SHARED HOPE INTERNATIONAL AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Shared Hope International
Vancouver, Washington

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Shared Hope International and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Shared Hope International and Affiliates as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities and changes in net assets are presented for purposes of additional analysis 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 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
May 24, 2021

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,388,486	$ 3,811,979
Investments	150,672	147,597
Pledges Receivable, Net	112,991	148,107
Contributions Receivable	575,632	-
Prepaid Expenses	183,099	47,283
Inventory	82,351	93,723
Total Current Assets	2,493,231	4,248,689
DEPOSITS AND OTHER ASSETS	6,821	386
PROPERTY AND EQUIPMENT, Net	3,214,245	375,227
Total Assets	$ 5,714,297	$ 4,624,302
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 133,972	$ 70,048
Accrued Payroll Taxes and Benefits	40,226	35,545
Accrued Paid Time Off	59,632	44,670
Deferred Revenue	27,210	162,822
Total Current Liabilities	261,040	313,085
LONG-TERM DEBT	282,304	-
Total Liabilities	543,344	313,085
NET ASSETS		
Without Donor Restrictions	3,421,323	2,421,156
With Donor Restrictions	1,749,630	1,890,061
Total Net Assets	5,170,953	4,311,217
Total Liabilities and Net Assets	$ 5,714,297	$ 4,624,302

See accompanying Notes to Consolidated Financial Statements.

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and Grants	$ 2,857,865	$ 634,827	$ 3,492,692
Program and Service Revenue	414,421	-	414,421
Gifts-In-Kind	203,250	-	203,250
Miscellaneous Income	12,603	-	12,603
Investment Return, Net	7,572	2,646	10,218
Loss on Disposal of Equipment	(1,817)	-	(1,817)
Loss of Uncollectible Pledges	(37,462)	-	(37,462)
Net Assets Released from Restrictions	777,904	(777,904)	-
Total Support and Revenue	4,234,336	(140,431)	4,093,905
EXPENSES			
Program Activities:			
International Partners	124,476	-	124,476
International Public Education	15,642	-	15,642
Domestic Public Education	2,300,843	-	2,300,843
Domestic Partners	97,881	-	97,881
Domestic WIN Program	67,800	-	67,800
Total Program Activities	2,606,642	-	2,606,642
Supporting Activities:			
Administration	399,598	-	399,598
Fundraising	227,929	-	227,929
Total Supporting Activities	627,527	-	627,527
Total Expenses	3,234,169	-	3,234,169
CHANGE IN NET ASSETS	1,000,167	(140,431)	859,736
Net Assets - Beginning of Year	2,421,156	1,890,061	4,311,217
NET ASSETS - END OF YEAR	$ 3,421,323	$ 1,749,630	$ 5,170,953

See accompanying Notes to Consolidated Financial Statements.

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and Grants	$ 3,314,793	$ 1,574,867	$ 4,889,660
Program and Service Revenue	381,159	-	381,159
Gifts-In-Kind	227,775	-	227,775
Investment Return, Net	7,164	6,646	13,810
Loss on Disposal of Equipment	(16,099)	-	(16,099)
Loss of Uncollectible Pledges	(37,668)	-	(37,668)
Net Assets Released from Restrictions	287,460	(287,460)	-
Total Support and Revenue	4,164,584	1,294,053	5,458,637
EXPENSES			
Program Activities:			
International Partners	258,047	-	258,047
International Public Education	14,171	-	14,171
Domestic Public Education	2,332,605	-	2,332,605
Domestic Partners	89,909	-	89,909
Domestic WIN Program	90,397	-	90,397
Total Program Activities	2,785,129	-	2,785,129
Supporting Activities:			
Administration	372,935	-	372,935
Fundraising	242,900	-	242,900
Total Supporting Activities	615,835	-	615,835
Total Expenses	3,400,964	-	3,400,964
CHANGE IN NET ASSETS	763,620	1,294,053	2,057,673
Net Assets - Beginning of Year	1,657,536	596,008	2,253,544
NET ASSETS - END OF YEAR	$ 2,421,156	$ 1,890,061	$ 4,311,217

See accompanying Notes to Consolidated Financial Statements.

