

NPH USA, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021 AND
SIX-MONTH PERIOD ENDED JUNE 30, 2020



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**NPH USA, INC. AND AFFILIATE
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SIX-MONTH PERIOD ENDED JUNE 30, 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
NPH USA, Inc. and Affiliate
Chicago, Illinois

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NPH USA, Inc. and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year and six-month period then ended, respectively, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 audits 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 NPH USA, Inc. and Affiliate as June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the year and six-month period then ended, respectively, 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 supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual organizations, 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 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Oak Brook, Illinois
February 23, 2022

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS	2021	2020
Cash and Cash Equivalents	\$ 5,823,593	\$ 5,122,081
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$9,519 in 2021 and \$3,307 in 2020	1,026,232	23,621
Prepaid Expenses	111,320	90,250
Investments	18,623,316	15,269,695
Beneficial Interest in Perpetual Trusts	3,116,950	2,718,653
Beneficial Interest in Land Trust	150,000	150,000
Fixed Assets, Net	166,965	219,225
Other Assets	28,473	31,034
	<u>\$ 29,046,849</u>	<u>\$ 23,624,559</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 119,711	\$ 986,369
Paycheck Protection Program Loan	550,522	550,522
Accrued Expenses and Other Liabilities	377,300	345,879
Total Liabilities	<u>1,047,533</u>	<u>1,882,770</u>
NET ASSETS		
Without Donor Restrictions	4,006,178	2,970,838
With Donor Restrictions	23,993,138	18,770,951
Total Net Assets	<u>27,999,316</u>	<u>21,741,789</u>
	<u>\$ 29,046,849</u>	<u>\$ 23,624,559</u>

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2021 AND
SIX-MONTH PERIOD ENDED JUNE 30,2020**

	2021	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support:		
Contributions	\$ 10,786,439	\$ 5,068,606
Bequests	1,150,187	79,377
Donated Materials	421,647	668,903
Special Events	2,199,420	381,556
Revenue:		
Interest and Dividends	2,153	8,397
Unrealized Gain (Loss)	(525)	1,890
Realized Gain	2,034	1,420
Distributions from Beneficial Interest in Trusts	225,673	34,853
Miscellaneous	1,019	-
Net Assets Released from Restrictions	914,559	781,043
Total Support and Revenue	15,702,606	7,026,045
Expenses:		
Program Services	11,037,086	5,457,568
Management and General	1,451,038	717,401
Fundraising	2,179,141	1,138,014
Total Expenses	14,667,266	7,312,983
Increase (Decrease) in Net Assets Without Donor Restrictions	1,035,340	(286,938)
NET ASSETS WITH DONOR RESTRICTIONS		
Revenue:		
Contributions	1,292,111	79,480
Interest and Dividends	190,616	122,108
Unrealized Gain (Loss)	2,890,191	(362,692)
Realized Gain	1,365,531	180,103
Change in Value of Perpetual Trusts	398,297	(119,128)
Net Assets Released from Restrictions	(914,559)	(781,043)
Increase (Decrease) in Net Assets With Donor Restrictions	5,222,187	(881,172)
CHANGE IN NET ASSETS	6,257,527	(1,168,110)
Net Assets - Beginning of Year	21,741,789	22,909,899
NET ASSETS - END OF YEAR	\$ 27,999,316	\$ 21,741,789

See accompanying Notes to Consolidated Financial Statements.

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 927,333	\$ 628,549	\$ 1,291,311	\$ 1,919,861	\$ 2,847,194
Payroll Taxes	72,137	48,896	100,453	149,349	221,486
Employee Benefits	87,990	65,496	122,526	188,022	276,012
Total	<u>1,087,460</u>	<u>742,941</u>	<u>1,514,290</u>	<u>2,257,232</u>	<u>3,344,692</u>
Support to Orphanages - NPHI:					
Operations - Direct Support	6,673,572	-	-	-	6,673,572
Operations - Designated and Sharing	2,703,913	-	-	-	2,703,913
Donated Materials and Supplies	421,647	-	-	-	421,647
Total	<u>9,799,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,799,132</u>
Bank and Credit Card Fees	-	10,109	126,011	136,120	136,120
Cultivation	-	-	60,108	60,108	60,108
Bad Debt Expense	-	9,273	-	9,273	9,273
Depreciation and Amortization	-	93,301	-	93,301	93,301
Dues and Subscriptions	-	1,677	-	1,677	1,677
Employee Search and Benefits	-	23,752	-	23,752	23,752
Event Supplies	-	-	151,797	151,797	151,797
Hospitality and Meals	-	21,048	-	21,048	21,048
Insurance	-	36,782	-	36,782	36,782
Donated Stock Fees	-	416	-	416	416
Licenses and Fees	-	119,499	-	119,499	119,499
Occupancy	91,440	100,485	143,963	244,448	335,888
Office Equipment	-	31,301	-	31,301	31,301
Office Supplies	-	17,403	17,404	34,807	34,807
Outside Services	27,204	65,284	3,000	68,284	95,488
Postage and Shipping	14,704	14,703	29,406	44,109	58,813
Professional Fees	-	91,747	-	91,747	91,747
Marketing	-	-	63,354	63,354	63,354
Promotion	-	-	6,718	6,718	6,718
Repair and Maintenance	-	7,080	-	7,080	7,080
Telecommunications	-	11,808	11,807	23,615	23,615
Training and Seminars	-	6,416	-	6,416	6,416
Travel	3,588	32,303	51,283	83,586	87,174
Travel Program	2,574	-	-	-	2,574
Miscellaneous	10,984	13,710	-	13,710	24,694
Total	<u>150,494</u>	<u>708,097</u>	<u>664,851</u>	<u>1,372,948</u>	<u>1,523,442</u>
Total Functional Expenses	<u>\$ 11,037,086</u>	<u>\$ 1,451,038</u>	<u>\$ 2,179,141</u>	<u>\$ 3,630,180</u>	<u>\$ 14,667,266</u>

