

HOPE INTERNATIONAL

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

APRIL 30, 2007 AND 2006

HOPE INTERNATIONAL

TABLE OF CONTENTS

| | <u>Page</u> |
|--|--------------------|
| REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS | 1 |
| FINANCIAL STATEMENTS | |
| <i>Statements of Financial Position,</i> April 30, 2007 and 2006 | 2 |
| <i>Statements of Activities,</i> Years ended April 30, 2007 and 2006 | 3 |
| <i>Statements of Functional Expenses,</i> Years ended April 30, 2007 and 2006 | 4 |
| <i>Statements of Cash Flows,</i> Years ended April 30, 2007 and 2006 | 5 |
| <i>Notes to Financial Statements</i> | 6 |

TAIT, WELLER & BAKER LLP
Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Directors
Hope International
Lancaster, Pennsylvania**

We have audited the accompanying statements of financial position of Hope International as of April 30, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope International as of April 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
June 15, 2007**

HOPE INTERNATIONAL

STATEMENTS OF FINANCIAL POSITION

April 30, 2007 and 2006

| | <u>2007</u> | <u>2006</u> |
|---|--------------------|--------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 796,380 | \$ 805,142 |
| Certificate of deposit | 85,514 | 81,834 |
| Rental receivable | 16,241 | 21,258 |
| Prepaid expenses and other assets | 14,712 | 23,274 |
| Program advances | 564,000 | - |
| Loans and interest receivable | 94,840 | 62,051 |
| Loans receivable – related organization | <u>250,000</u> | <u>500,000</u> |
| Total Current Assets | 1,821,687 | 1,493,559 |
| PROPERTY AND EQUIPMENT, net | 865,787 | 1,064,179 |
| MINORITY INTEREST IN NET ASSETS | <u>500,000</u> | <u>100,000</u> |
| Total Assets | <u>\$3,187,474</u> | <u>\$2,657,738</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 122,825 | \$ 128,307 |
| Security deposits and other liabilities | <u>103,980</u> | <u>14,973</u> |
| Total Current Liabilities | <u>226,805</u> | <u>143,280</u> |
| NET ASSETS | | |
| Unrestricted | 2,179,703 | 1,303,566 |
| Temporarily restricted | <u>780,966</u> | <u>1,210,892</u> |
| Total Net Assets | <u>2,960,669</u> | <u>2,514,458</u> |
| Total Liabilities and Net Assets | <u>\$3,187,474</u> | <u>\$2,657,738</u> |

HOPE INTERNATIONAL

STATEMENTS OF ACTIVITIES

For the Years ended April 30, 2007 and 2006

| | 2007 | | | 2006 | | |
|--|--------------|------------------------|-------------|--------------|------------------------|--------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| SUPPORT AND REVENUE | | | | | | |
| Contributions | \$2,259,103 | \$ 1,446,843 | \$3,705,946 | \$1,349,104 | \$ 2,230,965 | \$ 3,580,069 |
| Special events, net of direct expenses of \$ 41,749 and \$25,048 for 2007 and 2006, respectively | 153,884 | - | 153,884 | 127,878 | - | 127,878 |
| Interest | 44,362 | - | 44,362 | 15,368 | - | 15,368 |
| Rental revenue | 177,207 | - | 177,207 | 173,095 | - | 173,095 |
| Less expenses (including depreciation) | (186,099) | - | (186,099) | (170,343) | - | (170,343) |
| Net rental (loss) income | (8,892) | - | (8,892) | 2,752 | - | 2,752 |
| Other income | | | | | | |
| Net gain on sale of property and equipment | 73,787 | - | 73,787 | 15,815 | - | 15,815 |
| Other | 220 | - | 220 | 51 | - | 51 |
| Total support and revenue before net assets released from restrictions | 2,522,464 | 1,446,843 | 3,969,307 | 1,510,968 | 2,230,965 | 3,741,933 |
| Net assets released from restrictions | 1,876,769 | (1,876,769) | - | 1,216,978 | (1,216,978) | - |
| Total support and revenue | 4,399,233 | (429,926) | 3,969,307 | 2,727,946 | 1,013,987 | 3,741,933 |
| FUNCTIONAL EXPENSES | | | | | | |
| Program services | 3,044,302 | - | 3,044,302 | 2,015,262 | - | 2,015,262 |
| Management and general | 169,285 | - | 169,285 | 99,354 | - | 99,354 |
| Fundraising | 309,509 | - | 309,509 | 283,686 | - | 283,686 |
| Total expenses | 3,523,096 | - | 3,523,096 | 2,398,302 | - | 2,398,302 |
| CHANGE IN NET ASSETS BEFORE OTHER EXPENSES | 876,137 | (429,926) | 446,211 | 329,644 | 1,013,987 | 1,343,631 |
| OTHER EXPENSES | | | | | | |
| Uncollected pledges | - | - | - | 66,031 | - | 66,031 |
| CHANGES IN NET ASSETS | 876,137 | (429,926) | 446,211 | 263,613 | 1,013,987 | 1,277,600 |
| NET ASSETS | | | | | | |
| Beginning of year | 1,303,566 | 1,210,892 | 2,514,458 | 1,039,953 | 196,905 | 1,236,858 |
| End of year | \$2,179,703 | \$ 780,966 | \$2,960,669 | \$1,303,566 | \$ 1,210,892 | \$ 2,514,458 |

