

HOPECO
FINANCIAL STATEMENTS
For the Year Ended December 31, 2022

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MALLARD & MALLARD CPAS, LLC

1109 BROOKDALE STREET, SUITE B
MARTINSVILLE, VIRGINIA 24112

(276) 632-5754
(276) 632-2119 FAX

INDEPENDENT AUDITOR'S REPORT

Board of Directors
HopeCo
Martinsville, Virginia

Opinion

We have audited the accompanying financial statements of HopeCo (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related 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 financial statements referred to above presents fairly, in all material respects, the financial position of HopeCo as of December 31, 2022, and the changes in its net assets 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. 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 HopeCo 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the ability of HopeCo to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 HopeCo'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time for HopeCo.

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 Summarized Comparative Information

We have previously audited HopeCo's 2021 financial statements, and we expressed an unmodified audit opinion of those audited financial statements in our report dated June 28, 2022.

In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mallard & Mallard CPAs, LLC

July 5, 2023

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HOPECO

STATEMENT OF FINANCIAL POSITION

December 31, 2022 (With Comparative Totals for 2021)

| ASSETS | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>2022 Total</u> | <u>2021 Total</u> |
|-----------------------------------|---------------------------------------|------------------------------------|-----------------------|-----------------------|
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | \$ 35,914 | \$ 157,883 | \$ 193,797 | \$ 166,869 |
| Investments | - | 7,216 | 7,216 | 2,669 |
| Accounts receivable | 3,550 | - | 3,550 | 3,844 |
| Prepaid expenses | 11,927 | - | 11,927 | 21,030 |
| Payroll tax overpayment | - | - | - | 135 |
| TOTAL CURRENT ASSETS | <u>51,391</u> | <u>165,099</u> | <u>216,490</u> | <u>194,547</u> |
| PROPERTY AND EQUIPMENT | <u>22,999</u> | <u>-</u> | <u>22,999</u> | <u>24,972</u> |
| TOTAL ASSETS | <u>\$ 74,390</u> | <u>\$ 165,099</u> | <u>\$ 239,489</u> | <u>\$ 219,519</u> |
| LIABILITIES AND NET ASSETS | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts payable | \$ 10,110 | \$ - | \$ 10,110 | \$ 10,323 |
| Sales tax payable | 36 | - | 36 | - |
| Payroll taxes payable | <u>5,900</u> | <u>-</u> | <u>5,900</u> | <u>7,697</u> |
| TOTAL CURRENT LIABILITIES | <u>16,046</u> | <u>-</u> | <u>16,046</u> | <u>18,020</u> |
| NET ASSETS | | | | |
| Without Donor Restrictions: | | | | |
| Operating | 58,344 | - | 58,344 | 63,584 |
| With Donor Restrictions: | | | | |
| Purpose restricted | <u>-</u> | <u>165,099</u> | <u>165,099</u> | <u>137,915</u> |
| TOTAL NET ASSETS | <u>58,344</u> | <u>165,099</u> | <u>223,443</u> | <u>201,499</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 74,390</u> | <u>\$ 165,099</u> | <u>\$ 239,489</u> | <u>\$ 219,519</u> |

The accompanying notes are an integral part of these statements.

HOPECO

STATEMENT OF ACTIVITIES

Year ended December 31, 2022 (With Comparative Totals for 2021)

