOC). By 2001, the ICOC portion had decreased to 39%, reflecting the development of other sources of funding that now include individual donors (11%), local fundraising events (11%), government and corporate grants (10%), and program revenue (such as fees for service) (9%). Although cash receipts were up by a modest \$601,000 (3%), total receipts for 2001 were down by \$4,405,000 (16%) from the previous year, reflecting a substantial reduction of \$5,006,000 (57%) in in-kind contributions. This was due to a significant decrease in the need for medical supplies and equipment at the Sihanouk Hospital Center of HOPE in Cambodia, which last year comprised 95% of all in-kind donations.

2001 Income by Source
(\$23,074,200)

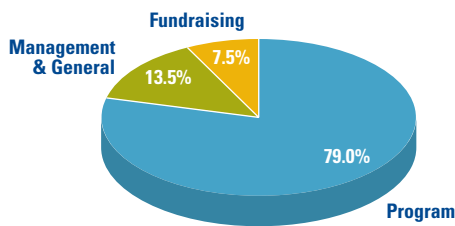


Allocation of Expenses

Total expenses in 2001 were down more than 11% from the previous year, primarily due to the sizeable decrease in in-kind donations (see above). Cash expenses for the same period were up 11% compared to an increase of 16% in the prior year. Of the total expenses for the year, 79% went to programs, 13.5% went to management

and general, and 7.5% went to fundraising. While the percentage of management and general costs increased slightly from the prior year, the actual dollar cost decreased by \$251,000 (7%). Of the funds that went to program support, 49% went to U.S. programs (38% of total expenses) while 51% went to non-U.S. programs (41% of total expenses).

Total Expenses by Function
(\$23,983,000)

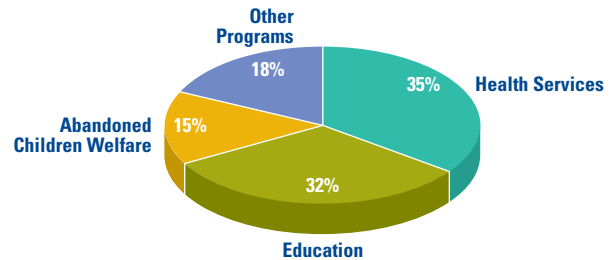


Strategic Program Areas

In order to track HOPE *worldwide's* performance against strategic goals and objectives, program expenses are characterized in two ways. The first is by type of service provided. "Health" accounts for 35% 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. It also includes volunteer-driven community outreach programs designed to promote awareness of public health issues such as HIV/AIDS and tuberculosis. "Education" accounts for 32% of all program dollars. This includes a wide range of activities from schools to after-school programs, to computer learning and job training, as well as youth leadership development. "Abandoned Child Welfare" includes orphan care, foster care and adoption services and comprises 15% of all program funds expended. The

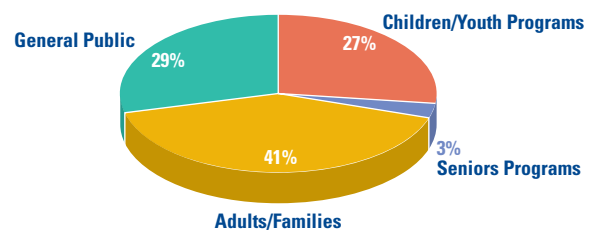
category referred to as "Other Programs" (18%) includes disaster relief as well as volunteer services where the areas of service were unspecified. More than \$200,000 went to assist victims of the September 11th tragedy.

Program Expenses by Type of Service
(\$18,949,000)



The second way that program expenses 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 41% of all program funds. Twenty-nine percent (29%) of expenses were directed primarily to volunteer community-based programs that serve all age groups. Another 27% of funds go to programs serving children and youth, while only 3% of program funding serves the elderly. Most programs for the elderly involve large numbers of volunteers whose impact is not adequately measured by the dollars spent.

