UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission file number 001-33961

HILL INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-0953973**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

One Commerce Square **2005 Market Street, 17th Floor** **Philadelphia,**	**PA**	**19103**
(Address of principal executive offices)		*(Zip Code)*

Registrant's telephone number, including area code:
(215) 309-7700

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, par value $0.0001 per share	**HIL**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Exchange Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes o No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes o No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-Accelerated Filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of shares of common stock held by non-affiliates on June 30, 2021 was approximately $120,074,446. As of March 8, 2022, there were 57,142,744 shares of the Registrant’s Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for its 2022 Annual Meeting of Stockholders ("2022 Proxy Statement") are incorporated by reference in Part III.

HILL INTERNATIONAL, INC. AND SUBSIDIARIES

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PART I

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, and it is Hill International's (collectively referred to as "Hill", "we", "us", "our" and "the Company") intent that any such statements be protected by the safe harbor created thereby. Except for historical information, the matters set forth herein including, but not limited to, any projections of revenues, earnings, earnings before interest, taxes, depreciation and amortization (“EBITDA”), margin, profit improvement, cost savings or other financial items; any statements of belief, any statements concerning our plans, strategies and objectives for future operations; and any statements regarding future economic conditions or performance, are forward-looking statements.

These forward-looking statements are based on our current expectations, estimates and assumptions and are subject to certain risks and uncertainties. Although we believe that the expectations, estimates and assumptions reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements.

Forward-looking statements may concern, among other things:

- The markets for our services;
- Projections of revenues and earnings, anticipated contractual obligations, funding requirements or other financial items;
- Statements regarding the impact and effect of the COVID-19 pandemic;
- Statements concerning our plans, strategies and objectives for future operations; and
- Statements regarding future economic conditions or performance.

Important factors that could cause our actual results to differ materially from estimates or projections contained in our forward-looking statements include:

- The risks set forth in Item 1A, “Risk Factors,” herein;
- Unfavorable global economic conditions may adversely impact our business;
- Our backlog, which is subject to unexpected adjustments and cancellations, may not be fully realized as revenue;
- Our expenses may be higher than anticipated;
- Modifications and termination of client contracts;
- Control and operational issues pertaining to business activities that we conduct pursuant to joint ventures with other parties; and
- The need to retain and recruit key technical and management personnel.

Other factors that may affect our business, financial position or results of operations include:

- Unexpected delays in collections from clients;
- Risks related to the effect of the COVID-19 pandemic on the Company, including its employees and related costs and including any project cancellations, delays and modifications;
- Risks related to our ability to obtain debt financing or otherwise raise capital to meet required working capital needs and to support potential future acquisition activities;
- Risks related to international operations, including uncertain political and economic environments, acts of terrorism or war and other forms of geo-political unrest or conflict (including the ongoing conflict in Ukraine), potential incompatibilities with foreign joint venture partners, foreign currency fluctuations, civil disturbances and labor issues; and
- Risks related to contracts with governmental entities, including the failure of applicable governing authorities to take necessary actions to secure or maintain funding for particular projects with us, the unilateral termination of contracts by the government and reimbursement obligations to the government for funds previously received.

We do not intend, and undertake no obligation, to update any forward-looking statement. In accordance with the Reform Act, Item 1A of this Report entitled “Risk Factors” contains cautionary statements that accompany those forward-looking statements. You should carefully review such cautionary statements as they identify certain important factors that could cause actual results to differ materially from those in the forward-looking statements and from historical trends. Those cautionary statements are not exclusive and are in addition to other factors discussed elsewhere in this Form 10-K, in our other filings with the Securities and Exchange Commission (the "SEC") or in materials incorporated therein by reference.

Item 1. Business

General

Hill International, Inc., a Delaware corporation organized in 2006, with more than 3,000 professionals in 100 offices worldwide, provides project management, construction management, facilities management and other consulting services primarily to the building, transportation, environmental, energy and industrial markets.

We compete for business based on a variety of factors such as technical capability, global resources, price, reputation and past experience, including client requirements for substantial experience in similar projects. We have developed significant long-standing relationships, which bring us repeat business and may be difficult for others to replicate. We believe we have an excellent reputation for attracting and retaining professionals. In addition, we believe there are high barriers to entry for new competitors, especially in the project management market.

The Company provides fee-based project and construction management services to our clients, leveraging our construction expertise to identify potential trouble, difficulties and sources of delay on a construction project before they develop into costly problems. Our experienced professionals are capable of managing all phases of the construction process from concept through completion, including cost and budget controls, scheduling, estimating, expediting, inspection, contract administration and management of contractors, subcontractors and suppliers.

Our clients are typically billed a negotiated multiple of the actual direct cost of each professional assigned to a project and we are reimbursed for our out-of-pocket expenses. We believe our fee-based consulting has significant advantages over traditional general contractors. Specifically, because we do not assume project completion risk, our fee-based model eliminates many of the risks typically associated with providing “at risk” construction services.

Amounts throughout the remainder of this document are in thousands unless otherwise noted.

Our Strategy

Our strategy emphasizes the following key elements:

- *Increase Revenues from Our Existing Clients.* We have long-standing relationships with a number of public and private sector entities. Meeting our clients’ diverse needs in managing construction risk and generating repeat business from our clients to expand our project base is one of our key growth strategies. We accomplish this objective by providing a broad range of project management consulting services in a wide range of geographic areas that support our clients during every phase of a project, from concept through completion. We believe that nurturing our existing client relationships expands our project base through repeat business.
- *Capitalize Upon the Continued Spend in the Markets We Serve.* We believe that the demand for project management services will grow with increasing construction and infrastructure spending in the markets we serve. We believe that our reputation and experience combined with our broad platform of service offerings will enable us to capitalize on increases in demand for our services. In addition, we strategically open new offices to expand into new geographic areas and we aggressively hire individuals with significant contacts to accelerate the growth of these new offices and to strengthen our presence in existing markets.
- *Strengthen Professional Resources*. Our biggest asset is the people that work for Hill. We intend to continue spending significant time recruiting and retaining the best and the brightest to improve our competitive position. Our independent status has attracted top project management talent with varied industry experience. We believe maintaining and bolstering our team will enable us to continue to grow our business.

Reporting Segments

The Company operates in a single reporting segment, known as the Project Management Group, which provides fee-based construction management services to our clients.

Clients

Our clients consist primarily of the United States federal, state and local governments, other national governments, and the private sector. The following table sets forth our breakdown of revenue attributable to these categories of clients for the years ended December 31, 2021 and 2020:

Revenue By Client Type

	2021		2020	
U.S. federal government	$ 15,173	4.0 %	$ 17,942	4.9 %
U.S. state, regional and local governments	120,069	31.8 %	118,845	32.2 %
Foreign governments	95,107	25.2 %	99,906	27.1 %
Private sector	147,089	39.0 %	131,831	35.8 %
Total	$ 377,438	100.0 %	$ 368,524	100.0 %

For the years ended December 31, 2021 and 2020, revenue from U.S. and foreign government contracts represented 61.0% and 64.2% of our total revenue, respectively.

The following table sets forth the percentage of our revenue contributed by each of our five largest clients for the years ended December 31, 2021 and 2020:

	2021	2020
Largest client	5.0 %	4.9 %
2nd largest client	3.7 %	3.8 %
3rd largest client	3.5 %	3.1 %
4th largest client	3.2 %	3.1 %
5th largest client	3.1 %	3.0 %
Top 5 largest clients	18.5 %	17.9 %

Business Development

The process for acquiring business from each of our categories of clients is principally the same, by participating in a competitive request-for-proposal ("RFP") process, with the primary difference among clients being that the process for public sector clients is significantly more formal and complex than for private sector clients as a result of government procurement rules and regulations that govern the public-sector process.

Although a significant factor in our business development consists of our standing in our industry, including existing relationships and reputation based on performance on completed projects, our marketing department undertakes a variety of activities in order to expand our exposure to potential new clients. These activities include media relations, advertising, promotions, market sector initiatives and maintaining our website and related web marketing. Media relations include placing articles that feature us and our personnel in trade publications and other media outlets. Our promotions include arranging speaking engagements for our personnel, participation in trade shows and other promotional activities. Market sector initiatives are designed to broaden our exposure to specific sectors of the construction industry by, for example, participating in or organizing industry seminars.

Doing business with governments is complex and requires the ability to comply with intricate regulations and satisfy periodic audits. We believe that the ability to understand these requirements and to successfully conduct business with government agencies is a barrier to entry for smaller, less experienced competitors.

We are required from time to time to obtain various permits, licenses and approvals in order to conduct our business in many of the jurisdictions where we operate. Our business of providing project management services is not subject to significant regulation by state, federal or foreign governments.

Contracts

The Company recognizes revenue to depict the transfer of promised goods or services to clients in an amount that reflects the consideration to which the Company expects to be entitled in exchange for such goods or services.

The price provisions of our client contracts can be grouped into two broad categories: time and materials and fixed price. Under the time and materials ("T&M") arrangements, contract fees are based upon time and materials incurred. The contracts may be structured as basic time and materials, cost plus a margin or time and materials subject to a maximum contract value (the "cap value"). Under fixed price contracts, the Company's clients pay an agreed upon amount negotiated in advance for a specified scope of work. The Company is guaranteed to receive the consideration to the extent that the Company delivers under the contract. The Company recognizes revenue over a period of time on fixed price contracts using the input method based upon direct costs incurred to date, which are compared to total projected direct costs. See Note 4 - Revenue from Contracts with Clients in Part II item 8 "Financial Statements and Supplementary Data," in this Form 10-K for more information.

Consulting Fee Revenue

We believe an important performance measure is consulting fee revenue ("CFR"). The professionals we deploy to execute contracts are occasionally subcontractors. We generally bill our clients the actual cost of these subcontractors and recognize this cost as both revenue and direct expense. CFR refers to our revenue excluding amounts paid or due to subcontractors. We believe CFR is an important measure because it represents the revenue on which we earn gross profit, whereas total revenue includes subcontractors on which we generally pass through the cost and earn minimal or no gross profit.

Backlog

We believe an important indicator of our future performance is our backlog of uncompleted projects under contract or awarded. Our backlog represents management's estimate of the amount of contracts and awards in-hand that we expect to recognize as CFR in future periods as a component of total revenue. Our backlog is evaluated by management on a project-by-project basis and is reported for each period shown based upon the binding nature of the underlying contract, commitment or letter of intent, and other factors, including the economic, financial and regulatory viability of the project and the likelihood of the contract being extended, renewed or canceled.

Our backlog is important to us in anticipating and planning for our operational needs. Backlog is not a measure defined in U.S. generally accepted accounting principles ("U.S. GAAP"), and our methodology for determining backlog may not be comparable to the methodology used by other companies in determining their backlog.

Although backlog reflects business that we consider to be firm, cancellations or scope adjustments may occur. Further, substantially all of our contracts with our clients may be terminated at-will, in which case the client would only be obligated to us for services provided through the termination date.

We adjust backlog to reflect project cancellations, deferrals and revisions in scope and cost (both upward and downward) known at the reporting date. Future contract modifications or cancellations, however, may increase or reduce backlog and future CFR.

The following tables show our backlog by geographic region as of December 31, 2021 and 2020:

	Total Backlog		12-Month Backlog	
As of December 31, 2021				
Americas	$ 347,489	47.7 %	$ 112,122	43.1 %
Middle East/Asia/Pacific	164,268	22.5 %	78,080	30.0 %
Europe	100,868	13.8 %	36,531	14.1 %
Africa	116,761	16.0 %	33,219	12.8 %
Total	$ 729,386	100.0 %	$ 259,952	100.0 %

	Total Backlog		12-Month Backlog	
As of December 31, 2020				
Americas	$ 276,752	41.6 %	105,721	45.2 %
Middle East/Asia/Pacific	160,211	24.0 %	66,407	28.3 %
Europe	105,478	15.8 %	37,062	15.8 %
Africa	124,273	18.6 %	25,187	10.7 %
Total	$ 666,714	100.0 %	$ 234,377	100.0 %

At December 31, 2021, our backlog was $729,386, compared to $666,714 at December 31, 2020. The December 31, 2021 increase in backlog from the prior year is primarily due to new work in the United States . Of the total backlog at December 31, 2021, we estimate that 35.6% will be recognized as CFR over the next twelve months based on the backlog table above.

The amount of our new bookings, before any cancellations or other reductions, was $436,900 and equates to a book-to-burn ratio of 143.2% for the year ended December 31, 2021. Our book-to-burn ratio, a non-GAAP measure, is determined by taking our new CFR bookings and dividing it by CFR for the applicable period. This metric allows management to monitor the Company's business development efforts to ensure we grow our backlog and our business over time, and management believes that this measure is useful to investors for the same reason.

Our remaining performance obligations represent the aggregate transaction price of executed contracts for projects partially completed or not yet started as of the end of the reporting period. The difference between the remaining performance obligations of $114,165, as described further in Note 4 - Revenue from Contracts with Clients in our consolidated financial statements, and the backlog of $729,386 at December 31, 2021 is due to the backlog including the full value of client contracts billed on a T&M basis, which are not included as part of the remaining performance obligation. Such contracts are excluded from the remaining performance obligation because they are not fixed price contracts and the consideration expected under such contracts is variable as it is based upon hours and costs incurred, which results in the counter-party only being obligated to the Company for services provided through the completion or termination date.

Competition

The project management industry is highly competitive. We compete for contracts, primarily on the basis of technical capability, with numerous entities, including other construction management companies, design or engineering firms, general contractors, management consulting firms and other entities. Compared to us, many of these competitors are larger companies that have broader geographic scope and greater financial and other resources. During 2021, some of our largest project management competitors included: AECOM, ARCADIS N.V., Jacobs Engineering Group, Inc., WSP, Parsons, CBRE, HDR, Burns & McDonnel and Dar Group.

Insurance

We maintain insurance covering general and professional liability, involving bodily injury and property damage. We have historically enjoyed a favorable loss ratio in all lines of insurance and our management considers our present limits of liability, deductibles and reserves to be adequate. We endeavor to reduce or eliminate risk through the use of quality assurance/control, risk management, workplace safety and similar methods to eliminate or reduce the risk of losses on a project.

Management

We are led by an experienced management team with significant experience in the construction industry. Additional information about our executive officers follows.

Executive Officers

Name	Age	Position
Raouf S. Ghali	60	Chief Executive Officer
William H. Dengler, Jr.	55	Executive Vice President and Chief Administrative Officer
Todd Weintraub	58	Chief Financial Officer
Abdo E. Kardous	62	Regional President, Middle East

RAOUF S. GHALI has been a member of our Board of Directors since August 2016 and our Chief Executive Officer since October 2018. Prior to that, he was our Chief Operating Officer from January 2015 to October 2018, President of our Project Management Group (International) from January 2005 to January 2015, Senior Vice President in charge of project management operations in Europe, North Africa and the Middle East from 2001 to 2004, and Vice President from 1993 to 2001. Prior to joining us, he worked for Walt Disney Imagineering from 1988 to 1993. Mr. Ghali earned both a B.S. in business administration and economics and an M.S. in business organizational management from the University of LaVerne.

WILLIAM H. DENGLER, JR. has been our Executive Vice President and Chief Administrative Officer since November 2018. Prior to that, he was Executive Vice President and General Counsel from August 2016 to November 2016, Senior Vice President and General Counsel from 2007 to 2016, Vice President and General Counsel from 2002 to 2007, and Corporate Counsel from 2001 to 2002. Mr. Dengler also serves as corporate secretary to Hill and its subsidiaries. Prior to joining Hill, Mr. Dengler served as Assistant Counsel to former New Jersey Governors Donald DiFrancesco and Christine Todd Whitman from 1999 to 2001. Mr. Dengler earned his B.A. in political science from McDaniel College and his J.D. from Rutgers University School of Law at Camden. He is licensed to practice law in New Jersey, as well as before the U.S. Court of Appeals for the Third Circuit and the U.S. Supreme Court.

TODD WEINTRAUB has been our Chief Financial Officer since November 2018. Mr. Weintraub has nearly 30 years of experience, including serving as CFO, Corporate Controller, Director of Accounting and Accounting Manager for six publicly traded companies. In addition, Mr. Weintraub has served on the Board of Directors for multiple companies, including International Matex Tank Terminals, Atlantic Aviation, Macquarie Renewable Energy Holdings, Hawaii Gas and Parking Company of America, where he was Chair. As CFO, Mr. Weintraub has been a key contributor whose companies have produced above market shareholder returns. He has a proven track record of implementing effective financial controls and operational improvements, deploying growth capital, executing mergers and acquisitions, managing a portfolio of operating businesses, optimizing capital structure and performing capital markets activities and investor relations. Mr. Weintraub graduated Magna Cum Laude from Siena College in 1990.

ABDO E. KARDOUS assumed the post of Regional President, Middle East in April 2018. Mr. Kardous joined Hill in 1997 as part of the Grand Mosque team, was promoted to Vice President in our Dubai office, and then named SVP Middle East. He was key to establishing Hill’s presence across the Gulf Cooperation Council before serving as Hill’s Senior Vice President and Managing Director for the Asia/Pacific Region. Mr. Kardous is a member of both the Chartered Institute of Building (CIOB) and Association for Project Management (API), and has recently served on the Advisory Board of the Chicago based Council of Tall Buildings and Urban Habitat (CTBUH). He holds a B.S., Magna Cum Laude, in Civil Engineering, from the University of Maryland and an M.S. in Civil Engineering from the University of California, Berkley. Mr. Kardous brings more than 30 years of experience to the Middle East region, with expertise in the design, procurement, construction, and delivery of multi-billion-dollar projects in the residential, hospitality, energy, infrastructure, and marine sectors, among others. He was also named Hill Internationals' Project Manager of the Year in 2001.

Employees

At December 31, 2021, we had (in ones) 3,043 professionals. Of these professionals, 2,938 worked in our Project Management Group and 105 worked in our Corporate offices. Our personnel included 2,578 full-time employees, 136 part-time employees258 independent external contractors and 71 external contractors provided by third-party agencies. We are not a party to any collective bargaining agreements.

Access to Company Information

We electronically file our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports with the SEC. The SEC maintains an internet site at *www.sec.gov* that contains periodic reports, proxy statements, information statements and other information regarding issuers that file electronically.

We make available, free of charge, through our website or by responding to requests addressed to our Legal Department, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports filed by us with the SEC pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act, as amended. These reports are available as soon as practicable after such material is filed with or furnished to the SEC. Our primary website is *www.hillintl.com*. We post the charters for our audit, compensation and governance and nominating committees, corporate governance principles and code of ethics in the “Investors” section of our website. The information contained on our website, or on other websites linked to our website, is not part of this document.

Item 1A. Risk Factors

Our business involves a number of risks and uncertainties, some of which are beyond our control. The risks and uncertainties described below could individually or collectively have a material adverse effect on our business, financial condition, results of operations and cash flows. While these are not the only risks and uncertainties we face, we believe that the more significant risks and uncertainties are as follows:

Risks Affecting the Business

Acts of terrorism, political, governmental and social upheaval and threats of armed conflicts in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts or the loss of personnel.

Acts of terrorism, political, governmental and social upheaval and threats of armed conflicts in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts or the loss of personnel, and may affect timing and collectability of our accounts receivable. Such events may cause further disruption to financial and commercial markets and may generate greater political and economic instability in some of the geographic areas in which we operate.

Specifically, the rising conflict between Russia and Ukraine, and resulting market volatility, could adversely affect our business, financial condition or results of operations. In response to the conflict between Russia and Ukraine, the U.S. and other countries have imposed sanctions or other restrictive actions against Russia. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our securities to decline.

We may be unable to collect amounts owed to us, which could have a material adverse effect on our liquidity, results of operations and financial condition.

Accounts receivable represent the largest asset on our balance sheet. While we take steps to evaluate and manage the credit risks relating to our clients, economic downturns or other events can adversely affect the markets we serve and our clients ability to pay, which could reduce our ability to collect all amounts due from clients. If our clients delay in paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, results of operations, and financial condition.

Our business is sensitive to oil and gas prices, and fluctuations in oil and gas prices may negatively affect our business.

Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond our control. Previous drops in oil and gas prices had led to slowdowns in construction in oil and gas producing regions, which had a material adverse effect on our business, results of operations, financial condition and cash flows.

Unfavorable global economic conditions could adversely affect our business, liquidity and financial results.

The markets that we serve are subject to fluctuation based on general global economic conditions and other factors. Unfavorable global economic conditions could adversely affect our business and results of operations, primarily by limiting our access to credit and disrupting our clients' businesses. The reduction in financial institutions' willingness or ability to lend has increased the cost of capital and reduced the availability of credit. Although we currently believe that the financial institutions with which we do business will be able to fulfill their commitments to us, there is no assurance that those institutions will be able or willing to continue to do so, which could have a material adverse impact on our business. Changes in general market conditions in the locations where we work may adversely affect our clients' level of spending, ability to obtain financing, and ability to make timely payments to us for our services, which could require us to increase our allowance for doubtful accounts, negatively impact our days sales outstanding, results of operations and liquidity.

Additionally, the Federal Reserve announced the increase of the Federal Funds Rate in March 2022. These developments, along with the United States government's credit and deficit concerns, global economic uncertainties and market volatility and the impacts of COVID-19, could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets and capital markets on favorable terms.

We may be unable to win new contract awards if we cannot provide clients with letters of credit, bonds or other forms of guarantees.

In certain international regions, primarily the Middle East, it is industry practice for clients to require letters of credit, bonds, bank guarantees or other forms of guarantees. These letters of credit, bonds or guarantees indemnify our clients if we fail to perform our obligations under our contracts. We currently have relationships with various domestic and international banking institutions to assist us in providing clients with letters of credit or guarantees. In the event there are limitations in worldwide banking capacity, we may find it difficult to find sufficient bonding capacity to meet our future bonding needs. Failure to provide credit enhancements on terms required by a client may result in our inability to compete or win a project.

International operations and doing business with foreign governments expose us to legal, political, operational and economic risks in different countries and currency exchange rate fluctuations could adversely affect our financial results.

There are risks inherent in doing business internationally, including:

- Lack of developed legal systems to enforce contractual rights;
- Foreign governments may assert sovereign or other immunity if we seek to assert our contractual rights thus depriving us of any ability to seek redress against them;
- Greater difficulties in managing and staffing foreign operations;
- Differences in employment laws and practices which could expose us to liabilities for payroll taxes, pensions and other expenses;
- Inadequate or failed internal controls, processes, people, and systems associated with foreign operations;
- Increased logistical complexity;
- Increased selling, general and administrative expenses associated with managing a larger and more global business;
- Greater risk of uncollectible accounts and longer collection cycles;
- Currency exchange rate fluctuations;
- Restrictions on the transfer of cash from certain foreign countries;
- Imposition of governmental controls;
- Political and economic instability;
- Changes in U.S. and other national government policies affecting the markets for our services and our ability to do business with certain foreign governments or their political leaders;
- Conflict between U.S. and non-U.S. law;
- Changes in regulatory practices, tariffs and taxes;
- Less established bankruptcy and insolvency procedures;
- Potential non-compliance with a wide variety of non-U.S. laws and regulations; and
- General economic, political and civil conditions in these foreign markets.
- Market uncertainties and fluctuations due to the rising conflict between Russia and Ukraine.

Any of these and other factors could have a material adverse effect on our business, results of operations, financial condition or cash flows.

We operate in many different jurisdictions and we could be adversely affected by any violations of the U.S. Foreign Corrupt Practices Act or similar worldwide and local anti-corruption laws.

The U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar worldwide and local anti-corruption laws in other jurisdictions, generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws. The policies also are applicable to agents through which we do business in certain non-U.S. jurisdictions. We operate in many parts of the world that have experienced governmental corruption to some degree, and in certain circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, we cannot assure you that our internal control policies and procedures always will protect us from improper or criminal acts committed by our employees or agents. Our continued expansion outside the U.S., including in developing countries, could increase the risk of such violations in the future. Violations of these laws, or allegations of such violations, could disrupt our business, subject us to fines, penalties and restrictions and otherwise result in a material adverse effect on our results of operations or financial condition. All of our acquired businesses are subject to our internal policies. However, because our internal policies are more restrictive than some local laws or customs where we operate, we may be at an increased risk for violations while we train our new employees to comply with our internal policies and procedures.