| | Without Donor Restrictions | With Donor Restrictions | 2022 Total | 2021 Total |
|---|-------------------------------|----------------------------|-------------------|-------------------|
| REVENUES, GAINS, AND OTHER SUPPORT | | | | |
| Contributions | | | | |
| City of Hope | \$ - | \$ 129,110 | \$ 129,110 | \$ 124,871 |
| Construction: Secondary School | - | 29,017 | 29,017 | 60,530 |
| Education of Students in USA | - | 49,559 | 49,559 | 100,271 |
| Construction: Water Project | - | - | - | 20,550 |
| Women's Empowerment Programs | - | 4,857 | 4,857 | 1,450 |
| Construction: Destiny Primary School | - | 5,603 | 5,603 | 320 |
| Kenya Safe House | - | 64,247 | 64,247 | 15,411 |
| Amani Medical Center | - | 8,650 | 8,650 | 3,958 |
| City of Hope - School Bus | - | 67,500 | 67,500 | - |
| Tractor | - | - | - | 61,008 |
| Other | 368,887 | - | 368,887 | 333,353 |
| Inkind contributions | 15,950 | 444,102 | 460,052 | 361,495 |
| Mission trips | - | 62,642 | 62,642 | 70 |
| Bible College Fees and Books | 13,543 | - | 13,543 | 17,380 |
| SEW Product Sales | - | 1,091 | 1,091 | 1,479 |
| Investment income | 98 | - | 98 | 916 |
| Miscellaneous | 1,514 | 20 | 1,534 | 963 |
| Employee retention credits | - | - | - | 58,675 |
| Payroll protection income | - | - | - | 36,463 |
| Realized gain on investments | - | (265) | (265) | 3,178 |
| Unrealized gain (loss) on investments | - | (444) | (444) | 20 |
| Net assets released from restrictions: | | | | |
| Restrictions satisfied by payments | 838,505 | (838,505) | - | - |
| TOTAL REVENUES, GAINS, AND OTHER SUPPORT | 1,238,497 | 27,184 | 1,265,681 | 1,202,361 |
| EXPENSES | | | | |
| Program services | 1,043,948 | - | 1,043,948 | 1,141,770 |
| Supporting services | | | | |
| Management and general | 132,511 | - | 132,511 | 115,547 |
| Fund-raising | 67,278 | - | 67,278 | 69,035 |
| TOTAL EXPENSES | 1,243,737 | - | 1,243,737 | 1,326,352 |
| INCREASE (DECREASE) IN NET ASSETS | (5,240) | 27,184 | 21,944 | (123,991) |
| NET ASSETS AT BEGINNING OF YEAR | 63,584 | 137,915 | 201,499 | 325,490 |
| NET ASSETS AT END OF YEAR | \$ 58,344 | \$ 165,099 | \$ 223,443 | \$ 201,499 |

The accompanying notes are an integral part of these statements.

HOPECO

STATEMENT OF CASH FLOWS

Year ended December 31, 2022 (With Comparative Totals for 2021)

| | <u>2022</u> | <u>2021</u> |
|---|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase (decrease) in net assets | \$ 21,944 | \$ (123,991) |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operations: | | |
| Depreciation | 1,973 | 2,720 |
| Unrealized (gain) loss on investments | 444 | (20) |
| Realized gain from sale of investments | (265) | 3,178 |
| Decrease (increase) in operating assets: | | |
| Accounts receivable | 294 | (1,449) |
| Prepaid expenses | 9,103 | (18,080) |
| Payroll tax overpayment | 135 | 3,346 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (213) | (4,930) |
| Sales tax payable | 36 | (20) |
| Payroll taxes payable | <u>(1,797)</u> | <u>1,769</u> |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | <u>31,654</u> | <u>(137,477)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of investments | 2,324 | 34,943 |
| Purchase of investments | (7,050) | (2,649) |
| Purchase of property and equipment | <u>-</u> | <u>(5,996)</u> |
| NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES | <u>(4,726)</u> | <u>26,298</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 26,928 | (111,179) |
| BEGINNING CASH AND CASH EQUIVALENTS | <u>166,869</u> | <u>278,048</u> |
| ENDING CASH AND CASH EQUIVALENTS | <u>\$ 193,797</u> | <u>\$ 166,869</u> |

The accompanying notes are an integral part of these statements.

HOPECO

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2022 (With Comparative Totals for 2021)

