



WORLD HELP

Financial Statements
With Independent Auditors' Report

March 31, 2023 and 2022

WORLD HELP

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses - 2023	6
Statement of Functional Expenses - 2022	7
Notes to Financial Statements	8

INDEPENDENT AUDITORS' REPORT

Board of Directors
World Help
Forest, Virginia

Opinion

We have audited the accompanying financial statements of World Help, which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Help as of March 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of World Help and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors
World Help
Forest, Virginia

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of World Help's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about World Help's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLP

New York, New York
August 10, 2023

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Statements of Financial Position

	March 31,	
	2023	2022
ASSETS:		
Cash and cash equivalents	\$ 2,527,776	\$ 4,665,613
Restricted cash	-	769,152
	2,527,776	5,434,765
Investments	2,097,690	2,133,117
Prepaid expenses and other assets	585,712	324,708
Inventory	5,650,719	1,388,026
Property and equipment—net	3,141,242	573,438
Investments held for long term purposes	1,325,142	1,281,042
	\$ 15,328,281	\$ 11,135,096
Total Assets	\$ 15,328,281	\$ 11,135,096
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 599,704	\$ 476,149
Accrued payroll and payroll taxes	248,934	208,452
Grants payable	352,899	307,722
Deferred revenue	242,926	169,466
Notes payable	144,013	148,568
Total liabilities	1,588,476	1,310,357
Net assets:		
Without donor restrictions	13,342,439	8,418,781
With donor restrictions	397,366	1,405,958
Total net assets	13,739,805	9,824,739
Total Liabilities and Net Assets	\$ 15,328,281	\$ 11,135,096

See notes to financial statements

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Statements of Activities

	Year Ended March 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions:						
Cash	\$ 15,118,658	\$ 348,128	\$ 15,466,786	\$ 17,398,257	\$ 1,374,108	\$ 18,772,365
Non-financial assets	22,948,063	-	22,948,063	19,385,661	-	19,385,661
Government grant revenue	75,000	-	75,000	416,070	-	416,070
Special events–net	2,324,617	-	2,324,617	1,821,611	-	1,821,611
Product sales	5,055	-	5,055	925	-	925
Investment income (loss)	(66,401)	-	(66,401)	43,994	-	43,994
Other income	23,867	-	23,867	45,982	-	45,982
Total support and revenue	40,428,859	348,128	40,776,987	39,112,500	1,374,108	40,486,608
RECLASSIFICATIONS:						
Satisfaction of program restrictions	1,356,720	(1,356,720)	-	855,171	(855,171)	-
EXPENSES:						
Program services:						
International ministries	29,605,141	-	29,605,141	30,257,525	-	30,257,525
Outreach ministries	659,421	-	659,421	371,625	-	371,625
Total program services	30,264,562	-	30,264,562	30,629,150	-	30,629,150
Supporting activities:						
Management and general	3,490,747	-	3,490,747	3,393,074	-	3,393,074
Fundraising	3,106,612	-	3,106,612	2,103,883	-	2,103,883
Total supporting activities	6,597,359	-	6,597,359	5,496,957	-	5,496,957
Total expenses	36,861,921	-	36,861,921	36,126,107	-	36,126,107
Change in Net Assets	4,923,658	(1,008,592)	3,915,066	3,841,564	518,937	4,360,501
Net Assets, Beginning of Year	8,418,781	1,405,958	9,824,739	4,577,217	887,021	5,464,238
Net Assets, End of Year	\$ 13,342,439	\$ 397,366	\$ 13,739,805	\$ 8,418,781	\$ 1,405,958	\$ 9,824,739