The accompanying notes are an integral part of these financial statements.

HOPE INTERNATIONAL

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years ended April 30, 2007 and 2006

| 2007 | Program Services | | | Management And General | Fundraising | Total |
|---------------------------|---------------------|-------------------|---------------------|------------------------------|-------------------|---------------------|
| | Microfinance | Tomorrow Clubs | Total | | | |
| Salaries | \$ 433,047 | \$ 24,927 | \$ 457,974 | \$ 122,509 | \$ 199,928 | \$ 780,411 |
| Payroll taxes | 35,461 | 2,032 | 37,493 | 9,730 | 16,605 | 63,828 |
| Employee benefits | 58,782 | 2,542 | 61,324 | 6,512 | 17,151 | 84,987 |
| Other staff expenses | 26,481 | - | 26,481 | 3,888 | 2,587 | 32,956 |
| Insurance | 3,376 | 24 | 3,400 | 668 | 617 | 4,685 |
| Professional services | 17,182 | - | 17,182 | 1,038 | 5,384 | 23,604 |
| Office expenses | 11,875 | - | 11,875 | 9,973 | 7,285 | 29,133 |
| HOPE trips | 438,490 | - | 438,490 | - | - | 438,490 |
| Travel | 73,347 | 1,155 | 74,502 | 4,289 | 31,263 | 110,054 |
| Marketing | 109 | - | 109 | 57 | 11,320 | 11,486 |
| Radio advertising fees | - | - | - | - | 1,800 | 1,800 |
| Finance expenses – | | | | | | |
| Interest and fees | 3,114 | 335 | 3,449 | 181 | 1,887 | 5,517 |
| Printing and reproduction | - | - | - | 2,369 | 3,746 | 6,115 |
| Other expenses | 6,351 | - | 6,351 | 8,071 | 9,936 | 24,358 |
| Grants to Partners | <u>1,737,872</u> | <u>167,800</u> | <u>1,905,672</u> | <u>-</u> | <u>-</u> | <u>1,905,672</u> |
| | <u>\$ 2,845,487</u> | <u>\$ 198,815</u> | <u>\$ 3,044,302</u> | <u>\$ 169,285</u> | <u>\$ 309,509</u> | <u>\$ 3,523,096</u> |

| 2006 | Program Services | | | Management And General | Fundraising | Total |
|---------------------------|---------------------|-------------------|---------------------|------------------------------|-------------------|---------------------|
| | Microfinance | Tomorrow Clubs | Total | | | |
| Salaries | \$ 452,759 | \$ 24,283 | \$ 477,042 | \$ 71,347 | \$ 163,827 | \$ 712,216 |
| Payroll taxes | 36,507 | 1,996 | 38,503 | 5,644 | 12,753 | 56,900 |
| Employee benefits | 54,130 | 3,741 | 57,871 | 3,769 | 15,983 | 77,623 |
| Other staff expenses | 16,638 | 117 | 16,755 | 3,790 | 1,254 | 21,799 |
| Insurance | 2,438 | 138 | 2,576 | 2,246 | 859 | 5,681 |
| Professional services | 23,900 | 7,391 | 31,291 | 1,240 | 6,273 | 38,804 |
| Office expenses | 8,219 | - | 8,219 | 4,569 | 11,150 | 23,938 |
| HOPE trips | 213,423 | - | 213,423 | - | - | 213,423 |
| Travel | 98,492 | 812 | 99,304 | 727 | 26,958 | 126,989 |
| Marketing | 684 | - | 684 | 100 | 10,195 | 10,979 |
| Radio advertising fees | - | - | - | - | 20,488 | 20,488 |
| Finance expenses – | | | | | | |
| Interest and fees | 8,251 | 286 | 8,537 | 820 | 2,509 | 11,866 |
| Printing and reproduction | 750 | - | 750 | 3,016 | 6,930 | 10,696 |
| Other expenses | 3,770 | - | 3,770 | 2,086 | 4,507 | 10,363 |
| Grants to Partners | <u>829,537</u> | <u>227,000</u> | <u>1,056,537</u> | <u>-</u> | <u>-</u> | <u>1,056,537</u> |
| | <u>\$ 1,749,498</u> | <u>\$ 265,764</u> | <u>\$ 2,015,262</u> | <u>\$ 99,354</u> | <u>\$ 283,686</u> | <u>\$ 2,398,302</u> |

