

**COMPASSIONATE HOPE FOUNDATION**  
**AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2021**

**COMPASSIONATE HOPE FOUNDATION  
AND SUBSIDIARY**

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**December 31, 2021**

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## Independent Auditor's Report

To the Board of Directors  
Compassionate Hope Foundation  
Antioch, Tennessee

### Opinion

We have audited the accompanying consolidated financial statements of Compassionate Hope Foundation (a nonprofit organization) and its subsidiary, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Compassionate Hope Foundation and its subsidiary as of December 31, 2021, and the changes in their net assets and their 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 Consolidated Financial Statements section of our report. We are required to be independent of Compassionate Hope Foundation and its subsidiary 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 Consolidated Financial Statements

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

*(Auditor's report continued on next page)*

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Compassionate Hope Foundation and its subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

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

*(Auditor's report continued on next page)*

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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 Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statement of Financial Position by Division and Consolidating Statement of Activities and Changes in Net Assets by Division are presented for purposes of additional analysis and is 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.

A handwritten signature in blue ink that reads "Puryear & Noonan, CPAs PLLC". The signature is written in a cursive, flowing style.

Puryear & Noonan, CPAs  
Nashville, Tennessee  
August 26, 2022

**COMPASSIONATE HOPE FOUNDATION AND SUBSIDIARY**  
**Consolidated Statement of Financial Position**  
**December 31, 2021**

**Assets**

**Current Assets**

Cash, including restricted amounts of \$1,364,654	\$ 2,010,998
Promises to give	30,500
Prepaid expenses	12,510
Other assets	<u>10,000</u>
<b>Total Current Assets</b>	<b>2,064,008</b>
Property and equipment, net	<u>13,122</u>
<b>Total Assets</b>	<b><u>\$ 2,077,130</u></b>

**Liabilities and Net Assets**

**Liabilities**

Accounts payable	\$ 29,203
Deferred revenue	12,417
Other current liabilities	<u>58,787</u>
<b>Total Current Liabilities</b>	<b><u>100,407</u></b>

**Net Assets**

Without donor restrictions	612,069
With donor restrictions	<u>1,364,654</u>
<b>Total Net Assets</b>	<b><u>1,976,723</u></b>
 <b>Total Liabilities and Net Assets</b>	 <b><u>\$ 2,077,130</u></b>

See independent auditor's report and accompanying notes to consolidated financial statements.

**COMPASSIONATE HOPE FOUNDATION AND SUBSIDIARY**  
**Consolidated Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2021**

	<b>Without Donor <u>Restrictions</u></b>	<b>With Donor <u>Restrictions</u></b>	<b><u>Total</u></b>
<b>Revenues and Other Support</b>			
Contributions	\$ 907,637	\$ 2,563,403	\$3,471,040
Counseling and coaching fees	778,460	-	778,460
Other income	6,621	-	6,621
Net assets released from restrictions	<u>1,965,317</u>	<u>(1,965,317)</u>	<u>-</u>
<b>Total Revenues and Other Support</b>	<b><u>3,658,035</u></b>	<b><u>598,086</u></b>	<b><u>4,256,121</u></b>
<b>Expenses</b>			
Program	2,985,952	-	2,985,952
Supporting services - management and general	434,514	-	434,514
Fundraising	<u>21,752</u>	<u>-</u>	<u>21,752</u>
<b>Total Expenses</b>	<b><u>3,442,218</u></b>	<b><u>-</u></b>	<b><u>3,442,218</u></b>
<b>Change in Net Assets</b>	<b>215,817</b>	<b>598,086</b>	<b>813,903</b>
<b>Net Assets - Beginning of Year</b>	<b><u>396,252</u></b>	<b><u>766,568</u></b>	<b><u>1,162,820</u></b>
<b>Net Assets - End of Year</b>	<b><u>\$ 612,069</u></b>	<b><u>\$ 1,364,654</u></b>	<b><u>\$1,976,723</u></b>

See independent auditor's report and accompanying notes to consolidated financial statements.