See notes to financial statements

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Statements of Cash Flows

	Year Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,915,066	\$ 4,360,501
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	101,214	80,701
Net realized and unrealized loss on investments	187,730	49,741
Net gain on sale of equipment	(3,090)	(37,810)
Net change in donated non-financial asset inventory	(4,281,021)	(738,824)
Forgiveness of Paycheck Protection Program loan (Note 2)	-	(376,070)
Contributions for building fund	(120,701)	(769,152)
Changes in:		
Prepaid expenses and other assets	(261,004)	(240,751)
Purchased inventory	18,328	(13,227)
Accounts payable and accrued expenses	123,555	159,781
Accrued payroll and payroll taxes	40,482	13,333
Grants payable	45,177	115,504
Deferred revenue	73,460	(9,804)
Net Cash Provided (Used) by Operating Activities	(160,804)	2,593,923
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(2,670,701)	(119,289)
Proceeds from sale of property and equipment	4,773	39,500
Purchase of investments	(2,090,932)	(3,434,597)
Proceeds from sale of investments	1,894,529	1,299,785
Net Cash Used by Investing Activities	(2,862,331)	(2,214,601)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable and capital lease obligation	(4,555)	(33,842)
Contributions for building fund	120,701	769,152
Net Cash Provided by Financing Activities	116,146	735,310
Change in Cash and Cash Equivalents and Restricted Cash	(2,906,989)	1,114,632
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	5,434,765	4,320,133
Cash and Cash Equivalents and Restricted Cash, End of Year	\$ 2,527,776	\$ 5,434,765
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 9,225	\$ 14,050
Forgiveness of Paycheck Protection Program loan (Note 2)	\$ -	\$ 376,070

See notes to financial statements

WORLD HELP

Statement of Functional Expenses

Year Ended March 31, 2023

	Program Services			Supporting Activities			Cost of	
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting	Direct Benefit to Donors	Total
Humanitarian aid	\$ 18,667,042	\$ -	\$ 18,667,042	\$ -	\$ -	\$ -	\$ -	\$ 18,667,042
Contributions to ministry partners	8,620,339	136,097	8,756,436	-	196,487	196,487	-	8,952,923
Payroll and employee benefits	1,129,416	171,469	1,300,885	1,920,135	1,233,435	3,153,570	-	4,454,455
Professional fees	-	297,057	297,057	577,444	406,293	983,737	-	1,280,794
Postage and freight	994,321	41	994,362	23,783	344,514	368,297	-	1,362,659
Travel	40,630	64	40,694	156,797	253,623	410,420	441,211	892,325
Other	55,306	8,994	64,300	385,210	129,570	514,780	5,581	584,661
Printing and mailing	-	44,760	44,760	32,964	402,842	435,806	-	480,566
Taxes and licenses	-	-	-	254,288	-	254,288	-	254,288
Promotional	-	-	-	73,407	132,955	206,362	28,337	234,699
Depreciation	45,169	-	45,169	56,045	-	56,045	-	101,214
Rent	52,918	939	53,857	10,674	6,893	17,567	-	71,424
Total expenses	29,605,141	659,421	30,264,562	3,490,747	3,106,612	6,597,359	475,129	37,337,050
Less cost of direct benefit to donors	-	-	-	-	-	-	(475,129)	(475,129)
Total expenses on statements of activities	\$ 29,605,141	\$ 659,421	\$ 30,264,562	\$ 3,490,747	\$ 3,106,612	\$ 6,597,359	\$ -	\$ 36,861,921