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Activities						Supporting Activities			
	International Partners	International Public Education	Domestic Public Education	Domestic Partners	Domestic WIN Program	Total	Administration	Fundraising	Total	Total Expenses
Salaries and Wages	$ 2,590	$ 9,998	$ 923,077	$ 3,180	$ 45,857	$ 984,702	$ 186,588	$ 45,373	$ 231,961	$ 1,216,663
Payroll Taxes and Benefits	390	1,522	140,844	471	7,028	150,255	28,415	6,909	35,324	185,579
Donated Services	297	-	178,699	436	-	179,432	6,817	10,461	17,278	196,710
Banking Costs	-	-	-	-	-	-	39,244	-	39,244	39,244
Computer Expenses	37	-	19,018	34	527	19,616	4,425	2,273	6,698	26,314
Conferences, Training, and Meetings	-	-	570	-	-	570	3,933	-	3,933	4,503
Contract Labor	195	50	187,659	218	4,461	192,583	22,303	13,568	35,871	228,454
Depreciation and Amortization	247	-	56,544	1,197	180	58,168	5,194	1,614	6,808	64,976
Facilities	-	2,655	281,722	-	-	284,377	-	637	637	285,014
Gifts and Volunteer Costs	-	-	149	-	-	149	6,072	-	6,072	6,221
Grants to Others	120,000	-	-	90,000	-	210,000	-	-	-	210,000
Insurance	96	-	40,089	117	2,039	42,341	8,674	4,318	12,992	55,333
Licenses, Taxes, Fees, and Subscriptions	132	-	69,558	1,884	2,436	74,010	26,069	10,638	36,707	110,717
Media and Advertising	-	-	15,099	-	-	15,099	5,661	-	5,661	20,760
Occupancy	192	-	83,559	217	3,886	87,854	18,638	9,391	28,029	115,883
Postage and Shipping	3	41	20,215	42	55	20,356	556	29,331	29,887	50,243
Printing and Publication	6	793	75,725	8	80	76,612	-	46,903	46,903	123,515
Professional Services	-	-	42,898	-	-	42,898	28,537	36,542	65,079	107,977
Supplies	27	74	43,860	29	528	44,518	2,869	1,844	4,713	49,231
Telephone	39	-	13,262	45	603	13,949	1,570	1,415	2,985	16,934
Travel and Meals	225	394	102,295	3	120	103,037	3,985	6,375	10,360	113,397
Video Production and Distribution	-	-	4,087	-	-	4,087	-	180	180	4,267
Website	-	115	1,914	-	-	2,029	48	157	205	2,234
Total Expenses	$ 124,476	$ 15,642	$ 2,300,843	$ 97,881	$ 67,800	$ 2,606,642	$ 399,598	$ 227,929	$ 627,527	$ 3,234,169

See accompanying Notes to Consolidated Financial Statements.

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Activities						Supporting Activities			
	International Partners	International Public Education	Domestic Public Education	Domestic Partners	Domestic WIN Program	Total	Administration	Fundraising	Total	Total Expenses
Salaries and Wages	$ 20,641	$ 5,638	$ 864,158	$ 4,167	$ 60,696	$ 955,300	$ 183,344	$ 36,674	$ 220,018	$ 1,175,318
Payroll Taxes and Benefits	3,056	827	126,010	605	8,846	139,344	26,717	5,377	32,094	171,438
Donated Services	13,948	-	186,795	-	-	200,743	6,974	13,948	20,922	221,665
Banking Costs	-	-	-	-	-	-	36,948	-	36,948	36,948
Conferences, Training, and Meetings	-	-	15,530	-	-	15,530	4,980	-	4,980	20,510
Contract Labor	1,860	-	86,230	316	5,232	93,638	13,813	6,558	20,371	114,009
Depreciation and Amortization	678	-	31,904	1,077	2,395	36,054	7,275	2,802	10,077	46,131
Facilities	-	75	416,354	-	-	416,429	-	3,755	3,755	420,184
Grants to Others	182,968	-	-	78,036	-	261,004	-	-	-	261,004
Insurance	473	6	23,769	109	1,754	26,111	5,423	2,090	7,513	33,624
Licenses, Taxes, Fees, and Subscriptions	521	9	43,302	3,600	2,126	49,558	14,227	2,594	16,821	66,379
Media and Advertising	-	-	47,600	-	-	47,600	3,061	-	3,061	50,661
Occupancy	1,623	27	102,790	1,850	7,372	113,662	21,682	9,083	30,765	144,427
Other	190	3,960	16,028	60	897	21,135	8,069	1,225	9,294	30,429
Postage and Shipping	33	43	43,319	8	120	43,523	825	44,826	45,651	89,174
Printing and Publication	57	678	121,668	5	108	122,516	93	68,890	68,983	191,499
Professional Services	-	35	67,156	-	-	67,191	30,405	35,165	65,570	132,761
Scholarships	13,838	-	-	-	-	13,838	-	-	-	13,838
Supplies	271	97	52,253	74	820	53,515	2,019	1,440	3,459	56,974
Travel and Meals	17,890	2,626	85,399	2	31	105,948	7,017	8,267	15,284	121,232
Website	-	150	2,340	-	-	2,490	63	206	269	2,759
Total Expenses	$ 258,047	$ 14,171	$ 2,332,605	$ 89,909	$ 90,397	$ 2,785,129	$ 372,935	$ 242,900	$ 615,835	$ 3,400,964

See accompanying Notes to Consolidated Financial Statements.

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Donors	$ 3,210,927	$ 5,161,090
Cash Paid to Grantees	(210,000)	(261,004)
Cash Paid to Vendors	(1,420,656)	(1,506,485)
Cash Paid to Employees	(1,382,599)	(1,342,320)
Interest Income	10,218	13,810
Net Cash Provided by Operating Activities	207,890	2,065,091
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Redemption of Certificates of Deposit	-	500,199
Purchases of Investments	(17,210)	(34,205)
Proceeds from Sale of Investments	9,334	24,124
Acquisition of Property and Equipment	(2,905,811)	(138,728)
Net Cash Provided (Used) by Investing Activities	(2,913,687)	351,390
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Debt Issuance	282,304	-
CHANGE IN CASH AND CASH EQUIVALENTS	(2,423,493)	2,416,481
Cash and Cash Equivalents - Beginning of Year	3,811,979	1,395,498
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,388,486	$ 3,811,979
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Donated Stock Investments	$ 722	$ 5,757
Income Taxes Paid (Refunded)	$ (376)	$ 376

See accompanying Notes to Consolidated Financial Statements.