**COMPASSIONATE HOPE FOUNDATION AND SUBSIDIARY**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended December 31, 2021**

	Program Service			Support Services		
	CHF Missions	Tin Man Ministries	Total Program	Management and General	Fundraising	Total
Contribution to others	\$ 1,465,590	\$ 29,380	\$ 1,494,970	\$ -	\$ -	\$ 1,494,970
Advertising	-	-	-	38,046	-	38,046
Compensation and benefits	-	165,012	165,012	138,056	-	303,068
Counseling and coaching costs	-	119,742	119,742	-	-	119,742
Depreciation	-	-	-	3,283	-	3,283
Fundraising	-	-	-	-	21,752	21,752
Professional fees	-	-	-	32,551	-	32,551
Rent	-	-	-	12,000	-	12,000
Staff support	555,182	634,661	1,189,843	52,000	-	1,241,843
Travel	-	16,385	16,385	-	-	16,385
Other	-	-	-	158,578	-	158,578
<b>Total Functional Expenses</b>	<b>\$ 2,020,772</b>	<b>\$ 965,180</b>	<b>\$ 2,985,952</b>	<b>\$ 434,514</b>	<b>\$ 21,752</b>	<b>\$ 3,442,218</b>

See independent auditor's report and accompany notes to consolidated financial statements.



**COMPASSIONATE HOPE FOUNDATION AND SUBSIDIARY**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

<b>Operating Activities</b>	
Change in net assets	\$ 813,903
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used For) Operating Activities</b>	
Depreciation	3,283
Changes in operating assets and liabilities	
(Increase) decrease in promises to give	(25,800)
(Increase) decrease in prepaid expenses	(3,154)
(Increase) decrease in other assets	(8,475)
Increase (decrease) in accounts payable	5,042
Increase (decrease) in deferred revenue	3,167
Increase (decrease) in other current liabilities	<u>13,966</u>
<b>Net Cash Provided By Operating Activities</b>	<u>801,932</u>
<b>Investing Activities</b>	
Purchase of property and equipment	<u>(5,356)</u>
<b>Net Cash Used For Investing Activities</b>	<u>(5,356)</u>
<b>Change in Cash</b>	796,576
<b>Cash - Beginning of Year</b>	<u>1,214,422</u>
<b>Cash - End of Year</b>	<u>\$ 2,010,998</u>

See independent auditor's report and accompanying notes to consolidated financial statements.

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**COMPASSIONATE HOPE FOUNDATION AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**  
**December 31, 2021**

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**Note 1 - Summary of Significant Accounting Policies**

***Organization and Business Activity***

Compassionate Hope Foundation (CHF) is a Tennessee nonprofit organization located in Antioch, Tennessee. CHF provides Christian aid and supports overseas missions operating primarily in Laos, the Philippines, and Thailand. Tin Man Ministries (TMM), a subsidiary of the CHF, is a coaching, mentoring, and consulting ministry offering guidance to those who want to recover the life they've lost and the life God desires for them, by learning to live from the heart throughout the United States of America. The TMM is supported by contributions, coaching, and counseling fees.

***Principal of Consolidation***

The consolidated financial statements include the accounts of CHF and TMM, its wholly-controlled subsidiary (collectively, the Organization). The Organization consolidates an entity if the Organization has a controlling financial interest in the entity. All significant intercompany balances and transactions have been eliminated.

***Basis of Accounting***

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting under which revenues are recognized when earned rather than when collected and expenses are recognized when incurred rather than when disbursed.

***Consolidated Financial Statement Presentation***

For consolidated financial statement presentation, the Organization reports its financial information according to two classes of net assets (net assets with and without restrictions) based on the existence or absence of donor-imposed restrictions.

***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. These net assets may be used at the discretion of the Organization's Board of Directors.

***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, where the donor has stipulated the funds be maintained in perpetuity.

***Promises to Give***

Promises to give are unconditional promises to give that are recognized as contributions when the promise is received. Promises to give that are expected to be collected in less

than one year are reported at net realizable value and included in current assets. For multi-year promises to give, the amounts promised in subsequent years are discounted and included in other assets. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

***Measure of Operations***

The Consolidated Statement of Activities and Changes in Net Assets report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, permanently restricted contributions, net assets released for capital expenditures, and other activities considered to be of a more unusual or non-recurring nature.