See notes to financial statements

WORLD HELP

Statement of Functional Expenses

Year Ended March 31, 2022

	Program Services			Supporting Activities			Cost of	
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting	Direct Benefit to Donors	Total
Humanitarian aid	\$ 18,646,837	\$ -	\$ 18,646,837	\$ -	\$ -	\$ -	\$ -	\$ 18,646,837
Contributions to ministry partners	9,831,168	142,802	9,973,970	-	48,381	48,381	-	10,022,351
Payroll and employee benefits	964,029	176,890	1,140,919	1,583,594	1,032,557	2,616,151	-	3,757,070
Professional fees	-	512	512	907,427	64	907,491	-	908,003
Postage and freight	592,946	4	592,950	61,401	332,912	394,313	-	987,263
Travel	54,888	104	54,992	73,556	108,726	182,282	285,834	523,108
Other	54,434	7,546	61,980	350,074	106,648	456,722	22,085	540,787
Printing and mailing	-	41,869	41,869	14,869	375,510	390,379	-	432,248
Taxes and licenses	-	-	-	255,958	-	255,958	-	255,958
Promotional	-	-	-	69,794	97,747	167,541	24,316	191,857
Depreciation	14,598	676	15,274	65,342	85	65,427	-	80,701
Rent	98,625	1,222	99,847	11,059	1,253	12,312	-	112,159
Total expenses	30,257,525	371,625	30,629,150	3,393,074	2,103,883	5,496,957	332,235	36,458,342
Less cost of direct benefit to donors	-	-	-	-	-	-	(332,235)	(332,235)
Total expenses on statements of activities	\$ 30,257,525	\$ 371,625	\$ 30,629,150	\$ 3,393,074	\$ 2,103,883	\$ 5,496,957	\$ -	\$ 36,126,107

See notes to financial statements

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

1. NATURE OF ORGANIZATION:

World Help (Organization) was incorporated as a not-for-profit organization in 1991, and is a Christian humanitarian organization serving the physical and spiritual needs of people in impoverished communities around the world. The Organization's primary activities are described below:

International Programs—The Organization works with partners to provide humanitarian, medical and educational assistance and ensuring clean water and people's spiritual needs are met by providing Bibles and establishing churches in as many communities as possible.

Outreach Ministries—The Organization's outreach ministries primarily consists of "Children of the World", which is a program designed to educate the perils of children in the developing world. Annually, the Organization forms a choir of children from its child sponsorship program and tours the United States to promote awareness of the needs of children to overcome malnutrition, obtain clean water, education, etc. This ministry was temporarily stopped in March 2020 until further notice, due to the implications of Covid-19.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, the Organization is subject to federal income tax on any unrelated business taxable income. In addition, the Organization is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES:

The Organization prepares its financial statements on the accrual basis of accounting. The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The more significant accounting policies are described below.

CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Organization considers cash and cash equivalents to be amounts in checking and savings accounts, cash on hand, and all highly liquid investments with a maturity of three months or less when purchased, unless held for reinvestment as part of the investment portfolio. The Organization utilizes a sweep account to minimize its exposure on uninsured balances. As of March 31, 2023 and 2022, the cash accounts exceeded FDIC insured limits by approximately \$118,000 and \$296,000, respectively. As of March 31, 2023, the Organization had no restricted cash. As of March 31, 2022, restricted cash included cash held for a building project.

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

The Organization's primary investment objective is to preserve and protect its assets by earning a total return for each account appropriate to their liquidity requirements, distribution requirements, and risk tolerance. Investments are stated at fair value, except for cash equivalents, closely held stock and a note receivable which are reported at cost.

As of March 31, 2023, investments include a note receivable in the amount of \$400,000 that is unsecured with an interest rate of 10% with principal and accrued interest due on the maturity date of June 16, 2023. Management expects the payment of the note receivable to be fully collectible, therefore no allowance was deemed necessary as of March 31, 2023.

INVENTORY

Inventory procured by the Organization is stated at the lower of cost or net realizable value, which is determined using the first-in, first-out method. The Organization receives donations of medical equipment, medical supplies, other supplies, clothing and food for use in the Organization's humanitarian aid programs. Contributed non-financial assets are valued at their estimated fair value on the date of donation. Fair value is determined using the market approach. This approach uses prices and other relevant information generated for market transactions involving comparable assets. Donations of non-financial asset inventory included in total contributions received were \$22,948,063 and \$19,385,661 for the years ended March 31, 2023 and 2022, respectively.

For the years ended March 31, 2023 and 2022, \$16,048,195 and \$15,988,695, respectively, of donated non-financial asset inventory was delivered to the Organization before being distributed and the remaining amounts of \$2,618,847 and \$2,658,142, respectively, were shipped directly from the donor to other organizations. Donated inventory distributed is reported as a component of humanitarian aid in the statements of functional expenses, as the donated inventory is used to support program services. As of March 31, 2023 and 2022, \$5,638,306 and \$1,357,285, respectively, of donated non-financial asset inventory was not distributed and remained on hand (Note 6).