We must comply with all applicable economic and financial sanctions, other trade controls and anti-bribery laws and regulations of the U.S. and other foreign jurisdictions where we operate. U.S. laws and regulations applicable to us include the economic trade sanctions laws and regulations administered by the U.S. Department of Treasury's Office of Foreign Assets Control as well as certain laws administered by the U.S. Department of State. These laws and regulations are complex, frequently changing, and increasing in number, and they may impose additional prohibitions or compliance obligations on our dealings in certain countries and territories, including sanctions imposed on Russia and certain Ukraine territories.

Our business sometimes requires our employees to travel to and work in high security risk countries, which may result in employee injury, repatriation costs or other unforeseen costs.

Many of our employees often travel to and work in high security risk countries around the world that are undergoing or that may undergo political, social and economic upheavals resulting in war, civil unrest, criminal activity or acts of terrorism. For example, we have had and expect to continue to have significant projects in the Middle East and Africa. As a result, we may be subject to costs related to employee injury, repatriation or other unforeseen circumstances. Further, circumstances in these countries could make it difficult or impossible to attract and retain qualified employees, which could have a material adverse effect on our operations.

We depend on government contracts for a significant portion of our revenue. Our inability to win profitable government contracts could harm our operations and adversely affect our net earnings.

Our inability to win profitable government contracts could harm our operations and adversely affect our net earnings. Government contracts are typically awarded through a heavily regulated procurement process. Some government contracts are awarded to multiple competitors, causing increases in overall competition and pricing pressure. In turn, the competition and pricing pressure may require us to make sustained post-award efforts to reduce costs under these contracts. If we are not successful in reducing the amount of costs, our profitability on these contracts may be negatively impacted. In addition, some of our federal government contracts require U.S. government security clearances. If we, or certain of our personnel, were to lose these security clearances, our ability to continue performance of these contracts or to win new contracts requiring such clearances may be negatively impacted.

We depend on long-term government contracts, many of which are funded on an annual basis. If appropriations are not made in subsequent years of a multiple-year contract, we will not realize all of our potential revenue and profit from that project.

Most government contracts are subject to the continuing availability of legislative appropriation. Legislatures typically appropriate funds for a given program on a year-by-year basis, even though contract performance may take more than one year. As a result, at the beginning of a program, the related contract is only partially funded, and additional funding is normally committed only as appropriations are made in each subsequent fiscal year. These appropriations and the timing of payment of appropriated amounts may be influenced by, among other things, the state of the economy, budgetary and other political issues affecting the particular government and its appropriations process, competing priorities for appropriation, the timing and amount of tax receipts and the overall level of government expenditures. If appropriations are not made in subsequent years on government contracts, then we will not realize all of our potential revenue and profit from those contracts.

We depend on contracts that may be terminated by our clients on short notice, which may adversely impact our ability to recognize all of our potential revenue and profit from the projects.

Substantially all of our contracts are subject to termination by the client either at its convenience or upon our default. If one of our clients terminates a contract at its convenience, then we typically are able to recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all of our potential revenue and profit from that contract. If one of our clients terminates the contract due to our default, we could be liable for excess costs incurred by the client in re-procuring services from another source, as well as other costs.

Our contracts with governmental agencies are subject to audit, which could result in adjustments to reimbursable contract costs or, if we are charged with wrongdoing, possible temporary or permanent suspension from participating in government programs.

Our books and records are subject to audit by the various governmental agencies we serve and by their representatives. These audits can result in adjustments to reimbursable contract costs and allocated overhead. In addition, if as a result of an audit, we or one of our subsidiaries is charged with wrongdoing or the government agency determines that we or one of our subsidiaries is otherwise no longer eligible for federal contracts, then we or, as applicable, that subsidiary, could be temporarily suspended or, in the event of convictions or civil judgments, could be prohibited from bidding on and receiving future government contracts for a period of time. Furthermore, as a United States government contractor, we are subject to increased risk of investigations, criminal prosecution, civil fraud, whistleblower lawsuits and other legal actions and liabilities, the results of which could have a material adverse effect on our operations.

We submit change orders to our clients for work we perform beyond the scope of some of our contracts. If our clients do not approve these change orders, our net earnings could be adversely impacted.

We submit change orders under some of our contracts, typically for payment for work performed beyond the initial contractual requirements. The clients may not approve or may contest these change orders and we cannot assure you that these claims will be approved in whole, in part or at all. If these claims are not approved, our net earnings could be adversely impacted.

Our backlog of uncompleted projects under contract or awarded is subject to unexpected adjustments and cancellations, including the amount, if any, of future appropriations by the applicable contracting governmental agency, and it may not be indicative of our future revenue and profits.

The inability to obtain financing or governmental approvals, changes in economic or market conditions or other unforeseen events, such as terrorist acts or natural disasters, could lead to us not realizing any revenue under some or all of these contracts. We cannot assure you that the backlog attributed to any of our uncompleted projects under contract will be realized as revenue or, if realized, will result in profits.

Many projects may remain in our backlog for an extended period of time because of the size or long-term nature of the contract. In addition, from time to time, projects are scaled back or canceled. These types of backlog reductions adversely affect the revenue and profit that we ultimately receive. A portion of our backlog contains estimated revenue from ID/IQ contracts, in which, we only include backlog for work that has been approved by the client. We cannot provide any assurance that we will, in fact, be awarded the maximum amount of such contracts.

Our dependence on subcontractors, partners and specialists could adversely affect our business.

We rely on third-party subcontractors as well as third-party strategic partners and specialists to complete our projects. To the extent that we cannot engage such subcontractors, partners or specialists or cannot engage them on a competitive basis, our ability to complete a project in a timely fashion or at a profit may be impaired. If we are unable to engage appropriate strategic partners or specialists in some instances, we could lose the ability to win some contracts. In addition, if a subcontractor or specialist is unable to deliver its services according to the negotiated terms for any reason, including the deterioration of its financial condition or over-commitment of its resources, we may be required to purchase the services from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the services were needed.

If our partners fail to perform their contractual obligations on a project, we could be exposed to legal liability, loss of reputation or reduced profits.

We sometimes enter into joint venture agreements and other contractual arrangements with outside partners to jointly bid on and execute a particular project. The success of these joint projects depends on the satisfactory performance of the contractual obligations of both our partners and us. If any of our partners fails to satisfactorily perform its contractual obligations, we may be required to make additional investments and provide additional services to complete the project. If we are unable to adequately address our partner's performance issues, then our client could terminate the joint project, exposing us to legal liability, loss of reputation or reduced profits.

The project management business is highly competitive and, if we fail to compete effectively, we may miss new business opportunities or lose existing clients and our revenues may decline.

The project management industry is highly competitive. We compete for contracts, primarily based on technical capability, with numerous entities, including other construction management companies, design or engineering firms, general contractors, management consulting firms and other entities. Compared to us, many of these competitors are larger, well-established companies that have broader geographic scope and greater financial and other resources. If we cannot compete effectively with our competitors, or if the costs of competing, including the costs of retaining and hiring professionals, become too expensive, our revenue growth and financial results may differ materially from our expectations.

We have acquired and may continue to acquire businesses as strategic opportunities arise and may be unable to realize the anticipated benefits of those acquisitions, or if we are unable to take advantage of strategic acquisition situations, our ability to expand our business may be slowed or curtailed.

In the past, we have acquired companies related to the project management business and we may continue to expand and diversify our operations with additional acquisitions as strategic opportunities arise. If the competition for acquisitions increases, or if the cost of acquiring businesses or assets becomes too expensive, the number of suitable acquisition opportunities may decline, the cost of making an acquisition may increase or we may be forced to agree to less advantageous acquisition terms for the companies that we are able to acquire. Alternatively, at the time an acquisition opportunity presents itself, internal and external pressures (including, but not limited to, borrowing capacity under our credit facilities or the availability of alternative financing), may cause us to be unable to pursue or complete an acquisition. Our ability to grow our business, particularly through acquisitions, may depend on our ability to raise capital by selling equity or debt securities or obtaining additional debt financing. There can be no assurance that we will be able to obtain financing when we need it or on terms acceptable to us.

In addition, managing the growth of our operations will require us to continually increase and improve our operational, financial and human resources management and our internal systems and controls. If we are unable to manage growth effectively or to successfully integrate acquisitions or if we are unable to grow organically, that could have a material adverse effect on our business.

Systems and information technology interruption and breaches in data security could adversely impact our ability to operate and our operating results.
We are heavily reliant on computer, information and communications technology and related systems in order to properly operate. From time to time, we experience system interruptions and delays. In the event we are unable to regularly deploy software and hardware, effectively upgrade our systems and network infrastructure and take other steps to improve the efficiency and effectiveness of our systems, the operation of such systems could be interrupted or delayed, or our data security could be breached. In addition, our computer and communications systems and operations could be damaged or interrupted by natural disasters, power loss, telecommunications failures, acts of war or terrorism, acts of God, computer viruses, physical or electronic security breaches. Any of these or other events could cause system interruptions, delays and loss of critical data including private data. While we have taken steps to address these concerns by implementing sophisticated network security, training and internal control measures, there can be no assurance that a system failure or loss or data security breach will not materially adversely affect our business, financial condition and operating results.

We are required to provide Performance Guarantees to our clients on some of our projects. If claims are made by our clients on the Performance Guarantees, the result could have a material adverse impact on our business, financial condition, results of operations and cash flows.

We are often required to provide a Performance Guarantee to our clients on projects. The guarantees provide monetary compensation to the client should we fail to perform our obligations under the contract. Some of these Performance Guarantees are unconditional in that the client can request and receive payment at any time, for any reason. Historically, payments have not been unconditionally claimed from our clients. Performance Guarantee claims made by clients could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

Brexit may impact our business in Europe.

The decision made in the British referendum of June 23, 2016 to leave the European Union, commonly referred to as "Brexit," has led to volatility in the financial markets of the United Kingdom and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. On January 31, 2020, the United Kingdom ceased to be a member state of the European Union. As of that date, the United Kingdom entered a transitional period with the European Union, which is expected to continue through December 31, 2020. During this transitional period, the United Kingdom retains access to the E.U. single market and customs union and the United Kingdom and European Union are expected to attempt to negotiate various aspects of their future relationship following the transitional period, including a free trade deal.

The long-term effects of Brexit will depend on the agreements or arrangements between the United Kingdom and the European Union, and the extent to which the United Kingdom retains access to E.U. markets both during and after the transitional period. The longer term economic, legal, political and social framework to be put in place between the United Kingdom and the European Union is unclear at this stage and is likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European markets for some time. In particular, Brexit caused significant volatility in global stock markets and currency exchange fluctuations. To the extent our accounts receivable are denominated in British Pounds, we may be subject to increased risks related to currency exchange rates.

In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which E.U. laws to replace or replicate. Brexit could also have a destabilizing effect if other E.U. member states were to consider the option of leaving the European Union. For these reasons, the United Kingdom's exit from the European Union could have adverse consequences on our business, financial condition and results of operations.

New legal requirements in connection with climate change could adversely affect our operating results.

Our business and results of operations could be adversely affected by the passage of new climate change, defense, environmental, infrastructure and other laws, policies and regulations. Growing concerns about climate change and greenhouse gases, such as those adopted under the United Nations COP-21 Paris Agreement or the EPA Clean Power Plan, may result in the imposition of additional environmental regulations for our clients' projects in the buildings, transportation, environmental, energy and industrial markets worldwide. For example, legislation, international protocols, regulation or other restrictions on emissions regulations could increase the costs of projects for our clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for our services. We cannot predict when or whether any of these various proposals may be enacted or what their effect will be on us or on our clients.

The coronavirus outbreak could impact our international operations and results of operations.

Our business and results of operations could be materially and adversely affected by the effects of a widespread outbreak of a contagious disease, including the outbreak of the respiratory illness caused by a coronavirus strain first identified in Wuhan, Hubei Province, China, or any other outbreak of contagious diseases, and other adverse public health developments. These effects could include disruptions or restrictions on our employees’ and subcontractors’ ability to travel, as well as temporary closures of the facilities and areas where we perform our work. Any disruption of current projects, including effects on the supply chain on which our projects depend, could adversely impact our business and results of operations which could also lead to a loss of clients, as well as competitive or business harm. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for our services, including the award of future projects, and could impact our results of operations.

Risks Related to Ownership of Our Common Stock

We have identified material weaknesses in our internal control over financial reporting and determined that our disclosure controls and procedures were not effective which could, if not remediated, result in additional material misstatements in our financial statements.

Our management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal control over our financial reporting, as defined in Rules 13a-15(e) and 13a-15(f), respectively, under the Securities Exchange Act of 1934, as amended. As disclosed in Item 9A of this Annual Report on Form 10-K, management has identified several material weaknesses in our internal control over financial reporting and has determined that our disclosure controls and procedures were not effective. A material weakness is defined as a deficiency, or combination of significant deficiencies, in internal control over financial reporting, such that there is a more than a remote likelihood that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As a result of these material weaknesses, our management concluded that the Company did not maintain effective disclosure controls and procedures and internal control over financial reporting as of December 31, 2021.

We have developed and have begun to implement a remediation plan designed to address these material weaknesses in internal control over financial reporting and ineffective disclosure controls and procedures. If our remedial measures are insufficient, or if additional material weaknesses or significant deficiencies in our internal controls are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results, which could materially and adversely affect our business and results of operations or financial condition, restrict our ability to access the capital markets, require us to expend significant resources to correct the weaknesses or deficiencies, subject us to fines, penalties or judgments, harm our reputation or otherwise cause a decline in investor confidence.

Future sales of our common and preferred stock may depress the price of our common stock.

As of March 8, 2022, there were 57,143 shares of our common stock outstanding. An additional 1,352 shares of our common stock may be issued upon the exercise of options held by employees, management and directors and an additional 3,133 shares of our common stock may be issued upon the vesting of restricted and deferred stock units. We also have the authority, as determined by our Board of Directors, to issue up to 1,000 shares of preferred stock and additional options to purchase 1,441 shares of our common stock without stockholder approval. Future issuances or sales of our preferred stock or common stock could have an adverse effect on the market price of our common stock.

Because we have no current plans to pay cash dividends on our common stock, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.

We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividends. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board of Directors may deem relevant. In addition, our ability to pay dividends is limited by covenants of our Secured Credit Facilities and may be limited by future indebtedness incurred by our subsidiaries or us. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

We are able to issue shares of preferred stock with greater rights than our common stock.

Our Board of Directors is authorized to issue one or more series of preferred stock from time to time without any action on the part of our stockholders. Our Board of Directors also has the power, without stockholder approval, to set the terms of any such series of preferred stock that may be issued, including voting rights, dividend rights and preferences over our common stock with respect to dividends and other terms. If we issue preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or other terms, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

Provisions in our organizational documents and Delaware law could discourage potential acquisition proposals, could delay or prevent a change in control of the Company that our stockholders may consider favorable and could adversely affect the market value of our common stock.

Provisions in our organizational documents and Delaware law could discourage potential acquisition proposals, could delay or prevent a change in control of the Company that our stockholders may consider favorable and could adversely affect the market value of our common stock. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- Our Board of Directors is expressly authorized to make, alter or repeal our bylaws;
- Our Board of Directors is divided into three classes of service with staggered three-year terms. This means that only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective terms;
- Our Board of Directors is authorized to issue preferred stock without stockholder approval;
- Only our Board of Directors, our Chairman of the Board, our Chief Executive Officer or the holders of not less than 25% of our outstanding common stock and entitled to vote may call a special meeting of stockholders;
- Our bylaws require advance notice for stockholder proposals and director nominations;
- Our bylaws limit the removal of directors and the filling of director vacancies; and
- We will indemnify officers and directors against losses that may incur in connection with investigations and legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures.

These provisions may make it more difficult for stockholders to take specific corporate actions and could have the effect of delaying or preventing a change in control of the Company.

In addition, Section 203 of the Delaware General Corporation Law imposes certain restrictions on mergers and other business combinations between the Company and any holder of 15% or more of our outstanding common stock. This provision is applicable to Hill and may have an anti-takeover effect that may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in the stockholder's best interest. In general, Section 203 could delay for three years and impose conditions upon "business combinations" between an "interested shareholder" and Hill, unless prior approval by our Board of Directors is given. The term "business combination" is defined broadly to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder. An "interested shareholder," in general, would be a person who, together with affiliates and associates, owns or within three years did own, 15% or more of a corporation's voting stock.

A small group of stockholders owns a large quantity of our common stock, thereby potentially exerting significant influence over the Company.

This concentration of ownership could significantly influence matters requiring stockholder approval and could delay, deter or prevent a change in control of the Company or other business combinations that might otherwise be beneficial to our other stockholders. Accordingly, this concentration of ownership may impact the market price of our common stock. In addition, the interest of our significant stockholders may not always coincide with the interest of the Company's other stockholders. In deciding how to vote on such matters, they may be influenced by interests that conflict with our other stockholders.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our executive office is an operating lease currently located at One Commerce Square, 2005 Market Street, 17th Floor, Philadelphia, Pennsylvania 19103. We lease all of our office space and do not own any real property. The telephone number at our executive office is (215) 309-7700. We have approximately 70 operating leases for office facilities throughout the world, including our executive offices, and excluding offices being used for project purposes.

Our principal worldwide office locations and the geographic regions in which we reflect their operations are as follows:

Americas	**Europe**	**Middle East/Asia/Pacific**
Austin, TX	Amsterdam, Netherlands	Abu Dhabi, UAE
Boston, MA	Athens, Greece	Baghdad, Iraq
Cleveland, OH	Barcelona, Spain	Doha, Qatar
Columbus, OH	Belgrade, Serbia	Dubai, UAE
Denver, CO	Bucharest, Romania	Jeddah, Saudi Arabia
East Hartford, CT	Frankfurt, Germany	Manama, Bahrain
Fords, NJ	Istanbul, Turkey	Muscat, Oman
Houston, TX	Lisbon, Portugal	Riyadh, Saudi Arabia
Irvine, CA	Madrid, Spain	Beijing, China
Irving, TX	Nicosia, Cyprus	Bengaluru, India
Jacksonville, FL	Nur-Sultan, Kazakhstan	Chennai, India
Miami, FL	Pristina, Kosovo	Delhi, India
New Orleans, LA	Rome, Italy	Gurugram, India
New York, NY	Skopje, North Macedonia	Hong Kong, China
Oakland, CA	Tbilisi, Georgia	Islamabad, Pakistan
Ontario, CA	Tirana, Albania	Mumbai, India
Orlando, FL	Warsaw, Poland	Singapore
Philadelphia, PA (Headquarters)	Wroclaw, Poland	
Phoenix, AZ		**Africa**
Pittsburgh, PA		Algiers, Algeria
Plantation, FL		Cairo, Egypt
San Diego, CA		Casablanca, Morocco
San Francisco, CA		Tripoli, Libya
San Jose, CA		Tunis, Tunisia
Seattle, WA		
Spokane, WA		
Toledo, OH		
Uniontown, PA		
Washington, DC		
Mexico City, Mexico		

Item 3. Legal Proceedings

General Litigation

From time to time, the Company is a defendant or plaintiff in various legal proceedings which arise in the normal course of business. As such, the Company is required to assess the likelihood of any adverse outcomes to these proceedings as well as potential ranges of probable losses. A determination of the amount of the provision required for these commitments and contingencies, if any, which would be charged to earnings, is made after careful analysis of each proceeding. The provision may change in the future due to new developments or changes in circumstances. Changes in the provision could increase or decrease the Company's earnings in the period the changes are made. It is the opinion of management, after consultation with legal counsel, that the ultimate resolution of these proceedings will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Loss on Performance Bond

The Company is often required to provide a Performance Guarantee to our clients on projects. The guarantees provide monetary compensation to the client should we fail to perform our obligations under the contract. Some of these Performance Guarantees are unconditional in that the client can request and receive payment at any time, for any reason. Historically, payments have not been unconditionally claimed from our clients. Performance Guarantee claims made by clients could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

On February 8, 2018, the Company received notice from the First Abu Dhabi Bank ("FAB", formerly known as the National Bank of Abu Dhabi) that Public Authority of Housing Welfare of Kuwait submitted a claim for payment on a Performance Guarantee issued by the Company for approximately \$7,938 for a project located in Kuwait. FAB subsequently issued, on behalf of the Company, such payment on February 15, 2018. The Company is taking legal action to recover the full Performance Guarantee amount. On September 20, 2018 the Kuwait First Instance Court dismissed the Company's case. As a result, the Company fully reserved the performance guarantee payment above in the first quarter of 2018 and it is presented as "Loss on Performance Bond" on the consolidated statements of operations. The Company filed an appeal before the Kuwait Court of Appeals seeking referral of the matter to a panel of experts for determination. On April 21, 2019, the Court of Appeals ruled to refer the matter to the Kuwait Experts Department. Hearings with the Kuwait Experts Department were held during July and September 2019. A final report from the panel of experts was issued by the panel of experts in October 2019 for the held hearings on January 7, 2020 and February 4, 2020 and reserved the case for judgement to be issued. We filed a pleading before the Kuwait Cassation Court in August 2020 and we are awaiting a decision. Our challenges are still pending before the Kuwait Cassation Court and a hearing has not yet been scheduled.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock trades on the NYSE under the trading symbol "HIL."

Stockholders

As of March 8, 2022, there were approximately 65 holders of record of our common stock. However, a single record stockholder account may represent multiple beneficial owners, including owners of shares in street name accounts. As of March 8, 2022, there were approximately 3,031 beneficial owners of our common stock.

Dividends

We have not paid any dividends on our common stock. The payment of dividends in the future will be contingent upon our earnings, if any, capital requirements and general financial condition of our business. Our Secured Credit Facilities currently limit the payment of dividends.

Securities Authorized for Issuance under Equity Compensation Plans

The table setting forth this information is included in Part III — Item 12 ("Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters") of this Form 10-K.

Recent Sales of Unregistered Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The following discussion should be read in conjunction with the other sections of this report, including the Financial Statements and Supplementary Data, contained in Part II, Item 8 of this Annual Report on Form 10-K. In addition to historical information, the following discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences are discussed in Part I, "Cautionary Note Regarding Forward-Looking Statements" and Part I, Item 1A."Risk Factors." We assume no obligation to update any of these forward-looking statements, other than as required by law.

Overview

We earn revenue by deploying professionals to provide services to our clients, including project management, construction management, facilities management and related consulting. These services are primarily delivered on a "cost plus" or "time and materials" ("T&M") basis in which we bill negotiated hourly or monthly rates or a negotiated multiple of the direct cost of these professionals, plus actual out-of-pocket expenses. Our direct expenses are the actual cost of these professionals, including most payroll and benefits, except for paid time-off, which is recorded in selling, general and administrative expenses ("SG&A") on our consolidated statements of operations. We also provide services under fixed price contracts.

Our revenue consists of two components: CFR and reimbursable expenses. The professionals we deploy are occasionally subcontractors. We generally bill the actual cost of these subcontractors and recognize this cost as both revenue (reimbursable expenses) and direct expense. CFR refers to our revenue excluding amounts paid or due to subcontractors. We believe CFR is an important measure because it represents the revenue on which we earn gross profit, whereas total revenue includes the costs for subcontractors on which we generally pass through the cost and earn minimal or no gross profit.

We compete for business based on a variety of factors such as technical capability, global resources, price, reputation and past experience, including client requirements for substantial experience in similar projects. We have developed significant long-standing relationships, which bring us repeat business and may be difficult for others to replicate. We believe we have an excellent reputation for attracting and retaining professionals. In addition, we believe there are high barriers to entry for new competitors especially in the project management market.

SG&A expenses consist primarily of personnel costs that are not billable and corporate or regional costs such as sales, business development, proposals, operations, finance, human resources, legal, marketing, management and administration.

The Company operates as a single reporting segment, known as the Project Management Group which provides fee-based project management, construction management, facilities management and other consulting services to our clients, leveraging our construction expertise to identify potential trouble, difficulties and sources of delay on a construction project before they develop into costly problems. Our experienced professionals are capable of managing all phases of the construction process from concept through completion, including cost and budget controls, scheduling, estimating, expediting, inspection, contract administration and management of contractors, subcontractors and suppliers.