There were no non-operating activities for the year ended December 31, 2021.

***Program and Supporting Services - Functional Expenses***

The following program and supporting services are included in the accompanying consolidated financial statements on the Consolidated Statement of Functional Expenses.

**Program Services** - includes activities carried out to fulfill the Organization's mission of providing Christian aid and support to victims and potential victims of human trafficking and religious persecution in Southeast Asia and providing guidance to those who want to recover from loss of direction in life.

**Supporting Services - Management and General** - relates to the overall direction of the Organization. These expenses are not identifiable with a particular program, event, or fundraising, but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include organizational oversight, business management, record keeping, and other administrative activities.

**Supporting Services - Fundraising** - includes cost of activities directed toward appeals for financial support and the cost of solicitations and creation and distribution of fundraising materials.

***Classification of Expenses***

Expenses are classified functionally as a measure of service efforts and accomplishments. Direct expenses, incurred for a single function, are allocated entirely to that function. Joint expenses, applicable to more than one function, are allocated on the basis of objectively summarized information or management estimates.

***Use of Estimates***

The management of the Organization has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities and the reporting of revenues and expenses to prepare these consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Actual results could differ from those estimates.

***Cash Equivalents***

For the purposes of the Consolidated Statement of Cash Flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2021.

***Fair Value Measurements***

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements*, with respect to its financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are as follows:

**Level 1** - Unadjusted quoted prices in active markets for identical assets or liabilities in active markets as of the measurement date;

**Level 2** - Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived primarily from or corroborated by other observable market data.

**Level 3** - Unobservable inputs that cannot be corroborated by observable market data.

U.S. GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, promises to give and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

***Revenue Recognition***

Revenues are recognized when control of the promised goods or services is transferred to the customer in an amount that reflects consideration the Organization expects to be entitled to in exchange for transferring those goods or services.

Revenue is recognized based on the following five step model:

- Identification of the contract with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price.
- Recognition of revenue when, or as, the Organization satisfies a performance obligation.

The Organization's revenues primarily consist of contributions, coaching and consulting fees.

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. 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 restrictions and reported in the Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Counseling and coaching fees are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Income from counseling and coaching fees received in advance are deferred and recognized over the periods to which the dates and fees relate. These amounts are included in deferred revenue on the Consolidated Statement of Financial Position.

***Property and Equipment***

Property and equipment are carried at cost, or if donated, at fair market value at the date of the gift. Property and equipment are depreciated on the straight-line basis over each asset's estimated useful life. Upon retirement or disposition, costs and accumulated depreciation and amortization are removed from the accounts, and the resulting profit or loss is recognized in income. Maintenance and repairs items under \$1,500 are charged to expense as incurred.

The Organization reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than

**Compassionate Hope Foundation and Subsidiary**  
Notes to Consolidated Financial Statements (Continued)

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the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment, there were no impairments at December 31, 2021.

***Income Taxes***

The Organization is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC), and therefore, no provision for federal or state income taxes is applicable.

The Organization follows FASB ASC 740 on accounting for uncertainty in income taxes. For all tax positions taken by the Organization, management believes it is clear that the likelihood is greater than 50 percent that the full amount of the tax positions taken will be ultimately realized. Therefore, management believes that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for the open tax years (2018 - 2020), or expected to be taken in the Organization's 2021 tax returns. The Organization identifies its major tax jurisdiction's as the U.S. Federal and the State of Tennessee. However, the Organization is not currently under audit nor has the Organization been contacted by any of these jurisdictions. The Organization is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change in the next 12 months. The Organization incurred no interest or penalties during the year ended December 31, 2021.

***Advertising***

The Organization expenses advertising costs as incurred. During the year ended December 31, 2021, the Organization expensed \$38,046 on advertising.