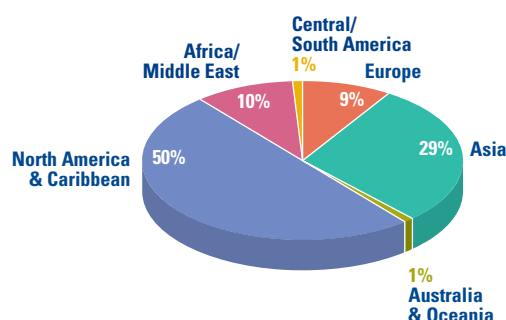
Program Expenses by Population Served
(\$18,949,000)



Global Allocation

In 2001, approximately 50% of program expenses went to North America and the Caribbean. Another 29% went to programs in Asia including the hospital in Cambodia, orphanage and medical programs in India and Indonesia, and children's education programs in China. Early last year, HOPE *worldwide* began serving a medical clinic in Afghanistan, sending an expatriate physician and more than \$800,000 worth of medical and humanitarian supplies. In 2002, this work will expand to include the rehabilitation and re-opening of a hospital. Due to the substantial growth in HIV/AIDS programs, expenses in Africa and the Middle East grew to 10% of the total, up from 2% the previous year.

Program Expenses by World Region
(\$18,949,000)



Another major area of program activities is Europe (9%) where seniors programs operate in France, Germany, and Russia and children's programs in Romania and Russia. While representing a relatively small geographic area, HOPE *worldwide's* medical clinics in Mexico and Papua New Guinea provide a significant service to families in rural and urban communities where the vast majority of the population would not otherwise have access to medical care.

HOPE *worldwide*, Ltd.

Schedule of Expenses by Services Provided

Year ended December 31, 2001	Health	Education & Development	Children/Adoption Care	Other Services*	Fundraising	Management & General	TOTAL
Salaries	\$1,306,852	\$2,055,782	\$ 914,559	\$1,387,994	\$ 944,878	\$1,599,334	\$ 8,209,399
Employee Benefits	\$ 127,406	\$ 239,840	\$ 169,384	\$ 184,000	\$ 128,424	\$ 237,912	\$ 1,086,966
Payroll Expenses	\$ 63,706	\$ 156,854	\$ 65,756	\$ 73,979	\$ 69,204	\$ 108,795	\$ 538,294
Out of town expenses	\$ 235,987	\$ 682,606	\$ 87,296	\$ 262,775	\$ 78,477	\$ 91,793	\$ 1,438,934
Conference/seminar	\$ 41,418	\$ 56,065	\$ 9,134	\$ 40,314	\$ 7,620	\$ 16,347	\$ 170,898
Local Meals/Entertainment	\$ 2,836	\$ 75,055	\$ 10,899	\$ 30,427	\$ 29,013	\$ 33,824	\$ 182,054
Local Travel	\$ 345	\$ 58,541	\$ 26,593	\$ 18,794	\$ 15,857	\$ 9,458	\$ 129,588
Gifts	\$ 487	\$ 17,786	\$ 3,846	\$ 10,107	\$ 25,324	\$ 15,298	\$ 72,848
Office equipment rental/maintenance	\$ 5,371	\$ 27,782	\$ 22,064	\$ 12,317	\$ 20,040	\$ 78,615	\$ 166,189
Maintenance & Repairs –							
Bldg/Grounds/Equipment		\$ 9,261		\$ 1,798	\$ 4,464	\$ 26,786	\$ 42,309
Bad Debt Expense			\$ 27,625			\$ 6,000	\$ 33,625
Depreciation		\$ 78,342		\$ 4,821	\$ 11,211	\$ 248,537	\$ 342,911
Printing	\$ 5,771	\$ 32,591	\$ 8,347	\$ 23,058	\$ 151,675	\$ 10,989	\$ 232,431
Promotional expenses	\$ 992	\$ 21,873	\$ 33,780	\$ 16,124	\$ 27,921	\$ 5,946	\$ 106,636
Professional/legal fees	\$ 89,986	\$ 269,487	\$ 50,446	\$ 32,055	\$ 11,531	\$ 157,146	\$ 610,651
Insurance	\$ 19,381	\$ 15,902	\$ 1,525	\$ 7,257	\$ 4,494	\$ 21,022	\$ 69,581
License/Fees/Taxes	\$ 4,976	\$ 10,291	\$ 5,043	\$ 4,417	\$ 13,276	\$ 41,299	\$ 79,302
Interest	\$ 3,943	\$ 19,039	\$ 3	\$ 11,250	\$ 25,993	\$ 161,337	\$ 221,565
Rent	\$ 55,882	\$ 145,352	\$ 109,122	\$ 83,339	\$ 50,100	\$ 89,245	\$ 533,040
Supplies	\$ 7,538	\$ 45,669	\$ 21,865	\$ 10,576	\$ 37,278	\$ 74,197	\$ 197,123
Bank Charges	\$ 932	\$ 7,999	\$ 2,966	\$ 5,555	\$ 282	\$ 23,549	\$ 41,283
Shipping/Postage	\$ 2,485	\$ 32,345	\$ 25,553	\$ 7,830	\$ 27,513	\$ 33,222	\$ 128,948
Office Maintenance	\$ 4,858	\$ 2,560	\$ 2,808	\$ 2,366	\$ 379	\$ 4,325	\$ 17,296
Miscellaneous Office Expense	\$ 4,883	\$ 4,952	\$ 1,791	\$ 1,973	\$ 332	\$ 14,605	\$ 28,536
Telephone	\$ 11,928	\$ 105,007	\$ 37,460	\$ 35,603	\$ 25,284	\$ 75,799	\$ 291,081
Utilities	\$ 8,099	\$ 38,927	\$ 4,589	\$ 6,905	\$ 8,944	\$ 52,703	\$ 120,167
Special Events		\$ 6,009	\$ 137	\$ 229	\$ 23,256	\$ 0	\$ 29,631
Program Expenses	\$ 928,587	\$1,870,181	\$1,205,682	\$1,090,678	\$ 53,225	\$ 0	\$ 5,148,353
Program Expenses – In-kind	\$3,713,346						\$ 3,713,346
TOTAL 2001	\$6,647,995	\$6,086,098	\$2,848,273	\$3,366,541	\$1,795,995	\$3,238,083	\$23,982,985