The accompanying notes are an integral part of these financial statements.

HOPE INTERNATIONAL

STATEMENTS OF CASH FLOWS

For the Years ended April 30, 2007 and 2006

| | <u>2007</u> | <u>2006</u> |
|--|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Change in net assets | \$ 446,211 | \$1,277,600 |
| Adjustments to reconcile change in net assets to net cash provided by or (used in) operating activities: | | |
| Depreciation | 37,679 | 41,231 |
| Net gain on sale and disposal of property and equipment | (73,787) | (15,815) |
| Uncollected pledges | - | 66,031 |
| (Increase) decrease in operating assets | | |
| Rental receivable | 5,017 | (5,358) |
| Pledges receivable | - | 466,442 |
| Prepaid expenses | 8,562 | (14,570) |
| Increase (decrease) in operating liabilities | | |
| Accounts payable and accrued expense | (5,482) | 12,234 |
| Security deposits and other liabilities | <u>89,007</u> | <u>(715)</u> |
| Net cash provided by operating activities | <u>507,207</u> | <u>1,827,080</u> |
| INVESTING ACTIVITIES | | |
| Purchase of equipment | (5,500) | (10,086) |
| Proceeds from sale of property | 240,000 | 81,755 |
| Change in certificate of deposits | (3,680) | (81,834) |
| Program advances | (564,000) | - |
| Issuance of notes receivable | (41,950) | (87,260) |
| Issuance of notes receivable – related parties | (250,000) | (500,000) |
| Repayments of notes receivable | 9,161 | 25,209 |
| Repayments of notes receivable – related parties | 500,000 | - |
| Capital contributions for minority interest | <u>(400,000)</u> | <u>(100,000)</u> |
| Net cash used for investing activities | <u>(515,969)</u> | <u>(672,216)</u> |
| FINANCING ACTIVITIES | | |
| Repayments to note payable – line of credit | - | (300,000) |
| Repayments to related party | <u>-</u> | <u>(64,000)</u> |
| Net cash used in financing activities | <u>-</u> | <u>(364,000)</u> |
| Net (decrease)/increase in cash and cash equivalents | (8,762) | 790,864 |
| CASH AND CASH EQUIVALENT | | |
| Beginning of year | <u>805,142</u> | <u>14,278</u> |
| End of year | <u>\$ 796,380</u> | <u>\$ 805,142</u> |
| SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash paid during the year for interest | <u>\$ 108</u> | <u>\$ 7,681</u> |

HOPE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

April 30, 2007 and 2006

(1) NATURE OF ORGANIZATION

HOPE International (“**HOPE**”) is a global, faith-based, 501(c)(3) non-profit organization focused on poverty alleviation through microeconomic development. HOPE’s vision is to enable sustainable economic development that results in significant and lasting change, temporal and eternal, in the lives of many people living in poverty. HOPE accomplishes this vision through microfinance, making small loans to individual entrepreneurs and small business owners in developing countries, and actively supporting complementary ministries through churches, with a focus on children. HOPE was incorporated in 1996 and the organization currently serves in Afghanistan, China, the Dominican Republic, Haiti, the Democratic Republic of Congo, Moldova, Romania, Russia, Rwanda, Sri Lanka, and Ukraine.

HOPE raises funds from several sources to support its programs. The House for HOPE program enlists contractors to construct a home using donated labor and/or materials from subcontractors and suppliers. Upon sale of the home, the net proceeds are donated to HOPE to support its programs. HOPE has also been expanding its relationships with churches, foundations, and individuals. In addition, HOPE offers multiple mission trip opportunities each year and owns and operates several rental properties in Pennsylvania. These sources of funds significantly contribute to HOPE’s work around the world.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of HOPE have been prepared on the accrual basis of accounting.