FIXED ASSETS AND DEPRECIATION

Property and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for property and equipment over \$2,000 with a useful life in excess of one year. The fair value of donated fixed assets are similarly capitalized. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

Buildings and improvements	7-39 years
Office equipment and computers	3-7 years
Office furniture	7 years
Vehicles	5 years

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FIXED ASSETS AND DEPRECIATION, continued

The Organization reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property and equipment. There were no impairment losses recognized for the years ended March 31, 2023 and 2022.

INTENTIONS TO GIVE

During the year ended March 31, 2022, the Organization began an approximately two year campaign called Building Hope for funding the construction of a new warehouse for the Organization to own rather than renting warehouse space. As of March 31, 2023 and 2022, there were approximately \$-0- and \$335,000, respectively, of outstanding intentions to give towards the Building Hope campaign. The intentions to give may be rescinded by the donors at any time and are not considered to be unconditional promises to give. Intentions to give are not recognized as contributions with donor restrictions until received. The warehouse project was funded by this campaign and cash reserves.

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

The Organization follows the provisions of the *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Level 1

Quoted prices in active markets for identical assets or liabilities.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES, continued

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments

Investments include marketable equity securities, exchange-traded funds, and mutual funds and are recorded at fair value based on readily determinable values which are considered Level 1 under the *Fair Value* topic of the FASB ASC. The fair value of the Level 1 securities are determined by reference to quoted market prices and other relevant information generated by market transactions. The Organization also has included in investments notes receivable, cash and cash equivalents held in brokerage accounts and closely held stock reported at cost.

PAYCHECK PROTECTION PROGRAM LOAN

The Organization received a second draw of the Paycheck Protection Program loan (PPPL) from the U.S. Small Business Administration (SBA) totaling approximately \$749,000 as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The second draw PPPL dated February 11, 2021, had a fixed interest rate of 1.00% per annum and a maturity date of February 11, 2026. The Organization recognized grant revenue for eligible expenses of approximately \$373,000 for the year ended March 31, 2021. The remaining portion of approximately \$376,000 was recognized as grant revenue for the year ended March 31, 2022. As of March 31, 2022, the Organization has received forgiveness from the SBA for the second draw of the PPPL.

NET ASSETS

The Organization classifies net assets into two categories: without donor restrictions and with donor restrictions. All net assets are considered to be available for use unless specifically restricted by the donor or by law. Board designated net assets are a component of net assets without donor restrictions and include funds set aside to begin funding a retirement plan for the Organization's Founder and funds set aside for growth. Net assets with donor restrictions include contributions with temporary, donor-imposed time or purpose restrictions. Net assets with donor-imposed time or purpose restrictions become without donor restrictions and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose.

SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS

Revenue is reported when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Deferred revenue represents event and conference fees received before fiscal year end that have not yet been earned as the related events are occurring after fiscal year end.

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS, continued

Contributions and grants are recorded as with donor restrictions if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions, which have been received and fully expended for their intended purposes within the reporting period, are reported as without donor restrictions. Donor restricted contributions are subject to assessments based on a level of administrative and fundraising efforts for each specific funding. Assessments are classified as contributions without donor restrictions at the time the contributions are received.

The Organization receives donations of medical equipment, medical supplies, other supplies, clothing and food for use in relief and development programs. Contributed non-financial assets are reported as support in the statements of activities at their estimated fair value on the date of donation. In accordance with Interagency Standards established by the Accord Network, the Organization only records the value of contributed non-financial assets for which it receives and exercises variance power, which is the discretion to distribute or redistribute the commodity without the donor's prior consent in accordance with its mission and purpose. See additional disclosures about contributed non-financial assets in Note 5.

GOVERNMENT GRANT REVENUE

Government grant revenue is recognized in the period earned, which is when eligible expenses are incurred. The Organization reports conditional government grants in which the restriction is met in the same fiscal year as government grant revenue without donor restrictions.