Impact of COVID-19 on our Business

In March 2020, the World Health Organization declared COVID-19 a global pandemic as a result of the further spread of the virus into all regions of the world, including those regions where our primary operations occur. Variants of the virus continue to emerge in various regions and countries worldwide.

We instituted a work-from-home policy for all offices and employees globally in late March 2020, except for field-based employees who normally work on-site at our client's facilities. These field-based employees comply with our respective clients' policies. The majority of our field employees were already located in the regions where they deliver their services, so the travel restrictions that have been enacted by various government authorities have not materially impaired our ability to continue to perform services for our clients. As of December 31, 2021, most of our employees have returned to their assigned offices, on a modified basis, as their city, state and country reopens, consistent with the applicable requirements of local law.

Most of the projects to which we provide services have been classified as essential services by the relevant governmental authority and as such have continued despite restrictions on the operation of "non-essential" businesses by certain governmental authorities. The majority of our billable employees have continued to provide billable services to our clients, either on-site or remotely at the same or at a slightly reduced volume as in effect prior to the pandemic.

Nearly all our employees had company laptop computers and the ability to work remotely prior to the institution of our work-at-home policy. The work-at-home policy did not have a significant impact on our employees' ability to perform their job requirements. Our internal control structure does not generally require physical access to our office locations, and has not to date and is not expected in the future to be adversely impacted the pandemic and the corresponding response by certain governmental authorities. Processes that require physical access to our offices, such as receiving mail (including collections) and processing and mailing manual checks, are being performed by designated individuals at a reduced frequency while certain of our offices continue to operate on a limited basis.

The main impacts on our business, other than those discussed above, were delays in the procurement processes of a number of our current and potential clients and a temporary slowing of certain collections.

Management implemented various actions and policies that resulted in approximately $11,000 in cost reductions to partially offset the expected reduction in CFR for the year ended December 31, 2020. Costs in 2021 have increased modestly in line with an anticipated rebound in activity, as the effects of the COVID-19 pandemic subside and the Company's activity increases. The Company will continue to manage costs and its association with CFR relative to the evolving effects of COVID-19.

The full extent and duration of the impact of the pandemic on our operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the institution of new lockdowns by certain government authorities, the duration and spread of the pandemic, its impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the continuing risks associated with the COVID-19 pandemic for at least the next 12 months from the date of this report.

Critical Accounting Policies and Estimates

Our consolidated financial statements contained in this Annual Report on Form 10-K were prepared in accordance with U.S. GAAP. While there are a number of accounting policies, methods and estimates that affect the consolidated financial statements, areas that management considers critical are discussed below. We believe our assumptions are reasonable and appropriate, however, actual results may be materially different than estimated.

Revenue Recognition

We generate revenue primarily from providing professional services to our clients under various types of contracts. We evaluate contractual arrangements to determine how to recognize revenue. Below is a description of the basic types of contracts from which we may earn revenue:

Time and Materials Contracts

Under the T&M arrangements, contract fees are based upon time and materials incurred. The contracts may be structured as basic T&M, cost plus a margin or time and materials subject to a maximum contract value (the "cap value"). Due to the potential limitation of the cap value, the economic factors of the contracts subject to a cap value differ from the economic factors of basic T&M and cost plus a margin contracts.

The majority of our contracts are for consulting projects where we bill the client monthly at hourly billing rates. The hourly billing rates are determined by contract terms. Under cost plus a margin contracts, we charge our clients for our costs, plus a fixed fee or rate.

Under T&M contracts with a cap value, we charge our clients for time and materials based upon the work performed, however there is a cap or a not to exceed value. There are often instances that a contract is modified to extend the contract value past the cap. As the consideration is variable depending on the outcome of the contract renegotiation, we will estimate the total contract price in accordance with the variable consideration guidelines and will only include consideration we expect to receive from the client. When we expect to reach the cap value, the contract will be renegotiated or we will cease work when the maximum contract value is reached. We continue to work if it is probable that the contract will be extended. We will only include consideration on contract negotiations to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. If we continue to work and are uncertain that a contract change order will be processed, the variable consideration will be constrained to the cap until it is probable that the contract will be renegotiated. We are only entitled to consideration for the work we have performed, and the cap value is not a guaranteed contract value.

Fixed Price Contracts

Under fixed price contracts, our clients pay an agreed amount negotiated in advance for a specified scope of work. We are guaranteed to receive the consideration to the extent that we deliver under the contract. We recognize revenue over a period of time on fixed price contracts using the input method based upon direct costs incurred to date, which are compared to total projected direct costs. Costs are the most relevant measure to determine the transfer of the service to the client. We assess contracts quarterly and will recognize any expected future loss before actually incurring the loss. When we expect to reach the total consideration under the contract, we begin to negotiate a change order.

Change Orders and Claims

Change orders are modifications of an original contract. Either we or our client may initiate change orders. They may include changes in specifications or design, manner of performance, facilities, equipment, materials, sites and period of completion of the work. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the client's written approval of such changes or separate documentation of change order costs that are identifiable. Change orders may take time to be formally documented and terms of such change orders are agreed with the client before the work is performed. Sometimes circumstances require that work progresses before an agreement is reached with the client. If we are having difficulties in renegotiating the change order, we will stop work if possible, record all costs incurred to date, and determine, on a project by project basis, the appropriate final revenue recognition.

Claims are amounts in excess of the agreed contract price that we seek to collect from our clients or others for client-caused delays, errors in specifications and designs, contract terminations, change orders that are either in dispute or are unapproved as to both scope and price, or other causes of unanticipated additional contract costs. Costs related to change orders and claims are recognized when they are incurred. We evaluate claims on an individual basis and will recognize revenue based on what we believe is probable to collect.

Allowance for Doubtful Accounts

We make ongoing estimates relating to the collectability of our accounts receivable and maintain an allowance for estimated losses resulting from the inability of our clients to make required payments. Estimates used in determining accounts receivable allowances are based on our evaluation of specific client accounts and contracts involved and the financial condition of our clients. The factors we consider in our evaluations include, but are not limited to, client type (U.S. federal and other national governments, state and local governments or private sector), historical contract performance, historical collection and delinquency trends, client credit worthiness, and general economic and political conditions. At December 31, 2021 and 2020, the allowance for doubtful accounts was $39,670 and $53,450, respectively. The allowance for doubtful accounts balance included approximately $24,031 and $33,242 related to our receivables in Libya at December 31, 2021 and 2020, respectively.

Contingencies

Estimates are inherent in the assessment of our exposure to insurance claims that fall below policy deductibles and to litigation and other legal claims and contingencies, as well as in determining our liabilities for incurred but not reported insurance claims. Significant judgments by us and reliance on third-party experts are utilized in determining probable and/or reasonably estimable amounts to be recorded or disclosed in our financial statements. The results of any changes in accounting estimates are reflected in the financial statements of the period in which the changes are determined. We do not believe that material changes to these estimates are reasonably likely to occur.

2021 Business Overview

Consolidated Results
(In thousands)

	Years Ended December 31, 2021	2020
Income Statement Data:		
Consulting fee revenue	$ 305,093	$ 296,615
Reimbursable expenses	72,345	71,909
Total revenue	377,438	368,524
Direct expenses	253,760	249,173
Gross profit	123,678	119,351
Selling, general and administrative expenses	113,590	109,215
Foreign currency exchange loss	3,127	2,923
Plus: Share of profit of equity method affiliates	2,299	3,286
Operating profit	9,260	10,499
Less: Interest and related financing fees, net	5,427	5,224
Less: Other loss	86	5,711
Income (loss) before income taxes	3,747	(436)
Income tax expense	7,689	7,134
Net loss	(3,942)	(7,570)
Less: net income - noncontrolling interests	329	612
Net loss attributable to Hill International, Inc.	$ (4,271)	$ (8,182)

Results of Operations

Year Ended December 31, 2021 Compared to
Year Ended December 31, 2020

Total Revenue:

	2021		2020		Change	
Americas	$ 196,933	52.1 %	$ 192,777	52.4 %	$ 4,156	2.2 %
Middle East/Asia/Pacific	85,541	22.7 %	92,639	25.1 %	(7,098)	(7.7)%
Europe	55,505	14.7 %	53,819	14.6 %	1,686	3.1 %
Africa	39,459	10.5 %	29,289	7.9 %	10,170	34.7 %
Total	$ 377,438	100.0 %	$ 368,524	100.0 %	$ 8,914	2.4 %

Consulting Fee Revenue:

	2021		2020		Change	
Americas	$ 134,852	44.2 %	$ 137,247	46.2 %	$ (2,395)	(1.7)%
Middle East/Asia/Pacific	83,861	27.5 %	89,037	30.0 %	(5,176)	(5.8)%
Europe	50,100	16.4 %	43,769	14.8 %	6,331	14.5 %
Africa	36,280	11.9 %	26,562	9.0 %	9,718	36.6 %
Total	$ 305,093	100.0 %	$ 296,615	100.0 %	$ 8,478	2.9 %

Total revenue increased approximately $8,914 for the twelve months ended December 31, 2021 when compared to the same time period in the prior year. CFR was $305,093 and $296,615 of the total revenue for the twelve months ended December 31, 2021 and 2020, respectively, which was approximately 80.8% and 80.5% of total revenues, respectively.

The increase in total revenue for the twelve months ended December 31, 2021 compared to the same period in 2020 was primarily due to revenue during 2020 being reduced as a result of delayed project starts and project suspensions due to the COVID-19 pandemic.

The increase in CFR for the twelve months ended December 31, 2021, compared to the same period in 2020, was primarily driven by activity continuing to return to pre-COVID levels, including returns to full staffing on certain existing projects and mobilizations on certain newly awarded projects.

Gross Profit:

	2021			2020			Change	
			% of Total Revenue			% of Total Revenue		
Americas	$ 59,171	47.9 %	30.0 %	$ 61,228	51.3 %	31.8 %	$ (2,057)	(3.4)%
Middle East/Asia/Pacific	30,144	24.4 %	35.2 %	28,553	23.9 %	30.8 %	1,591	5.6 %
Europe	20,085	16.2 %	36.2 %	16,795	14.1 %	31.2 %	3,290	19.6 %
Africa	14,278	11.5 %	36.2 %	12,775	10.7 %	43.6 %	1,503	11.8 %
Total	$ 123,678	100.0 %	32.8 %	$ 119,351	100.0 %	32.4 %	$ 4,327	3.6 %

Gross profit (margin) as a percentage of total revenue for the twelve months ended December 31, 2021, compared to the same period in 2020, was general consistent. In the Americas, the decrease in margin as a percentage of total revenue was primarily due to an increase in direct benefit expense as a result of the reinstatement of the company 401(k) match in 2021. In Africa, the decrease in margin as a percentage of total revenue was due to the start of a large project with a lower margin. Partially offsetting these decreases was an increase in margin as a percentage of total revenue in the Middle East/Asia/Pacific due to the liquidation of a bond and a settlement on a project in Qatar during 2020 that did not recur during 2021.

Selling, General and Administrative Expenses:

Our total selling, general and administrative expenses ("SG&A") increased $4,462 for the twelve months ended December 31, 2021 compared to the same period in 2020.

During 2021, the increase was primarily due to a $5,900 increase in labor expenses and $500 increase in travel expenses due to the lifting of COVID-19 stay at home orders and the ramping up of projects, and the reinstatement of the company 401(k) match. In addition, consultants and temporary office support increased $400 due to vacancies and additional work needed to address internal control deficiencies, a $359 increase in computer related costs, a $200 increase in insurance expense, a $250 increase in legal expenses, and a $350 increase in global auditing fees, Partially offsetting these increases was a $2,100 decrease in bad debt expense as a result of the Company receiving payments against previously reserved receivables. In addition, there was a $1,600 additional depreciation charge in the first quarter of 2020 for the write-off of leasehold improvements related to the Company subletting office space in Philadelphia to a third party, which did not reoccur in 2021.

SG&A expenses represented 30.1% and 29.6% of total revenue for the twelve months ended December 31, 2021 and 2020, respectively.

Foreign Currency Exchange Loss

Foreign currency exchange losses were approximately $204 greater for the twelve months ended December 31, 2021 compared to the same period in 2020. The currency exchange losses were primarily caused by a 7.7% weakening of the Euro against the U.S. dollar and currencies pegged to the U.S. dollar, partially offset by a 7.5% strengthening of the Egyptian pound against the Euro.

Interest and related financing fees, net

Interest and related financing fees, net, included interest expense of $5,431, net of $4 in interest income, and interest expense of $5,357, net of $133 in interest income for the years ended December 31, 2021 and 2020, respectively..

Income Taxes

The effective income tax rates for 2021, and 2020 were 205.2% and (1636.2)% respectively. The Company’s effective tax rate differs from the U.S. federal statutory rate, for the year ended December 31, 2021, primarily due to additional uncertain tax position accruals, as well as the inability to recognize any tax benefit for losses in certain jurisdictions, particularly the United States.

The Company’s effective tax rate for the year ended December 31, 2020 differs from the U.S. federal statutory rate primarily due to additional uncertain tax position accruals, as well as the inability to recognize any tax benefit for losses in certain jurisdictions, particularly Brazil.

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities and projected future taxable income in making this assessment. Management evaluates the need for valuation allowances on the deferred tax assets according to the provisions of ASC 740, Income Taxes*.* We consider both positive and negative evidence. In making this determination, management assesses all of the evidence available at the time including recent earnings, internally-prepared income projections, and historical financial performance.

Liquidity and Capital Resources

Our primary cash obligations are our payroll and our project subcontractors. Our primary source of cash is receipts from clients. We generally pay our employees semi-monthly in arrears and invoice our clients monthly in arrears. Our clients generally remit payment approximately three months, on average, after invoice date. This creates a lag between the time we pay our employees and the time we receive payment from our clients. We bill our clients for any subcontractors used and pay those subcontractors after receiving payment from our clients, so no such timing lag exists for the payments we make to subcontractors.

We utilize cash on hand and our revolving credit facilities to fund the working capital requirement caused by the lag discussed above and other operating needs. We believe our expected cash receipts from clients, together with current cash on hand and revolving credit facilities, are sufficient to support the reasonably anticipated cash needs of our operations over the next twelve months.

At December 31, 2021 and 2020, our primary sources of liquidity consisted of $21,821 and $34,229 in cash and cash equivalents, respectively, of which $19,365 and $28,842 was on deposit in foreign locations, respectively, and $9,143 and $11,711 of available borrowing capacity under our various credit facilities, respectively. We also have relationships with other foreign banks for the issuance of letters of credit, letters of guarantee and performance bonds in a variety of foreign currencies. At December 31, 2021 and 2020, we had approximately $63,331 and $52,236 of availability under these arrangements. Our sources of liquidity under arrangements with foreign banks are available for repatriation as deemed necessary by us with some restrictions and tax implications.

On March 31, 2022, we entered into an amendment of our main credit facility with Société Générale that extends the maturity dates of the Domestic and International Revolving Credit Facilities to May 5, 2023 and the term loan facility to November 5, 2023. The interest rates on these facilities will increase by 1.0% and the Company will pay an amendment fee of 1.0% or less, contingent on the timing of refinancing the revolving credit facilities. The aggregate amount of the credit commitments under the facilities will automatically and permanently be reduced by an amount equal to $3,000 on each of September 30, 2022 and December 31, 2022.

We believe that we have sufficient liquidity to support the reasonably anticipated cash needs of our operations over the next twelve months from the date of this filing.

Sources of Additional Capital

A significant increase in our current backlog may require us to obtain additional financing. If additional financing is required in the future due to an increase in backlog or changes in strategic or operating plans, we cannot provide any assurance that any other sources of financing will be available, or if available, that the financing will be on terms acceptable to us.

Cash Flows

	Years ended December 31,		
	2021	2020	Change
Net cash (used in) provided by operating activities	$ (12,663)	$ 12,310	$ (24,973)
Net cash used in investing activities	(2,375)	(2,893)	518
Net cash provided by financing activities	6,182	6,483	(301)
Effect of foreign exchange rate changes on cash	(2,111)	540	(2,651)
Less: Deconsolidated cash	—	9	(9)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (10,967)	$ 16,431	$ (27,398)

Operating Activities

The decrease in cash from operations during 2021 was primarily due to the increase in our outstanding accounts receivable balances related to increases in revenue during the year partially offset by increases in accounts payable due to the timing of vendor payments.

Cash held in restricted accounts is primarily collateral for the issuance of performance and advance payment bonds, letters of credit and escrow and was $8,625 and $7,184 at December 31, 2021 and 2020, respectively. The increase is primarily due to a large cash receipt at the end of the current year that was partially payable to our partners on a large project.

We manage our operating cash flows by managing the working capital accounts in total. The primary elements of our working capital are accounts receivable, prepaid and other current assets, accounts payable and deferred revenue.

From year to year, the components of our working capital accounts may reflect significant changes. The changes are primarily due to the timing of cash receipts and payments with our working capital accounts combined with changes in our receivables and payables relative to the changes in our overall business.

Investing Activities

During 2021 and 2020, cash was used in investing activities primarily for the purchase of fixed assets. In 2020, cash was also used to purchase an engineering license in New York.

Financing Activities

Net cash provided by financing activities during 2021 were from net borrowings on revolving debt of $7,300 and $700 in principal payments for finance leases, which was insignificant in 2020, partially offset by $1,200 in repayments of term loans. Net cash provided by financing activities during 2020 was from net borrowings on revolving debt of $5,800 and $1,300 of term loans.

Effect of exchange rate changes on cash

For the twelve months ended December 31, 2021, the effects of exchange rate changes on cash was primarily driven by the weakening of the Libyan Dinar (70.9%) and Euro (7.0%) against the U.S. Dollar.

For the twelve months ended December 31, 2020, the effects of exchange rate changes on cash was primarily driven by the strengthening of the Euro by 8.9% against the U.S. Dollar.

New Accounting Pronouncements

For information with respect to new accounting pronouncements and the impact of these pronouncements on our consolidated financial statements, see Note 3 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" hereof.

Quarterly Fluctuations

Our operating results vary from period to period as a result of the timing of projects and assignments. We do not believe that our business is seasonal.

Off-Balance Sheet Arrangements

The following table provides information with respect to off-balance sheet arrangements with domestic and foreign banks for the issuance of performance bonds, advance payment guarantees and other letters of credit that are scheduled to expire in 2022 and beyond. The total amount of these arrangements in the following table includes amounts issued in various foreign currencies and are based on the foreign currency exchange rates as of December 31, 2021, where applicable.

	Total [1]	2022	2023-2024	2025-2026	2027 and later
Performance bonds [2][4]	$ 47,415	$ 31,826	$ 10,883	$ 4,706	$ —
Advance payment guarantee [2]	12,231	8,321	1,370	2,540	—
Bid or tender bonds [3][4]	1,882	1,815	67	—	—
Other [4]	2,565	2,565	—	—	—
	$ 64,093	$ 44,527	$ 12,320	$ 7,246	$ —

(1) At December 31, 2021, the Company had provided cash collateral amounting to $8,625 for certain of these items. That collateral is reflected in restricted cash on the Company's consolidated balance sheets. See Note 14 - Commitments and Contingencies to our consolidated financial statements for further information regarding these arrangements.
(2) Represents guarantee of service performance bonds and advance payments through domestic and international banks required under certain client contracts.
(3) Represents tender and bid bonds issued through international banks as part of the bidding process for new work to assure our client that we will enter into the service contract.
(4) Includes off-balance sheet arrangements with open-ended expiration dates or are subject to automatic renewals.

Contractual Obligations

The following table reflects contractual debt obligations under our notes payable and credit facilities, fees paid on our off-balance sheet arrangements and minimum cash rental payments due for our operating and finance lease obligations over the next five years and thereafter as of December 31, 2021:

	Total	2022	2023-2024	2025-2026	2027 and thereafter
Principal and repayment of notes payable and credit facilities [1][5]	$ 55,143	$ 25,841	$ 29,022	$ 262	$ 18
Interest expense on notes payable and credit facilities [2][5]	4,149	3,026	1,031	92	—
Fees paid on off-balance sheet arrangements [3][5]	1,558	780	569	209	—
Operating lease obligations [4][5]	27,696	6,065	10,041	7,044	4,546
Finance lease obligations [4][5]	853	263	491	99	—
	$ 89,399	$ 35,975	$ 41,154	$ 7,706	$ 4,564

(1) Reduced by the amortization of deferred financing costs related to our term loan debt.
(2) Estimated using the weighted average effective interest rates as of December 31, 2021 on our notes payable and credit facilities. Includes the amortization of deferred financing costs related to our term loan and revolving credit facilities.
(3) Fees paid on our off-balance sheet arrangements are included in interest and related financing fees, net, in our consolidated statements of operations.
(4) Represents future minimum rental commitments under non-cancelable lease terms. Amounts exclude contingent rental payments, where applicable, that may be payable based on lease provisions where annual rent increases are based on certain economic indexes, among other items. We expect to fund these commitments with existing cash and cash flow from operations.
(5) Amounts presented are partially payable in various foreign currencies and are based on the foreign currency rates at December 31, 2021.

The liability for unrecognized tax benefits is not included in the table above due to the subjective nature of the costs and timing of anticipated payments.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 8. Financial Statements and Supplementary Data

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholder
Hill International, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Hill International, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2021, and the related notes and financial statement schedule included under Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 31, 2022 expressed an adverse opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition – Estimates-at-Completion

As described further in Note 4 to the financial statements, the Company generally recognizes revenue over a period of time as control transfers to a customer, based on the extent of progress towards satisfaction of the related performance obligation. The selection of the method used to measure progress requires judgment and is dependent on the contract type selected by the customer during contract negotiation and the nature of the services and solutions to be provided. For performance obligations requiring the delivery of a service for a fixed price, the Company uses the ratio of actual costs incurred to total estimated costs, provided that costs incurred (an input model) represents a reasonable measure of progress toward the satisfaction of a performance obligation, in order to estimate the portion of total transaction price earned. We identified the initial development and subsequent updates to estimates-at-completion as a critical audit matter.

The principal considerations for our determination that the development and updating of estimates-at-completion in recognizing revenue is a critical audit matter are management judgments involved in the initial creation and subsequent updates to the Company's estimates-at-completion and related profit recognized, which required subjective management and auditor judgment in the development and execution of such estimates. Inputs and assumptions requiring management judgment included anticipated direct labor, subcontract labor, and other direct costs required to deliver on unfinished performance obligations.

Our audit procedures related to this matter included the following, among others:

- We evaluated the design and tested the operating effectiveness of controls relating to the development of initial estimates-to-completion and the ongoing updating and monitoring of estimates specific to the estimates-at-completion.

- We tested management's process for developing, revising and applying estimates-at-completion to a sample of contracts. Our testing included evaluating key inputs and assumptions by comparing the estimates to underlying supporting documentation or other corroborating evidence that supports estimated costs. We interviewed project managers of the Company to evaluate progress to date and discuss factors impacting the estimated hours to complete the project.

- To assess the Company's ability to develop reliable estimates, we performed the following:

    - We evaluated gross margin fluctuations on a contract-by-contract basis to corroborate cumulative catch-up adjustments.

    - We performed a look-back analysis on a contract-by-contract basis comparing actual costs incurred during the year to prior year estimated costs.

We have served as the Company's auditor since 2019.

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
March 31, 2022

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholder
Hill International, Inc.

Opinion on internal control over financial reporting
We have audited the internal control over financial reporting of Hill International, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2021, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, because of the effect of the material weakness described in the following paragraphs on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2021, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment.

Management Oversight - During the period, there was lack of management oversight resulting in ineffective operation of various controls, including consistent operation of certain controls for a sufficient period of time. More specifically, the ineffective operation of controls during the periods related to:

- Journal Entries – Manual journal entries were not consistently reviewed and approved

- Account Reconciliations – Certain account reconciliations were not reviewed and approved in a timely manner

- Revenue Recognition – Controls over the review and approval of contract checklists were not operating effectively

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2021. The material weakness identified above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2021 consolidated financial statements, and this report does not affect our report dated March 31, 2022 which expressed an unqualified opinion on those financial statements.