| | Program | Management and General | Fund- Raising | 2022 Total | 2021 Total |
|--|----------------------------|------------------------------|-------------------------|----------------------------|----------------------------|
| Consulting | \$ 35,400 | \$ - | \$ - | \$ 35,400 | \$ 42,650 |
| Depreciation | 1,026 | 572 | 375 | 1,973 | 2,720 |
| Employee benefits | 6,290 | 5,840 | 2,845 | 14,975 | 16,193 |
| Insurance | 2,453 | 1,368 | 896 | 4,717 | 3,986 |
| Information technology | 4,103 | 934 | 612 | 5,649 | 5,640 |
| Professional fees | 7,664 | 4,274 | 2,801 | 14,739 | 14,926 |
| Advertising and promotion | 13,723 | 9,722 | 1,064 | 24,509 | 32,520 |
| Inkind expenses - advertising and promotion | 8,930 | 6,327 | 693 | 15,950 | - |
| Office expense | 5,963 | 1,348 | 1,121 | 8,432 | 13,852 |
| Payroll taxes | 6,736 | 4,551 | 3,010 | 14,297 | 15,359 |
| Salaries | 136,602 | 77,085 | 50,455 | 264,142 | 252,673 |
| Other expenses | 8,234 | 8,645 | 1,932 | 18,811 | 18,822 |
| Travel | 62,351 | 9,595 | - | 71,946 | 14,828 |
| Occupancy | 4,225 | 2,250 | 1,474 | 7,949 | 6,852 |
| Short-term Missions | 23,900 | - | - | 23,900 | - |
| City of Hope Operations/Projects | 116,199 | - | - | 116,199 | 103,963 |
| Education of Students in USA | 77,432 | - | - | 77,432 | 52,004 |
| Women's Empowerment Programs | 1,824 | - | - | 1,824 | 10,200 |
| Construction: Destiny Primary School | 345 | - | - | 345 | 5,728 |
| Construction: Secondary School | 45,422 | - | - | 45,422 | 216,201 |
| Kenya Safe House | 19,700 | - | - | 19,700 | 2,000 |
| Water Projects | - | - | - | - | 71,890 |
| Amani Medical Center | 11,324 | - | - | 11,324 | - |
| Tractor | - | - | - | - | 61,850 |
| Inkind expenses - Education of Students in USA | 444,102 | - | - | 444,102 | 361,495 |
| TOTAL FUNCTIONAL EXPENSES | <u>\$ 1,043,948</u> | <u>\$ 132,511</u> | <u>\$ 67,278</u> | <u>\$ 1,243,737</u> | <u>\$ 1,326,352</u> |

The accompanying notes are an integral part of these statements.

HOPECO
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES. HopeCo (formerly Teamwork Ministries International, Inc.) is a nonprofit organization working primarily in East Africa to meet the needs of vulnerable children, their families, and communities. This includes providing residential care to orphans, quality education, medical care, empowerment programs for women, and other development activities. In addition, Christian leaders are trained and equipped through the work of Teamwork Bible College and other programs.

BASIS OF ACCOUNTING. The financial statements of the Organization have been prepared on the accrual basis of accounting. Income is recognized when earned and expenses are recognized when incurred.

CONTRIBUTIONS. Contributions received are recorded as net assets without donor restrictions or with donor restrictions depending upon the existence or nature of any donor restrictions.

CASH AND CASH EQUIVALENTS. For purposes of the statement of cash flows, the Organization considers all cash and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

ADVERTISING. The Organization expenses all advertising costs as incurred. Advertising expense was \$40,459 for the year ended December 31, 2022.

PROMISES TO GIVE. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

PROPERTY AND EQUIPMENT. Property and equipment are carried at cost. Depreciation is computed over the estimated useful lives of the respective assets using the straight-line method. Depreciation expense for 2022 was \$1,973.

ESTIMATES. The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

HOPECO
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FUNCTIONAL ALLOCATION OF EXPENSES. The costs of providing various programs and other activities have been summarized on the functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Expenses directly attributable to a specific functional area of the Organization are reported as specific to that functional area. Expenses that benefit multiple functional or program areas have been allocated across programs and other supporting services based on time studies and estimated direct usage.

INCOME TAX STATUS. The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

INVESTMENTS. The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

DONATED INVESTMENTS. Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

NET ASSETS. Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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 resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

HOPECO
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CONTRIBUTED SERVICES AND GOODS. Contributed services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide services that are not recognized as contributions in the financial statements since the recognition criteria was not met. Donated services were \$460,052 for the year ended December 31, 2022.

REVENUE AND REVENUE RECOGNITION. Disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue streams that fall under *Revenue from Contracts with Customers (Topic 606)* are as follows:

Program Fees – The Organization generates revenue from various programs, which are nonrefundable. Program fees are considered exchange transactions by nature and are recognized over the period the activity is provided. Services did not overlap year-end, therefore revenue is recognized in the proper year.