See accompanying Notes to Consolidated Financial Statements.

NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries	\$ 565,742	\$ 307,135	\$ 672,339	\$ 979,474	\$ 1,545,216
Payroll Taxes	44,504	24,161	52,889	77,050	121,554
Employee Benefits	59,614	35,363	70,847	106,210	165,824
Total	<u>669,860</u>	<u>366,659</u>	<u>796,075</u>	<u>1,162,734</u>	<u>1,832,594</u>
Support to Orphanages - NPHI:					
Operations - Direct Support	2,945,885	-	-	-	2,945,885
Operations - Designated and Sharing	945,587	-	-	-	945,587
Donated Materials and Supplies	668,903	-	-	-	668,903
Total	<u>4,560,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,560,375</u>
Bank and Credit Card Fees	-	4,782	61,055	65,837	65,837
Cultivation	-	-	13,005	13,005	13,005
Bad Debt Recovery	-	-	-	-	-
Depreciation and Amortization	-	56,075	-	56,075	56,075
Dues and Subscriptions	-	3,798	-	3,798	3,798
Employee Search and Benefits	-	17,269	-	17,269	17,269
Event Supplies	-	-	57,617	57,617	57,617
Hospitality and Meals	-	7,547	-	7,547	7,547
Insurance	-	16,001	-	16,001	16,001
Donated Stock Fees	-	361	-	361	361
Licenses and Fees	-	77,312	-	77,312	77,312
Occupancy	44,099	48,648	70,237	118,885	162,984
Office Equipment	-	17,084	-	17,084	17,084
Office Supplies	-	9,418	9,419	18,837	18,837
Outside Services	13,602	23,609	-	23,609	37,211
Postage and Shipping	7,811	7,810	15,620	23,430	31,241
Professional Fees	-	13,452	-	13,452	13,452
Marketing	-	-	80,239	80,239	80,239
Promotion	-	-	2,818	2,818	2,818
Telecommunications	-	8,283	8,283	16,566	16,566
Training and Seminars	-	5,039	-	5,039	5,039
Travel	83,388	12,145	23,646	35,791	119,179
Travel Program	71,322	-	-	-	71,322
Miscellaneous	7,111	22,109	-	22,109	29,220
Total	<u>227,333</u>	<u>350,742</u>	<u>341,939</u>	<u>692,681</u>	<u>920,014</u>
Total Functional Expenses	<u>\$ 5,457,568</u>	<u>\$ 717,401</u>	<u>\$ 1,138,014</u>	<u>\$ 1,855,415</u>	<u>\$ 7,312,983</u>

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2021 AND
SIX-MONTH PERIOD ENDED JUNE 30, 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 6,257,527	\$ (1,168,110)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Provision for Bad Debts	9,273	-
Depreciation and Amortization	93,301	56,075
Realized Gain on Investments	(1,367,565)	(181,523)
Unrealized (Gain) Loss on Investments	(2,889,666)	360,802
Change in Value of Perpetual Trusts	(398,297)	119,128
Contributions Restricted to Endowment	(201,960)	(75,580)
(Increase) Decrease in:		
Pledges Receivable	(1,011,884)	(1,062)
Prepaid Expenses and Other Assets	(18,509)	106,433
Increase (Decrease) in:		
Accounts Payable	(866,658)	(1,537,926)
Accrued Expenses and Other Liabilities	31,421	(85,203)
Net Cash Used by Operating Activities	(363,017)	(2,406,966)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Software	(41,041)	(11,563)
Proceeds from Sales and Maturities of Investments	2,663,633	1,160,062
Purchase of Investments	(1,760,023)	(770,178)
Net Cash Provided by Investing Activities	862,569	378,321
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted to Endowment	201,960	75,580
Proceeds from Paycheck Protection Program Loan	-	550,522
Net Cash Provided by Financing Activities	201,960	626,102
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	701,512	(1,402,543)
Cash and Cash Equivalents - Beginning of Year	5,122,081	6,524,624
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,823,593	\$ 5,122,081

See accompanying Notes to Consolidated Financial Statements.

**NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

NPH USA, Inc. was organized as an Illinois nonprofit corporation on June 29, 2004. NPH USA, Inc. is organized and operated exclusively for charitable and educational purposes. NPH USA, Inc. is dedicated to improving the lives of orphaned, abandoned, and disadvantaged children through its support of the Nuestros Pequeños Hermanos International, A.C. (NPHI) network of orphanages in Latin America and the Caribbean.

Father Wasson Legacy Endowment, Inc. (FWLEI) is a nonprofit endowment described in Section 501(c)(3) of the Internal Revenue Code (IRC). FWLEI is organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of NPH USA, Inc., its sole member.

Significant accounting policies followed by NPH USA, Inc. and FWLEI, collectively known as the Organization, are presented below.

In 2020, the Organization changed its fiscal year end from December 31st to June 30th.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of NPH USA, Inc. and FWLEI. Interorganizational transactions and balances have been eliminated in consolidation.

Consolidated Financial Statement Presentation

Consolidated financial statement presentation follows accounting principles generally accepted in the United States of America for nonprofit organizations. Accounting principles generally accepted in the United States of America requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions defined as follows:

Net Assets Without Donor Restrictions – Those resources over which the board of directors (board) has discretionary control.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents are comprised of demand deposits and money market accounts. The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash deposits. The Organization maintains bank accounts at several local banks that are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, cash balances may exceed federally insured limits; however, the Organization has not experienced any losses in such accounts and limits the exposure to credit risk by maintaining its cash and cash equivalents in highly reputable institutions.

Pledges Receivable

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

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

Investments

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

Beneficial Interests in Trusts

Beneficial interests in trusts consist of assets held in perpetual trusts and a beneficial interest in a land trust.

Beneficial Interests in Perpetual Trust

The Organization is the beneficiary of two perpetual trusts held by a third party. Under the terms of the trusts, the Organization has the irrevocable right to receive the income generated by the trust in perpetuity. The beneficial interest in the perpetual trusts is recorded at fair value as based on the fair value of the trust assets. Changes in net assets of the trusts are recorded as gain or losses (change in value of trusts) on the consolidated statements of activities. Net assets and changes in the net assets are recorded as with donor restrictions. Distributions received from these trusts are recorded as income with or without donor restrictions, in accordance with the respective trust agreements.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interests in Trusts (Continued)

Beneficial Interest in Land Trust

The Organization is the beneficiary of a land trust held by a third party. Under the terms of the trust, the Organization has the irrevocable right to receive 25% of the income generated by the trust. The beneficial interest in the land trust is recorded at fair value as based on the fair value of the trust property. Changes in net assets of the trust are recorded as gains or losses (change in value of trusts) on the consolidated statements of activities. Net assets and changes in the net assets are recorded as with donor restrictions. Distributions received from this trust are recorded as income without donor restrictions.

Fixed Assets

Furniture, equipment, and vehicles are stated at cost or estimated value if donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, generally five years. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of the assets are capitalized.

Donated Services and Materials

Donated services are recognized for those that improve or enhance property and equipment (as contributions and increases to the basis of property and equipment) or for those that require specialized skills (as contributions and expenses), are performed by people with those skills, and would otherwise be purchased by the Organization.

Donations of materials and noncash assets are recorded as contributions at their estimated fair value at the date of donation. Such donations are recorded as increases in net assets without donor restrictions unless the donor has restricted the donated materials to a specific purpose. Donated materials are expensed as program supplies. Donated noncash assets are recorded in accordance with the Organization's capitalization policy and depreciated, if required.

Although highly valued by the Organization, contributions of time and services provided by many volunteers do not meet the criteria for recognition and, therefore, are not recognized in the consolidated financial statements.

Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to program or a supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort. Direct program support includes direct financial support to homes affiliated with NPHI, which then utilizes those financial resources to improve the lives of disadvantaged children. Costs include program supplies, travel, and consulting program expense. Those of an administrative nature coded directly to the supporting functions include depreciation, some occupancy, insurance, meeting expenses, credit card fees, etc.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Organization has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as the U.S. Treasury, and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Level 1 includes various mutual funds, collective funds, and U.S. Treasury futures.

Level 2 – Financial assets and liabilities are valued using inputs quoted prices for similar assets or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, gold futures, and corporate debt securities.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, real estate, and beneficial interests in trusts.

Income Tax Status

The Organization is a nonprofit organization exempt from paying corporate federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). It has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible.