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ 859,736	$ 2,057,673
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	64,976	46,131
Investment Loss	4,801	2,629
Loss on Disposal of Equipment	1,817	16,099
Change in Assets and Liabilities:		
Pledges Receivable, Net	35,116	(28,837)
Contributions Receivable	(575,632)	-
Prepaid Expenses	(135,816)	9,985
Inventory	11,372	12,170
Deposits	(6,435)	4,020
Accounts Payable	63,924	(13,362)
Accrued Payroll Taxes and Benefits	4,681	578
Accrued Paid Time Off	14,962	3,858
Deferred Revenue	(135,612)	(45,853)
Total Adjustments	(651,846)	7,418
Net Cash Provided by Operating Activities	$ 207,890	$ 2,065,091

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION

Shared Hope International (Shared Hope), Shared Hope Foundation (the Foundation), Trafficking Markets LLC, and SHI Institute, hereafter collectively referred to as the Organization, are entities formed in the state of Washington. Shared Hope, the Foundation and SHI Institute are nonprofit corporations while Trafficking Markets is a limited liability company. The Organization's activities are consolidated in the accompanying consolidated financial statements.

Formed in November of 1988, Shared Hope strives to prevent the conditions that foster sex trafficking, restore victims of sex slavery, and bring justice to vulnerable women and children. Shared Hope envisions a world passionately opposed to sex trafficking and a community committed to restoring survivors to lives of purpose, value, and choice – one life at a time.

The purpose of the Foundation, formed in March 2001, is to provide a long-term endowment for Shared Hope to help ensure that its projects will have a source of future financing. In addition, the Foundation is to provide for long-term projects that extend the mission of Shared Hope.

Trafficking Markets was formed in April 2005 as a single member limited liability company, with Shared Hope being the sole member. The limited liability company manages Terry's House, an independent living home for survivors of sex trafficking, which is operated by Coffee Oasis (a nonprofit organization).

SHI Institute was formed in July 2019 for the purpose of holding title to Shared Hope's Washington D.C. office property. An application for exemption from federal income taxes under Section 501(c)(2) of the Internal Revenue Code was filed in July 2020. As of the date of these financial statements, this application has not been processed.

The Organization's programs are designed to educate the public and to motivate and provide opportunities for taking action concerning the global problem of the trafficking of women and children for sexual exploitation and slavery. Its domestic and international programs are committed to prevention, intervention, and restoration of the victims of sex trafficking. Shared Hope aims to bring justice by serving as advisors for enacting strong legislation that provides for the prosecution of both the buyers and sellers while protecting the victims. The Organization partners with groups worldwide to prevent sex trafficking and to rescue and supply shelter, healthcare, education, and vocational training opportunities for the victims of sex trafficking.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Organization.

Consolidation Policy

The consolidated financial statements include the accounts of Shared Hope International, Shared Hope Foundation, and Trafficking Markets, LLC. Intercompany transactions between the entities are eliminated in the consolidation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Presentation

The Organization, as a nonprofit organization, follows the accounting guidance prescribed by the Financial Accounting Standards Board (FASB) for nonprofit organizations.

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents for reporting purposes.

Investments

Investments acquired by gift are recorded at their fair market value at the date of the gift. The Organization's policy is to sell the donated investments promptly upon receipt of the donation.

Investments are comprised of real estate investment trusts (REITs) and mutual funds. The investments with readily determinable fair values are reported at their fair values based upon quoted market values. Income earned from investments, including realized and unrealized gains and losses, is recorded in net asset classes based upon donor restrictions or the absence thereof. Investment return is presented net of investment fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

The Organization has an endowment fund. Investment earnings of the endowment fund are available to support the Organization's rescue/restoration programs as well as pay for administrative costs of the Foundation. The investment earnings are reported as net assets with donor restrictions (a purpose restriction) in the consolidated financial statements until disbursed.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Promises to give, which are reported as pledges and contributions receivable in the consolidated financial statements, are unsecured. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of June 30, 2020 and 2019, one donor accounted for 84% of total pledges and contributions receivable. There were no concentrations of pledges and contributions receivable as of June 30, 2019.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance is calculated based on prior years' experience and management's analysis of specific promises made.

Inventory

Inventory in the accompanying consolidated statements of financial position consists primarily of books, DVDs, printed materials, supplies, and awareness and training resources. The Organization's inventory is recorded at the lower of cost or net realizable value on a first-in, first-out basis. Many of the inventory items are given to donors as a "thank you" for their donation.

Property and Equipment

Property and equipment includes land, buildings, leasehold improvements, furniture, and equipment and are recorded at cost, if purchased. It is the Organization's policy to capitalize expenditures for items in excess of $2,500. Expenditures for additions, major renewals, and betterments are capitalized, and expenditures for repairs and maintenance are charged against expensed as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation is eliminated from the accounts in the year of disposal with the resulting gain or loss credited or charged to operations. The recorded value of equipment and other capital assets used in the Organization's International and Domestic Partners' programs are expensed as incurred when the Organization does not retain title.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Depreciation on property and equipment is computed on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are depreciated over the life of the property or the term of the lease, whichever is shorter.