Basis for opinion
The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting . Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
March 31, 2022

HILL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 21,821	$ 34,229
Cash - restricted	5,562	3,752
Accounts receivable, net	119,516	98,186
Accounts receivable - affiliates, net	21,741	23,285
Current portion of retainage receivable	9,743	11,775
Prepaid expenses and other current assets	9,937	9,378
Income taxes receivable	2,163	2,298
Total current assets	190,483	182,903
Property and equipment, net	8,895	9,443
Cash - restricted, net of current portion	3,063	3,432
Operating lease right-of-use assets	18,347	13,116
Financing lease right-of-use assets	801	288
Retainage receivable	7,491	6,044
Acquired intangibles, net	3,002	2,253
Goodwill	44,127	46,397
Investments	2,038	2,805
Deferred income tax assets	2,165	3,698
Other assets	2,645	1,620
Total assets	$ 283,057	$ 271,999
Liabilities and Stockholders' Equity		
Current maturities of notes payable and long-term debt	$ 25,841	$ 987
Accounts payable and accrued expenses	63,856	62,401
Income taxes payable	2,610	2,219
Current portion of deferred revenue	4,088	3,305
Current portion of operating lease liabilities	4,777	4,797
Current portion of financing lease liabilities	246	70
Other current liabilities	6,006	5,796
Total current liabilities	107,424	79,575
Notes payable and long-term debt, net of current maturities	29,302	48,294
Retainage payable	279	600
Deferred income tax liabilities	959	1,210
Deferred revenue	9,541	7,488
Non-current operating lease liabilities	18,565	13,184
Non-current financing lease liabilities	573	186
Other liabilities	13,175	12,174
Total liabilities	179,818	162,711
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 1,000 shares authorized, none issued	—	—
Common stock, $0.0001 par value; 100,000 shares authorized, 63,291 and 62,920 shares issued at December 31, 2021 and 2020, respectively	6	6
Additional paid-in capital	217,471	215,010
Accumulated deficit	(83,813)	(79,542)
Accumulated other comprehensive (loss) income	(1,813)	1,318
Treasury stock of 6,807 at December 31, 2021 and 2020	(29,056)	(29,056)
Hill International, Inc. share of equity	102,795	107,736
Noncontrolling interests	444	1,552
Total equity	103,239	109,288
Total liabilities and stockholders' equity	$ 283,057	$ 271,999

See accompanying notes to consolidated financial statements.

HILL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Years Ended December 31,	
	2021	**2020**
Consulting fee revenue	$ 305,093	$ 296,615
Reimbursable expenses	72,345	71,909
Total revenue	377,438	368,524
Direct expenses	253,760	249,173
Gross profit	123,678	119,351
Selling, general and administrative expenses	113,590	109,215
Foreign currency exchange loss	3,127	2,923
Plus: Share of profit of equity method affiliates	2,299	3,286
Operating profit	9,260	10,499
Less: Interest and related financing fees, net	5,427	5,224
Less: Other loss	86	5,711
Income (loss) before income taxes	3,747	(436)
Income tax expense	7,689	7,134
Net loss	(3,942)	(7,570)
Less: net income - noncontrolling interests	329	612
Net loss attributable to Hill International, Inc.	$ (4,271)	$ (8,182)
Basic loss per common share - Hill International, Inc.	$ (0.07)	$ (0.14)
Basic weighted average common shares outstanding	57,149	56,603
Diluted loss per common share - Hill International, Inc.	$ (0.07)	$ (0.14)
Diluted weighted average common shares outstanding	57,149	56,603

See accompanying notes to consolidated financial statements.

HILL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Years Ended December 31,	
	2021	**2020**
Net loss	$ (3,942)	$ (7,570)
Foreign currency translation adjustments, net of tax	(3,374)	5,204
Actuarial losses from end of service benefit plan, net of tax	(1,194)	—
Comprehensive loss	(8,510)	(2,366)
Less: Comprehensive (loss) income attributable to noncontrolling interests	(1,108)	681
Comprehensive loss attributable to Hill International, Inc.	$ (7,402)	$ (3,047)

See accompanying notes to consolidated financial statements.

HILL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2021 and 2020
(In thousands)

	Common Stock		Additional Paid-in	Retained Earnings	Accumulated Other Comprehensive	Treasury Stock		Hill Share of Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount	Capital	(Deficit)	Income (Loss)	Shares	Amount			
Balance - December 31, 2019	62,708	$ 6	$ 212,759	$ (71,360)	$ (3,817)	6,546	$ (28,231)	$ 109,357	$ 871	$ 110,228
Net (loss) earnings	—	—	—	(8,182)	—	—	—	(8,182)	612	(7,570)
Other comprehensive earnings	—	—	—	—	5,135	—	—	5,135	69	5,204
Shares issued to Board of Directors	277	—	—	—	—	—	—	—	—	—
Share-based compensation expense	—	—	2,006	—	—	—	—	2,006	—	2,006
Shares issued under employee stock purchase plan	196	—	245	—	—	—	—	245	—	245
Transfer of shares pledged as collateral (1)	(261)	—	—	—	—	261	(825)	(825)	—	(825)
Balance - December 31, 2020	62,920	6	215,010	(79,542)	1,318	6,807	(29,056)	107,736	1,552	109,288
Net (loss) earnings	—	—	—	(4,271)	—	—	—	(4,271)	329	(3,942)
Other comprehensive loss	—	—	—	—	(3,131)	—	—	(3,131)	(1,437)	(4,568)
Shares issued to Board of Directors	273	—	—	—	—	—	—	—	—	—
Share-based compensation expense	—	—	2,270	—	—	—	—	2,270	—	2,270
Shares issued under employee stock purchase plan	98	—	191	—	—	—	—	191	—	191
Balance - December 31, 2021	63,291	$ 6	$ 217,471	$ (83,813)	$ (1,813)	6,807	$ (29,056)	$ 102,795	$ 444	$ 103,239

(1) See Note 12 - Stockholders' Equity for more detail.

See accompanying notes to consolidated financial statements.

HILL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended December 31,	
	2021	**2020**
Cash flows from operating activities:		
Net loss	$ (3,942)	$ (7,570)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,441	4,038
Recovery of bad debts	(4,196)	(1,940)
Amortization of deferred loan fees	743	699
Deferred tax expense	1,275	782
Share-based compensation	2,270	2,006
Lease right-of use assets	3,913	4,135
Loss on liquidation of subsidiary	—	5,501
Foreign currency remeasurement losses	2,817	2,923
Changes in operating assets and liabilities:		
Accounts receivable	(21,634)	13,463
Accounts receivable - affiliates	1,544	(4,509)
Prepaid expenses and other current assets	(18)	1,149
Income taxes receivable	77	(419)
Retainage receivable	452	(337)
Other assets	(1,345)	(4,693)
Accounts payable and accrued expenses	(1,441)	(245)
Deferred payroll tax payments	(1,542)	3,623
Income taxes payable	415	(952)
Deferred revenue	3,429	(3,102)
Operating lease liabilities	(3,558)	(4,587)
Finance lease liabilities	(13)	(3)
Other current liabilities	(507)	1,168
Retainage payable	(320)	(952)
Other liabilities	6,477	2,132
Net cash (used in) provided by operating activities	(12,663)	12,310
Cash flows from investing activities:		
Payments for purchase of property and equipment	(1,697)	(1,843)
Acquisition of Grandfathered Engineering Corporation license	—	(1,050)
Purchase of NEYO Group	(678)	—
Net cash used in investing activities	(2,375)	(2,893)
Cash flows from financing activities:		
Principal payments on finance leases	(153)	(32)
Payments on term loans	(1,149)	(893)
Proceeds from term loan borrowings	—	1,310
Proceeds from revolving loans	44,257	53,630
Repayment of revolving loans	(36,966)	(47,777)
Proceeds from stock issued under employee stock purchase plan	193	245
Net cash provided by financing activities	6,182	6,483
Effect of foreign exchange rate changes on cash	(2,111)	540
Less: Deconsolidated cash	—	9
Net (decrease) increase in cash, cash equivalents and restricted cash	(10,967)	16,431
Cash, cash equivalents and restricted cash — beginning of year	41,413	24,982
Cash, cash equivalents and restricted cash — end of year	$ 30,446	$ 41,413

	Years Ended December 31,	
	2021	2020
Supplemental disclosures of cash flow information:		
Interest and related financing fees paid	$ 4,685	$ 4,670
Income taxes paid	4,393	3,748
Transfer of proceeds from shares pledged as collateral to treasury stock	—	825
Cash paid for amounts included in the measurement of lease liabilities	6,813	8,448
Right-of-use assets obtained in exchange for operating lease liabilities	9,765	1,293
Right-of-use assets obtained in exchange for financing lease liabilities	714	288
Cancellation of PIDC-Local Development Corporation forgivable loan	—	345

See accompanying notes to consolidated financial statements.

Note 1 — The Company

Hill International, Inc. (including, as required by its context, its subsidiaries, “Hill” or the “Company”) is a professional services firm that provides program management, project management, construction management and other consulting services primarily to the buildings, transportation, environmental, energy and industrial markets worldwide. Hill’s clients include the U.S. federal government, U.S. state and local governments, foreign governments and the private sector. The Company had approximately 3,000 professionals in approximately 100 offices worldwide as of December 31, 2021.

The Company was incorporated on June 28, 2006 upon merging with Arpeggio Acquisition Corp in the state of Delaware. Prior to the merger, Arpeggio Acquisition Corp. completed its final public offering on June 30, 2004. Hill's common stock is traded on the NYSE under the trading symbol “HIL.”

All amounts included in the following Notes to the Consolidated Financial Statements are in thousands, except per share data.

Note 2 - Liquidity

The Company's principal sources of liquidity consisted of cash and cash equivalents of $21,821 and $34,229 at December 31, 2021 and 2020, respectively; available borrowing capacity of $2,643 and $7,495 under the Company's domestic revolving credit facility with Société Générale at December 31, 2021 and 2020, respectively; available borrowing capacity under the Company's international revolving credit facility with Société Générale of $520 and $1,085 at December 31, 2021 and 2020, respectively; and available borrowing capacity under other foreign credit agreements of $5,980 and $3,131 at December 31, 2021 and 2020, respectively. Additional information regarding the Company's credit facilities is set forth in Note 10 - Notes Payable and Long-Term Debt.

At December 31, 2021, the Company had $19,400 of borrowings and $6,457 of outstanding letters of credit under the Hill International, Inc. - Société Générale Domestic Revolving Credit Facility and $5,802 of borrowings and $478 of outstanding letters of credit under the Hill International N.V. - Société Générale International Revolving Credit Facility. These facilities were originally set to mature on May 4, 2022. On March 31, 2022, the Company entered into an amendment of its main credit facility with Société Générale that extends the maturity dates of the Domestic and International Revolving Credit Facilities to May 5, 2023 and the term loan facility to November 5, 2023. The interest rates on these facilities will increase by 1.0% and the Company will pay an amendment fee of 1.0% or less, contingent on the timing of refinancing the revolving credit facilities. The aggregate amount of the credit commitments under the facilities will automatically and permanently be reduced by an amount equal to $3,000 on each of September 30, 2022 and December 31, 2022.

The Company believes that it has adequate liquidity and business plans to continue to operate the business for the next 12 months from March 31, 2022, the date of this filing.

Note 3 — Summary of Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The consolidated financial statements include the accounts of Hill International, Inc. and its majority owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

NEYO Group Acquisition

On June 30, 2021, the Company acquired all of the equity interests of NEYO Group, a 120-person firm specializing in cost management and estimating support and also providing project management, project monitoring, and other services. NEYO maintains offices in Bangalore, Chennai, Delhi, and Mumbai, as well as project offices in Hyderabad, Pune, and Kolkata.

Reclassification

Cash payments for the interest and principal portion of finance lease liabilities that were previously included within lease liabilities on the Company's Consolidated Statements of Cash Flows during the twelve months ended December 31, 2020 are now presented separately from operating lease liabilities. Cash payments for the interest portion of finance leases of $3 is included within net cash from operating activities on a separate line, however, the principal portion of finance lease liabilities of $32 is included within net cash provided by financing activities. These changes result in an increase to net cash from operating activities, with the offsetting decrease to net cash from financing activities.

An amount related to the Company's End of Service Benefit plan ("EOSB") liability, net of the current portion, was previously included within accounts payable and accrued expenses on the Company's Consolidated Balance Sheets at December 31, 2020 and is now included in other liabilities in order to conform to current year presentation. This change had no impact to the Company's total liabilities.

Other (Loss) Income, net

During the twelve months ended December 31, 2021, Other (loss) income, net was comprised of interest cost from the Company's EOSB.

During the twelve months ended December 31, 2020, a loss of $5,501 was recognized due to the bankruptcy filing and deconsolidation of our subsidiaries in Brazil (see Note 18 - Deconsolidation of Controlling Interest in Subsidiaries). Also, the Company's EOSB plan (see Note 16 Benefit Plans) interest cost and actuarial loss totaling $637 for the twelve months ended December 31, 2020 is included within Other (loss) income, net. An additional $345 of other income was recognized during the twelve months ended December 31, 2020, representing the cancellation of a loan agreement made with the PIDC-Local Development Corporation that was funded to the Company on October 24, 2014 as part of the city of Philadelphia's (the "City") Economic Stimulus Program. In February 2020, the City agreed to cancel this loan due to the Company satisfying all obligations upon which cancellation of such debt was conditioned in the Loan Agreement.

(b) Foreign Currency Translations and Transactions

Assets and liabilities of all foreign operations are translated at year-end rates of exchange while revenues and expenses are translated at the average monthly exchange rates. Gains or losses resulting from translating foreign currency financial statements are accumulated in a separate component of stockholders’ equity titled accumulated other comprehensive income (loss) until the entity is sold or substantially liquidated. Gains or losses arising from foreign currency transactions (transactions denominated in a currency other than the entity’s local currency), including those resulting from intercompany transactions, are reflected in foreign currency exchange loss in the consolidated statements of operations. The impact of foreign exchange on long-term intercompany loans, for which repayment has not been scheduled or planned and permanent equity has been elected, are recorded in accumulated other comprehensive income (loss) on the Company's consolidated balance sheets.

(c) Use of Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the revenue and expenses reported for the periods covered by the financial statements and certain amounts disclosed in the accompanying notes to the consolidated financial statements. Actual results could differ significantly from those estimates and assumptions. The estimates affecting the consolidated financial statements that are particularly significant include revenue calculations, goodwill impairment determination on recoverability of long-lived assets, income taxes, allowance for doubtful accounts, right-of-use assets, operating lease liabilities and commitments and contingencies.

(d) Fair Value Measurements

The fair value of financial instruments, which primarily consists of cash and cash equivalents, accounts receivable and accounts payable, approximates carrying value due to the short-term nature of the instruments. The carrying value of a significant portion of our credit facilities approximates fair value as the interest rates are variable and approximates current market levels.

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which it would transact, and the Company considers assumptions that market participants would use when pricing the asset or liability.

Non-financial assets and liabilities, such as goodwill and long-lived assets that are initially recorded at fair value, will be assessed for impairment, if deemed necessary. Additional information related to the Company's impairment assessment of these assets are included in paragraphs (k) Long-Lived Assets and (l) Goodwill below.

See paragraph below (s) Share-Based Compensation, to be read in conjunction with Note 11 Share-Based Compensation, for information related to certain share-based compensation awards that require the Company to estimate the fair value of such award when the value cannot be measured at the time of the grant.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and investments in money market funds and investment grade securities held with financial institutions. The Company considers all highly liquid instruments purchased with a remaining maturity of three months or less at the time of purchase to be cash equivalents.

(f) Restricted Cash

Restricted cash primarily represents cash collateral required to be maintained in foreign bank accounts to serve as collateral for letters of credit, bonds or guarantees on certain projects. Generally, the cash will remain restricted until the respective project has been completed, which typically is greater than one year.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the balance sheets that sum to the total of the same such amounts shown in the statements of cash flows:

	2021	2020
Cash and cash equivalents	$ 21,821	$ 34,229
Cash - restricted	5,562	3,752
Cash - restricted, net of current portion	3,063	3,432
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	$ 30,446	$ 41,413

(g) Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and accounts receivable.

The Company maintains its cash accounts with high quality financial institutions. Although the Company believes that the financial institutions with which it does business will be able to fulfill their commitments, there is no assurance that those institutions will be able to continue to do so.

The Company provides professional services, under contractual arrangements, to domestic and foreign governmental units, institutions and the private sector. To reduce credit risk, the Company performs ongoing credit evaluations of its clients and requires customary retainers where appropriate.

No single client contributed 10% or more to revenue for the years ended December 31, 2021 and 2020.

The following table presents the number of clients comprised of 10% or more of the Company's billed accounts receivable:

	December 31,	
	2021	2020
Number of 10% clients (1)	1	1
Percentage of billed accounts receivable	14 %	16 %

(1) Related to a client in Libya whose accounts receivable balance was fully reserved for in the allowance for doubtful accounts at December 31, 2021 and 2020.

(h) Allowance for Doubtful Accounts

The allowance for doubtful accounts is an estimate prepared by management based on identification of the collectability of specific accounts and the overall condition of the receivable portfolios. When evaluating the adequacy of the allowance for doubtful accounts, the Company specifically analyzes trade receivables, including retainage receivable, historical bad debts, client credits, client concentrations, current economic trends and changes in client payment terms. If the financial condition of clients were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Likewise, should the Company determine that it would be able to realize more of its receivables in the future than previously estimated, an adjustment to the allowance would increase earnings in the period such determination was made. The allowance for doubtful accounts is reviewed at a minimum on a quarterly basis and adjustments are recorded as deemed necessary.

(i) Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is provided over the estimated useful lives of the assets as follows:

	Method	Estimated Useful Life
Furniture and equipment	Straight-line	10 years
Leasehold improvements	Straight-line	Shorter of estimated useful life or lease term
Computer equipment and software	Straight-line	3 to 5 years
Automobiles	Straight-line	5 years

The Company capitalizes costs associated with internally developed and/or purchased software systems that have reached the application development stage and meet recoverability tests. Capitalized costs include external direct costs of materials and services utilized in developing or obtaining internal-use software, payroll and payroll-related expenses for employees who are directly associated with and devote time to internal-use software projects. Capitalization of such costs begins when the preliminary project stage is complete and ceases no later than the point at which the project is substantially complete and ready for its intended purpose. Costs for general and administrative, overhead, maintenance and training, as well as the cost of software that does not add functionality to existing systems, are expensed as incurred.

Upon retirement or other disposition of these assets, the cost and related depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected in results of operations. Expenditures for maintenance, repairs and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized.

(j) Retainage Receivable

Retainage receivable represents balances billed but not paid by clients pursuant to retainage provisions in their contracts and will be due upon completion of specific tasks or the completion of the contract.

(k) Long-Lived Assets

Acquired intangible assets consist of contract rights, client related intangibles and trade names arising from the Company's acquisitions. Contract rights represent the fair value of contracts in progress and backlog of an acquired entity. For intangible assets purchased in a business combination, the estimated fair values of the assets are used to establish the cost basis. Valuation techniques consistent with the market approach, the income approach and the cost approach are used to measure fair value. These assets are amortized over their estimated lives which range from three to fifteen years.

The Company reviews long-lived assets to be held-and-used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the undiscounted expected future cash flows over the remaining useful life of a long-lived asset is less than its carrying amount, the asset is considered to be impaired. Impairment losses are measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flow discounted at a rate commensurate with the risks associated with the recovery of the asset. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. No such impairment losses were recorded during the years ended December 31, 2021 and 2020.

There were no acquired intangible assets during the year ended December 31, 2021. Acquired intangible assets included the purchase of an engineering license during the year ended December 31, 2020. The transaction was recorded as an asset acquisition, with an indefinite useful life.

Intangible assets with an indefinite useful life are assessed for impairment at least annually, or more frequently if triggering events indicate that a possible impairment may exist. An impairment assessment can be performed utilizing either a qualitative or quantitative analysis. The Company may first perform a qualitative assessment to determine whether it is necessary to perform the quantitative impairment test by assessing qualitative factors to determine whether there is a likelihood of more than 50% that an asset is impaired. The quantitative impairment test consists of a comparison of the fair value of the asset with its carrying amount. If the carrying amount of the intangible asset exceeds the fair value, the Company will recognize an impairment loss equal to this difference. No such impairment loss was recorded during the years ended December 31, 2021 and 2020.

(l) Goodwill

Goodwill represents the excess of the consideration paid over the fair value of identifiable net assets acquired. Goodwill is not amortized, but instead is subject to impairment testing on an annual basis, and between annual tests whenever events or changes in circumstances indicate that the fair value may be below its carrying amount. The Company tests goodwill annually for impairment during the third quarter. To determine the fair value of our reporting unit, the Company used the discounted cash flow, the public company and the quoted price methods, weighting the results of each method.

Application of the goodwill impairment test requires significant judgments including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for the businesses, the useful life over which cash flows will occur, and determination of the Company’s weighted average cost of capital. The Company’s changes in estimates and assumptions could materially affect the determination of fair value and/or conclusions on goodwill impairment. During the three months ended March 31, 2020 the Company determined that the significant decline in its market capitalization as a result of the COVID-19 pandemic indicated that an impairment loss may have been incurred. The Company bypassed the qualitative assessment and proceeded directly to performing the quantitative goodwill impairment test. The quantitative goodwill impairment test concluded that the fair value of the Company (reporting unit) exceeded its carrying amount at that time, and therefore, goodwill was not considered impaired. The Company also performed its annual impairment test effective July 1, 2021. Based on the valuation as of July 1, 2021, the fair value of the Company exceeded its carrying value. The Company determined that no impairment existed at December 31, 2021 and December 31, 2020. In the future, the Company will continue to perform the annual test during its fiscal third quarter unless events or circumstances indicate an impairment may have occurred before that time.

(m) Investments

The Company will, in the ordinary course of business, form joint ventures for specific projects. These joint ventures ("JVs") have historically required limited or no investment and essentially serve as pass-through entities for the Company's normal business operations in certain cases where the Company partners with another company, unaffiliated with Hill, to provide professional services to clients. These JVs generally have no employees and no operations, other than a professional services contract with a single client, in which the contract is fulfilled through vendor contracts between the Company and its JV partners. These JVs do not contain unusual risk, fees or margins, compared to the Company's other existing projects. Any distributions in excess of the Company's billings are accounted for as income when received and are accounted for under the equity method of accounting.

In addition, the Company may make other investments accounted for at-cost.

The Company's total investments at December 31, 2021 and 2020 are as follows:

	December 31,	
	2021	2020
RAMPED Metro JV (1)(3)	779	1,493
Concessia, Cartera y Gestion de Infrastructuras S.A. (2)	1,110	1,193
Other (3)	149	119
	$ 2,038	$ 2,805

(1) The Company has a 45.0% interest in this JV, which was formed for construction management of the Riyadh Metro system in Saudi Arabia.
(2) The Company has a 5.7% interest in Concessia, Cartera y Gestion de Infrastructuras S.A. ("Concessia"), an entity which invests in the equity of companies that finance, construct and operate various public and private infrastructure projects in Spain. The practicability exception to fair value measurement was elected due to the fact that there is no readily determinable fair value for this investment. Therefore, the investment is measured at-cost, less impairment, plus or minus observable price changes (in orderly transactions) of an identical or similar investment of the same issuer. There have been no impairments of and no observable price changes in the investment.
(3) Includes investments accounted for under the equity method of accounting.

(n) Deferred Financing Costs, Net

Net deferred financing costs include debt discount and debt issuance costs associated with obtaining commitments for financing transactions. Deferred financing costs related to revolving-debt arrangements are reflected in prepaid expenses and other current assets and other assets in the consolidated balance sheets and are amortized on a straight-line basis over the term of the loan. Deferred financing costs related to any term debt that requires scheduled repayments are recorded as a direct deduction from the Company's notes payable and other long-term debt and are amortized over the term of the respective financing agreement using the effective interest method. The amortization of such costs are included in interest and related financing fees, net, on the accompanying consolidated statements of operations.