The Organization has evaluated its tax positions and determined it has no uncertain tax positions at June 30, 2021 and 2020.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other commitments come due. Financial assets available as of June 30, 2021 and 2020 to meet cash needs for general expenditures are as follows:

	2021	2020
Cash and Cash Equivalents	\$ 5,823,130	\$ 5,122,081
Pledges Receivable, Net, Due Within One Year	724,882	19,821
Investments Not Subject to Perpetual Donor Restrictions Totaling \$11,948,006 for 2021 and \$11,715,696 for 2020	<u>6,675,310</u>	<u>3,553,999</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 13,223,322</u>	<u>\$ 8,695,901</u>

The Organization also has beneficial interests in perpetual and land trusts that generate income that may be made available to supplement liquidity needs. For the year ended June 30, 2021 and six-month period ended June 30, 2020, the Organization recognized \$225,673 and \$34,853 of income from these trusts, respectively.

The Organization has a goal to maintain financial assets consisting of cash and short-term investments on hand to meet approximately three months of budgeted expenses. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including certificates of deposit and short-term treasury instruments.

Pending Accounting Pronouncements

Leases

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standard. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the Organization's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance are effective for fiscal years beginning after June 30, 2023.

**NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Accounting Pronouncements (Continued)

Contributed Nonfinancial Assets

In September 2020, the FASB issued amended guidance for contributed nonfinancial assets. The guidance requires the presentation of contributed nonfinancial assets as a separate line item in the statement of activities, disclosure of the disaggregated amount by type and disclosure of qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period as well as a description of the programs or other activities in which the assets were used. The guidance also requires disclosure of any donor-imposed restrictions and a description of valuation techniques. The amendments in the guidance will be effective for the year ending June 30, 2022. Early adoption is permitted.

Management is evaluating the impact of these pronouncements on the Organization's consolidated financial statements.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition for disclosure through February 23, 2022, the date the consolidated financial statements were available to be issued.

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable as of June 30 consist of time-restricted contributions from various donors to support ongoing operations and the NPHI network of orphanages in Latin America. Pledges receivable consist of the following:

	<u>2021</u>	<u>2020</u>
Pledges Receivable Due:		
In Less than One Year	\$ 734,401	\$ 23,128
In One to Five Years	301,350	3,800
Total	<u>1,035,751</u>	<u>26,928</u>
Less: Allowance for Uncollectible Pledges	<u>(9,519)</u>	<u>(3,307)</u>
Total Pledges Receivable	<u><u>\$ 1,026,232</u></u>	<u><u>\$ 23,621</u></u>

Pledges expected to be received in more than one year from the statements of financial position date are discounted to present value. At June 30, 2021 and 2020, any related present value discount was considered insignificant.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 INVESTMENTS

Investments consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Common Stocks	\$ 14,763,189	\$ 11,669,343
Fixed Income Government Agencies	1,438,875	992,289
Exchange Traded Funds:		
Equities	194,158	-
Fixed Income	1,420,204	1,331,085
Mutual Funds	<u>806,890</u>	<u>1,276,978</u>
Total Investments	<u>\$ 18,623,316</u>	<u>\$ 15,269,695</u>

Investment management fees incurred during the year ended June 30, 2021 and the six-month period June 30, 2020 totaled \$123,869 and \$54,027, respectively.

NOTE 4 FIXED ASSETS

Fixed assets consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Furniture and Equipment	\$ 793,131	\$ 752,759
Less: Accumulated Depreciation and Amortization	<u>(626,166)</u>	<u>(533,534)</u>
Total Fixed Assets	<u>\$ 166,965</u>	<u>\$ 219,225</u>

Depreciation and amortization expense charged to operations for the year ended June 30, 2021 and for the six-month period ended June 30, 2020 totaled \$93,301 and \$56,075, respectively.

NOTE 5 PAYCHECK PROTECTION PROGRAM LOAN

On April 11, 2020, the Organization received a loan in the amount of \$550,522 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5, 2020) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The loan bears interest at a fixed rate of 1% per annum, with the first six months of interest deferred, has a term of two years, is unsecured, and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 PAYCHECK PROTECTION PROGRAM LOAN (CONTINUED)

A portion of the PPP Loan was forgiven subsequent to June 30, 2021. On July 9, 2021, the SBA processed the Organization's PPP Loan forgiveness application and notified Bank of America the PPP Loan qualified for partial forgiveness in the amount of \$528,796. Loan proceeds were received by the bank from the SBA on this date. The remaining loan principal of \$21,726 is due in monthly installments of principal and interest of \$2,454 starting August 12, 2021 with a maturity date of April 12, 2022.