Other Income – Includes miscellaneous revenue items which are recognized at the time of sale or the time of the event or activity.

Overall economic conditions can impact the nature, timing, and uncertainty of the Organization's revenues and cash flows.

The Organization has additional revenue streams that are not within the scope of *Revenue from Contracts with Customers (Topic 606)*:

Contributions and grants are classified as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

The Organization reports gifts of building and land as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

HOPECO
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS. Various methods and assumptions are used to estimate the fair value of each class of financial instruments. Cash and cash equivalents are valued at their carrying amount due to their short maturities. Investments are reported at fair value based on quoted market prices or other significant inputs.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2022 consist of the following:

| | |
|-----------------------------------|-------------------|
| Petty cash | \$ 178 |
| American National Bank - savings | 5 638 |
| American National Bank – checking | 185 672 |
| PEX debit cards | 1 142 |
| Facebook | 195 |
| Stripe | 425 |
| Paypal | 48 |
| WePay – Aplos | <u>499</u> |
| | <u>\$ 193 797</u> |

NOTE C – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 5, 2023, the date the financial statements were available to be issued.

NOTE D – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, comprise the following:

| | |
|---|------------------|
| Cash and cash equivalents | \$ 193 797 |
| Investments | 7 216 |
| Less: Amounts with donor restrictions | <u>(165 099)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 35 914</u> |

HOPECO
NOTES TO FINANCIAL STATEMENTS

NOTE E – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows at December 31, 2022:

| | |
|--------------------------------------|-------------------|
| City of Hope | \$ 16 475 |
| City of Hope – School Bus | 60 750 |
| Short-term Missions | 2 860 |
| Construction: Secondary School | 736 |
| Education of Students in USA | 44 003 |
| Women’s Empowerment Programs | 731 |
| Kenya Safe House | 34 388 |
| Construction: Destiny Primary School | 5 043 |
| Amani Medical Center | 113 |
| Total | <u>\$ 165 099</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended December 31, 2022:

| | |
|--------------------------------------|-------------------|
| City of Hope | \$ 136 378 |
| City of Hope – School Bus | 6 750 |
| Short-term Missions | 64 172 |
| Kenya Safe House | 42 751 |
| Amani Medical Center | 12 195 |
| Construction: Secondary School | 32 426 |
| Education of Students in USA | 534 882 |
| Women’s Empowerment Programs | 8 046 |
| Construction: Destiny Primary School | 905 |
| Total | <u>\$ 838 505</u> |

NOTE F – PRIOR YEAR INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2021, from which the summarized information was derived.

HOPECO
NOTES TO FINANCIAL STATEMENTS

NOTE G – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization records purchases at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

The Organization adopted accounting standards which established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – The asset or liability fair values are based on inputs to the valuation methodology which are unadjusted quoted prices for identical assets or liabilities in active markets such as the NYSE.

Level 2 – The asset or liability fair values are based on observable inputs to the valuation methodology that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; other inputs that are observable and can be corroborated by observable market data for substantially the full term of the asset or liability by correlation or other means.

Level 3 – The asset or liability fair values are based on other valuation methodologies including pricing models, discounted cash flow models, or similar techniques rather than observable market exchange, broker, or dealer transactions. Thus, these values may require assumptions and estimates.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2022:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|------------------------------|----------------|----------------|----------------|--------------|
| Marketable equity securities | \$ 7 216 | \$ - | \$ - | \$ 7 216 |

HOPECO
NOTES TO FINANCIAL STATEMENTS

NOTE H – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022:

| | |
|---------------------------|------------------|
| Building and improvements | \$ 67 156 |
| Land | 10 069 |
| Office equipment | <u>15 239</u> |
| | 92 464 |
| Accumulated depreciation | <u>(69 465)</u> |
| | <u>\$ 22 999</u> |

NOTE I – DONATED LAND

The Organization was donated a lot in Surf City, North Carolina in December 2020 with an appraised value of \$530,000. The appraisal was prepared using extraordinary assumptions by the appraiser. The value of the land is not reflected in the Statement of Financial Position since there is uncertainty if a dwelling can be constructed on the lot.