Unamortized deferred financing costs are expensed if the associated debt is refinanced or repaid before the maturity.

(o) Deferred Revenue

In certain instances, the Company may collect advance payments from clients for future services. These payments are reflected as deferred revenue in the Company's consolidated balance sheets. As the services are performed, the Company reduces the balance and recognizes revenue.

(p) Deferred Rent

The Company adopted Accounting Standards Update ("ASU") 2016-2, Leases (Topic 842) on January 1, 2019, which required the Company to recognize lease assets and operating lease liabilities on the Company's consolidated balance sheet for all leases with estimated lease terms of more than one year. See further detail in Note 15 - Leases.

The accounting for leases with estimated lease terms of less than one year or arrangements where the Company subleases real estate to a third party has not changed from the previous codification. For leases with estimated lease terms of less than one year, the lease expense is recognized on a straight-line basis over the lease term and any differences between the rent paid under the terms of the lease and the straight-line rent expense is recorded as a deferred rent liability. At December 31, 2021 and 2020, deferred rent was $18 and $2, respectively, and is included in other current liabilities and other liabilities in the consolidated balance sheets.

(q) Income Taxes

The Company estimates income taxes in each of the jurisdictions in which it operates. This process involves estimating its actual current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within the Company's consolidated balance sheets. The Company assesses the likelihood that the deferred tax assets will be recovered from future taxable income and to the extent it believes recovery is not likely, the Company establishes a valuation allowance. To the extent the Company establishes a valuation allowance in a period, it must include an expense within the tax provision in the consolidated statements of earnings. The Company has recorded a valuation allowance to reduce the deferred tax asset to an amount that is "more likely than not" (i.e., a likelihood greater than 50 percent) to be realized in future years. If the Company determines in the future that it is more likely than not to be allowed by the tax jurisdiction based solely on the technical merits of the position, that the deferred tax assets subject to the valuation allowance will be realized, then the previously provided valuation allowance will be adjusted.

The Company recognizes a tax benefit in the financial statements for an uncertain tax position only if management's assessment is that the position is more likely than not to be allowed by the tax jurisdiction based solely on the technical merits of the position. The term "tax position" refers to a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods.

(r) Revenue Recognition

The Company generates revenue primarily from providing professional services to its clients under various types of contracts. In providing these services, the Company may incur reimbursable expenses, which consist principally of amounts paid to subcontractors and other third parties and travel and other job related expenses that are contractually reimbursable from clients. The Company includes reimbursable expenses in computing and reporting its total revenue as long as the Company remains responsible to the client for the fulfillment of the contract and for the overall acceptability of all services provided.

If estimated total costs on any contract project a loss, the Company charges the entire estimated loss to operations in the period the loss becomes known. The cumulative effect of revisions to revenue, estimated costs to complete contracts, including penalties, incentive awards, change orders, claims, anticipated losses, and others are recorded in the accounting period in which the events indicating a loss are known and the loss can be reasonably estimated. These loss projects are re-assessed for each subsequent reporting period until the project is complete. Such revisions could occur at any time and the effects may be material.

See, "Note 4 - Revenue from Contracts with Clients" for more detail regarding how the Company recognizes revenue under each of its contractual arrangements.

(s) Share-Based Compensation

For compensation issued under equity-classified awards, the Company uses the Black-Scholes option-pricing model to measure the estimated fair value of any share-based compensation award when the fair value of the award is not readily determinable, which generally applies to options issued to purchase the Company's common stock, but may also include restricted stock units, deferred stock units and common stock if the fair value cannot be determined. Option-pricing valuation models require the input of highly subjective assumptions.

Once the fair value of the award is determined, the value is recognized as share-based compensation expense and is recognized over the service period on a straight-line basis or when the conditions of the award have been met. Forfeitures reduce compensation expense in the period they occur. The Company's policy is to primarily use newly issued shares to satisfy the exercise of stock options.

Any liability-classified awards are recorded at fair value based on the closing stock price of the Company's common stock and are re-measured each period until settlement of the award.

See Note - 11 Share-Based Compensation for more detail.

(t) Advertising Costs

Advertising costs are expensed as incurred and are reflected in selling, general and administrative expenses ("SG&A") in the Company's consolidated statements of operations. These costs incurred were $410 and $253 for the years ended December 31, 2021 and 2020, respectively.

(u) Earnings (loss) per Share ("EPS")

Basic income (loss) per common share has been computed using the weighted-average number of shares of common stock outstanding during the year. Diluted income (loss) per common share includes the incremental shares issuable upon the assumed exercise of stock options using the treasury stock method and any other unvested share-based compensation awards, if dilutive.

Stock options, deferred stock and restricted stock units totaling 2,402 and 2,300 shares of the Company’s common stock were not included in the calculation of diluted common shares outstanding for the years ended December 31, 2021 and 2020, respectively, because they were anti-dilutive.

The following table provides a reconciliation to net income (loss) used in the numerator for net (loss) income per common share attributable to Hill:

	Years Ended December 31,	
	2021	2020
Net loss	$ (3,942)	$ (7,570)
Less: net income - noncontrolling interests	329	612
Net loss attributable to Hill International, Inc.	$ (4,271)	$ (8,182)
Basic weighted average common shares outstanding	57,149	56,603
Effect of dilutive securities:		
Stock options	—	—
Unvested share-based compensation units	—	—
Diluted weighted average shares common outstanding	57,149	56,603
Basic and diluted net income (loss) per common share - Hill International, Inc.	$ (0.07)	$ (0.14)

(v) New Accounting Pronouncements

Changes to U.S. GAAP are typically established by the Financial Accounting Standards Board (“FASB”) in the form of Accounting Standards Updates (“ASUs”) to the FASB’s Accounting Standards Codification (“ASC”). The Company considers the applicability and impact of all ASUs and, based on its assessment, determined that any recently issued or proposed ASUs not listed below are either not applicable to the Company or adoption will have minimal impact on its consolidated financial statements.

Recently Adopted Accounting Pronouncements

In December 2019, the FASB issued *ASU 2019-12 - Income Taxes (Topic 740)* Simplifying the Accounting for Income Taxes, which removes certain exceptions to the general principles in ASC 740 and improves how certain income tax-related guidance is applied. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption was permitted. The amendments in this update were applied prospectively. The Company adopted the new standard as of January 1, 2021. The standard did not have a material impact on the Company's consolidated financial position or results of operations upon adoption.

In January 2017, the FASB issued ASU 2017-4, *Intangibles - Goodwill and Other (Topic 350),* which removes step 2 from the goodwill impairment test. As a result, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting units' fair value. The guidance is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for annual or interim goodwill impairment tests performed on testing dates after January 1, 2017, and the prospective transition method should be applied. The Company adopted this guidance on January 1, 2020 and it did not materially impact its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.* The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by the amendments in this update. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption of the amendments in this update is permitted, including adoption in any interim period, for all entities. The amendments in this update should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Company adopted this guidance on January 1, 2020 on a prospective basis and will begin to capitalize certain implementation costs that may have been previously expensed as incurred. There was no impact on the Company's consolidated financial statements.

In October 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities ("VIE")*. The amendments in this ASU for determining whether a decision-making fee is a variable interest require reporting entities to consider indirect interests held through related parties under common control on a proportional basis rather than as the equivalent of a direct interest in its entirety (as currently required by GAAP). These amendments will create alignment between determining whether a decision-making fee is a variable interest and determining whether a reporting entity within a related party group is the primary beneficiary of a VIE. The standard is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2019 for public companies. Early adoption is permitted. The Company adopted this guidance in January 1, 2020. There was no impact on the Company's consolidated financial statements.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606*. This ASU provides guidance on whether certain transactions between collaborative arrangement participants should be accounted for with revenue under Topic 606, specifically when the collaborative arrangement participant is a customer in the context of a unit-of-account. It provides more comparability in the presentation of revenues for certain transactions between collaborative arrangement participants, including adding unit-of-account guidance in Topic 808 to align with the guidance in Topic 606 (that is, a distinct good or service) when an entity is assessing whether the collaborative arrangement or a part of the arrangement is within the scope of Topic 606. The standard is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2019 for public companies. Early adoption is permitted. The Company adopted this guidance in January 1, 2020. There was no impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments (Topic 326) - Credit Losses: Measurement of Credit Losses on Financial Instruments*, which provides guidance regarding the measurement of credit losses on financial instruments. The new guidance replaces the incurred loss impairment methodology in the current guidance with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. This ASU will be effective for the Company commencing January 1, 2023. The Company is in the process of assessing the impact of this ASU on our consolidated financial statements and disclosures.

Note 4 — Revenue from Contracts with Clients

The Company recognizes revenue to depict the transfer of promised goods or services to clients in an amount that reflects the consideration to which the Company expects to be entitled in exchange for such goods or services.

Below is a description of the basic types of contracts from which the Company may earn revenue:

Time and Materials Contracts

Under the time and materials (“T&M”) arrangements, contract fees are based upon time and materials incurred. The contracts may be structured as basic time and materials, cost plus a margin or time and materials subject to a maximum contract value (the "cap value"). Due to the potential limitation of the cap value, the economic factors of the contracts subject to a cap value differ from the economic factors of basic T&M and cost plus contracts. The majority of the Company’s contracts are for consulting projects where it bills the client monthly at hourly billing rates. The hourly billing rates are determined by contract terms. Under cost plus a margin contracts, the Company charges its clients for its costs, plus a fixed fee or rate. Under time and materials contracts with a cap value, the Company charges the clients for time and materials based upon the work performed, however there is a cap or a not to exceed value. There are often instances that a contract is modified to extend the contract value past the cap. As the consideration is variable depending on the outcome of the contract renegotiation, the Company will estimate the total contract price in accordance with the variable consideration guidelines and will only include consideration that it expects to receive from the client. When the Company is reaching the cap value, the contract will be renegotiated or Hill ceases work when the maximum contract value is reached. The Company will continue to work if it is probable that the contract will be extended. The Company will only include consideration for contract renegotiations to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. If the Company continues to work and is uncertain that a contract change order will be processed, the variable consideration will be constrained to the cap until it is probable that the contract will be renegotiated. The Company is only entitled to consideration for the work it has performed, and the cap value is not a guaranteed contract value.

Fixed Price Contracts

Under fixed price contracts, the Company’s clients pay an agreed amount negotiated in advance for a specified scope of work. The Company is guaranteed to receive the consideration to the extent that the Company delivers under the contract. The Company recognizes revenue over a period of time on fixed price contracts using the input method based upon direct costs incurred to date, which are compared to total projected direct costs. Costs are the most relevant measure to determine the transfer of the service to the client. The Company assesses contracts quarterly and will recognize any expected future loss before actually incurring the loss. When the Company is expecting to reach the total value under the contract, the Company will begin to negotiate a change order.

Change Orders and Claims

Change orders are modifications of an original contract. Either the Company or its client may initiate change orders. They may include changes in specifications or design, manner of performance, facilities, equipment, materials, sites and period of completion of the work. Management evaluates when a change order is probable based upon its experience in negotiating change orders, the client’s written approval of such changes or separate documentation of change order costs that are identifiable. Change orders may take time to be formally documented and terms of such change orders are agreed with the client before the work is performed. Sometimes circumstances require that work progresses before an agreement is reached with the client. If the Company is having difficulties in renegotiating the change order, the Company will stop work if possible, record all costs incurred to date, and determine, on a project by project basis, the appropriate final revenue recognition.

Claims are amounts in excess of the agreed contract price that the Company seeks to collect from its clients or others for client-caused delays, errors in specifications and designs, contract terminations, change orders that are either in dispute or are unapproved as to both scope and price, or other causes of unanticipated additional contract costs. Costs related to change orders and claims are recognized when they are incurred. The Company evaluates claims on an individual basis and recognizes revenue it believes is probable to collect.

U.S. Federal Acquisition Regulations

The Company has contracts with the U.S. government that contain provisions requiring compliance with the U.S. Federal Acquisition Regulations ("FAR"). These regulations are generally applicable to all of its federal government contracts and are partially or fully incorporated in many local and state agency contracts. They limit the recovery of certain specified indirect costs on contracts subject to the FAR. Cost-plus contracts covered by the FAR provide for upward or downward adjustments if actual recoverable costs differ from the estimate billed under forward pricing arrangements. Most of the Company's federal government contracts are subject to termination at the convenience of the federal government. Contracts typically provide for reimbursement of costs incurred and payment of fees earned through the date of such termination.

Federal government contracts that are subject to the FAR and that are required by state and local governmental agencies to be audited are performed, for the most part, by the Defense Contract Audit Agency ("DCAA"). The DCAA audits the Company's overhead rates, cost proposals, incurred government contract costs and internal control systems. During the course of its audits, the DCAA may question incurred costs if it believes the Company has accounted for such costs in a manner inconsistent with the requirements of the FAR or Cost Accounting Standards and recommend that its U.S. government corporate administrative contracting officer disallow such costs. Historically, the Company has not incurred significant disallowed costs because of such audits. However, the Company can provide no assurance that the DCAA audits will not result in material disallowances of incurred costs in the future.

Disaggregation of Revenues

The Company has one operating segment, the Project Management Group, which reflects how the Company is being managed. Additional information related to the Company's operating segment is provided in Note 17 - Segment and Related Information. The Project Management Group provides extensive construction and project management services to construction owners worldwide. The Company considered the type of client, type of contract and geography for disaggregation of revenue. The Company determined that disaggregating by (1) contract type; and (2) geography would provide the most meaningful information to understand the nature, amount, timing, and uncertainty of its revenues. The type of client does not influence the Company's revenue generation. Ultimately, the Company is supplying the same services of program management, project management, construction management, project management oversight, troubled project turnaround, staff augmentation, project labor agreement consulting, commissioning, estimating and cost management, labor compliance services and facilities management services. The Company's contracts are generally long term contracts that are either based upon time and materials incurred or provide for a fixed price. The contract type will determine the level of risk in the contract related to revenue recognition. For purposes of disaggregation of revenue, the contract types have been grouped into: (1) Fixed Price - which include fixed price projects; and, (2) T&M - which include T&M contracts, T&M with a cap and cost plus contracts. The geography of the contracts will depict the level of global economic factors in relation to revenue recognition.

The components of the Company's revenue by contract type and geographic region for the twelve months ended December 31, 2021 and 2020:

	Twelve Months Ended December 31, 2021				**Twelve Months Ended December 31, 2020**			
	Fixed Price	**T&M**	**Total**	**Percent of Total Revenue**	**Fixed Price**	**T&M**	**Total**	**Percent of Total Revenue**
Americas	$ 21,685	$ 175,248	$ 196,933	52.1 %	$ 21,964	$ 170,813	$ 192,777	52.4 %
Middle East/Asia/Pacific	10,013	75,528	85,541	22.7 %	16,242	76,397	92,639	25.1 %
Europe	33,665	21,840	55,505	14.7 %	44,003	9,816	53,819	14.6 %
Africa	6,273	33,186	39,459	10.5 %	4,159	25,130	29,289	7.9 %
Total	$ 71,636	$ 305,802	$ 377,438	100.0 %	$ 86,368	$ 282,156	$ 368,524	100.0 %

The Company recognizes revenue when it transfers promised goods or services to clients in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company exercises judgment in determining if the contractual criteria are met to determine if a contract with a client exists, specifically in the earlier stages of a project when a formally executed contract may not yet exist. The Company typically has one performance obligation under a contract to provide fully-integrated project management services, and, occasionally, a separate performance obligation to provide facilities management services. Performance obligations are delivered over time as the client receives the service.

The consideration promised within a contract may include fixed amounts, variable amounts, or both. Variable consideration is included in the transaction price only to the extent it is probable, in the Company's judgment, that a significant future reversal in the amount of cumulative revenue recognized under the contract will not occur. In estimating the transaction price for pending change orders, the Company considers all relevant facts, including documented correspondence with the client regarding acknowledgment and/or agreement with the modification, as well as historical experience with the client or similar contractual circumstances. The Company transfers control of its service over time and, therefore, satisfies a performance obligation and recognizes revenue over time by measuring the progress toward complete satisfaction of that performance obligation. The Company's fixed price projects and T&M with a cap contracts, expected to exceed the cap value, generally use a cost-based input method to measure its progress towards complete satisfaction of the performance obligation as the Company believes this best depicts the transfer of control to the client. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Due to the nature of the work required to be performed under the Company's performance obligations, estimating total revenue and cost at completion on its long term contracts is complex, subject to many variables and requires significant judgment.

For basic and cost plus T&M contracts and T&M with a cap, not expected to exceed the cap, contracts, the Company recognizes revenue over time using the output method which measures progress toward complete satisfaction of the performance obligation based upon actual costs incurred, using the right to invoice practical expedient.

Accounts Receivable

Accounts receivable includes amounts billed and currently due from clients and amounts for work performed which have not been billed to date. The billed and unbilled amounts are stated at the net estimated realizable value. The Company maintains an allowance for doubtful accounts to provide for the estimated amount of receivables that will not be collected. The allowance is based upon an assessment of client creditworthiness, historical payment experience and the age of outstanding receivables.

Contract Assets and Liabilities

Contract assets include unbilled amounts typically resulting from performance under long-term contracts where the revenue recognized exceeds the amount billed to the client. Retainage receivable is included in contract assets. The current portion of retainage receivable is a contract asset, which prior to the adoption of ASC 606, had been classified within accounts receivable.

The Company's contract liabilities consist of advance payments and billings in excess of revenue recognized and are reported as deferred revenue in the consolidated balance sheets. The Company classifies billings in excess of revenue recognized as deferred revenue as current or non-current based on the timing of when revenue is expected to be recognized.

The difference between the opening and closing balances of the Company's contract assets and contract liabilities primarily results from the timing of the Company's performance and client payments. The amount of revenue recognized during the twelve months ended December 31, 2021 and 2020 that was included in the deferred revenue balance at the beginning of the period was $5,446 and $9,955, respectively.

Remaining Performance Obligations

The remaining performance obligations represent the aggregate transaction price of executed contracts with clients for which work has partially been performed as of the end of the reporting period. The Company's remaining performance obligations include fixed fee projects that have an executed contract, a written award, a letter of intent, a notice to proceed or an agreed upon work order to perform work on mutually accepted terms and conditions. Although remaining performance obligations reflect business that is considered to be firm, cancellations, scope adjustments, foreign currency exchange fluctuations or project deferrals may occur that impact the value or expected timing of their recognition. Remaining performance obligations are adjusted to reflect any known project cancellations, revisions to project scope, foreign currency exchange fluctuations and project deferrals, as appropriate. T&M contracts are excluded from the remaining performance obligation as these contracts are not fixed price contracts and the consideration expected under these contracts is variable as it is based upon hours and costs incurred in accordance with the invoice practical expedient. As of December 31, 2021 and 2020, the aggregate amount of the transaction price allocated to remaining performance obligations was $114,165 and $101,800, respectively. During the following 12 months, approximately 58% of the remaining performance obligations are expected to be recognized as revenue with the remaining balance recognized over 2 to 5 years.

Note 5 — Accounts Receivable

The components of accounts receivable and accounts receivable - affiliates reflected in the Company's consolidated balance sheets, are as follows:

	December 31,	
Accounts Receivable	**2021**	**2020**
Billed [1]	$ 112,441	$ 113,021
Unbilled [2]	46,014	37,960
	$ 158,455	$ 150,981
Allowance for doubtful accounts [1][3]	(38,939)	(52,795)
Accounts Receivable, net	$ 119,516	$ 98,186
Accounts Receivable - Affiliates		
Billed [4]	$ 10,229	$ 15,560
Unbilled [2]	12,243	8,380
	$ 22,472	$ 23,940
Allowance for doubtful accounts [3]	(731)	(655)
Accounts Receivable - Affiliates, net	$ 21,741	$ 23,285

(1) Includes $24,031 and $33,242 related to amounts due from a client in Libya as of December 31, 2021 and 2020, respectively, which were both fully reserved for in the allowance for doubtful accounts. The decrease in the balance at December 31, 2021 from 2020 is due to the devaluation of the Libyan Dinar, in addition to the accounts receivable collection detailed below.
(2) Amount is net of unbilled reserves.
(3) See Schedule II-Valuation and Qualifying Accounts for breakdown of allowance for doubtful accounts for amounts added/(recovered), net of charge-offs for amounts determined to be uncollectible, for the years ended December 31, 2021 and 2020.
(4) Includes $2,179 and $1,303 of retainage receivables due from affiliates as of December 31, 2021 and 2020, respectively.

Unbilled receivables primarily represent revenue earned on contracts that the Company has not yet billed for.

The Company determines its allowance for doubtful accounts based on the aging of amounts that have been billed to-date, the client's history, credit, concentration and current economic changes. The allowance for doubtful accounts is reviewed, at a minimum, on a quarterly basis and adjustments are recorded as deemed necessary.

During the year ended December 31, 2021, the Company received amounts due from a client in Libya of $2,511, which the Company recorded as a recovery of bad debt expense, since the amount had been fully reserved for in the Company's allowance for doubtful accounts in previous years. No additional amounts were recovered from the Libyan client during the year ended December 31, 2020.

Net bad debt recoveries of $4,196 and $1,936 are included in SG&A expenses in the consolidated statements of operations for the years ended December 31, 2021 and 2020, respectively.

Note 6 — Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets based on the type of property and equipment. Upon retirement or other disposition of these assets, the cost and related depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected in direct expense and SG&A on the Company's consolidated statements of operations. Expenditures for maintenance, repairs and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized.

The components of property and equipment are as follows:

	December 31,	
	2021	2020
Furniture and equipment	$ 8,071	$ 8,416
Leasehold improvements	9,652	10,197
Automobiles	1,294	1,309
Computer equipment and software	28,526	28,069
Other	86	—
	47,629	47,991
Less accumulated depreciation and amortization	(38,734)	(38,548)
Property and equipment, net	$ 8,895	$ 9,443

The Company's depreciation expense for the related balances were recorded as follows to the Company's consolidated statements of operations:

	Years Ended December 31,	
	2021	2020
Total depreciation expense	$ 2,390	$ 3,959
Portion charged to direct expenses	$ 408	$ 397
Portion charged to SG&A	$ 1,982	$ 3,562

Note 7 — Intangible Assets

The following table represents acquired intangible assets as a result of the Company's acquisition history and the client contracts that were attained at the time of the acquisition:

	December 31,			
	2021		2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Engineering license	$ 2,900	$ —	$ 2,100	$ —
Client relationships	509	407	509	356
Total	$ 3,409	$ 407	$ 2,609	$ 356
Intangible assets, net	$ 3,002		$ 2,253	

During the year ended December 31, 2021, the Company acquired a Grandfathered Engineering Corporation license ("engineering license"), which was determined to have an indefinite useful life. As such, no amortization expense was recorded during the years ended December 31, 2021 and 2020.

The Company's client relationships intangible assets are amortized over the estimated life of ten years.

Amortization expense related to these intangible assets of $51 and $79 for years ended December 31, 2021 and 2020, respectively, and is reflected in SG&A in the Company's consolidated statements of operations.

The following table presents the estimated amortization expense based on our remaining intangible assets for the next five years:

Years Ending December 31,		**Estimated Amortization Expense**
2022	$	51
2023		51
2024		—
2025		—
2026		—

Note 8 — Goodwill

The following table summarizes the changes in the carrying value of goodwill:

Balance, December 31, 2019	$	48,024
Translation adjustments (2)		(1,627)
Balance, December 31, 2020		46,397
Additions (1)		162
Translation adjustments (2)		(2,432)
Balance, December 31, 2021	$	44,127

(1) See NEYO Group Acquisition paragraph in Note 3- Summary of Significant Accounting Policies.
(2) The translation adjustments are calculated based on the foreign currency exchange rates as of December 31, 2021 and 2020.

The Company performed its annual impairment test effective July 1, 2021 and noted no impairment. Based on the valuation as of July 1, 2021, the fair value of the Company exceeded its carrying value. The Company also determined that no impairment existed at December 31, 2021 and December 31, 2020. In the future, the Company will continue to perform the annual test during its third quarter unless events or circumstances indicate an impairment may have occurred before that time.