The U.S. Small Business Administration may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available at June 30 for the following purposes or periods:

	2021	2020
Subject to the Passage of Time:		
Beneficial Interest in Land Trust	\$ 150,000	\$ 150,000
Pledges Receivable Not Restricted by Donors	1,026,233	23,621
	1,176,233	173,621
Endowments:		
Subject to Appropriation and Expenditure When a Specified Event Occurs	7,751,950	4,162,981
Subject to Endowment Distribution Policy and Appropriation:		
General Fund	11,806,245	11,604,695
Medical Fund	44,535	44,535
Education Fund	44,535	44,535
Hightower/Kloos Legacy Fund	22,341	21,931
Emmanuel Fund	30,350	-
Total Endowments	19,699,956	15,878,677
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Perpetual Trusts	3,116,949	2,718,653
Total Net Assets With Donor Restrictions	\$ 23,993,138	\$ 18,770,951

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Endowment net assets with permanent donor restrictions consist of contributions that are to be invested and held indefinitely, with the income expendable to support the NPH orphanages and pay endowment expenses. At the time of their gifts, donors are given the opportunity to designate that the endowment may expend the principal in the event of a major, natural disaster. As of June 30, 2021 and 2020, donors have designated \$7,182,601 and \$6,987,601, respectively, to be used in the event of a natural disaster, as further defined in the endowment's policies. Unappropriated endowment earnings are from the Medical, Education, Hightower/Kloos, and general endowment funds.

During the year ended June 30, 2021 and six-month period ended June 30, 2020, net assets released from donor restrictions totaled \$914,559 and \$781,043 respectively, and were primarily from appropriated and distributed endowment earnings.

NOTE 7 DONATED MATERIALS

During the year ended June 30, 2021 and six-month period ended June 30, 2020, the Organization received donated materials of \$421,647 and \$668,903, respectively.

NOTE 8 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization values all other assets and liabilities, refer to Note 1 – Summary of Significant Accounting Policies, Organization.

Assets measured at fair value on a recurring basis are as follows:

<u>June 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 14,763,189	\$ -	\$ -	\$ 14,763,189
Fixed Income Government Agencies	1,438,875	-	-	1,438,875
Exchange Traded Funds:				
Equities	194,158	-	-	194,158
Fixed-Income	923,314	496,890	-	1,420,204
Mutual Funds	806,890	-	-	806,890
Beneficial Interest in Perpetual Trusts	-	-	3,116,950	3,116,950
Beneficial Interest in Land Trust	-	-	150,000	150,000
Total Assets at Fair Value	<u>\$ 18,126,426</u>	<u>\$ 496,890</u>	<u>\$ 3,266,950</u>	<u>\$ 21,890,266</u>

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8 FAIR VALUE MEASUREMENTS (CONTINUED)

<u>June 30, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 11,669,343	\$ -	\$ -	\$ 11,669,343
Fixed Income Government				
Agencies	992,289	-	-	992,289
Exchange Traded Funds:				
Fixed-Income	912,660	418,425	-	1,331,085
Mutual Funds	1,276,978	-	-	1,276,978
Beneficial Interest in Perpetual				
Trusts	-	-	2,718,653	2,718,653
Beneficial Interest in Land Trust	-	-	150,000	150,000
Total Assets at Fair Value	<u>\$ 14,851,270</u>	<u>\$ 418,425</u>	<u>\$ 2,868,653</u>	<u>\$ 18,138,348</u>

The following table provides a summary of changes in fair value of the Organization's Level 3 financial assets for the year ended June 30, 2021 and six-month period ended June 30, 2020:

	<u>2021</u>	<u>2020</u>
Balance - January 1	\$ 2,868,653	\$ 2,987,781
Change in Value of Perpetual and Land Trusts	398,297	(119,128)
Balance - End of Period	<u>\$ 3,266,950</u>	<u>\$ 2,868,653</u>

The valuation of the Level 3 beneficial interest in perpetual trusts is based on the fair market value of assets as indicated on the annual statement received from the trustee. The valuation of the Level 3 beneficial interest in land trust is based on 25% of the value of the trust property, determined through an independent appraisal during 2016.

NOTE 9 ENDOWMENT

The FWLEI endowment fund consists of four individual funds and reflects the donor-imposed restriction that the original gifts are maintained and income be used to support operations and for annual distributions to NPH USA, Inc. for the exclusive benefit of NPHI. Consistent with donor wishes, funds may be distributed to one or more NPHI family homes in the event of extensive destruction of property or life as a result of a major, natural, devastating disaster. 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.

Interpretation of Relevant Law

FWLEI has interpreted the state of Illinois 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.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

As a result of this interpretation, FWLEI retains in perpetuity: (a) the original value of gifts donated to the endowment, plus (b) the original value of the subsequent gifts to the endowment and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted endowment amounts not retained in perpetuity are subject to appropriation for expenditure by FWLEI in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, FWLEI considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund.
- The purposes of the endowment and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the endowment.
- The investment policies of the endowment.