Donations of property and equipment are recorded as contributions at the fair value as of the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restriction upon acquisition of assets and the assets are placed in service.

Contributions and Donor-Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as increases to net assets with donor restrictions. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction. Contributions with donor-imposed restrictions that are met during the same year as the contribution is made are included in unrestricted support that increases net assets without donor restrictions. During the years ended June 30, 2020 and 2019, the Organization received 28% of its revenue from two donors and one donor, respectively.

Registration fees received prior to the period in which the program or activity takes place are reported as deferred revenue on the consolidated statement of financial position.

Measure of Operations

The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization’s ongoing activities. Nonoperating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Functional Allocation of Expenses

The costs of providing various programs and supporting activities have been summarized on a functional basis in the consolidated statement of activities and in the consolidated statement of functional expenses. Certain costs have been allocated between the program and supporting services benefited. Such allocations are made on the basis of cost accounting information available and the judgment of management. The expenses that are allocated include licenses and fees, contract labor, depreciation, insurance, office and occupancy costs as well as salaries, payroll taxes, and benefits which are all allocated on the basis of estimates of time and effort.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gifts-in-Kind

In-kind contributions of materials and supplies are recorded when there is an objective basis upon which to value these contributions and where the contributions are an integral part of the Organization’s activities. The Organization receives the benefit of donated services, which are recognized if the services received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Advertising Expenses

Advertising costs are charged to income during the year in which they are incurred. Advertising expense for the years ended June 30, 2020 and 2019 was $20,760 and $50,661, respectively.

Income Taxes

Shared Hope and the Foundation are exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, these two organizations qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and have been classified as organizations that are not private foundations under Section 509(a)(2). Accordingly, no provision for income taxes has been included in the consolidated financial statements.

Shared Hope Institute will be exempt from federal and state income tax under Section 501(c)(2) of the Internal Revenue Code pending approval from the Internal Revenue Service.

As a single-member limited liability company owned by Share Hope, Trafficking Markets, LLC is treated as a disregarded entity for income tax purposes.

The Organization recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Effective with the year ended June 30, 2011, the Organization elected the expenditure test under section 501(h) as an alternative method for measuring lobbying activity. The election provides a specific dollar amount the Organization can spend on lobbying during the year without the burden of proving the amount is not substantial. Management believes the Organization’s lobbying activities are within limits allowed by relevant tax law.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. Subsequent events that provide evidence about conditions that arose after the consolidated statement of financial position date are not recognized in the consolidated financial statements. Management has evaluated subsequent events through May 24, 2021, which is the date the consolidated financial statements were available to be issued.

New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)* effective for annual periods beginning after December 15, 2018. The Organization adopted ASU 2018-08 beginning July 1, 2019. This update applies to both resource recipients and resource providers and assists in evaluating whether a transfer of assets is an exchange transaction or a contribution and also assists with distinguishing between conditional and unconditional contributions. Distinguishing between contributions and exchange transactions determines which guidance should be applied. For contributions, the guidance in Subtopic 958-605 should be followed for exchange transaction, Topic 606 should be followed and will be effective for the year ended June 30, 2021.

Upcoming Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. ASU 2020-05 was issued in June 2020, which deferred the effective date. The standard will be adopted in the year ending June 30, 2021. Management is in the process of evaluating the impact on the Organization.

FASB issued ASU 2016-02 *Leases (Topic 842)* in requiring lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. The standard will not be effective for the Organization until the year ending June 30, 2023. Implementation of the new standard can result in changes to the reporting and disclosure of leases. Management is in the process of evaluating the impact on the Organization.

NOTE 3 CASH AND CERTIFICATES OF DEPOSIT

At certain times during the year, the level of cash held may exceed federally insured limits. Bank deposits are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000 per institution. The cash balance reported in the accompanying consolidated financial statements may differ from the amount held on deposit due to deposits in transit or outstanding checks that have not cleared the bank as of the consolidated statement of financial position date.

The Organization from time to time deposits cash into interest bearing accounts and invests a portion of its cash in certificates of deposit. As of June 30, 2020 and 2019, the Organization did not hold any certificates of deposit.

NOTE 4 FAIR VALUE AND INVESTMENTS

The Organization uses fair value measurements to record fair value adjustments to its endowment investments and certain other assets. The *Fair Value Measurements* topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair values of trading and available for sale securities are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or matrix pricing, which is a mathematical technique widely used to in the industry to value debt securities without relying exclusively on quoted prices for the specific securities, but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the years ended June 30, 2020 and 2019.