Application of the goodwill impairment test requires significant judgments including estimation of future cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for the businesses, the useful life over which cash flows will occur, and determination of the Company’s weighted average cost of capital. The Company’s changes in estimates and assumptions, including decreases in stock price and market capitalization, could materially affect the determination of fair value and/or conclusions on goodwill impairment. As a result of recent events, including market volatility and the impact on the global economy, it is as least reasonably possible that changes in one or more of those assumptions could result in impairment of our goodwill in future periods.

Note 9 — Accounts Payable and Accrued Expenses

The table below reflects the Company's breakdown of the amounts in accounts payable and other accrued expenses by cost category as of the periods presented below:

	December 31, 2021	December 31, 2020
Accounts payable	$ 23,573	$ 20,953
Accrued payroll and related expenses [1][2]	19,699	23,112
Accrued subcontractor fees	12,203	8,711
Accrued agency fees	5,048	4,239
Accrued legal and professional fees	1,833	2,894
Other accrued expenses [1]	1,500	2,492
	$ 63,856	$ 62,401

(1) Includes $1,818 in costs related to the Company's end of service benefit plan at December 31, 2020 that were previously included in other accrued expenses and are now reflected in accrued payroll and related expenses.
(2) Includes $5,397 that was reclassified out of accounts payable and accrued expenses to other liabilities related to the EOSB liability, net of the current portion.

Note 10 — Notes Payable and Long-Term Debt

The table below reflects the Company's notes payable and long-term debt, which includes credit facilities:

Loan	Maturity	Interest Rate Type	Interest Rate [1] December 31, 2021	Interest Rate [1] December 31, 2020	Balance Outstanding as of December 31, 2021	Balance Outstanding as of December 31, 2020
Secured Credit Facilities						
Hill International, Inc. - Société Générale 2017 Term Loan Facility	06/20/2023	Variable	7.51%	7.67%	$ 28,650	$ 28,950
Hill International, Inc. - Société Générale Domestic Revolving Credit Facility [2]	05/04/2022	Variable	5.06%	5.50%	19,400	14,400
Hill International N.V. - Société Générale International Revolving Credit Facility [3][6]	05/04/2022	Variable	4.06%	4.11%	5,802	4,035
Unsecured Credit Facilities						
Hill International, Inc. - First Abu Dhabi Bank PJSC Overdraft Credit Facility [4]	04/18/2022	Variable	5.71%	5.65%	151	—
Hill International (North Africa) Ltd - Arab Bank PLC ("Arab Bank") Payroll Overdraft Facility [5]	07/16/2022	Variable	N/A	N/A	—	—
Hill International (North Africa) Ltd - Arab Bank PLC ("Arab Bank") Payroll Overdraft Facility [5]	07/16/2022	Variable	N/A	N/A	—	—
Unsecured Notes Payable and Long-Term Debt						
Hill International Spain SA-Bankia S.A. & Bankinter S.A. [6]	12/31/2021	Fixed	2.21%	2.21%	—	581
Philadelphia Industrial Development Corporation Loan	04/01/2027	Fixed	2.79%	2.79%	358	421
Hill International Spain S.A.-Bankinter S.A.2020 Term Loan ([6][7]	05/04/2024	Variable	2.23%	2.23%	239	357
Hill International Spain S.A.-Banco Santander, S.A. Term Loan [6][7]	05/30/2025	Fixed	3.91%	3.91%	295	367
Hill International Spain S.A.-BBVA, S.A. P.P. Term Loan [6][7]	06/19/2025	Variable	2.28%	2.28%	300	367
Hill International Spain S.A.-Bankia, S.A. 2020 Term Loan [6][7]	06/05/2025	Variable	2.54%	2.54%	248	303
Total notes payable and long-term debt, gross					55,443	49,781
Less: unamortized discount and deferred financing costs related to Société Générale 2017 Term Loan Facility					(300)	(500)
Notes payable and long-term debt					**$ 55,143**	**$ 49,281**
Current portion of notes payable					26,043	1,171
Current portion of unamortized debt discount and deferred financing costs					(202)	(184)
Current maturities of notes payable and long-term debt					**$ 25,841**	**$ 987**
Notes payable and long-term debt, net of current maturities					**29,302**	**48,294**

Footnotes to the Notes Payable and Long-Term Debt Table Above:

(1) Interest rates for variable interest rate debt are reflected on a weighted average basis through December 31, 2021 and 2020 since the loan origination or modification date.

(2) At December 31, 2021 and 2020, the Company had $6,457 and $6,605 of outstanding letters of credit, respectively, in addition to the balances outstanding above, which resulted in $2,643 and $7,495 of available borrowing capacity under the Domestic Revolving Credit Facility, respectively. The amounts available were based on the maximum borrowing capacity of $28,500 as of December 31, 2021 and 2020. See 'Secured Credit Facilities' section below for further information.

(3) As of December 31, 2021 and 2020, the Company had $478 and $2,189 of outstanding letters of credit, respectively, in addition to the balances outstanding above, which resulted in $520 and $1,085 of available borrowing capacity under the International Revolving Credit Facility, respectively. The amounts available were based on the Company's borrowing capacity of $6,800 and $7,309 as of December 31, 2021 and 2020, respectively. See "Secured Credit Facilities' section below for further information.

(4) FAB overdraft credit facility lender was formerly known as National Bank of Abu Dhabi. There is no stated maturity date, however, the loan is subject to annual review in April of each year, or at any other time as determined by FAB. Therefore, the amount outstanding is reflected within the current maturities of notes payable and long-term debt. Balances outstanding are reflected in U.S. dollars based on the conversion rates from AED as of December 31, 2021 and 2020. The Company had $2,980 and $3,131 of availability under the credit facility as of December 31, 2021 and 2020, respectively.

(5) In July 2021, the Company, through one of its subsidiaries, entered into two overdraft facilities with Arab Bank. There is no stated maturity date however, the facilities are subject to be reviewed annually in July by Arab Bank. Amounts may be drawn in either Egyptian Pounds or in the U.S. Dollar. Interest rates are equal to 1.0%, plus the Central Bank of Egypt ("CBE") corridor rate. No amounts have been drawn on as of December 31, 2021. The Company had 3,000 of availability under the credit facilities as of December 31, 2021.

(6) Balances outstanding are reflected in U.S. dollars based on the conversion rates from Euros as of December 31, 2021 and 2020, accordingly.

(7) Includes loan agreements entered into between April and June 2020, where the respective loan agreements require interest-only monthly payments during grace periods that last from six months or one year from the date of the agreements. The variable interest loans are subject to either semi-annual or annual review by the respective lenders thereof and the respective interest rates in respect thereof are determined based on the European Inter-Bank Offered Rate, or “EURIBOR,” for the relevant interest period (or at a substitute rate to be determined to the extent EURIBOR is not available), plus a margin, as set by the respective lender.

Secured Credit Facilities

On May 5, 2017 the Company entered into a credit agreement with Société Générale (the “Agent”) and other U.S. Loan Parties (the “U.S. Lenders”) consisting of (1) a $30,000 term loan (the "2017 Term Loan Facility"); (2) a $25,000 U.S. dollar-denominated revolving credit facility (the “Domestic Revolving Credit Facility”, together with the 2017 Term Loan Facility, the “U.S. Credit Facilities”); and (3) a credit agreement with the Agent (the “International Lender”) providing a €9,156 ($10,000 at closing) revolving credit facility (the “International Revolving Credit Facility” and together with the Domestic Revolving Credit Facility, the “Revolving Credit Facilities” and, together with the U.S. Credit Facilities, the “Secured Credit Facilities”) which is available to Hill International N.V. The Domestic Revolving Credit Facility and the International Revolving Credit Facility include sub-limits for letters of credit amounting to $20,000 and €8,000 ($9,130 at closing), respectively.

On April 1, 2020, the Company amended its Secured Credit Facilities, which increased the credit commitment with one of the U.S. Lenders under the Domestic Revolving Credit Facility by $3,500 from $25,000 to $28,500 and simultaneously decreased the credit commitment with the International Lender under the International Revolving Credit Facility by €3,179 (approximately $3,500 at closing) from €9,156 (approximately $10,000) to €5,977 (approximately $6,536 at closing).

The Secured Credit Facilities contain customary default provisions, representations and warranties, and affirmative and negative covenants, and require the Company to comply with certain financial and reporting covenants. The financial covenant is comprised of a maximum Consolidated Net Leverage Ratio of 3.00 to 1.00 for any fiscal quarter ending on or subsequent to March 31, 2017 for the trailing twelve months then-ended. The Consolidated Net Leverage Ratio is the ratio of (a) consolidated total debt (minus unrestricted cash and cash equivalents) to consolidated earnings before interest, taxes, depreciation, amortization, share-based compensation and other non-cash charges, including bad debt expense, certain one-time litigation and transaction related expenses, and restructuring charges for the trailing twelve months. In the event of a default, the U.S. Lender and the International Lender may increase the interest rates by 2%. The Company was in compliance with this financial covenant calculation as of December 31, 2021.

The U.S. Credit Facilities are guaranteed by certain U.S. subsidiaries of the Company, and the International Revolver is guaranteed by the Company and certain of the Company’s U.S. and non-U.S. subsidiaries.

2017 Term Loan Facility

The Company has the right to prepay the 2017 Term Loan Facility in full or in part at any time without premium or penalty (except customary breakage costs). The Company is required to make certain mandatory prepayments, without premium or penalty (except customary breakage costs), including (i) net proceeds of any issuance or incurrence of indebtedness by the Company after the closing, (ii) with net proceeds from certain asset sales outside the ordinary course of business, and (iii) with 50% of the excess cash flow for each fiscal year of the Company commencing with the first full fiscal year ending after closing (which percentage would be reduced to 25% if the Consolidated Net Leverage Ratio is equal to or less than 2.0 to 1.00).

The 2017 Term Loan Facility (along with interest thereon) is generally secured by a first-priority security interest in substantially all assets of the Company and certain of the Company’s U.S. subsidiaries other than accounts receivable and cash proceeds thereof, as to which the 2017 Term Loan Facility (and the interest thereon) is secured by a second-priority security interest.

Revolving Credit Facilities

The Revolving Credit Facilities require payment of interest only during the term and may be repaid in whole or in part at any time, without premium or penalty, subject to certain customary limitations, and will be available to be re-borrowed from time to time through the maturity date.

The interest rate on borrowings under the Domestic Revolving Credit Facility are, at the Company’s option, either the LIBOR rate for the relevant interest period, plus 3.75%, per annum or the Base Rate, plus 2.75%, per annum.

The interest rate on borrowings under the International Revolving Credit Facility will be the European Inter-Bank Offered Rate, or “EURIBOR,” for the relevant interest period (or at a substitute rate to be determined to the extent EURIBOR is not available) plus 4.50% per annum.

Commitment fees are paid quarterly and are calculated at 0.50% per annum based on the daily unused portion of the Domestic Revolving Credit Facility and at 0.75% per annum based on the daily unused portion of the International Revolving Credit Facility.

The unamortized debt issuance costs of $314 and $755 are included in prepaid expenses and other current assets and other assets in the Company's consolidated balance sheets at December 31, 2021 and December 31, 2020, respectively.

Generally, the obligations of the Company under the Domestic Revolving Credit Facility are secured by a first-priority security interest in the Eligible Domestic Receivables, cash proceeds and bank accounts of the Company and certain of the Company’s U.S. subsidiaries, and a second-priority security interest in substantially all other assets of the Company and such subsidiaries. The obligations of the Subsidiary under the International Revolving Credit Facility are generally secured by a first-priority security interest in substantially all accounts receivable and cash proceeds thereof, certain bank accounts of the Subsidiary and certain of the Company’s non-U.S. subsidiaries, and a second-priority security interest in substantially all other assets of the Company and certain of the Company’s U.S. and non-U.S. subsidiaries.

The amounts available under the Domestic Revolving Credit Facility is subject to a borrowing base that is equal to 85.0% of the difference between (x) the aggregate amount of Eligible Domestic Receivables as of the immediately preceding calendar month and (y) the Dilution Reserve (the "Reserve"), which is equal to 1.0% of (x), not to exceed the $28,500 maximum capacity. The Reserve may be adjusted from time to time based on the most recently delivered collateral audit performed by the Agent and such percentage shall be in effect for the next succeeding twelve months and thereafter under the percentage is reset, however, the Reserve may not be reset more frequently than once a year. The amounts under the International Revolving Credit Facility is also subject to a borrowing base equal to (i) 85.0% of the aggregate amount of the Eligible International Receivables as of the last day of the fiscal quarter, plus 10.0% of the aggregate amount of the Eligible International Receivables as of the last day of the fiscal quarter.

At December 31, 2021, contractually scheduled maturities of current and long-term debt, net of the amortization of the deferred financing costs related to the 2017 Term Loan Facility, were as follows:

Years Ending December 31,	Total Scheduled Maturities [1]
2022	$ 25,841
2023	28,663
2024	359
2025	190
2026	72
Thereafter	18
Total	$ 55,143

(1) Amounts are estimated based on the foreign currency exchange rates as of December 31, 2021, where applicable.

Other Financing Arrangements

On May 1, 2021, subsequent to the maturity of the Company's previous commercial premium financing arrangement in April 30, 2021 with AFCO Premium Credit LLC ("AFCO"), the Company entered into a new financing agreement for the renewal of its corporate insurance policies with AFCO for $3,350. The terms of the arrangement include a $503 down payment, followed by monthly payments to be made over a ten month period at a 2.88% interest rate through March 31, 2022.

As of December 31, 2021 and 2020, the balances payable to AFCO for these arrangements were $862 and $872 and is reflected in other current liabilities on the Company's consolidated balance sheets.

Note 11 — Share-Based Compensation

The Company provides for equity-based incentives under its 2017 Equity Compensation Plan (the "2017 Plan") to eligible participants under the 2017 Plan, which includes employees, non-employee directors, officers, advisors, consultants or other personnel of the Company (the "Participants"). The 2017 Plan covers 4,250 shares of the Company's common stock and may be awarded to Participants in the form of the Company's common stock, stock options, including stock appreciation rights, restricted stock, deferred stock units ("DSU"), restricted stock units ("RSU"), dividend equivalents rights and other forms of equity-based awards.

A portion of the stock options or other equity units outstanding during the year ended December 31, 2021 may include those issued under the Company's previous equity compensation plans (the 2006 Employee Stock Purchase Plan and 2009 Non-Employee Director Stock Grant Plan). Future grants are no longer available under these plans.

The Company records share-based compensation expense based on the fair value of the equity award grants, as described further below. Share-based compensation expense is included in selling, general and administrative expenses in the Company's consolidated statements of operation.

The following table summarizes the total share-based compensation expense as follows:

	Years Ended December 31,	
	2021	2020
Restricted stock units	$ 1,142	$ 975
Deferred stock units	784	622
Stock options	311	366
Common stock issued under the 2008 Employee Stock Purchase Plan	33	43
Total	$ 2,270	$ 2,006

The unrecognized costs related to these equity units, excluding employee stock options (summarized separately below) was $2,496 and $2,498, which are expected to be recognized over a weighted-average period of 1.5 and 1.6 years at December 31, 2021 and 2020, respectively.

The following table summarizes the activity related to the equity units, excluding employee stock options (summarized separately below), issued by the Company for the years ended December 31, 2021 and 2020:

	Number of RSU's	RSU Weighted Average Issue Price	Number of DSU's	DSU Weighted Average Issue Price
Unvested, December 31, 2019	464	$ 3.22	34	$ 3.11
Outstanding, Granted	444	3.28	343	1.69
Forfeited	(51)	3.26	—	—
Vested	(167)	3.23	(356)	1.74
Unvested, December 31, 2020	690	3.26	21	3.10
Granted	330	2.35	498	2.45
Forfeited	—	—	—	—
Vested	(276)	3.25	(214)	2.62
Unvested, December 31, 2021	744	$ 2.86	305	$ 2.38

RSU's

RSU's issued entitle each Participant to receive one unit of common stock upon vesting. RSU's awarded by the Company may be subject to vesting conditions that are contingent upon time and performance, depending on the terms of the RSU award.

Time-Vested RSU's

During the twelve months ended December 31, 2021 and 2020, the Company granted certain key employees and executive officers RSU's under the 2017 Plans that will vest and convert to common stock annually over a three-year period on the anniversary date of the grant date, contingent upon their employment with the Company at each vesting date. Any unvested time-based RSU's will be forfeited if the Participant is no longer employed by the Company at any vesting date over the three-year term and the related expense will be adjusted for amounts related to the unvested RSU's. The value of these RSU awards was determined based on the Company's closing stock price at the grant date and is being recorded on a straight-line basis over the three-year term.

Performance-Vested RSU's

For RSU awards contingent upon performance conditions, the Company will assess if the pre-defined performance condition(s) is achievable based on the terms within each RSU award agreement. If achievable, the Company may also be required to estimate the number of RSU's subject to vest if different levels of the performance conditions are specified within the award agreement. The fair value of the RSU award is based on the Company closing stock price on the date of the grant, if specified within the award agreement. If the RSU grant value is indeterminable at the time of the grant, the Company will use the Black-Scholes option-pricing model to estimate the fair value of the award (additional information related to the Black-Scholes option-pricing model is detailed below under '2006 Employee Stock Option Plan'). The Company will continue to assess the fair value of the RSU award periodically until final determination.

During the twelve months ended December 31, 2021 and 2020, the Company granted certain key employees and executive officers performance-based RSU's, where vesting is contingent upon the Company's achievement of an earnings-based performance target for at least one of the years included during the three-year term. The number of RSU's that could vest range from 50.0% to 200.0% of the number RSU's included in the grant. Common stock will be issued for each vested RSU on the third anniversary of the grant date. Any unvested RSU's are subject to forfeiture if the Participant is no longer employed by the Company prior to the vesting date in which the performance target is met. The Participant is still entitled to the vested RSU's if they separate from the Company before the three-year anniversary grant date. The fair value of the grants is based on the closing price of the Company's stock at the grant date. As of December 31, 2021, the target for the initial year during the three-year term had not been met and, accordingly, the Company did not record any share-based compensation expense for these RSU's.

DSU's

DSU's issued entitle the Participant to receive one share of the Company's common stock for each vested DSU upon separation from the Company. The fair value of these awards is measured based on the number of DSU's awarded in the terms of the award agreement and the closing price of the DSU grant date. The Company recognizes share-based compensation on a straight-line basis over the term specified in the DSU agreement. Any unvested DSU's will be forfeited upon termination of employment or services from the Company prior to the vesting date. Share-based compensation expense is adjusted accordingly based on the forfeiture terms that are stipulated in the DSU agreement.

DSU's awards that have been granted to the Hill's executive officers and other key employees are time-vesting. The DSU's vest over a three-year term at each anniversary of the DSU grant date at 33.3% per annum. The Company will adjust the share-based compensation expense for any forfeited DSU's if the Participant leaves prior to the last installment of the vesting period.

The Company's non-employee board of directors (the "Board") receive DSU grants for their equity-based portion of their annual service retainer at each annual stockholder meeting during their term of service. At their election, the Board can also receive additional DSU's in lieu of the cash portion of their annual retainer. DSU's issued to the Board are only subject to forfeiture if their departure from the Company is due to termination with cause and, otherwise, will vest. Therefore, the Company recognizes the full fair value of the award at the date of the grant. The fair value of the DSU's are determined based on the Company's stock closing price on the grant date and the number of DSU's awarded in the award agreement.

Employee Stock Option

A summary of the Company's stock option activity and related information for the years ended December 31, 2021 and 2020 is as follows (in thousands, except exercise price and remaining life data):

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding, December 31, 2019	1,879	$ 3.98		
Granted	—	—		
Exercised	—	—		
Expired	(306)	3.79		
Forfeited	(10)	4.46		
Outstanding, December 31, 2020	1,563	4.01		
Granted	—	—		
Exercised	—	—		
Expired	(211)	4.95		
Forfeited	—	—		
Outstanding, December 31, 2021	1,352	$ 3.87	1.74	$ 2,593
Exercisable, December 31, 2021	1,116	$ 3.93	1.61	$ 2,209

The aggregate intrinsic value represents the difference between the exercise prices and the closing stock price on December 31, 2021. At December 31, 2021, the weighted average exercise price of the outstanding options was $3.87 and the closing stock price was $1.95.

The weighted average characteristics of outstanding stock options by exercise price at December 31, 2021 are as follows:

	Options Outstanding		Options Exercisable	
Exercise Prices	Number Outstanding at December 31, 2021	Weighted Average Remaining Contractual Life (in years)	Number Exercisable at December 31, 2021	Weighted Average Remaining Contractual Life (in years)
$3.13	500	2.45	333	2.45
4.00	250	1.25	250	1.25
4.03	225	0.08	225	0.08
4.31	13	1.45	13	1.45
4.65	347	2.19	278	2.19
4.90	5	0.59	5	0.59
5.17	12	1.45	12	1.45
	1,352	1.74	1,116	1.61

At December 31, 2021, total unrecognized compensation cost related to non-vested options was $91 which will be recognized over the remaining weighted-average service period of 0.37 years.

2008 Employee Stock Purchase Plan

The Employee Stock Purchase Plan ("ESPP") covers 2,000 shares of the Company's common stock. Eligible employees may purchase shares at 85% of the fair market value on the date of purchase. During the years ended December 31, 2021 and 2020, the Company received aggregate ESPP proceeds of $191 for 98 of the Company's shares and $245 for 196 of the Company's shares, respectively.

Note 12 — Stockholders' Equity

In April 2020, the Company exercised its right to retain 261 common shares that were pledged as collateral under the terms of a secured promissory note payable to the Company. Upon the terms of the secured promissory note, the note holder agreed to relinquish these shares upon the maturity date. As a result, these shares have been transferred from common stock to treasury stock, as reflected on the Company's Statements of Stockholders' Equity.

Note 13 - Income Taxes

The effective tax rates for the years ended December 31, 2021 and 2020 were 205.2% and (1,636.2)%, respectively. For the year ended December 31, 2021, the Company's effective tax rate differs from the U.S. federal statutory rate primarily due to additional uncertain tax position accruals, as well as the inability to recognize any tax benefit for losses in certain jurisdictions, particularly the United States. For the year ended December 31, 2020, the Company's effective tax rate differs from the U.S. federal statutory rate primarily due to additional uncertain tax position accruals, as well as the inability to recognize any tax benefit for losses in certain jurisdictions, particularly Brazil.

The components of earnings (loss) before income taxes on the Company's consolidated statements of operations by the United States and foreign jurisdictions were as follows:

	Years Ended December 31,	
	2021	2020
United States	$ (5,768)	$ (1,839)
Foreign jurisdictions	9,515	1,403
	$ 3,747	$ (436)

Income tax expense, as reflected in the Company's consolidated statements of operations, consists of the following:

	Current	Deferred	Total
Year ended December 31, 2021:			
U.S. federal	$ —	$ (506)	$ (506)
State and local	39	(51)	(12)
Foreign jurisdictions	6,309	1,898	8,207
	$ 6,348	$ 1,341	$ 7,689
Year ended December 31, 2020:			
U.S. federal	$ —	$ 26	$ 26
State and local	217	(15)	202
Foreign jurisdictions	6,100	806	6,906
	$ 6,317	$ 817	$ 7,134

On December 27, 2020, the Consolidated Appropriations Act 2021 (the "Appropriations Act") was enacted in response to the COVID-19 pandemic. The Appropriations Act, among other things, temporarily extends certain expiring tax provisions through December 31, 2025. Additionally, the Appropriations Act enacts new provisions and extends certain provisions originated within the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), enacted on March 27, 2020. The Company is currently evaluating the provisions of the Appropriations Act as well as the CARES Act, but at present time, does not expect that the CARES Act or the Appropriations Act will result in a material tax or cash benefit.