**Note 2 - Liquidity and Availability**

As part of the Organization's liquidity management, it maintains its cash in excess of daily requirements in its cash accounts. The Organization has a goal to maintain financial assets, which consists of cash and cash equivalents, on hand to meet 11 months of normal operating expenditures, which are, on average, approximately \$59,200 per month:

Cash	\$ 2,010,998
Promises to give	<u>30,500</u>
	2,041,498
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with purpose restrictions	<u>1,364,654</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 676,844</u></u>

**Compassionate Hope Foundation and Subsidiary**  
Notes to Consolidated Financial Statements (Continued)

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**Note 3 - Promises to Give**

Promises to give at December 31, 2021 included unconditional promises from various donors, and are all expected to be received within one year. Management believes promises to give are fully collectible and no allowance is needed.

**Note 4 - Property and Equipment**

Property and equipment at December 31, 2021 consist of:

	<b>Useful Lives (Years)</b>	
Equipment	5	\$ 14,933
Furniture and fixtures	7	<u>8,319</u>
		23,252
Less - Accumulated depreciation		<u>(10,130)</u>
		<u><u>\$ 13,122</u></u>

Depreciation expense for the year ended December 31, 2021 totaled \$3,283.

**Note 5 - Net Assets with Donor Restrictions**

Net assets with donor restrictions as of December 31, 2021 are available for the following purposes:

Thailand	\$ 632,234
Philippines	522,956
Staff support	96,923
International Cooperating Ministries	41,833
Laos	23,980
Book donation	8,500
India childcare	5,130
Student education	<u>2,598</u>
Total purpose restrictions	1,334,154
Time restrictions - promises to give	<u>30,500</u>
	<u><u>\$ 1,364,654</u></u>

**Compassionate Hope Foundation and Subsidiary**  
Notes to Consolidated Financial Statements (Continued)

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Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors at December 31, 2021 are as follows:

Thailand	\$ 995,000
Staff support	555,181
Philippines	224,251
Laos	107,200
International Cooperating Ministries	44,000
Student education	31,485
Book donation	<u>3,500</u>
Total purpose restrictions	1,960,617
Time restrictions - promises to give	<u>4,700</u>
	<u><u>\$ 1,965,317</u></u>

**Note 6 - Operating Leases**

The Organization leases office space for TMM which is accounted for as an operating lease. The lease expired on December 31, 2021. (See Note 12).

Rent expense for the year ended December 31, 2021 was \$12,000.

**Note 7 - Retirement Plan**

The Organization established a 401(k) Plan (the Plan) during 2019, which covers all employees. Total retirement plan expense was \$78,000 for the year ended December 31, 2021.

**Note 8 - Foreign Operations**

Substantially all contributions to others for the year ended December 31, 2021 made by CHF were made to various causes located in Laos, the Philippines, and Thailand in support of the Organization's mission.

**Note 9 - Concentrations**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains cash accounts at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to statutory limits. The standard FDIC insurance amount is limited to \$250,000 per depositor, per insured bank. Therefore, amounts in excess of this \$250,000 held by the Organization during the year ended December 31, 2021 were uninsured and uncollateralized.



**Compassionate Hope Foundation and Subsidiary**  
Notes to Consolidated Financial Statements (Continued)

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At December 31, 2021, approximately 98% of promises to give were from one donor. No donors gave more than 10% of total contributions for the year ended December 31, 2021.

**Note 10 - Commitments and Contingencies**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions or restrictions on the Organization's employees' ability to work. Operating functions may change due to the restrictions imposed by governments in Southeast Asia. Changes in the operating environment may increase operating costs. The further effects of these issues are unknown.

**Note 11 - Accounting Standards Not Yet Adopted**

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (ASC 842), which requires lessees to recognize assets and liabilities for most leases. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee is not expected to significantly change under such guidance. The standard, as amended, will be effective for annual reporting periods beginning after December 15, 2021. Accordingly, this ASU will be effective for the Organization for the year ending December 31, 2022. The Organization is currently evaluating the impact the adoption of this ASU will have on the Organization's financial position and results of operations.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of the types of nonfinancial assets received and how they are used and recognized by the organization. The standard will be effective for annual reporting periods beginning after June 15, 2021. Accordingly, this ASU will be effective for the Organization for the year ending December 31, 2022. The Organization is currently evaluating the impact that adoption of this ASU will have on the Organization's consolidated financial statements and related notes to the consolidated financial statements.