Endowment net assets consisted of the following at June 30:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>June 30, 2021</u>			
Endowment Funds with Donor Restrictions	<u>\$ -</u>	<u>\$ 19,699,756</u>	<u>\$ 19,699,756</u>
<u>June 30, 2020</u>			
Endowment Funds with Donor Restrictions	<u>\$ -</u>	<u>\$ 15,878,677</u>	<u>\$ 15,878,677</u>

Changes in the endowment fund net assets included the following for the year ending June 30, 2021 and the six-month period ending June 30, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>June 30, 2021</u>			
Endowment Net Assets - Beginning of Year	\$ -	\$ 15,878,677	\$ 15,878,677
Investment Return:			
Investment Income	-	190,616	190,616
Net Appreciation (Realized and Unrealized)	-	4,255,722	4,255,722
Total Investment Return	-	4,446,338	4,446,338
Contributions	-	232,110	232,110
Appropriation of Endowment Assets for Expenditures	857,369	(857,369)	-
Withdrawals for Current Distributions	(811,800)	-	(811,800)
Operating Expenses	(45,569)	-	(45,569)
Total Release	(857,369)	-	(857,369)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 19,699,756</u>	<u>\$ 19,699,756</u>

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 ENDOWMENT (CONTINUED)

<u>June 30, 2020</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets -			
Beginning of Six-Month Period	\$ -	\$ 16,641,783	\$ 16,641,783
Investment Return:			
Investment Income	-	122,108	122,108
Net Depreciation (Realized and Unrealized)	-	(182,589)	(182,589)
Total Investment Return (Loss)	-	(60,481)	(60,481)
Contributions	-	75,580	75,580
Appropriation of Endowment Assets for Expenditures	778,205	(778,205)	-
Withdrawals for Current Distributions	(760,000)	-	(760,000)
Operating Expenses	(18,205)	-	(18,205)
Total Release	(778,205)	-	(778,205)
Endowment Net Assets -			
End of Six-Month Period	<u>\$ -</u>	<u>\$ 15,878,677</u>	<u>\$ 15,878,677</u>

Return Objectives and Risk Parameters

The endowment has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment fund while seeking to maintain the purchasing power of the endowment fund assets. Endowment fund assets include those assets of donor-restricted funds that the endowment must hold in perpetuity. Under this policy, the endowment fund assets are diversified in order to control volatility of returns and invested to obtain future growth to offset inflation while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the endowment 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).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The endowment has adopted a spending policy of making one annual distribution of up to 5% of the total of assets, excluding current year contributions, from the endowment fund as of December 31. Notwithstanding the foregoing, no distribution shall reduce the value of the endowment fund below the original capital contributions increased by the value of all additional capital contributions received during that year (subject to any donor limitations or restrictions). Capital contributions are defined as the original value of the donation (on the date of the donation) and do not include earnings, dividends, unrealized gains or losses, or other changes based on the investment of the endowment fund.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 ENDOWMENT (CONTINUED)

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 requires. At June 30, 2021 and 2020, there were no deficient endowment funds.

NOTE 10 LEASE COMMITMENTS

The Organization has entered into various operating lease agreements for office space and equipment throughout the United States of America. Under certain agreements, the Organization is also liable for a proportionate share of common operating costs.

Future minimum cash payments under these lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 267,508
2023	41,639
2024	21,384
2025	13,929
2026	2,044
Total	<u>\$ 346,504</u>

Total charges to operations for rental expense during the year ended June 30, 2021 and six-month period ended June 30, 2020 amounted to \$321,780 and \$156,478, respectively.

NOTE 11 POSTRETIREMENT BENEFIT CONTRACT

The Organization has a retirement benefit contract for one former executive. The contract provides payments for health and dental benefits for a period that was scheduled to end on June 30, 2018 or the death of the participant. Per executive leadership, the Organization has elected to continue to pay the employee benefit contributions without a formal contract in place. The arrangement can be terminated at management's discretion. The payment amounts are based on the actual premium amounts subject to periodic maximums and a specified supplemental cash payment. These amounts are insignificant and not accrued. The amount paid by the Organization for the year ended June 30, 2021 and six-month period ended June 30, 2020 totaled \$5,856 and \$2,999, respectively.

NPH USA, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 12 RETIREMENT PLAN

The Organization has a 403(b) retirement plan for all employees to participate in beginning on the date of hire. Employees who have been employed for at least one year and worked at least 1,000 hours, and have attained the age of 21, may participate in employer matching contributions. The plan allows eligible employees to defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. The Organization will match 100% of up to 10% of the employee's compensation, not to exceed \$5,000 annually. Contributions to the plan charged against operations, including plan administration fees, amounted to \$64,289 and \$57,720 for the year ended June 30, 2021 and six-month period ended June 30, 2020, respectively.

NOTE 13 RELATED PARTY TRANSACTIONS

Contribution revenues from members of the board of the Organization totaled \$606,807 and \$143,401 for the year ended June 30, 2021 and six-month period ended June 30, 2020, respectively.

Contribution revenues from members of the board of the FWLEI totaled \$386,200 and \$17,864 for the year ended June 30, 2021 and six-month period ended June 30, 2020, respectively.

NOTE 14 CONDITIONAL PLEDGES

FWLEI has received pledges from individuals indicating an intention to name the endowment as the beneficiary in wills, trusts, and life insurance contracts. These pledges are all revocable. Since these pledges do not meet the criteria for revenue recognition, they are not reflected as contributions in the consolidated statements of activities.