* Includes combination of services & other services

HOPE worldwide, Ltd.
Consolidated Statements of Financial Position

Years ended December 31	2001	2000
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,628,344	\$ 3,297,089
Accounts receivable	297,553	426,171
Pledges receivable	211,782	351,490
Prepaid expenses and other current assets	152,114	206,604
Total current assets	3,289,793	4,281,354
Non-current assets:		
Investments	881,668	893,627
Property and equipment:		
Building	3,034,602	3,034,602
Equipment	1,306,757	1,288,283
Leasehold improvements	217,758	215,091
	4,559,117	4,537,976
Less: Accumulated depreciation and amortization	(1,310,106)	(1,084,317)
	3,249,011	3,453,659
Total assets	\$ 7,420,472	\$ 8,628,640
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 305,312	\$ 555,333
Accrued expenses and other current liabilities	182,221	37,052
Short-term debt	268,403	337,164
Current maturities of long-term debt	136,873	126,084
Total current liabilities	892,809	1,055,633
Long-term debt	2,224,364	2,360,967
Total liabilities	3,117,173	3,416,600
Net assets:		
Unrestricted	2,536,890	3,529,085
Temporarily restricted	722,052	643,462
Permanently restricted	1,044,357	1,039,493
Total net assets	4,303,299	5,212,040
Total liabilities and net assets	\$ 7,420,472	\$ 8,628,640

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

Years ended December 31	2001	2000
Changes in unrestricted net assets:		
Operating support and revenues:		
Contributions	\$ 15,371,970	\$ 22,804,560
Grants and other	4,551,439	2,142,850
	19,923,409	24,947,410
Net assets released from restrictions	3,067,381	2,831,235
Total operating support, revenues and net assets released from restrictions	22,990,790	27,778,645
Expenses:		
U.S. programs	9,201,692	8,003,244
Non-U.S. programs	9,747,215	13,795,829
Management and general	3,238,083	3,489,333
Fundraising	1,795,995	1,729,376
Total expenses	23,982,985	27,017,782
Increase in unrestricted net assets	(992,195)	760,863
Changes in temporarily restricted net assets:		
Operating support and revenues:		
Contributions	3,154,050	2,483,009
Investment income, net	20,971	17,635
Unrealized appreciation on investments	(26,686)	(6,357)
Net assets released from restrictions	(3,067,381)	(2,831,235)
Investment earnings allocation	(2,364)	(1,993)
Increase (decrease) in temporarily restricted net assets	78,590	(338,941)
Changes in permanently restricted net assets:		
Operating support and revenues:		
Contributions	2,500	37,500
Investment earnings allocation	2,364	(1,993)
Increase in permanently restricted net assets	4,864	39,493
Increase (decrease) in net assets	(908,741)	461,415
Net assets, at beginning of year	\$ 5,212,040	\$ 4,750,625
Net assets, at end of year	\$ 4,303,299	\$ 5,212,040

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, 2001 and 2000. The consolidated financial data were derived from financial statements audited by PricewaterhouseCoopers LLP.