

COMMON HOPE

Saint Paul, Minnesota

Consolidated Financial Statements

December 31, 2009 and 2008

COMMON HOPE

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Boulay, Heutmaker, Zibell & Co. P.L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Common Hope
Saint Paul, Minnesota

We have audited the accompanying consolidated statement of financial position of Common Hope, a nonprofit organization, and its Affiliate (collectively, "the Organization") as of December 31, 2009 and 2008, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Common Hope and its Affiliate as of December 31, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Boulay, Heutmaker, Zibell & Co. P.L.L.P.

Certified Public Accountants

Minneapolis, Minnesota
July 22, 2010

COMMON HOPE

Consolidated Statement of Financial Position

| ASSETS | December 31 | |
|---|--------------|--------------|
| | 2009 | 2008 |
| Current Assets | | |
| Cash and equivalents | | |
| U.S. | \$ 807,323 | \$ 529,132 |
| Guatemala | 103,253 | 92,691 |
| Total cash and equivalents | 910,576 | 621,823 |
| Accounts receivable | 6,810 | - |
| Prepaid expenses | 34,345 | 29,190 |
| Investments, short-term | 513,315 | 557,475 |
| Other | 4,120 | 7,757 |
| Total current assets | 1,469,166 | 1,216,245 |
| Investments, net of short-term | 217,216 | 146,411 |
| Property, Plant and Equipment, Guatemala | | |
| Land and land improvements | 1,643,876 | 1,711,830 |
| Buildings | 3,893,818 | 3,893,818 |
| Equipment | 140,803 | 201,390 |
| Vehicles | 105,349 | 136,214 |
| | 5,783,846 | 5,943,252 |
| Less accumulated depreciation | 1,498,247 | 1,399,360 |
| Net property, plant and equipment, Guatemala | 4,285,599 | 4,543,892 |
| Office Equipment, U.S. | 121,754 | 136,519 |
| Less accumulated depreciation | 42,393 | 61,928 |
| Net office equipment, U.S. | 79,361 | 74,591 |
| Total assets | \$ 6,051,342 | \$ 5,981,139 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 247,946 | \$ 285,080 |
| Volunteer trip deposits | 16,390 | 43,254 |
| Total current liabilities | 264,336 | 328,334 |
| Net Assets | | |
| Unrestricted | 5,422,750 | 5,213,348 |
| Temporarily restricted | 364,256 | 439,457 |
| Total net assets | 5,787,006 | 5,652,805 |
| Total liabilities and net assets | \$ 6,051,342 | \$ 5,981,139 |

Notes to Consolidated Financial Statements are an integral part of this Statement.