NOTE 15 COMMITMENT

During 2021, the Organization's board approved a commitment to provide funding to NPHI in the amount of \$6,500,000 for the fiscal year 2022. This commitment is conditional based upon adequate funding being available through the Organization's fundraising efforts.

NOTE 16 OTHER MATTERS

The COVID-19 pandemic is continuing to have significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may further impact various parts of future operations and financial results, including the receipt of contributions and collections on outstanding receivables. Investment markets have also experienced significant fluctuations since the pandemic was declared. 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 these events are still developing.

**NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2021**

ASSETS	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 4,923,497	\$ 900,096	\$ -	\$ 5,823,593
Due from NPH USA	-	146,155	(146,155)	-
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$9,519	1,026,232	-	-	1,026,232
Prepaid Expenses	111,320	-	-	111,320
Investments	-	18,623,316	-	18,623,316
Beneficial Interest in Perpetual Trusts	3,116,950	-	-	3,116,950
Beneficial Interest in Land Trust	150,000	-	-	150,000
Fixed Assets, Net	166,965	-	-	166,965
Other Assets	28,434	39	-	28,473
	<u>\$ 9,523,398</u>	<u>\$ 19,669,606</u>	<u>\$ (146,155)</u>	<u>\$ 29,046,849</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 119,711	\$ -	\$ -	\$ 119,711
Paycheck Protection Program Loan	550,522	-	-	550,522
Accrued Expenses and Other Liabilities	377,300	-	-	377,300
Due to FWLEI	146,155	-	(146,155)	-
Total Liabilities	1,193,688	-	(146,155)	1,047,533
NET ASSETS				
Without Donor Restrictions:				
Undesignated for General Activities	3,702,256	-	-	3,702,256
Designated by Board of Directors	136,957	-	-	136,957
Invested in Furniture and Equipment	166,965	-	-	166,965
Total Without Donor Restrictions	4,006,178	-	-	4,006,178
With Donor Restrictions	4,323,532	19,669,606	-	23,993,138
Total Net Assets	8,329,710	19,669,606	-	27,999,316
	<u>\$ 9,523,398</u>	<u>\$ 19,669,606</u>	<u>\$ (146,155)</u>	<u>\$ 29,046,849</u>

NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS	<u>NPH USA</u>	<u>FWLEI</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and Cash Equivalents	\$ 4,617,158	\$ 504,923	\$ -	\$ 5,122,081
Due from NPH USA	-	103,896	(103,896)	-
Pledges Receivable, Net of Allowance for Uncollectible Pledges of \$3,307	23,621	-	-	23,621
Prepaid Expenses	90,087	163	-	90,250
Investments	-	15,269,695	-	15,269,695
Beneficial Interest in Perpetual Trusts	2,718,653	-	-	2,718,653
Beneficial Interest in Land Trust	150,000	-	-	150,000
Fixed Assets, Net	219,225	-	-	219,225
Other Assets	31,034	-	-	31,034
	<u>\$ 7,849,778</u>	<u>\$ 15,878,677</u>	<u>\$ (103,896)</u>	<u>\$ 23,624,559</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable	\$ 986,369	\$ -	\$ -	\$ 986,369
Paycheck Protection Program Loan	550,522	-	-	550,522
Accrued Expenses and Other Liabilities	345,879	-	-	345,879
Due to FWLEI	103,896	-	(103,896)	-
Total Liabilities	<u>1,986,666</u>	<u>-</u>	<u>(103,896)</u>	<u>1,882,770</u>
NET ASSETS				
Without Donor Restrictions:				
Undesignated for General Activities	2,614,656	-	-	2,614,656
Designated by Board of Directors	136,957	-	-	136,957
Invested in Furniture and Equipment	219,225	-	-	219,225
Total Without Donor Restrictions	<u>2,970,838</u>	<u>-</u>	<u>-</u>	<u>2,970,838</u>
With Donor Restrictions	<u>2,892,274</u>	<u>15,878,677</u>	<u>-</u>	<u>18,770,951</u>
Total Net Assets	<u>5,863,112</u>	<u>15,878,677</u>	<u>-</u>	<u>21,741,789</u>
Total Liabilities and Net Assets	<u>\$ 7,849,778</u>	<u>\$ 15,878,677</u>	<u>\$ (103,896)</u>	<u>\$ 23,624,559</u>

**NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	NPH USA			FWLEI			Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
Support:										
Contributions	\$ 11,598,239	\$ 1,090,151	\$ 12,688,390	\$ -	\$ 201,960	\$ 201,960	\$ (811,800)	\$ 10,786,439	\$ 1,292,111	\$ 12,078,550
Bequests	1,150,187	-	1,150,187	-	-	-	-	1,150,187	-	1,150,187
Donated Materials	421,647	-	421,647	-	-	-	-	421,647	-	421,647
Special Events	2,199,420	-	2,199,420	-	-	-	-	2,199,420	-	2,199,420
Revenue:										
Interest and Dividends	2,153	-	2,153	-	190,616	190,616	-	2,153	190,616	192,769
Unrealized Gain (Loss)	(525)	-	(525)	-	2,890,191	2,890,191	-	(525)	2,890,191	2,889,666
Realized Gain	2,034	-	2,034	-	1,365,531	1,365,531	-	2,034	1,365,531	1,367,565
Change in Value of Perpetual Trusts	-	398,297	398,297	-	-	-	-	-	398,297	398,297
Distributions from Beneficial Interest in Trusts	225,673	-	225,673	-	-	-	-	225,673	-	225,673
Miscellaneous	11,019	-	11,019	-	-	-	(10,000)	1,019	-	1,019
Net Assets Released from Restrictions	57,190	(57,190)	-	857,369	(857,369)	-	-	914,559	(914,559)	-
Total Revenue and Support	15,667,037	1,431,258	17,098,295	857,369	3,790,929	4,648,298	(821,800)	15,702,606	5,222,187	20,924,793
Expenses:										
Program Services	11,037,086	-	11,037,086	811,800	-	811,800	(811,800)	11,037,086	-	11,037,086
Management and General	1,415,469	-	1,415,469	45,569	-	45,569	(10,000)	1,451,038	-	1,451,038
Fundraising	2,179,141	-	2,179,141	-	-	-	-	2,179,141	-	2,179,141
Total Expenses	14,631,697	-	14,631,697	857,369	-	857,369	(821,800)	14,667,266	-	14,667,266
CHANGE IN NET ASSETS	1,035,340	1,431,258	2,466,598	-	3,790,929	3,790,929	-	1,035,340	5,222,187	6,257,527
Net Assets - Beginning of Year	2,970,838	2,892,274	5,863,112	-	15,878,677	15,878,677	-	2,970,838	18,770,951	21,741,789
NET ASSETS - END OF YEAR	<u>\$ 4,006,178</u>	<u>\$ 4,323,532</u>	<u>\$ 8,329,710</u>	<u>\$ -</u>	<u>\$ 19,669,606</u>	<u>\$ 19,669,606</u>	<u>\$ -</u>	<u>\$ 4,006,178</u>	<u>\$ 23,993,138</u>	<u>\$ 27,999,316</u>

**NPH USA, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
SIX-MONTH PERIOD ENDED JUNE 30, 2020**

	NPH USA			FWLEI			Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
Support:										
Contributions	\$ 5,828,606	\$ 3,900	\$ 5,832,506	\$ -	\$ 75,580	\$ 75,580	\$ (760,000)	\$ 5,068,606	\$ 79,480	\$ 5,148,086
Bequests	79,377	-	79,377	-	-	-	-	79,377	-	79,377
Donated Materials	668,903	-	668,903	-	-	-	-	668,903	-	668,903
Special Events	381,556	-	381,556	-	-	-	-	381,556	-	381,556
Revenue:										
Interest and Dividends	8,397	-	8,397	-	122,108	122,108	-	8,397	122,108	130,505
Unrealized Gain	1,890	-	1,890	-	(362,692)	(362,692)	-	1,890	(362,692)	(360,802)
Realized Gain (Loss)	1,420	-	1,420	-	180,103	180,103	-	1,420	180,103	181,523
Change in Value of Perpetual Trusts	-	(119,128)	(119,128)	-	-	-	-	-	(119,128)	(119,128)
Distributions from Beneficial Interest in Trusts	34,853	-	34,853	-	-	-	-	34,853	-	34,853
Miscellaneous	5,000	-	5,000	-	-	-	(5,000)	-	-	-
Net Assets Released from Restrictions	2,838	(2,838)	-	778,205	(778,205)	-	-	781,043	(781,043)	-
Total Revenue and Support	7,012,840	(118,066)	6,894,774	778,205	(763,106)	15,099	(765,000)	7,026,045	(881,172)	6,144,873
Expenses:										
Program Services	5,457,568	-	5,457,568	760,000	-	760,000	(760,000)	5,457,568	-	5,457,568
Management and General	704,196	-	704,196	18,205	-	18,205	(5,000)	717,401	-	717,401
Fundraising	1,138,014	-	1,138,014	-	-	-	-	1,138,014	-	1,138,014
Total Expenses	7,299,778	-	7,299,778	778,205	-	778,205	(765,000)	7,312,983	-	7,312,983
CHANGE IN NET ASSETS	(286,938)	(118,066)	(405,004)	-	(763,106)	(763,106)	-	(286,938)	(881,172)	(1,168,110)
Net Assets - Beginning of Year	3,257,776	3,010,340	6,268,116	-	16,641,783	16,641,783	-	3,257,776	19,652,123	22,909,899
NET ASSETS - END OF YEAR	\$ 2,970,838	\$ 2,892,274	\$ 5,863,112	\$ -	\$ 15,878,677	\$ 15,878,677	\$ -	\$ 2,970,838	\$ 18,770,951	\$ 21,741,789

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