NOTE 4 FAIR VALUE AND INVESTMENTS (CONTINUED)

The fair value of investments in equity securities (primarily mutual funds) by class consists of the following at June 30:

	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Mutual Funds:				
Fixed Income	$ 64,579	$ -	$ -	$ 64,579
Equities - US Growth	30,777	-	-	30,777
Equities - US Value	24,881	-	-	24,881
Equities - US Other	5,366	-	-	5,366
Equities - International	12,723	-	-	12,723
Real Estate	5,173	-	-	5,173
Real Estate Investment Trusts*	5,036	2,137	-	7,173
Total	$ 148,535	$ 2,137	$ -	$ 150,672

	2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Mutual Funds:				
Fixed Income	$ 39,590	$ -	$ -	$ 39,590
Equities - US Growth	32,659	-	-	32,659
Equities - US Value	28,309	-	-	28,309
Equities - US Other	10,293	-	-	10,293
Equities - International	23,860	-	-	23,860
Real Estate	5,713	-	-	5,713
Real Estate Investment Trusts*	5,036	2,137	-	7,173
Total	$ 145,460	$ 2,137	$ -	$ 147,597

* Donated securities

NOTE 4 FAIR VALUE AND INVESTMENTS (CONTINUED)

Investments consisted of the following at June 30:

	2020	2019
Mutual Funds	$ 143,499	$ 140,424
Real Estate Investment Trusts	7,173	7,173
Total	$ 150,672	$ 147,597

NOTE 5 PROMISES TO GIVE

Promises to give, which are reported as pledges receivable in the consolidated financial statements are stated at the value expected to be received and consist of the following at June 30:

	2020	2019
Receivable in Less than One Year	$ 138,987	$ 179,154
Allowance for Uncollectible Pledges	(25,996)	(31,047)
Total	$ 112,991	$ 148,107

NOTE 6 PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consist of the following at June 30:

	2020	2019
Land and Buildings	$ 2,871,456	$ 397,167
Office Equipment and Furniture	138,016	174,904
Leasehold Improvements	421,811	131,559
Program Equipment	12,171	12,771
Subtotal	3,443,454	716,401
Less: Accumulated Depreciation and Amortization	(229,209)	(341,174)
Total	$ 3,214,245	$ 375,227

Depreciation and amortization expense was $64,976 and $46,131 for the years ended June 30, 2020 and 2019, respectively.

NOTE 7 ENDOWMENT FUNDS

The Organization’s endowment currently consists of funds given to the Mannisha Life Endowment Fund. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 7 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law

The management of the Organization has interpreted the State of Washington's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

(1) The duration and preservation of the fund.
(2) The purposes of the Organization and the donor-restricted endowment fund.
(3) General economic conditions.
(4) The possible effect of inflation and deflation.
(5) The expected total return from income and the appreciation or depreciation of investments.
(6) Other resources of the Organization.
(7) The investment policies of the Organization.

Endowment fund net asset composition by type at June 30:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment, June 30, 2020	$ -	$ 131,376	$ 131,376
Donor-Restricted Endowment, June 30, 2019	$ -	$ 129,155	$ 129,155

As of June 30, 2020 and 2019, the Organization had no board-restricted endowment funds.

Changes in endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

NOTE 7 ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (Continued)

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2019	$ -	$ 129,155	$ 129,155
Contributions Received	-	58	58
Investment Return, Net	-	2,646	2,646
Appropriation of Endowment Assets for Expenditures	-	(483)	(483)
Endowment Net Assets, July 1, 2020	$ -	$ 131,376	$ 131,376

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, July 1, 2018	$ -	$ 135,244	$ 135,244
Contributions Received	-	1,543	1,543
Investment Return, Net	-	6,646	6,646
Appropriation of Endowment Assets for Expenditures	-	(14,278)	(14,278)
Endowment Net Assets, July 1, 2019	$ -	$ 129,155	$ 129,155

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, no deficiencies of this nature were required to be reported in net assets with donor restriction as of June 30, 2020 and 2019. If these deficiencies were to exist, they would most likely result from unfavorable market fluctuations.

Return Objectives and Risk Parameters

The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding for the payment of obligations and mission-related expenses, administrative expenses and the growth of financial surplus, while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Finance and Audit Committee, the endowment assets are invested in a manner that is intended to produce results that provide a reasonable balance between the quest for growth and the need to protect principal. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5.5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 7 ENDOWMENT FUNDS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year the income earned on the endowment funds. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the current spending policy to remain consistent. This is consistent with Organization's objective to preserve the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets are available for the following purposes as of June 30:

	2020	2019
Justice	$ 873,300	$ 1,573,324
Pledges Receivable at Year-End	112,991	148,107
Endowment Fund Principal	71,419	71,419
Earnings from Endowment Fund Yet to be Disbursed	59,959	57,736
Grant to Cover Legal Staff Costs	36,267	38,475
Restoration	594,694	-
Restoration: Indianapolis	1,000	1,000
Total Net Assets With Donor Restrictions	$ 1,749,630	$ 1,890,061

NOTE 9 GIFTS-IN-KIND

If it were not for gifts-in-kind, contributions of vital supplies and services performed by volunteers, the Organization's activities would be restricted to the availability of cash funds. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

In-kind donations reported in the accompanying consolidated financial statements consist of the following for the years ended June 30:

	2020	2019
Managerial Services	$ 174,355	$ 174,355
Professional Services	22,650	53,032
Printing	6,245	388
Total	$ 203,250	$ 227,775

The Organization receives donated services, primarily for administrative and fundraising support, which do not require specific expertise, but are nonetheless central to the Organization's activities. The estimated value of these services, based on the minimum hourly wage, amounts to $59,721 and $45,031 for the years ended June 30, 2020 and 2019. As required by generally accepted accounting principles, the value of these services is not reflected in the consolidated financial statements.