COMMON HOPE

Consolidated Statement of Activities

| | Year Ended December 31 | | | Year Ended December 31 | | |
|--|------------------------|---------------------|------------------------|------------------------|---------------------|------------------------|
| | 2009 | | | 2008 | | |
| | Total | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted |
| Revenues and Other Support | | | | | | |
| Contributions | \$ 3,440,793 | \$ 1,247,883 | \$ 2,192,910 | \$ 3,755,313 | \$ 1,241,380 | \$ 2,513,933 |
| Interest and dividend income | 8,991 | 8,991 | | 16,971 | 16,971 | |
| Unrealized and realized gain (loss) on investments | 72,343 | 72,343 | | (202,607) | (202,607) | |
| Program fees | 27,962 | 27,962 | | 35,084 | 35,084 | |
| Miscellaneous, net of expenses of \$61,281 in 2009, and \$15,121 in 2008 | 87,113 | 87,113 | | 17,482 | 17,482 | |
| Gain on sale of assets, net | 9,161 | 9,161 | | 5,186 | 5,186 | |
| Net assets released from restrictions: | | | | | | |
| Satisfaction of program restrictions | | 2,268,111 | (2,268,111) | | 2,386,354 | (2,386,354) |
| Total revenues and other support | <u>3,646,363</u> | <u>3,721,564</u> | <u>(75,201)</u> | <u>3,627,429</u> | <u>3,499,850</u> | <u>127,579</u> |
| Expenses | | | | | | |
| Program operating expenses | | | | | | |
| Health care | 504,114 | 504,114 | | 602,596 | 602,596 | |
| Family & community development | 723,510 | 723,510 | | 742,330 | 742,330 | |
| Housing improvement | 275,590 | 275,590 | | 266,172 | 266,172 | |
| Education | 1,387,130 | 1,387,130 | | 1,647,211 | 1,647,211 | |
| General and administrative | 382,791 | 382,791 | | 407,415 | 407,415 | |
| Fundraising | 239,027 | 239,027 | | 199,021 | 199,021 | |
| Total expenses | <u>3,512,162</u> | <u>3,512,162</u> | | <u>3,864,745</u> | <u>3,864,745</u> | |
| Change in Net Assets | <u>134,201</u> | <u>209,402</u> | <u>(75,201)</u> | <u>(237,316)</u> | <u>(364,895)</u> | <u>127,579</u> |
| Net Assets - Beginning of year | <u>5,652,805</u> | <u>5,213,348</u> | <u>439,457</u> | <u>5,890,121</u> | <u>5,578,243</u> | <u>311,878</u> |
| Net Assets - End of year | <u>\$ 5,787,006</u> | <u>\$ 5,422,750</u> | <u>\$ 364,256</u> | <u>\$ 5,652,805</u> | <u>\$ 5,213,348</u> | <u>\$ 439,457</u> |

Notes to Consolidated Financial Statements are an integral part of this Statement.

COMMON HOPE

Consolidated Statement of Cash Flows

| | Year Ended December 31 2009 | Year Ended December 31 2008 |
|--|-----------------------------------|-----------------------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ 134,201 | \$ (237,316) |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 229,124 | 219,844 |
| Uncollectible pledges receivable | - | 4,792 |
| Unrealized/realized (gain)/loss on investments | (72,343) | 202,607 |
| Gain on sale of assets, net | (9,161) | (5,186) |
| Donated stock | (36,126) | (12,341) |
| Donation of land to residents of New Hope | 45,993 | - |
| Change in assets and liabilities | | |
| Accounts receivable | (6,810) | - |
| Prepaid expenses | (5,155) | 4,234 |
| Other | 3,637 | (1,821) |
| Accounts payable and accrued liabilities | (37,130) | 65,060 |
| Volunteer trip deposits | (26,865) | (20,769) |
| Net cash from operating activities | 219,365 | 219,104 |
| Cash Flows from Investing Activities | | |
| Proceeds from sale of investments | 181,824 | 402,433 |
| Purchase of investments | (100,000) | (511,339) |
| Proceeds from sale of equipment | 22,264 | 6,019 |
| Purchase of property and equipment | (34,700) | (108,457) |
| Net cash from (used for) investing activities | 69,388 | (211,344) |
| Net Increase in Cash and Equivalents | 288,753 | 7,760 |
| Cash and Equivalents - Beginning of Year | 621,823 | 614,063 |
| Cash and Equivalents - End of Year | \$ 910,576 | \$ 621,823 |
| Supplemental Schedule of Noncash Investing and Financing Activities | | |
| Gifts of stock | \$ 36,126 | \$ 12,341 |
| Donation of land to residents of New Hope | \$ 45,993 | \$ - |

Notes to Consolidated Financial Statements are an integral part of this Statement.