CASH AND CASH EQUIVALENTS

HOPE considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

HOPE uses the allowance method to account for uncollectible receivables. This method provides allowances for doubtful receivables equal to the estimated losses that will be incurred in the collection of receivables. HOPE believes all receivables were collectible as of April 30, 2007 and 2006; therefore, no allowance is necessary.

PROPERTY AND EQUIPMENT

Expenditures greater than \$3,000 for the acquisition of property and equipment are capitalized at cost, and donated property and equipment are capitalized at fair value. Depreciation is computed on the straight-line method over the estimated useful lives of the assets which range from 3 to 30 years.

NET ASSETS

HOPE reports its resources, according to externally (donor) imposed restrictions, in the following net asset categories.

Unrestricted net assets include the revenues and expenses associated with the principal purpose of HOPE.

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met.

HOPE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS – (Continued)

April 30, 2007 and 2006

INCOME TAXES

HOPE is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a).

CONTRIBUTIONS

HOPE records unconditional promises to give (pledges) as a receivable and revenue when the pledge is received, net of the discount to present value of the future cash flows and of uncollectible receivables. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are then classified to unrestricted net assets and reported in the statement of activities as “*net assets released from restrictions.*”

DONATED MATERIALS AND SERVICES

In-kind contributions are reflected as support in the financial statements at their estimated values on the date of donation. Donated services are recognized as contributions in accordance with Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made* (“*SFAS No. 116*”), if the services (a) create or enhance nonfinancial assets or (b) specialized skills, are performed by people with those skills, and would otherwise be purchased by HOPE. Volunteers provided services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

FUNCTIONAL EXPENSE ALLOCATION

The costs of providing HOPE’s various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services.

ACCOUNTING ESTIMATES

The preparation of the 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

CONCENTRATIONS OF CREDIT RISK

HOPE occasionally maintains cash in banks in excess of federally insured limits. Statement of Financial Accounting Standards No. 105, “*Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk*”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

RECLASSIFICATIONS

Certain account balances in the 2006 financial statements have been reclassified to conform to the 2007 presentation.

HOPE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS – (Continued)

April 30, 2007 and 2006

(3) PROPERTY AND EQUIPMENT

Property and equipment as of April 30 consisted of the following:

| | <u>2007</u> | <u>2006</u> |
|--|-------------------|--------------------|
| Equipment | \$ - | \$ 16,592 |
| Rental Properties | | |
| Land | 285,005 | 315,005 |
| Buildings | 760,195 | 930,195 |
| Building improvements | <u>60,249</u> | <u>70,842</u> |
| Total equipment and rental properties | 1,105,449 | 1,332,634 |
| Less: accumulated depreciation | <u>239,662</u> | <u>268,455</u> |
| Net property and equipment | <u>\$ 865,787</u> | <u>\$1,064,179</u> |

Depreciation expense was \$37,679 and \$41,231 for the years ended April 30, 2007 and 2006.

Depreciation expense of \$34,728 and \$36,669 is included in rental properties expense for the years ended April 30, 2007 and 2006.

(4) NOTE PAYABLE

As of April 30, 2007, HOPE has a line of credit of \$300,000 with a financial institution. There was no outstanding balance under the line of credit as of April 30, 2007.

(5) RESTRICTIONS OF NET ASSETS

Temporarily restricted net assets are available for the following purposes as of April 30, 2007 and 2006:

| | <u>2007</u> | <u>2006</u> |
|------------------------------|------------------|--------------------|
| Microfinance Program – | | |
| Democratic Republic of Congo | \$350,000 | \$ 115,000 |
| Moldova | - | 58,644 |
| Russia | 100,622 | 100,020 |
| Rwanda | - | 399,610 |
| Sri Lanka | 180,959 | 188,694 |
| Ukraine | 100,000 | 300,000 |
| Romania | 33,841 | - |
| Other countries | 420 | 48,924 |
| Other | <u>15,124</u> | <u>-</u> |
| | <u>\$780,966</u> | <u>\$1,210,892</u> |

HOPE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS – (Continued)