NOTE 10 GRANTS TO OTHERS

The Organization partners with several foreign nonprofit organizations in order to help rescue and restore victims of sex trafficking by providing them with shelter, healthcare, education, and vocational training opportunities. The Organization has found that supporting established, local nonprofit organizations in foreign countries is the most effective way to meet these goals due to legal and cultural differences. The Organization's staff oversees these projects to ensure monies are utilized in compliance with the grant agreements in place.

The Organization also partners with organizations across the United States providing services to domestic trafficking victims across the country. Guided by principals garnered through over a decade of research and partnerships with international and local partners, the Organization provides small grants to support emerging trends in service delivery, building upon the goal of the Organization's National Restoration Initiative to build an array of service options to provide tailored, trauma-informed services to survivors. As with the international grants, the Organization's staff monitors these projects to ensure monies are utilized in compliance with the grant agreements in place.

Funds granted to nonprofit organizations are recorded as grants to others in the accompanying consolidated statements of functional expenses and totaled $210,000 and $261,004 for the years ended June 30, 2020 and 2019, respectively.

NOTE 11 OPERATING LEASES

The Organization's lease for office space in Arlington, Virginia expired April 30, 2019 and was not renewed. In May 2019, the Organization entered into a Condominium Purchase and Sale Agreement to purchase a condominium unit located in Washington D.C. for $2,450,000. Upon execution of the sales agreement, an escrow deposit of $122,500 was paid and reported in Property and Equipment in the consolidated statement of financial position. The building purchase was finalized during the year ended June 30, 2020.

Beginning May 1, 2020, the Organization entered into a noncancelable lease for office space in Vancouver, Washington for a term of 62 months at a rate of $5,884 per month with a 3% increase in rent each year. The lease contains two options of five years to renew.

Rent expense reported in the accompanying consolidated statements of activities was $48,793 and $113,517 for the years ended June 30, 2020 and 2019, respectively.

Future minimum lease payments are as follows for the years ended June 30:

Year Ending June 30,	Amount
2021	$ 70,961
2022	73,089
2023	75,281
2024	77,551
2025	79,861
Total	$ 376,743

NOTE 12 PAYCHECK PROTECTION PROGRAM SBA LOAN

The Paycheck Protection Program was created through the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by the United States Congress and signed into law on March 27, 2020, to provide forgivable loans to small businesses and other organizations impacted by the COVID-19 outbreak. On April 21, 2020, the Organization received a loan in the amount of $282,304 with an annual interest rate of 1.00%. The Organization applied for forgiveness and received initial approval from the bank in November 2020. Although management believes loan forgiveness is probable, the Organization will continue to recognize the amount as a liability until it receives notice of forgiveness from the United States Small Business Association (SBA).

NOTE 13 JOINT COSTS

Certain direct and indirect joint costs are incurred by the Organization's programs to educate the American public. When public education program activities are combined with a fundraising appeal, accounting principles generally accepted in the United States of America prescribe conditions under which costs may be split between fundraising and program activities. If these conditions are not met, then the entire amount must be treated as a fundraising cost.

The conditions to be met include three criteria tests: purpose, audience, and content. When these criteria are met, the expenditures of the Organization's joint activities are allocated between fundraising and the Organization's related programs. In educating the public about human trafficking activities, Shared Hope incurred certain joint costs for informational materials, events, and its website.

The functional allocation of these joint costs for the years ended June 30, 2020 and 2019 is summarized as follows:

	2020	2019
Domestic Public Education	$ 158,482	$ 201,989
International Public Education	15,642	13,901
Fundraising	85,631	166,891
Administration	48	112
Total	$ 259,803	$ 382,893

NOTE 14 EMPLOYEE BENEFIT PLAN

The Organization maintains a 401(k) plan (the Plan) for all eligible employees. Employees may contribute a percentage of their salary to the Plan subject to statutory limits. The Organization has made matching contributions in an amount equal to 3% of each eligible participant's compensation totaling $18,890 and $18,064 for the years ended June 30, 2020 and 2019, respectively. In addition, the Plan provides for discretionary contributions as determined by the board of directors. No discretionary contributions were made for the years ended June 30, 2020 and 2019.

NOTE 15 AVAILABLE RESOURCES AND LIQUIDITY

Financial assets available for expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following for the fiscal years ended June 30:

	2020	2019
Cash and Cash Equivalents	$ 1,388,486	$ 3,811,979
Investments	150,672	147,597
Pledges and Contributions Receivable	688,623	148,107
Total Financial Assets	2,227,781	4,107,683
Donor-Imposed Restrictions:		
Funds Subject to Use Restrictions	(1,678,211)	(1,818,642)
Endowments	(71,419)	(71,419)
Net Financial Assets after Donor-Imposed Restrictions	478,151	2,217,622
Less:		
Funds Designated to Purchase Building	-	(880,970)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 478,151	$ 1,336,652

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Management forecasts its future cash flows and monitors its liquidity monthly, and monitors its reserves annually. Financial assets in excess of daily cash requirements are invested in certificates of deposit or money market funds as determined appropriate.