COMMON HOPE

Consolidated Statement of Functional Expenses

| | Year Ended December 31 | | | | | | |
|---|----------------------------|-----------------------|---------------------|---------------------|----------------------------|---------------------|--|
| | 2009 | | | | | 2008 | |
| | Program Operating Expenses | | | | | Supporting Services | |
| | Health Care | Community Development | Housing Improvement | Education | General and Administrative | Fundraising | |
| Specific assistance | \$ 127,071 | \$ 183,817 | \$ 38,422 | \$ 502,114 | \$ 1,982 | \$ 195 | |
| Donation of land to residents of New Hope Village | | | 45,993 | | | | |
| Salaries, wages, and benefits | 284,082 | 431,972 | 77,041 | 582,653 | 264,006 | 182,775 | |
| Supplies and travel | 28,897 | 38,943 | 12,349 | 80,465 | 13,316 | 7,143 | |
| Services and professional fees | 585 | 715 | 222 | 1,674 | 43,426 | 87 | |
| Office and occupancy | 33,739 | 46,111 | 13,315 | 108,972 | 24,394 | 42,028 | |
| Depreciation | 25,984 | 18,114 | 66,316 | 101,044 | 11,520 | 6,146 | |
| Other | 3,756 | 3,838 | 21,932 | 10,208 | 24,147 | 653 | |
| Total expenses | \$ 504,114 | \$ 723,510 | \$ 275,590 | \$ 1,387,130 | \$ 382,791 | \$ 239,027 | |

| | Year Ended December 31 | | | | | | |
|--------------------------------|----------------------------|-----------------------|---------------------|---------------------|----------------------------|---------------------|--|
| | 2008 | | | | | 2007 | |
| | Program Operating Expenses | | | | | Supporting Services | |
| | Health Care | Community Development | Housing Improvement | Education | General and Administrative | Fundraising | |
| Specific assistance | \$ 174,886 | \$ 158,504 | \$ 67,906 | \$ 562,026 | \$ 688 | \$ 10 | |
| Salaries, wages, and benefits | 304,889 | 443,108 | 76,791 | 691,874 | 288,591 | 137,372 | |
| Supplies and travel | 48,032 | 57,988 | 19,242 | 132,642 | 13,553 | 5,737 | |
| Services and professional fees | 1,211 | 1,203 | 456 | 3,448 | 32,327 | | |
| Office and occupancy | 41,063 | 59,029 | 16,542 | 139,267 | 38,905 | 52,594 | |
| Depreciation | 26,280 | 16,717 | 64,046 | 100,106 | 11,876 | 819 | |
| Other | 6,235 | 5,781 | 21,189 | 17,848 | 21,475 | 2,489 | |
| Total expenses | \$ 602,596 | \$ 742,330 | \$ 266,172 | \$ 1,647,211 | \$ 407,415 | \$ 199,021 | |

Notes to Consolidated Financial Statements are an integral part of this Statement.

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Notes to Consolidated Financial Statements

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Activity

Common Hope and its affiliate, Fundacion Familias de Esperanza (Fundacion), collectively, the "Organization," are nonprofit organizations devoted to aiding impoverished families of Guatemala living in and around Antigua, the outskirts of Guatemala City, and the village of San Rafael. Common Hope and its affiliate promote hope and opportunity in Guatemala, partnering with children, families and communities who want to participate in a process of development to improve their lives through education, health care and housing. The programs presently conducted by Common Hope and its affiliate include the following:

Education – The Organization provided education for approximately 2,600 children at the pre-primary, primary, secondary and university levels, including tuition, books, supplies and tutoring. The Organization operates one school and also provides teacher support and skill building through the public school system. In fiscal year 2009, the Organization formalized its first school partnership and plans to extend partnerships to primary schools in other villages where it works in future years.

Health Care – Medical staff and volunteers provide preventative and curative care in a clinic that received approximately 12,000 visits during 2009 and supports two other clinics which provide preventative and curative care. This medical care includes examinations, medications, surgeries, x-rays, lab work, nutritional counseling, pre-natal care and dental care. Health education is provided at outreach programs in local schools and communities.

Family & Community Development – Through a long-term relationship with a Common Hope social worker, families identify goals, obstacles and establish their own individualized development plan. Social workers connect families to resources for dealing with issues such as abuse, alcoholism, legal problems, job placement, and health and educational concerns.