Income tax expense was $7,689 and $7,134 for the twelve months ended December 31, 2021 and 2020, respectively. The following table summarizes the difference between the income tax expense/(benefit) at the United States statutory rate of 21.0% for both years ended December 31, 2021 and 2020 and the income tax expense at effective worldwide tax rates for the respective periods:

	Years Ended December 31,	
	2021	2020
Statutory federal income tax (benefit)	$ 787	$ (92)
Foreign tax expense	1,552	4,415
Change in the valuation allowance	2,850	(766)
Net liability additions for uncertain tax positions	2,850	1,713
Excess compensation	8	129
State and local income taxes, net of federal income tax benefit	(67)	202
Stock options	123	122
Foreign intercompany loan adjustments	22	764
Prior period adjustments	(485)	499
Other	49	148
Total	$ 7,689	$ 7,134

The tax effect of temporary differences that give rise to deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2021	December 31, 2020
Deferred tax assets:		
Net operating loss carry forward - U.S. operations	$ 11,104	$ 9,442
Net operating loss carry forward - foreign operations	5,776	6,673
Compensated absences	1,366	1,559
Foreign income taxes on currency translation	202	3,315
Share-based compensation	772	581
Allowance for doubtful accounts	2,359	2,840
Labor contingencies	39	6
Interest limitations	1,666	1,144
Foreign tax credit	—	115
Accrued expenses	1,930	1,369
Other	313	279
Total gross deferred tax assets	25,527	27,323
Valuation allowances	(20,433)	(20,103)
Net deferred tax assets	5,094	7,220
Deferred tax liabilities:		
Intangible assets	(2,545)	(1,627)
Depreciation	(369)	(317)
Prepaid expenses	(384)	(465)
Change in tax method	(205)	(570)
Deferred income	(385)	(1,753)
Total gross deferred tax liabilities	(3,888)	(4,732)
Net deferred tax assets	$ 1,206	$ 2,488

The deferred taxes have been reflected in the Company's consolidated balance sheets based on tax jurisdiction as follows:

	December 31, 2021	December 31, 2020
Deferred tax asset	$ 2,165	$ 3,698
Deferred tax liability	(959)	(1,210)
Net deferred tax assets	$ 1,206	$ 2,488

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities and projected future taxable income in making this assessment. Management evaluates the need for valuation allowances on the deferred tax assets according to the provisions of ASC 740, Income Taxes. They consider both positive and negative evidence. In making this determination, management assesses all of the evidence available at the time including recent earnings, internally-prepared income projections, and historical financial performance. See Schedule II - Valuation and Qualifying Accounts for breakdown of valuation allowance for amounts added, net of deductions, for the years ended December 31, 2021 and 2020.

The Company has generated losses in the US since the year ended December 31, 2018. The Company recorded an additional valuation allowance to materially offset these losses, as the Company has determined that it is more likely than not that they will not be able to utilize a significant portion of its United States deferred tax assets. The gross cumulative federal net operating loss as of December 31, 2021 and 2020 was $16,886 and $9,351, respectively, with no expiration. The cumulative state net operating losses at December 31, 2021 and 2020 were $121,046 and $115,291, which will begin to expire in 2025.

At December 31, 2021 and 2020, there were approximately $32,193 and $32,014, respectively, of gross foreign net operating loss carry forwards. The majority of these net operating loss carry forwards have an unlimited carry forward period. It is anticipated that these losses will not be utilized due to continuing losses in these jurisdictions. Foreign valuation allowances of $7,335 and $8,541 were recorded at December 31, 2021 and 2020, respectively, primarily related to the foreign net operating loss carry forwards.

The Company continues to evaluate its worldwide cash needs, and as of December 31, 2021, the Company has a partial reinvestment assertion on certain of its unremitted foreign earnings. Generally, the foreign earnings previously subject to the Transition Tax in the U.S. can be distributed without additional U.S. federal tax, however, any such repatriation of previously unremitted foreign earnings could incur withholding and other foreign taxes, if applicable, as well as certain U.S. state taxes when remitted in any given year. At December 31, 2021, the Company has made no provision for federal, state, withholding or other foreign taxes related to these earnings as these taxes are either not applicable or not material. Additionally, the Company's Netherlands subsidiary has a partial reinvestment assertion regarding certain unremitted foreign earnings as well. The Company has made no provision for foreign taxes related to these earnings because the Netherlands entity continues to qualify for the participation exemption whereby certain foreign earnings can be repatriated without any additional tax at December 31, 2020.

The Company will recognize a tax benefit in the financial statements for an uncertain tax position only if the Company's assessment is that the position is "more likely than not" (i.e., a likelihood greater than 50 percent) to be allowed by the tax jurisdiction based solely on the technical merits of the position. The term "tax position" refers to a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities for financial reporting purposes.

The following table indicates the changes to the Company's uncertain tax positions for the years ended December 31, 2021 and 2020, including interest and penalties:

	Years Ended December 31,	
	2021	2020
Balance, beginning of year	$ 6,328	$ 4,615
Reductions based on tax positions related to prior years	(284)	(162)
Reduction due to settlements with taxing authorities	(318)	—
Additions based on tax positions related to prior years	3,129	1,875
Balance, end of year	$ 8,855	$ 6,328

The Company files income tax returns in the U.S. federal jurisdiction and in various state and foreign jurisdictions. The Company generally is no longer subject to U.S. or state examinations by tax authorities for taxable years prior to 2015. However, net operating losses utilized from prior years in subsequent years' tax returns are subject to examination until three years after the filing of subsequent years' tax returns. The statute of limitations expiration in foreign jurisdictions for corporate tax returns generally ranges between two and five years, depending on the jurisdiction.

The Company's policy is to record estimated interest and penalties related to uncertain tax positions in income tax expense. At December 31, 2021 and 2020, the Company's consolidated balance sheet reflects cumulative provisions for interest and penalties of $1,504 and $757, respectively, related to potential interest and penalties. These interest and penalty amounts are included in the table above.

The Company's income tax returns are based on calculations and assumptions that are subject to examination by the Internal Revenue Service and other tax authorities. While the Company believes it has appropriate support for the positions taken on its tax returns, the Company regularly assesses the potential outcomes of these examinations and any future examinations for the current or prior years in determining the adequacy of its provision for income taxes. As part of its assessment of potential adjustments to its tax returns, the Company increases its current tax liability to the extent an adjustment would result in a cash tax payment or decreases its deferred tax assets to the extent an adjustment would not result in a cash tax payment. The Company continually assesses the likelihood and amount of potential adjustments and adjusts the income tax provision, the current tax liability and deferred taxes in the period in which the facts that give rise to a revision become known.

Note 14 — Commitments and Contingencies

General Litigation

From time to time, the Company is a defendant or plaintiff in various legal proceedings that arise in the normal course of business. As such, the Company is required to assess the likelihood of any adverse outcomes to these proceedings as well as potential ranges of probable losses. A determination of the amount of the provision required for these commitments and contingencies, if any, which would be charged to earnings, is made after careful analysis of each proceeding. The provision may change in the future due to new developments or changes in circumstances. Changes in the provision could increase or decrease the Company's earnings in the period the changes are made. It is the opinion of management, after consultation with legal counsel, that the ultimate resolution of these proceedings will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Loss on Performance Bond

On February 8, 2018, the Company received notice from the First Abu Dhabi Bank ("FAB", formerly known as the National Bank of Abu Dhabi) that the Public Authority of Housing Welfare of Kuwait submitted a claim for payment on a performance guarantee issued by the Company for approximately $7,938 for a project located in Kuwait. FAB subsequently issued, on behalf of the Company, a payment on February 15, 2018. The Company is taking legal action to recover the full Performance Guarantee amount. On September 20, 2018 the Kuwait First Instance Court dismissed the Company's case. As a result, the Company fully reserved the performance guarantee payment above in the first quarter of 2018. The Company filed an appeal before the Kuwait Court of Appeals seeking referral of the matter to a panel of experts for determination. On April 21, 2019, the Court of Appeals ruled to refer the matter to the Kuwait Experts Department. Hearings with the Kuwait Experts Department were held during July and September 2019. A final report was issued by the panel of experts in October 2019 for the held hearings on January 7, 2020 and February 4, 2020 and reserved the case for judgment to be issued. The Company filed a pleading before the Kuwait Cassation Court in August 2020. Hill's challenges are still pending before the Kuwait Cassation Court and a hearing has not been scheduled yet.

Off-Balance Sheet Arrangements

The Company enters into agreements with banks for the banks to issue bonds and letters of guarantee to clients, potential clients and other third parties, mainly for the purposes as follows:

(1) The Company has entered into contracts for the performance of construction management services that provide that the Company receive advance payment of some of the management fee from the client prior to commencement of the construction project. However, the clients require a guarantee of service performance in the form of an advance payment bond. These bonds are evidenced by Letters of Guarantee issued by the subsidiaries' banks in favor of the clients. In some cases, these clients also require a parent company guarantee. The average term the Company entered into such arrangements was 1.4 years at December 31, 2021.

(2) The Company may also enter into certain contracts that require a performance bond to be issued by a bank in favor of the client for a portion of the value of the contract. These bonds may be exercised by the client in instances where the Company fails to provide the contracted services. The weighted average term the Company entered into such arrangements was 0.9 years at December 31, 2021, which excludes performance bonds that contain open-ended expiration dates.

(3) Certain clients may require bonds as part of the bidding process for new work. Bid bonds are provided to demonstrate the financial strength of the companies seeking the work and are usually outstanding for short periods. If the bid is rejected, the bond is canceled and if the bid is accepted, the Company may be required to provide a performance bond. The weighted average term of these arrangements was 0.3 years at December 31, 2021, which excludes bid bonds with open-ended expiration dates.

The maximum potential future payment under these arrangements at December 31, 2021 and 2020 was $64,093 and $67,382, respectively, which primarily includes credit facility arrangements that are denominated in foreign currencies. These balances partially reduced the Company's available borrowing capacity on the Domestic and International Revolving Credit Facilities by a total of $6,935 and $8,794 at December 31, 2021 and 2020, respectively, as reflected in Note 10 - Notes Payable and Long-Term Debt.

Cash held in restricted accounts as collateral for the issuance of performance and advance payment bonds, letters of credit and escrow at December 31, 2021 and 2020 was $8,625 and $7,184, respectively.

Other

The Company has identified a potential tax liability related to certain foreign subsidiaries’ failure to comply with laws and regulations of the jurisdictions, outside of their home country, in which their employees provided services. The Company has estimated the potential liability to be approximately $184 which is reflected in other liabilities in the consolidated balance sheet, $27 of which was expensed in selling, general and administrative expenses in the consolidated statement of operations for the year ended December 31, 2021.

Note 15 — Leases

The Company leases office space, equipment and vehicles throughout the world. Many of the Company's leases include one or more options to renew at the Company's sole discretion. The lease renewal option terms generally range from 1 month to 5 years for office leases. The determination of whether to include any renewal or early termination options is made by the Company at lease inception when establishing the term of the lease. On January 1, 2019, the Company adopted ASU-2016-2, Leases (Topic 842), which required the Company to recognize right-of use lease ("ROU") assets and lease liabilities on its consolidated balance sheet for all leases in excess of one year in duration. The lease liability represents the present value of the remaining lease payments, which only includes payments that are fixed and determinable at the time of commencement, over the lease term. The lease term may be adjusted for renewal or early termination options provided in the leases only if it is reasonably certain that the Company will exercise such options. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

The Company elected to adopt the guidance using the modified retrospective method and, therefore, have not recast comparative periods presented in its unaudited consolidated financial statements. The Company elected the package of transition practical expedients for existing leases and therefore the Company has not reassessed the following: lease classification for existing leases, whether any existing contracts contained leases, if any initial direct costs were incurred and whether existing land easements should be accounted for as leases. The Company did not apply the hindsight practical expedient, accordingly, the Company did not use hindsight in its assessment of lease terms. As permitted under ASU 2016-2, the Company elected as accounting policy elections to not recognize ROU assets and related lease liabilities for leases with terms of twelve months or less and to not separate lease and non-lease components, and instead account for the non-lease components together with the lease components as a single lease component.

Rent expense for leases is recognized on a straight-line basis over the lease term from the lease commencement date through the scheduled expiration date for rent payments that are determined to be fixed or are determinable at the lease commencement date. Some of the Company's lease arrangements require periodic increases in the Company's base rent that may be subject to certain economic indexes, among other items. In addition, these leases may require the Company to pay property taxes, utilities and other costs related to several of its leased office facilities. Typically, these amounts for such payments cannot be determined at the lease commencement date, and are identified as variable lease payment, which are expensed as incurred.

Total rent expense for the twelve months ended December 31, 2021 and 2020 included $2,325 and $2,374, respectively, that was associated with leases with an initial term of 12 months or less, in addition to variable costs the Company is responsible for paying on all leases.

Rent expense for operating leases is recognized on a straight-line basis over the lease term from the lease commencement date through the scheduled expiration date. Rent expense of approximately $8,348 and $8,294 for the twelve months ended December 31, 2021 and 2020, respectively, is included in either selling, general and administrative expenses or direct expenses, as appropriate, in the consolidated statements of operations.

During the three months ended June 30, 2020, as a result of the COVID-19 pandemic, the Company received rent concessions from certain lessors primarily in the form of rent payment deferrals, where rents that were originally scheduled to be paid to such lessors during the three months ended June 30, 2020, per the terms of the leases, were agreed to not become due and payable until 2021, with the option to pay the amounts deferred in monthly installments, plus interest. In April 2020, the FASB issued a Q&A in order to simplify how ASC-842 should be applied to rent concessions received as a result of the pandemic and provided an optional practical expedient that permits an entity to make an election to not evaluate whether concessions granted by lessors related to COVID-19 are lease modifications, under certain conditions. Entities that make this election can then apply the lease modification guidance in ASC-842 or account for the concession as if it were contemplated as part of the existing contract. The Company elected to apply the practical expedient and not apply the lease modification guidance and has accordingly continued to recognize the rent expense as if no deferral had been provided. The Company recorded a payable for these amounts reflected in accounts payable and accrued expenses in the Company's consolidated balance sheets of $586 for such rent deferrals at December 31, 2020, which was paid in full during the year ended December 31, 2021.

The Company subleases certain real estate to third parties (the "sublessee"). The sublease income recognized for the twelve months ended December 31, 2021 and 2020 was $1,569 and $1,338, respectively, and was recorded as a reduction to SG&A in the Company's consolidated statements of operations. These subleases may require the sublessee to reimburse the Company if they are required to pay property taxes, utilities and other costs related to the leased office facility. These reimbursements are identified as variable lease payments since these amounts cannot be determined at the lease commencement date and are recognized as reduction in expense as incurred.

The following is a schedule, by years, of maturities of lease liabilities as of December 31, 2021:

Years Ending December 31,	Total Operating Lease Payments	Total Financing Lease Payments
2022	$ 6,065	$ 263
2023	5,465	263
2024	4,576	228
2025	3,780	99
2026	3,264	—
Thereafter	4,546	—
Total minimum lease payments (1)	27,696	853
Less: amount representing imputed interest	4,618	34
Present value of lease obligations	$ 23,078	$ 819
Weighted average remaining lease term (years)	5.60	3.32
Weighted average discount rate	6.7 %	2.5 %

(1) Partially includes rent expense amounts payable in various foreign currencies and are based on the foreign currency exchange rate as of December 31, 2021, where applicable.

Note 16 - Benefit Plans

401(k) Retirement Savings Plan

The Company maintains a 401(k) Retirement Savings Plan (the “401(k) Plan”) for qualified employees. The terms of the 401(k) Plan define qualified employees as those over 21 years of age who have completed at least thirty days of service. Generally, the Company matched $0.50 on the dollar of employee contributions up to a maximum of 6.0% of the employee's salary. Beginning with the May 1, 2020 pay period, the Company suspended the Company match through December 31, 2020 as part of the Company's corporate cost reductions related to COVID-19 (see Note 2 - Liquidity). The Company resumed the match on January 1, 2021. For the years ended December 31, 2021 and 2020, the Company recognized expense of $2,459 and $706, respectively, which is included in SG&A in the consolidated statements of operations.

End of Service Benefits

The Company maintains several End of Service Benefit plans (the “EOSB Plans”) that provide lump sum termination benefits to certain employees in the United Arab Emirates, Saudi Arabia, Qatar, Oman, and Bahrain. The EOSB Plans are calculated based on tenure of service and may vary depending on the circumstances surrounding the separation. Generally, the plans provide for a lump sum benefit that is based on the employee's salary, years of service and statutory requirements that exist within the employee's office location. The Company calculated the present value of the expected future payments using the Projected Unit Credit Method, which estimates the fair value of the projected benefits that current plan participants will earn and was used to assess the Company's liabilities as of December 31, 2021 and 2020. The baseline assumptions used for the calculation included a discount rate of 2.0%, a salary increase of 2.0% per annum and an employee turnover rate of 25% per annum. The Company recorded liabilities of $9,457 and $10,090 for the EOSB Plans as of December 31, 2021 and 2020, respectively, which are included in accounts payable and accrued expenses and other liabilities. For the years ended December 31, 2021 and 2020, the Company recognized expense for the EOSB Plans of $1,869 and $2,456, respectively, of which $1,724 and $1,819, respectively, related to service costs is included in direct expense and SG&A in the consolidated statements of operations. The remaining expenses are included in other loss income, net, in the consolidated statements of operations. At December 31, 2021, the actuarial loss of $1,194, net of tax, was included in accumulated other comprehensive (loss) income on the Company's consolidated balance sheets.

During the year ended December 31, 2021, in order to more accurately recognize the benefit expense associated with the EOSB plan, the Company began deferring the actuarial gains and losses arising during the year into accumulated other comprehensive income (loss). These deferred gains and losses will be amortized over the average remaining service period of the participants, which was 3.1 years as of December 31, 2021. The Company adopted this change prospectively. During the year ended December 31, 2020, an actuarial loss of $405 was recognized into other loss, net, on the Company's consolidated statements of operations.

Note 17 —Segment and Related Information

The Company has one reporting segment, the Project Management Group, which reflects how the Company is managed. The Project Management Group provides construction and project management services to construction owners worldwide. Such services include program management, project management, construction management, project management oversight, troubled project turnaround, staff augmentation, project labor agreement consulting, commissioning, estimating and cost management, labor compliance services (collectively, "integrated project management") and facilities management services.

The following tables present certain information for the Company's operations:

Total Revenue by Geographic Region:

	2021		2020	
Americas	$ 196,933	52.1 %	$ 192,777	52.4 %
Middle East/Asia/Pacific	85,541	22.7 %	92,639	25.1 %
Europe	55,505	14.7 %	53,819	14.6 %
Africa	39,459	10.5 %	29,289	7.9 %
Total	$ 377,438	100.0 %	$ 368,524	100.0 %

For the twelve months ended December 31, 2021 and 2020, total revenue for the United States amounted to $195,832, or 51.9%, and $190,028, or 51.6%, of the Company's total revenue, respectively. For the twelve months ended December 31, 2021 and 2020, total revenue for the United Arab Emirates amounted to $35,728 or 9.5%, and $39,353 or 10.7%, of the Company's total revenue, respectively. No other country except for the United States and the United Arab Emirates accounted for over 10% of total revenue.

Operating Profit (Loss):

	2021	2020
Americas	$ 27,119	$ 31,959
Middle East/Asia/Pacific	8,642	9,287
Europe	8,636	5,558
Africa	5,652	5,401
Corporate	(40,789)	(41,706)
Total	$ 9,260	$ 10,499

Depreciation and Amortization Expense:

	2021	2020
Project Management	$ 1,423	$ 1,385
Corporate	1,018	2,653
Total	$ 2,441	$ 4,038

Revenue By Client Type:

	2021		2020	
U.S. federal government	$ 15,173	4.0 %	$ 17,942	4.9 %
U.S. state, regional and local governments	120,069	31.8 %	118,845	32.2 %
Foreign governments	95,107	25.2 %	99,906	27.1 %
Private sector	147,089	39.0 %	131,831	35.8 %
Total	$ 377,438	100.0 %	$ 368,524	100.0 %

Property, Plant and Equipment, Net by Geographic Location:

	December 31,	
	2021	2020
Americas	$ 7,146	$ 7,741
Middle East/Asia/Pacific	745	917
Europe	586	544
Africa	418	241
Total	$ 8,895	$ 9,443

Note 18 - Deconsolidation of Controlling Interest in Subsidiaries

On June 12, 2020, Hill International Brasil S.A ("Hill Brazil") filed for bankruptcy and liquidation with the Bankruptcy Court of Sao Paulo Brazil. Hill Brazil was a consolidated operating subsidiary of Hill International Brasil Participacoes LTDA ("Brazil Consolidated"). A trustee was appointed by the court on June 15, 2020 to oversee the settlement of liabilities and close the entity. The Company lost control of Hill Brazil on the date of the bankruptcy filing and, as a result, deconsolidated Hill Brazil at that time.

At June 12, 2020, Hill Brazil's assets totaled $1,901, and consisted of Cash $9, Accounts receivable $1,380, Property, Plant & Equipment $295 and other assets $217. At June 12, 2020, Hill Brazil's liabilities totaled $3,538 and consisted of accounts payable and accrued expenses $1,800, debt $365, deferred revenue $132 and other liabilities $1,242. Therefore, Hill Brazil's liabilities exceeded assets by $1,638. The write-off of the investment in Hill Brazil by Brazil Consolidated resulted in a $1,201 loss. The write-off of the balance sheet and write-off of the investment in Hill Brazil resulted in a $437 gain on the deconsolidation before consideration of foreign currency adjustments and intercompany items.

In conjunction with the liquidation of Hill Brazil, the Company's intercompany receivables from Hill Brazil totaling $116 were fully reserved and an intercompany payable of $1,180 to Hill Brazil from Brazil Consolidated was written off against the income/loss of the liquidation. Additionally, $5,565 of accumulated other comprehensive losses related to foreign currency adjustments was taken into expense. This resulted in a net loss of $4,064 related to the deconsolidation which was recorded on the consolidated statements of operations under other loss (income), net.

On December 29, 2020, Brazil Consolidated filed for bankruptcy and liquidation with the Bankruptcy Court of Sao Paulo Brazil. Brazil Consolidated was a consolidated subsidiary of Hill International, N.V. The Company lost control of Brazil Consolidated on the date of the bankruptcy filing and as a result deconsolidated Brazil Consolidated at that time which resulted in an additional net loss of $1,437 being recorded on the consolidated statements of operations under other loss (income), net. The balance sheet of Brazil Consolidated primarily consisted of intercompany payables. The corresponding intercompany receivables were written off on the respective entity's balance sheets in conjunction with the liquidation and deconsolidation of Brazil Consolidated resulting in no net consolidated income/loss impact. The net loss is primarily comprised of the deconsolidation of $1,350 of net assets, and $313 of accumulated other comprehensive losses related to foreign currency adjustments taken into expense which were offset by $226 of eliminated capital.

Note 19 - Subsequent Event

On March 31, 2022, the Company entered into an amendment of its main credit facility with Société Générale that extends the maturity dates of the Domestic and International Revolving Credit Facilities to May 5, 2023 and the term loan facility to November 5, 2023. The interest rates on these facilities will increase by 1.0% and the Company will pay an amendment fee of 1.0% or less, contingent on the timing of refinancing the revolving credit facilities. The aggregate amount of the credit commitments under the facilities will automatically and permanently be reduced by an amount equal to $3,000 on each of September 30, 2022 and December 31, 2022.

In March 2022, the Company had a significant favorable ruling related to an ongoing audit in South Africa. The impact of the ruling will result in a decrease to the uncertain tax position accrual, with an offset to income tax benefit for roughly $800. This will be recorded in the first quarter of 2022.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

Based upon its evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2021, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, because of the material weaknesses in its internal controls over financial reporting described below, the Company’s disclosure controls and procedures were not effective as of December 31, 2021.

Exchange Act Rules 13a-15(e) and 15d-15(e) of the Securities and Exchange Act of 1934 (the "Exchange Act") define “disclosure controls and procedures” to mean controls and procedures of a company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. The definition further states that disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that the information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As a result of the material weakness identified, we performed additional analysis, substantive testing and other post-closing procedures intended to ensure our consolidated financial statements were prepared in accordance with U.S. GAAP. Accordingly, the Company's management believes that the consolidated financial statements and related notes hereto included in this Annual Report on Form 10-K fairly presents in all material respects the Company’s financial position, results of operations and cash flows for the periods presented.