NOTE 16 UNCONDITIONAL PURCHASE OBLIGATION

Unconditional purchase obligations relate to commitments to make payments in the future for fixed or minimum quantities of goods or services at a fixed or minimum price. In July 2020, the Organization entered into an agreement for facilities and catering services for its JuST (Juvenile Sex Trafficking) Conference to be held in November 2020 at the Omni Shoreham Hotel in Washington DC. The agreement provides for a nonrefundable deposit of 25% of all estimated master account charges $(114,466) which was paid during the current fiscal year.

NOTE 16 UNCONDITIONAL PURCHASE OBLIGATION (CONTINUED)

The agreement contains a provision that the Organization will incur a minimum of $100,000 in food and beverage charges. In the event that the food and beverage minimum is not met, the Organization is responsible for the difference between the actual catered food and beverage spent and the food and beverage minimum. If the Organization were to cancel this event, the Organization would pay the hotel at the time of cancellation, as liquidation damages a percentage (depending on date of cancellation) of anticipated revenue from sleeping rooms and food and beverage.

Due to the COVID-19 pandemic, the 2020 JuST Conference was rescheduled to November 2021 at the same location and under the same terms of the July 2020 agreement. This decision was made with the safety and well-being of the attendees, presenters, volunteers, and the Shared Hope team in mind.

NOTE 17 BEQUEST

In March of 2014, the founder and president of Shared Hope, Linda Smith, was appointed as executor of an individual's will in which significant assets were bequeathed to Shared Hope International. In February of 2020, the individual passed away leaving a residential condominium and various other financial and nonfinancial assets to the Organization. The condominium was sold subsequent to year-end for total proceeds of $500,000, and management has estimated that an additional $75,000 will be received once the remaining assets in the estate are liquidated. Accordingly, the Organization has recognized these amounts as revenue during the year ended June 30, 2020, and recorded a receivable for the total estimated amount to be collected as of year-end.

NOTE 18 RISKS AND UNCERTAINTIES

The sex trafficking industry is fraught with dangers that could result in serious consequences to any party that discloses information about the details of sex trafficking operations or that works to prevent such operations from continuing. The Organization is heavily involved with research and related activities which are aimed at revealing information about the details of the sex trafficking industry and with helping sex trafficking victims reach freedom. In addition, the Organization is committed to bringing justice to victims of sex trafficking by supporting the development of global, federal, and state policies and legislation.

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic in early 2020. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2020 and issuance of this report.

NOTE 19 SUBSEQUENT EVENTS

Subsequent to year-end, the Organization sold real property located in Port Orchard, WA for $525,000. This property was previously used as an independent living home for survivors of sex trafficking and was managed by Trafficking Markets, LLC and operated by Coffee Oasis (a nonprofit organization).

In early 2021, the Organization received a second-draw Paycheck Protection Program forgivable loan in the amount of $264,402.

SUPPLEMENTARY INFORMATION

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Shared Hope International	Shared Hope Foundation	Trafficking Markets	Shared Hope Institute	Consolidation Adjustments	Total
ASSETS						
CURRENT ASSETS						
Cash	$ 1,348,769	$ 1,487	$ 38,230	$ -	$ -	$ 1,388,486
Investments	7,173	143,499	-	-	-	150,672
Pledges Receivable, Net	112,991	-	-	-	-	112,991
Contributions Receivable	575,632	-	-	-	-	575,632
Intercompany Receivable	2,608,800	-	-	-	(2,608,800)	-
Prepaid Expenses	181,111	-	1,988	-	-	183,099
Inventory	82,351	-	-	-	-	82,351
Total Current Assets	4,916,827	144,986	40,218	-	(2,608,800)	2,493,231
DEPOSITS AND OTHER ASSETS	6,821	-	-	-	-	6,821
PROPERTY AND EQUIPMENT, Net	677,679	-	1,064	2,535,502	-	3,214,245
Total Assets	$ 5,601,327	$ 144,986	$ 41,282	$ 2,535,502	$ (2,608,800)	$ 5,714,297
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	$ 133,972	$ -	$ -	$ -	$ -	$ 133,972
Intercompany Payable	-	13,610	220	2,594,970	(2,608,800)	-
Accrued Payroll Taxes and Benefits	40,226	-	-	-	-	40,226
Accrued Paid Time Off	59,632	-	-	-	-	59,632
Deferred Revenue	27,210	-	-	-	-	27,210
Total Current Liabilities	261,040	13,610	220	2,594,970	(2,608,800)	261,040
LONG-TERM DEBT	282,304	-	-	-	-	282,304
Total Liabilities	543,344	13,610	220	2,594,970	(2,608,800)	543,344
NET ASSETS						
Without Donor Restrictions	3,439,729	-	41,062	(59,468)	-	3,421,323
With Donor Restrictions	1,618,254	131,376	-	-	-	1,749,630
Total Net Assets	5,057,983	131,376	41,062	(59,468)	-	5,170,953
Total Liabilities and Net Assets	$ 5,601,327	$ 144,986	$ 41,282	$ 2,535,502	$ (2,608,800)	$ 5,714,297