April 30, 2007 and 2006

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows during the years ended April 30, 2007 and 2006:

| | <u>2007</u> | <u>2006</u> |
|------------------------------|--------------------|--------------------|
| Microfinance Program | | |
| Democratic Republic of Congo | \$ 376,472 | \$ 340,639 |
| Moldova | 58,694 | 21,017 |
| Russia | 221,561 | 151,080 |
| Rwanda | 399,810 | 100,440 |
| Romania | 108,793 | - |
| Sri Lanka | 7,736 | 146,942 |
| Ukraine | 267,281 | - |
| Other countries | 82,750 | 183,499 |
| HOPE trips | 270,701 | 197,406 |
| Tomorrow Clubs | | |
| Ukraine | 49,747 | 73,706 |
| Dominican Republic | 18,155 | 2,249 |
| Other | <u>15,069</u> | <u>-</u> |
| | <u>\$1,876,769</u> | <u>\$1,216,978</u> |

(6) RELATED PARTY TRANSACTIONS

In April 2007, HOPE provided a grant of \$500,000 to HOPE International Credit Corporation (“**HCC**”), a related nonprofit organization of which the President of HOPE International serves as the Executive Director. HCC was created to issue unsecured debt to investors, the proceeds of which are to be invested in microfinance institutions. As of April 30, 2007, no unsecured debt has been issued by HCC. HCC has a separate Board of Directors which is not controlled by HOPE.

HOPE has provided a non-interest loan payable on demand of \$250,000 to Houses for HOPE (“**H4H**”), a related nonprofit organization of which the President of HOPE International serves on the Board of Directors, as start-up capital. H4H has a separate Board of Directors which is not controlled by HOPE.

During the years ended April 30, 2007 and 2006, HOPE received contributions of approximately \$801,500 and \$936,500, respectively, from companies in which the Chairman of the Board of Directors of HOPE is President.

(7) MINORITY INTEREST IN A MICROFINANCE INSTITUTION

As of April 30, 2007, HOPE has a minority ownership interest of 2,637 shares, or approximately 29% in URWEGO Community Savings Bank, a microfinance institution (“**URWEGO**”) in Rwanda. HOPE purchased an equity interest for \$500,000. URWEGO is currently negotiating with an investor to purchase 50% interest at which time HOPE’s investment will be approximately 14½%. HOPE’s investment in URWEGO is carried at cost. At April 30, 2007, URWEGO had net income of \$353,000 (unaudited) and equity of \$1,834,000 (unaudited), respectively.

HOPE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS – (Continued)

April 30, 2007 and 2006

(8) RETIREMENT PLAN

HOPE sponsors a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan provides for elective employee deferrals with no contribution made by the Organization.

(9) GRANTS TO PARTNERS

HOPE provides grants to the following affiliated organizations which are organized in the respective overseas country: HOPE Ukraine, HOPE DRC (Democratic Republic of Congo) and HOPE Russia. These affiliated organizations provide microenterprise loans to individual borrowers which enables them to start or expand small businesses. HOPE has a majority ownership interest in HOPE DRC, but does not consolidate the financial position and operating results of HOPE DRC due to the significant uncertainty regarding HOPE's control as a result of restrictions imposed by the government of the Democratic Republic of Congo. Such restrictions limit HOPE's ability to repatriate assets held by HOPE DRC. Since HOPE does not have a controlling financial interest or a majority voting interest in the Board of Directors of HOPE Ukraine or HOPE Russia, HOPE does not consolidate the activity of these organizations and reflects funding to these organizations as grants to partners.

Grants provided to these affiliates for the year ending April 30, 2007 and 2006 are as follows:

| | <u>2007</u> | <u>2006</u> |
|--|------------------|------------------|
| Microfinance: | | |
| Ukraine | \$ - | \$150,000 |
| Democratic Republic of Congo | 483,290 | 279,304 |
| Russia | <u>193,079</u> | <u>90,209</u> |
| Total microfinance grants – affiliates | <u>676,369</u> | <u>519,513</u> |
| Children's Ministry: | | |
| Ukraine | <u>147,800</u> | <u>210,000</u> |
| Total grants – affiliates | <u>\$824,169</u> | <u>\$729,513</u> |

Net assets of HOPE DRC amounted to approximately \$700,000 at April 30, 2007. Total outstanding loans of HOPE DRC under the microenterprise program totaled approximately \$425,000 at April 30, 2007.

HOPE also contributed \$1,081,503 and \$200,482 in fiscal years 2007 and 2006, respectively, to non-affiliated partner organizations under their microenterprise programs.

TAIT, WELLER & BAKER LLP
Certified Public Accountants
Philadelphia, New Jersey, New York
www.taitweller.com