(b) Management's Annual Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in the Exchange Act. Our internal control system was designed under the supervision of our Chief Executive Officer (the "CEO") and our Senior Vice President and Chief Financial Officer (the "CFO") and with the participation of management in order to provide reasonable assurance regarding the reliability of our financial reporting and our preparation of financial statements for external purposes in accordance with U.S. GAAP.

All internal control systems, no matter how well designed and tested, have inherent limitations, including, among other things, the possibility of human error, circumvention or disregard. Therefore, even those systems of internal control that have been determined to be effective can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, under the supervision of our CEO and CFO, evaluated the effectiveness of our internal control over financial reporting and, based on the criteria established in the applicable "Internal Control-Integrated Framework" issued by the COSO (2013), determined that the Company had not maintained effective internal control over financial reporting as of December 31, 2021 due to the material weakness described below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The Company's independent registered public accounting firm has issued an attestation report on the Company's internal control over financial reporting, a copy of which is included in Item 8 of this Annual Report on Form 10-K.

Material Weakness

The Company has had multiple material weaknesses that have been remediated. There is currently one material weakness outstanding that was identified as lack of management oversight resulting ineffective operation of various controls, including consistent operation of certain controls for a sufficient period of time. The Company continues to make further substantive improvements to the design of the internal control structure to remediate the underlying causes of the control deficiencies that have led to the material weakness. The material weakness will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing and analysis, that these controls are operating effectively.

Remediated Material Weaknesses

Control Activities

Vendor Approval - Policies, Procedures and Controls

The material weakness that the Company did not properly design policies, procedures and controls to ensure vendors were properly reviewed, approved and set-up within the system has been remediated. Previously, there was insufficient review and approval of vendor set-up in the accounting system to ensure accuracy and completeness of vendor information, as well as compliance with Company policy.

The Company has instituted enhanced policies and procedures addressing the set-up of all new vendors and changes to existing vendors. System controls have been implemented to ensure segregation of duties between data entry and approval of the new vendor or vendor changes. Controls implemented to address this matter included documentation and verification procedures to ensure the accuracy and validity of vendor information recorded in the accounting system.

Revenue Recognition - Policies, Procedures and Controls

The material weakness that the Company's revenue recognition policies, procedures, and controls were not designed effectively has been remediated. However, as described below, there was an material weakness identified related to management oversight that resulted in the ineffective operation of controls over the review and approval of contract checklists that impact revenue recognition.

More specifically, the deficiencies included:

- a failure to design controls to ensure the proper set-up of contract information in the system and over the review and approval of manual billings. This contract information and manual billing is used in the revenue recognition process.

- a lack of effective oversight and documented review controls over the set-up and monitoring of its estimates at completion calculations for long-term fixed fee contracts.

The Company has instituted enhanced policies and procedures addressing revenue recognition. Controls implemented to address this matter include:

- deployment of an enhanced contract checklist to ensure contract data was properly documented and entered correctly into the accounting system. The checklist process requires independent verification of billing rates contained in the contract or supplemental documentation.

- deployment of an enhanced Estimate at Completion schedule to improve consistency and accuracy in accounting for long-term fixed fee contracts. These schedules are reviewed by both operations and finance personnel to ensure accuracy.

- deployment of a client invoice review and validation procedure to ensure both operations and finance personnel verify and validate client invoices.

Material Weakness

We continue implementing various changes in our internal control over financial reporting to remediate the material weakness and deficiencies described. We continue to make progress on our remediation and our goal is to implement the remaining control improvements related to this material weakness throughout the remainder of 2022. The material weakness will be deemed fully remediated when the control processes have been operating effectively for a sufficient period of time and when management testing has reached a successful conclusion. We will continue to review, optimize and enhance our financial reporting controls and procedures, as we continue to evaluate and work to improve our internal control over financial reporting.

Control Environment

Management Oversight

During the period, there was lack of management oversight resulting in ineffective operation of various controls, including consistent operation of certain controls for a sufficient period of time. This was primarily due to the Company having personnel turnover during the year in multiple financial management positions within the region. Actions were taken throughout the course of the year to address certain of these deficiencies and improvements were noted at year end; however, additional time is required for the controls to operate effectively for management to conclude these matters have been remediated. More specifically, the ineffective operation of controls during the periods related to:

- **Journal Entries**

  Manual journal entries were not consistently reviewed and approved**.**

- **Account Reconciliations**

  Certain account reconciliations were not reviewed and approved in a timely manner.

- **Revenue Recognition**

  Controls over the review and approval of contract checklists were not operating effectively

Changes in Internal Control over Financial Reporting

Except for the continued improvements resulting from progress made on the above noted remediation plans, there were no changes to the Company’s internal control over financial reporting during the fourth quarter of 2021 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information in our 2022 Proxy Statement, which will be filed with the SEC within 120 days after the close of our fiscal year, regarding directors and executive officers appearing under the headings "Proposal 1: Election of Directors" and "Other Matters—Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated by reference in this section. The information under the heading "Executive Officers" in Part I, Item 1 of this Form 10-K is also incorporated by reference in this section. In addition, the information under the heading "Corporate Governance" in our 2022 Proxy Statement is incorporated by reference in this section.

We have adopted a code of ethics that applies to all of our employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. This code of ethics is available on our website at www.hillintl.com, or may be obtained free of charge by making a written request addressed to our Legal Department. We will disclose on our website amendments to, and, if any are granted, waivers of, our code of ethics.

Item 11. Executive Compensation

The information appearing in our 2022 Proxy Statement under the headings "Executive Compensation" and "Director Compensation" is incorporated by reference in this section.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information appearing in our 2022 Proxy Statement under the heading “Security Ownership of Certain Beneficial Owners and Management” is incorporated by reference in this section.

Equity Compensation Plan Information

The following table provides information as of December 31, 2021 for common shares of the Company that may be issued under our 2008 Employee Stock Purchase Plan and our 2017 Equity Compensation Plan. See Note 11 Share-Based Compensation to the consolidated financial statements for further information related to these plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (1) (c)
Equity compensation plans approved by security holders	4,507	$ 3.06	1,441
Equity compensation plans not approved by security holders	—	—	—
Total	4,507	$ 3.06	1,441

(1) As of December 31, 2021, the Company had 824 shares remaining available for future issuance under our 2008 Employee Stock Purchase Plan and 617 shares remaining available for future issuance under our 2017 Equity Compensation Plan. Future grants are no longer available under our 2006 Employee Stock Option Plan or our 2009 Non-Employee Director Stock Grant Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information appearing in our 2022 Proxy Statement under the headings "Corporate Governance" and "Certain Relationships and Related Transactions" is incorporated by reference in this section.

Item 14. Principal Accounting Fees and Services

The table below reflects the fees and expenses for services rendered by Grant Thornton for the years ended December 31, 2021 and 2020. The Audit Committee pre-approved all of these services.

	Years Ended December 31,	
Type of Fees	**2021**	**2020**
Audit Fees (1)	$ 1,738	$ 1,825
Audit - Related Fees (2)	39	39
Total Fees	$ 1,777	$ 1,864

(1) Audit fees consist of fees billed and an estimate of fees to be billed for services for the audit of our financial statements and review of our financial statements included in our quarterly reports on Form 10-Q and services provided in connection with other statutory or regulatory filings.
(2) Audit-related fees consist of fees incurred for the audit of the Company's 401(k) plan.

Pre-Approval Policy of Audit Services and Permitted Non-Audit Services of Independent Auditors

The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services and are pre-approved in one of two methods. Under the first method, the engagement to render the services would be entered into pursuant to pre-approval policies and procedures established by the Audit Committee, provided (i) the policies and procedures are detailed as to the services to be performed, (ii) the Audit Committee is informed of each service, and (iii) such policies and procedures do not include delegation of the Audit Committee's responsibilities under the Exchange Act to the Company's management. Under the second method, the engagement to render the services would be presented to and pre-approved by the Audit Committee (subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Audit Committee prior to the completion of the audit). The Chairman of the Audit Committee will have the authority to grant pre-approvals of audit and permissible non-audit services by the independent auditors, provided that all pre-approvals by the Chairman must be presented to the full Audit Committee at its next scheduled meeting. The Company will provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent registered public accounting firm and to any consultants, experts or advisors engaged by the Audit Committee.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report:

Financial statements:

The consolidated balance sheets of the Registrant as of December 31, 2021, and 2020, the related consolidated statements of operations, comprehensive (loss) earnings, stockholders' equity and cash flows for each of the years in the two-year period ended December 31, 2021, the footnotes thereto, and the report of Grant Thornton, independent auditors, are filed herewith.

Financial statement schedule:

Schedule II—Valuation and Qualifying Accounts for the years ended December 31, 2021 and 2020.

(b) Exhibits

Exhibit Index

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated December 5, 2005, by and among Arpeggio Acquisition Corporation, Hill International, Inc. and certain stockholders of Hill International, Inc., as amended. (Included as Annex A of the Definitive Proxy Statement (No. 000-50781) filed on June 6, 2006 and incorporated herein by reference.)
3.1	Amended and Restated Certificate of Incorporation of Arpeggio Acquisition Corporation. (Included as Annex B of the Definitive Proxy Statement (No. 000-50781) filed on June 6, 2006 and incorporated herein by reference.)
3.2	Amended and Restated By-laws of Hill International, Inc. (Included as Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 filed on March 31, 2017 and incorporated herein by reference.)
3.3	Certificate of First Amendment of Amended and Restated Certificate of Incorporation of Hill International, Inc. (Included as Exhibit 3.3 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012 filed on March 18, 2013 and incorporated herein by reference.)
4.1	Specimen Common Stock Certificate. (Included as Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 (No. 333-114816) filed on April 23, 2004 and incorporated herein by reference.)
4.2	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
10.1*	Hill International, Inc. 2006 Employee Stock Option Plan (as amended through June 11, 2012). (Included as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 14, 2012 and incorporated herein by reference.)
10.2	U.S. Credit Agreement, dated as of September 26, 2014, among Hill International, Inc., as borrower, Société Générale, as administrative agent, collateral agent and lender, the other lenders party thereto, and certain subsidiaries of the Company. (Included as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 2, 2014 and incorporated herein by reference.)
10.3	U.S. Guaranty and Security Agreement, dated as of September 26, 2014, among Hill International, Inc., Société Générale, as administrative agent and collateral agent and certain subsidiaries of the Company. (Included as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on October 2, 2014 and incorporated herein by reference.)
10.4	International Credit Agreement, dated as of September 26, 2014, among Hill International N.V., as borrower, Hill International, Inc., certain of its subsidiaries party thereto, and Société Générale, as administrative agent, collateral agent and letter of credit issuer, and the lenders party thereto (Included as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on October 2, 2014 and incorporated herein by reference.)
10.5	International Guaranty and Security Agreement, dated as of September 26, 2014, among Hill International N.V., as borrower, Hill International, Inc., and the lenders party thereto in favor of Société Générale, as administrative agent. (Included as Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on October 2, 2014 and incorporated herein by reference.)
10.6	Intercreditor Agreement, dated as of September 26, 2014, by and among Société Générale, as collateral agent, and the loan parties thereto. (Included as Exhibit 10.5 to the Registrant's Current Report on Form 8-K filed on October 2, 2014 and incorporated herein by reference.)
10.7*	Hill International, Inc. 2007 Restricted Stock Grant Plan. (Included as Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (No. 333-141814), filed on April 2, 2007 and incorporated herein by reference.)
10.8*	Hill International, Inc. 2008 Employee Stock Purchase Plan. (Included as Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (No. 333-152145), filed on July 3, 2008 and incorporated herein by reference.)
10.9*	Hill International, Inc. 2015 Senior Executive Retention Plan. (Included as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on February 2, 2015 and incorporated herein by reference.)
10.10	Hill International, Inc. 2010 Senior Executive Bonus Plan. (Included as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed on April 30, 2010 and incorporated herein by reference.)
10.11*	Hill International, Inc. 2016 Executive Retention Plan. (Included as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 9, 2016 and incorporated herein by reference.)

10.12*	Form of Hill International, Inc. 2016 Executive Retention Plan Participation Agreement. (Included as Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on November 9, 2016 and incorporated herein by reference.)
10.13*	Hill International, Inc. 2017 Equity Compensation Plan (Included as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 20, 2017 and incorporated herein by reference.)
10.14	Second Amendment to Credit Agreement (Included as Exhibits 10.1 and Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 11, 2017 and incorporated herein by reference.)
10.15	Increased Commitment Agreement (Included as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 23, 2017 and incorporated herein by reference.)
10.16	Nomination and Standstill Agreement (Included as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 9, 2018.)
10.17	Nomination and Standstill Agreement (Included as Exhibit 10.1 to the Registrant's Report on Form 8-K filed on September 13, 2018.)
10.18	Hill International, Inc. 2017 Equity Compensation Plan (amended and restated through March 26, 2018) (Included as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on September 28, 2018.)
10.19	Form of Restricted Stock Unit Award Agreement (Included as Exhibit 10.1 to the Registrant's Report on Form 8-K filed on December 3, 2018.)
10.20	Form of Deferred Stock Unit Award Agreement (Officers) (Included as Exhibit 10.2 to the Registrant's Report on Form 8-K filed on December 3, 2018.)
10.21	Form of Deferred Stock Unit Award Agreement (Directors) (Included as Exhibit 10.3 to the Registrant's Report on Form 8-K filed on December 3, 2018.)
10.22	Reduction in Cash Compensation of Board of Directors (disclosed in the Registrant's Report on Form 8-K filed on April 28, 2020).
21	Subsidiaries of the Registrant.
23.1	Consent of Grant Thornton, Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002..
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.PRE	XBRL Taxonomy Presentation Linkbase Document.
101.CAL	XBRL Taxonomy Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Label Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Constitutes a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Hill International, Inc.

By: **/s/ Raouf S. Ghali**
Raouf S. Ghali
Chief Executive Officer
Date: March 31, 2022

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dated indicated.

By:	**/s/ David D. Sgro** David Sgro *Chairman and Director*	**By:**	**/s/ Arnaud Ajdler** Arnaud Ajdler *Director*
Date:	March 31, 2022	Date:	March 31, 2022
By:	**/s/ Raouf S. Ghali** Raouf S. Ghali *Chief Executive Officer and Director*	**By:**	**/s/ Susan Steele** Susan Steele *Director*
Date:	March 31, 2022	Date:	March 31, 2022
By:	**/s/ Todd Weintraub** Todd Weintraub *Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)*	**By:**	**/s/ Grant McCullagh** Grant McCullagh *Director*
Date:	March 31, 2022	Date:	March 31, 2022
By:	**/s/ Paul Evans** Paul Evans *Director*	**By:**	**/s/ James Renacci** James Renacci *Director*
Date:	March 31, 2022	Date:	March 31, 2022

Schedule II

Hill International, Inc. and Subsidiaries

Valuation and Qualifying Accounts
(in thousands)

(Allowance for Uncollectible Receivables)

	Balance at Beginning of Fiscal Year	Recoveries of Previously Reserved Receivables	Additions (Adjustments) to Allowance for Uncollectible Receivables	Write-Off of Receviables	Other [1]	Balance at End of Fiscal Year
Fiscal year ended December 31, 2021	$ 53,450	(5,466)	564	(1,127)	(7,770)	$ 39,651
Fiscal year ended December 31, 2020	$ 59,131	(1,152)	(274)	(4,905)	650	$ 53,450

(1) The year ended December 31, 2021 includes adjustments primarily related to the devaluation of the Libyan Dinar on the amounts due from a client in Libya that have been fully reserved. An offsetting adjustment is included in the billed portion of accounts receivable.

(Valuation Allowance for Deferred Tax Asset)

	Balance at Beginning of Fiscal Year	Additions (Recoveries) Charged (Credited) to Earnings	Deductions and Other Adjustments	Balance at End of Fiscal Year
Fiscal year ended December 31, 2021	$ 20,103	4,049	(3,719)	$ 20,433
Fiscal year ended December 31, 2020	$ 28,821	1,801	(10,519)	$ 20,103

Exhibit 4.2

DESCRIPTION OF THE REGISTRANT'S SECURITIES

REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following summary of the capital stock of Hill International, Inc. (the "Company") is not meant to be complete and is qualified by reference to the Company's Amended and Restated Certificate of Incorporation, as amended, and Amended and Restated Bylaws, which are filed as exhibits to this Annual Report on Form 10-K and are incorporated herein by reference. The common stock of the company, par value $.00001 per share (the "Common Stock"), is the only security of the Company registered pursuant to Section 12 of the Securities Exchange Act, as amended.

Description of Common Stock

Our certificate of incorporation authorizes the issuance of 75,000,000 shares of Common Stock and 1,000,000 shares of preferred stock, par value $0.0001. As of March 8, 2022, there were 57,142,744 shares of Common Stock outstanding and no shares of preferred stock outstanding.

Common Stock

The holders of Common Stock are entitled to one vote for each share held of record on all matters to be voted on by stockholders. Our board of directors is divided into three classes, each of which will serve for a term of three years with only one class of directors being elected in each year. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors. Subject to the rights and preferences of any preferred stock which may be outstanding in the future, the holders of our Common Stock are entitled to equal dividends and distributions per share with respect to the Common Stock when and if declared by our board of directors from funds legally available therefor. In the event of our liquidation, dissolution or winding up, the holders of Common Stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to the liquidation preferences of any preferred stock then outstanding. All shares of Common Stock now outstanding are fully paid, validly issued and non-assessable. Holders of our Common Stock do not have any conversion, preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to the Common Stock.

Preferred Stock

Our certificate of incorporation authorizes the issuance of 1,000,000 shares of a "blank check" preferred stock with such designations, rights and preferences as may be determined from time to time by our board of directors. Accordingly, our board of directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of Common Stock. We may issue some or all of the preferred stock to effect a business combination or other acquisition transaction. In addition, the preferred stock could be utilized as a method of discouraging, delaying or preventing a change in control of the Company. The number of authorized shares of preferred stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the then outstanding shares of our capital stock entitled to vote generally in the election of directors, voting together as a single class, without a separate vote of the holders of the preferred stock, or any series thereof, unless a vote of any such holders is required pursuant to any preferred stock designation. There are no shares of preferred stock outstanding and we do not currently intend to issue any preferred stock.

Anti-Takeover Provisions

Delaware Law

We are subject to Section 203 of the Delaware General Corporation Law regulating corporate takeovers, which prohibits a Delaware corporation from engaging in any business combination with an "interested stockholder" during the three-year period after such stockholder becomes an "interested stockholder," unless:

- Prior to such time the stockholder became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- The interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers, and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- On or subsequent to the date of the transaction, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Except as otherwise specified in Section 203, an "interested stockholder" is defined to include:

- Any person that is the owner of 15% or more of the outstanding voting securities of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination; and
- The affiliates and associates of any such person.

Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation, or our certificate of incorporation, and amended and restated bylaws, or our bylaws, include provisions that:

- Our board of directors is expressly authorized to make, alter or repeal our bylaws;
- Our board of directors is divided into three classes of service with staggered three-year terms. This means that only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective terms;
- Our board of directors is authorized to issue preferred stock without stockholder approval;
- Our bylaws require advance notice for stockholder proposals and director nominations;
- Our bylaws limit the removal of directors and the filling of director vacancies; and
- We will indemnify officers and directors against losses that may incur in connection with investigations and legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures.

These provisions may make it more difficult for stockholders to take specific corporate actions and could have the effect of delaying or preventing a change in control of our company.

Exhibit 21

Subsidiaries of the Registrant

The following are subsidiaries of the Registrant as of December 31, 2021 and the jurisdiction in which each is organized. Each of the subsidiaries generally conducts its business using names indicated. Certain subsidiaries are not listed; these omitted subsidiaries individually and in the aggregate do not constitute a significant subsidiary.

	State or Country of Organization
Subsidiaries of Hill International, Inc.	
Hill International (Puerto Rico), Inc.	Delaware
Hill International N.V. *	Netherlands
Hill International Development Ltd.	British Virgin Islands
Hill International Real Estate, LLC	Pennsylvania
TCM Group, Inc.	California
Hill International (New England) Inc.	Massachusetts
Hill International Engineering Consultancy, LLC	Oman
Hill International (Canada), Inc.	Canada
Hill International S.A.S.	Colombia
Hill International Nominee Inc.	Marshall Islands
Hill International Holdings Ltd.	Malta
Hill International Technical Services, Inc.	New York
Subsidiaries of Hill International N.V.	
SIA Hill International (Baltic)	Latvia
Hill International (UK) Ltd.*	England
Hill International (Hellas) S.A.	Greece
Hill International (Middle East) Ltd.*	British Virgin Islands
Hill Construction Management Ltd.	Serbia
Hill International (Libya) Ltd.	Malta
Hill International (North Africa) Ltd.	Egypt
Hill Facilities Management Ltd. (Egypt)	Egypt
Asia/Pacific Hill International Holding PTE Ltd. *	Singapore
Hill International (Spain), S.A.*	Spain
Binnington Copeland & Associates (Pty.) Ltd.	South Africa
BCA Training (Pty.) Ltd.	South Africa
Hill International Proje Yonetimi ve Danismanlik A.S.	Turkey
Hill International Construction Consultancy (Cyprus) Limited Consultancy, LLC	Cyprus
Hill International Constructing Consultancy Pakistan (Private) Limited	Pakistan
Hill Construction Consultancy Dooel Skopje	Macedonia
Hill International (Azerbaijan) Limited	Azerbaijan
Hill International (Colombia) SAS	Colombia
Hill International (Switzerland) SA	Switzerland
Hill International BH do.o	Bosnia
Hill International Facility Services B.V.	Netherlands
Hill International Limited	England
Hill International Project Management (India) Private Limited *	India
Hill International	Morocco
Hill International Sp. Zo.o	Poland
Hill International Tunisia LLC	Tunisia
Beijing Hill Construction Consulting Co. Ltd	China
Hill International (Hong Kong) Ltd	Hong Kong
Hill International (Germany) GmbH	Germany
Hill International (Bucharest) SRL	Romania
Subsidiaries of Hill International (UK) Ltd.	
Knowles Limited	England
Subsidiaries of Hill International (Spain), S.A.	
Hill International de Mexico, S.A. de C.V.	Mexico

Subsidiaries of Asia/Pacific Hill Holdings PTE Ltd.	
Hill International Vietnam Co. Limited	Vietnam
Subsidiaries of Hill International Project Management (India) Private Limited (UK) Ltd.	
Hill International Cost Consultancy (India) Private Limited	India
Subsidiaries of Hill International (Middle East) Ltd	
Hill International (Middle East) Ltd./Jordan LLC	Jordan
Hill Construction Consultancy d.o.o. Sarajevo	Bosnia/Herzegovina

*Parent corporation of additional subsidiaries

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated March 31, 2022, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Hill International, Inc. on Form 10-K for the year ended December 31, 2021. We consent to the incorporation by reference of said reports in the Registration Statements of Hill International, Inc. on Forms S-8 (File Nos. 333-137512, 333-141814, 333-152145, 333-155332, 333-160101, 333-174737, 333-182282, 333-189547, 333-196834 and 333-228198).

/s/ Grant Thornton

Philadelphia, Pennsylvania
March 31, 2022

Exhibit 31.1

Section 302 Certification of Chief Executive Officer

I, Raouf S. Ghali, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hill International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2022	/s/ *Raouf S. Ghali*
	Raouf S. Ghali
	Chief Executive Officer

Exhibit 31.2

Section 302 Certification of Chief Financial Officer

I, Todd Weintraub, certify that:

1. I have reviewed this Annual Report on Form 10-K of Hill International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 31, 2022

/s/ *Todd Weintraub*
Todd Weintraub
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION PURSUANT TO 18 U. S. C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Hill International, Inc. (the "Company") on Form 10-K for the period ended December 31, 2021 (the "Report"), I, Raouf S. Ghali, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *Raouf S. Ghali*
Raouf S. Ghali
Chief Executive Officer

Dated: March 31, 2022

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATION PURSUANT TO 18 U. S. C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Annual Report of Hill International, Inc. (the “Company”) on Form 10-K for the period ended December 31, 2021 (the “Report”), I, Todd Weintraub, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *Todd Weintraub*
Todd Weintraub
Senior Vice President and Chief Financial Officer

Dated: March 31, 2022