**Note 12 - Subsequent Events**

The Organization has evaluated subsequent events through August 26, 2022, the date which the consolidated financial statements were available to be issued.

On December 20, 2021, the Board of Directors approved the transition of TMM from CHF as an independent stand-alone entity, effective January 1, 2022.

**SUPPLEMENTARY INFORMATION**

**COMPASSIONATE HOPE FOUNDATION AND SUBSIDIARY**  
**Consolidating Statement of Financial Position by Division**  
**December 31, 2021**

	<u>Compassionate Hope Foundation</u>	<u>Tin Man Ministries</u>	<u>Total</u>
<b><u>Assets</u></b>			
<b>Current Assets</b>			
Cash, including restricted amounts of \$1,364,654 for Compassionate Hope Foundation	\$ 1,418,454	\$ 592,544	\$ 2,010,998
Promises to give	30,000	500	30,500
Prepaid expenses	5,510	7,000	12,510
Other assets	-	10,000	10,000
Intraorganization receivable (payable)	<u>1,831</u>	<u>(1,831)</u>	<u>-</u>
<b>Total Current Assets</b>	1,455,795	608,213	2,064,008
Property and equipment, net	<u>8,586</u>	<u>4,536</u>	<u>13,122</u>
<b>Total Assets</b>	<u>\$ 1,464,381</u>	<u>\$ 612,749</u>	<u>\$ 2,077,130</u>
<b><u>Liabilities and Net Assets</u></b>			
<b>Liabilities</b>			
Accounts payable	\$ 21,888	\$ 7,315	\$ 29,203
Deferred revenue	-	12,417	12,417
Other current liabilities	<u>-</u>	<u>58,787</u>	<u>58,787</u>
<b>Total Current Liabilities</b>	<u>21,888</u>	<u>78,519</u>	<u>100,407</u>
<b>Net Assets</b>			
Without donor restrictions	77,839	534,230	612,069
With donor restrictions	<u>1,364,654</u>	<u>-</u>	<u>1,364,654</u>
<b>Total Net Assets</b>	<u>1,442,493</u>	<u>534,230</u>	<u>1,976,723</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,464,381</u>	<u>\$ 612,749</u>	<u>\$ 2,077,130</u>

See independent auditor's report.

**COMPASSIONATE HOPE FOUNDATION AND SUBSIDIARY**  
**Consolidating Statement of Activities and Changes in Net Assets by Division**  
**For the Year Ended December 31, 2021**

	<u>Compassionate Hope Foundation</u>		<u>Tin Man Ministries</u>	<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	
<b>Revenues and Other Support</b>				
Contributions	\$ 323,908	\$ 2,563,403	\$ 583,729	\$3,471,040
Counseling and coaching fees	-	-	778,460	778,460
Other income	1,039	-	5,582	6,621
Net assets released from restrictions	<u>1,965,317</u>	<u>(1,965,317)</u>	<u>-</u>	<u>-</u>
<b>Total Revenues and Other Support</b>	<u>2,290,264</u>	<u>598,086</u>	<u>1,367,771</u>	<u>4,256,121</u>
<b>Expenses</b>				
Program	2,020,772	-	965,180	2,985,952
Supporting services - management and general	198,620	-	235,894	434,514
Fundraising	<u>21,752</u>	<u>-</u>	<u>-</u>	<u>21,752</u>
<b>Total Expenses</b>	<u>2,241,144</u>	<u>-</u>	<u>1,201,074</u>	<u>3,442,218</u>
<b>Change in Net Assets</b>	49,120	598,086	166,697	813,903
<b>Net Assets - Beginning of Year</b>	<u>28,719</u>	<u>766,568</u>	<u>367,533</u>	<u>1,162,820</u>
<b>Net Assets - End of Year</b>	<u>\$ 77,839</u>	<u>\$ 1,364,654</u>	<u>\$ 534,230</u>	<u>\$1,976,723</u>

See independent auditor's report.