Housing Improvement – The Organization constructs new homes, roofs, stoves and floors as well as installs plumbing and electrical services in existing homes. This work is done in partnership with families who perform community service hours to earn the materials and the construction support.

Housing Improvement – New Hope Site – The Organization operates an additional site in Tres Sabanas, San Pedro Ayampuc, Guatemala, which is on the outskirts of Guatemala City, where it has developed land and provides housing for 42 families. The Organization currently supports the community with a water system, a community center, and a sewage treatment plant.

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Common Hope operated as “The Godchild Sponsorship Corporation” from its inception in 1986 until March 2001, when it adopted the name Common Hope.

Basis of Presentation

The consolidated financial statements include the accounts of Common Hope, a nonprofit organization incorporated in Minnesota, and its affiliate, a related nonprofit organization incorporated in Guatemala, Central America, under the name of Fundacion Familias de Esperanza (Fundacion). All significant intercompany balances and transactions are eliminated in consolidation. The two entities are collectively referred to as the “Organization” in these financial statements. Fundacion is the entity that carries out the mission of Common Hope in Guatemala.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. The Organization reports its financial position and activities according to three classes of net assets as unrestricted, temporarily restricted, and permanently restricted based on the existence or absence of donor-imposed restrictions, as follows:

- Unrestricted net assets - net assets that are not subject to donor-imposed stipulations
- Temporarily restricted net assets - net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time
- Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets

At December 31, 2009 and 2008, the Organization had no permanently restricted net assets.

Accounting Estimates

Management uses estimates and assumptions in preparing these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Significant estimates include the value of in-kind donations, depreciable lives of property and equipment, the value of the land donated to New Hope Village residents, and the allocation of the functional expenses. Actual results could differ from those estimates.

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Notes to Consolidated Financial Statements

December 31, 2009 and 2008

Foreign Currency Translation

The functional currency used by Fundacion is the U.S. Dollar. As funds are transferred from Common Hope to Fundacion, they are converted to Guatemalan Quetzals, and expended for the programs in Guatemala.

There are no material translation adjustments or material exchange rate differences in these financial statements. The difference in the exchange rates between the statement of financial position date and the date of the audit report would not materially affect these financial statements.

Cash and Equivalents

The Organization considers certain money market funds and certificates of deposit with maturities of three months or less to be cash equivalents. At times throughout the year, the Organization's cash and equivalents deposited in financial institutions in the United States of America may exceed FDIC insurance limits. Certificates of deposit, which are not federally insured, and which are included in cash and equivalents at December 31, 2009 totaled \$100,000. Money market funds that are not federally insured and are included in cash and equivalents totaled \$350,348 and \$300,708 at December 31, 2009 and 2008, respectively.

Investments

Investments in money markets and marketable equity securities are stated at fair market value, based on quoted values. Donated investments are initially recorded at fair market value on the date of donation and thereafter reported in accordance with the Organization's aforementioned investment valuation policy. Realized and unrealized gains and losses on investments are recorded in the statement of activities. Investment income is generally absent donor restriction and therefore unrestricted.

Money market funds that are not federally insured are included in short-term investments and totaled \$11,706 and \$396,731 at December 31, 2009 and 2008, respectively. The Organization maintains money market funds for cash management purposes.

Certificates of deposit, which are recognized at cost plus accrued interest, which approximates their fair value, are included in short-term investments and totaled \$500,000 and \$160,744 as of December 31, 2009 and 2008, respectively.

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Notes to Consolidated Financial Statements

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Property, Plant and Equipment

Property, plant and equipment, which are primarily located in Guatemala, are stated at cost. Donated property, plant and equipment are stated at fair value on the date of contribution. Depreciation is recognized over the estimated useful lives of the assets by use of the straight-line and accelerated methods. Maintenance and repairs are expensed as incurred; major improvements and betterments are capitalized. Common Hope holds title to substantially all property, plant and equipment located in Guatemala, except the New Hope Village land and land improvements, which are owned by Common Hope's affiliate, Fundacion.