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	Shared Hope International	Shared Hope Foundation	Trafficking Markets	Consolidation Adjustments	Total
ASSETS					
CURRENT ASSETS					
Cash	$ 3,769,845	$ 1,919	$ 40,215	$ -	$ 3,811,979
Certificates of Deposit	-	-	-	-	-
Investments	7,173	140,424	-	-	147,597
Pledges Receivable, Net	148,107	-	-	-	148,107
Intercompany Receivable	13,188	-	-	(13,188)	-
Prepaid Expenses	45,589	-	1,694	-	47,283
Inventory	93,723	-	-	-	93,723
Total Current Assets	4,077,625	142,343	41,909	(13,188)	4,248,689
DEPOSITS AND OTHER ASSETS	386	-	-	-	386
PROPERTY AND EQUIPMENT, Net	373,273	-	1,954	-	375,227
Total Assets	$ 4,451,284	$ 142,343	$ 43,863	$ (13,188)	$ 4,624,302
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	$ 70,048	$ -	$ -	$ -	$ 70,048
Intercompany Payable	-	13,188	-	(13,188)	-
Accrued Payroll Taxes and Benefits	35,545	-	-	-	35,545
Accrued Paid Time Off	44,670	-	-	-	44,670
Deferred Revenue	162,822	-	-	-	162,822
Total Current Liabilities	313,085	13,188	-	(13,188)	313,085
NET ASSETS					
Without Donor Restrictions	2,377,293	-	43,863	-	2,421,156
With Donor Restrictions	1,760,906	129,155	-	-	1,890,061
Total Net Assets	4,138,199	129,155	43,863	-	4,311,217
Total Liabilities and Net Assets	$ 4,451,284	$ 142,343	$ 43,863	$ (13,188)	$ 4,624,302

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Shared Hope International	Shared Hope Foundation	Trafficking Markets	Shared Hope Institute	Consolidation Adjustments	Total
SUPPORT AND REVENUE						
Contributions and Grants	$ 3,492,634	$ 58	$ -	$ -	$ -	$ 3,492,692
Program and Service Revenue	414,421	-	-	-	-	414,421
Gifts-In-Kind	203,250	-	-	-	-	203,250
Miscellaneous Income	12,603	-	-	-	-	12,603
Investment Return, Net	7,569	2,646	3	-	-	10,218
Investment Gain (Loss)	-	-	-	-	-	-
Loss on Disposal of Equipment	(1,817)	-	-	-	-	(1,817)
Loss on Uncollectible Pledges	(37,462)	-	-	-	-	(37,462)
Total Support and Revenue	4,091,198	2,704	3	-	-	4,093,905
EXPENSES						
Program Activities:						
International Partners	124,238	-	-	238	-	124,476
International Public Education	15,642	-	-	-	-	15,642
Domestic Public Education	2,247,619	-	-	53,224	-	2,300,843
Domestic Partners	94,999	-	2,585	297	-	97,881
Domestic WIN Program	67,800	-	-	-	-	67,800
Total Program Activities	2,550,298	-	2,585	53,759	-	2,606,642
Supporting Activities:						
Administration	394,436	483	219	4,460	-	399,598
Fundraising	226,680	-	-	1,249	-	227,929
Total Supporting Activities	621,116	483	219	5,709	-	627,527
Total Expenses	3,171,414	483	2,804	59,468	-	3,234,169
CHANGE IN NET ASSETS	919,784	2,221	(2,801)	(59,468)	-	859,736
Net Assets - Beginning of Year	4,138,199	129,155	43,863	-	-	4,311,217
NET ASSETS - END OF YEAR	$ 5,057,983	$ 131,376	$ 41,062	$ (59,468)	$ -	$ 5,170,953

SHARED HOPE INTERNATIONAL AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT)

	Shared Hope International	Shared Hope Foundation	Trafficking Markets	Consolidation Adjustments	Total
SUPPORT AND REVENUE					
Contributions and Grants	$ 4,888,117	$ 1,543	$ -	$ -	$ 4,889,660
Program and Service Revenue	381,159	-	-	-	381,159
Gifts-In-Kind	227,775	-	-	-	227,775
Miscellaneous Income	-	-	-	-	-
Investment Return, Net	7,161	6,646	3	-	13,810
Loss on Disposal of Equipment	(16,099)	-	-	-	(16,099)
Loss on Uncollectible Pledges	(37,668)	-	-	-	(37,668)
Total Support and Revenue	5,450,445	8,189	3	-	5,458,637
EXPENSES					
Program Activities:					
International Partners	244,209	13,838	-	-	258,047
International Public Education	14,171	-	-	-	14,171
Domestic Public Education	2,332,605	-	-	-	2,332,605
Domestic Partners	84,133	-	5,776	-	89,909
Domestic WIN Program	90,397	-	-	-	90,397
Total Program Activities	2,765,515	13,838	5,776	-	2,785,129
Supporting Activities:					
Administration	372,200	440	295	-	372,935
Fundraising	242,900	-	-	-	242,900
Total Supporting Activities	615,100	440	295	-	615,835
Total Expenses	3,380,615	14,278	6,071	-	3,400,964
CHANGE IN NET ASSETS	2,069,830	(6,089)	(6,068)	-	2,057,673
Net Assets - Beginning of Year	2,068,369	135,244	49,931	-	2,253,544
NET ASSETS - END OF YEAR	$ 4,138,199	$ 129,155	$ 43,863	$ -	$ 4,311,217