On March 15, 2009, the Organization was successful in organizing an association of 49 homes in New Hope Village as a separate legal entity, with the intention of donating the land currently functioning as community green space and roadways to the new association. In addition, 14 New Hope homeowners earned title to their independent parcel of land by completing certain program requirements and community service hours. The total estimated net book value of the land and land improvements transferred to the association and homeowners was approximately \$46,000 as of December 31, 2009, which approximates the estimated fair value of the property. The Organization will continue the donations until all of the allotted parcels are donated to current residents of New Hope Village as they are earned. The Organization will continue to own the offices, school, and community building and wastewater treatment facility at New Hope Village. In addition, the Organization continues to own approximately 135,000 square meters of partially developed land with a book value of \$268,000, of which a portion may be available for donation to New Hope residents in future years.

Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including, but not limited to, discounted cash flow models, quoted market values and third-party independent appraisals.

Fair Value of Financial Instruments

On January 1, 2008, the Organization adopted guidance for accounting for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis.

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Notes to Consolidated Financial Statements

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On January 1, 2009, the Organization adopted guidance for fair value measurement related to nonfinancial items that are recognized and disclosed at fair value in the consolidated financial statements on a nonrecurring basis. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Contributions

The Organization reports gifts of cash and other assets 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 restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. With regard to gifts of property, plant and equipment or gifts of cash to be used to acquire such assets, absent specific donor stipulations, the Organization reports such gifts as net assets released from restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services

A significant portion of the Organization's functions are conducted by unpaid volunteers, the value of which is not recorded in the financial statements because these services do not meet the criteria for recognition under accounting principles generally accepted in the United States of America. Various medical and other professionals also contribute their services to the Organization, the estimated value of which is approximately \$64,000 and \$39,600 for the years ended December 31, 2009 and 2008, respectively, and is recognized as contributions (revenue) and services and professional fees (expense) in the accompanying consolidated financial statements.

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Notes to Consolidated Financial Statements

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Basis of Allocating Functional Expenses

Allocations are generally made as follows:

- Salaries by time spent on principal activities of each employee
- Employee benefits and payroll taxes according to the percentage used to allocate salaries
- All other expenses are directly allocable or allocated in a manner as considered practicable

Income Taxes

Common Hope is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Due to its exempt status, the Organization does not have any significant tax uncertainties that would require recognition or disclosure. However, income from activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

Fundacion is a foundation operating under Guatemalan laws and is generally exempt from taxes based on income.

Subsequent Events

The Organization has evaluated subsequent events through July 22, 2010, the date which the financial statements were available to be issued.

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Notes to Consolidated Financial Statements

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2. FAIR VALUE

The following table provides information on those assets that are measured at fair value on a recurring basis.

| | December 31, 2009 | | | |
|--------------------------|------------------------------------|------------------------------|-------------|-------------|
| | Fair Value & Carrying Amount | Fair Value Measurement Using | | |
| | | Level 1 | Level 2 | Level 3 |
| <u>Assets:</u> | | | | |
| Cash and equivalents: | | | | |
| Money market funds | \$350,348 | \$350,348 | \$ - | \$ - |
| Short-term investments: | | | | |
| Money market fund | 11,706 | 11,706 | - | - |
| U.S. equity securities | 1,609 | 1,609 | | |
| Long-term investments: | | | | |
| U.S. equity securities | 197,125 | 197,125 | | |
| International securities | 20,091 | 20,091 | - | - |
| Total | <u>\$580,879</u> | <u>\$580,879</u> | <u>\$ -</u> | <u>\$ -</u> |

| | December 31, 2008 | | | |
|-------------------------|------------------------------------|------------------------------|-------------|-------------|
| | Fair Value & Carrying Amount | Fair Value Measurement Using | | |
| | | Level 1 | Level 2 | Level 3 |
| <u>Assets:</u> | | | | |
| Cash and equivalents: | | | | |
| Money market funds | \$300,708 | \$300,708 | \$ - | \$ - |
| Short-term investments: | | | | |
| Money market funds | 396,731 | 396,731 | - | - |
| Long-term investments: | | | | |
| U.S. equity securities | 146,411 | 146,411 | - | - |
| Total | <u>\$843,850</u> | <u>\$843,850</u> | <u>\$ -</u> | <u>\$ -</u> |

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The fair value of the money market funds and U.S. and international equity securities are based on quoted market prices in an active market.

3. INVESTMENTS

Investments consist of the following instruments at December 31:

| | <u>2009</u> | <u>2008</u> |
|------------------------------|-------------------|-------------------|
| Short-term investments: | | |
| Money market funds | \$ 11,706 | \$ 396,731 |
| Certificates of deposit | 500,000 | 160,744 |
| U.S. equity securities | 1,609 | - |
| Total short-term investments | <u>513,315</u> | <u>557,475</u> |
| Long-term investments: | | |
| U.S. equity securities | 197,125 | 146,411 |
| International securities | 20,091 | - |
| Total long-term investments | <u>217,216</u> | <u>146,411</u> |
| Total investments | <u>\$ 730,531</u> | <u>\$ 703,886</u> |

As of December 31, 2009 and 2008, the Organization recorded unrealized and realized net gains/(losses) in its investments of approximately \$72,000 and (\$203,000), respectively, which are recognized in unrestricted net assets.

4. LINE OF CREDIT

On March 20, 2009, the Organization entered into a \$300,000 unsecured line of credit agreement with its bank, with interest at the prime rate. The line of credit agreement expired on December 31, 2009. The Organization is currently negotiating an extension of the line of credit agreement with its bank. At December 31, 2009 and 2008, there was no outstanding balance on the line of credit.

5. OPERATING LEASE COMMITMENTS

The Organization leases office space under a three-year non-cancelable operating lease through September 30, 2011. The Organization is obligated to pay costs of insurance, repairs and maintenance pursuant to the terms of the lease. Rent expense totaled \$23,952 and \$21,222 for the years ended December 31, 2009 and 2008, respectively.

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Future minimum lease commitments for office space are as follows at December 31, 2009:

| | <u>Lease Commitments</u> |
|-------|------------------------------|
| 2010 | \$ 23,952 |
| 2011 | <u>17,964</u> |
| Total | <u>\$ 41,916</u> |

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were restricted for the following purposes at December 31:

| | <u>2009</u> | <u>2008</u> |
|--------------------------------|-------------------|-------------------|
| Family & Community Development | \$ 159,637 | \$ 192,316 |
| Housing improvement programs | 2,459 | 14,833 |
| Health care programs | 38,753 | 16,957 |
| Education programs | <u>163,407</u> | <u>215,351</u> |
| Totals | <u>\$ 364,256</u> | <u>\$ 439,457</u> |

Total net assets released from donor restrictions because the restricted purposes and occurrence of other events as specified by donors were satisfied were as follows for the years ended December 31:

| | <u>2009</u> | <u>2008</u> |
|---|---------------------|---------------------|
| Family & Community Development | \$ 1,598,140 | \$ 1,641,028 |
| Housing improvement programs | 101,906 | 149,587 |
| Health care programs | 143,406 | 147,480 |
| Education programs | <u>424,659</u> | <u>448,259</u> |
| Total net assets released from restrictions | <u>\$ 2,268,111</u> | <u>\$ 2,386,354</u> |

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7. RETIREMENT BENEFITS

The Organization has a SIMPLE IRA plan which is offered to all U.S. full-time employees and part-time employees working over 1,300 hours per year. The Organization matched employee contributions to a maximum of 3% of each covered employee's contribution to the plan for 2009 and 2008. The Organization's matching contribution for the plan totaled \$15,650 and \$16,500 for the years ended December 31, 2009 and 2008, respectively.