ALLOCATION OF FUNCTIONAL EXPENSES

Expenses are reported when incurred. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. These expenses include depreciation, salaries and benefits, and other expenses. These expenses are allocated based on time and efforts or based on the programmatic purpose of the asset being depreciated. Costs of other categories were allocated based on programmatic purpose of the employees directly affected by the expense.

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ADOPTED ACCOUNTING STANDARDS

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed non-financial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed non-financial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, disaggregated by category the types of contributed non-financial assets received, and valuation techniques. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions, as well as board designations, within one year of the statements of financial position date.

	March 31,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 2,527,776	\$ 4,665,613
Restricted cash	-	769,152
Investments	2,097,690	2,133,117
Investments held for long term purposes	1,325,142	1,281,042
Financial assets, at year end	<u>5,950,608</u>	<u>8,848,924</u>
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted cash	-	(769,152)
Board designated net assets	(1,325,142)	(1,281,042)
	<u>(1,325,142)</u>	<u>(2,050,194)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,625,466</u>	<u>\$ 6,798,730</u>

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

The Organization is substantially supported by contributions on an unrestricted and restricted basis. Those contributions with donor restrictions require resources to be used in a particular manner or in a future period. The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. At March 31, 2023 and 2022, the Organization has \$397,366 and \$1,405,958, respectively, in net assets with donor restrictions for projects, bibles, and other purposes, of which \$397,366 and \$636,806, respectively, was considered available to meet needs for general expenditures within one year. Additionally, as discussed in Note 2, donor restricted contributions are charged an administrative fee in order to offset the costs of administering those activities.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage liquidity needs, the Organization maintains a line of credit in the amount of \$1,000,000, of which the Organization had borrowing capacity of \$1,000,000 available as of both March 31, 2023 and 2022 (Note 8).

4. INVESTMENTS:

Investments consist of:

	March 31,	
	2023	2022
Investments at cost:		
Cash equivalents held in brokerage accounts	\$ 32,125	\$ 40,889
Notes receivable–net (including accrued interest)	431,667	-
Closely held stock	3,658	3,658
	<u>467,450</u>	<u>44,547</u>
Investments at fair value (Level 1):		
Marketable equity securities	170,458	170,376
Exchange-traded funds	1,788,837	1,795,373
Mutual funds	996,087	1,403,863
	<u>\$ 3,422,832</u>	<u>\$ 3,414,159</u>

Investments are reported in the statements of financial position as follows:

	March 31,	
	2023	2022
Investments	\$ 2,097,690	\$ 2,133,117
Investment held for long-term purposes	1,325,142	1,281,042
	<u>\$ 3,422,832</u>	<u>\$ 3,414,159</u>

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

4. INVESTMENTS, continued:

Investment income (loss) reported in the statements of activities consists of:

	<u>Year Ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 121,329	\$ 93,735
Net realized and unrealized losses on investments	(187,730)	(49,741)
	<u>\$ (66,401)</u>	<u>\$ 43,994</u>

5. CONTRIBUTED NON-FINANCIAL ASSETS:

Contributed non-financial assets consist of the following:

	<u>March 31,</u>	
	<u>2023</u>	<u>2022</u>
Donated clothing and other supplies	\$ 10,640,958	\$ 5,312,686
Donated medical supplies and equipment	9,329,185	11,615,344
Donated food	2,977,920	2,457,631
	<u>\$ 22,948,063</u>	<u>\$ 19,385,661</u>

Contributed non-financial assets are reported at the estimated fair value on the date of donation. The Organization estimates fair value base on available markets, condition, quantity and quality of the item(s) being donated, as well as the available pricing sources. As part of the Organization's annual research, prices are compiled from seven different sources for generic, like-kind items received the previous year (typically from retailers or manufacturers), removing the highest and lowest values and assigning 50% of the average of the remaining five values, then rounding the final number to obtain the "exit" value. In the event the Organization determines an item(s) is under or over-valued after an initial value is assigned, the Organization conducts additional research on the specific item(s) received utilizing the product information collected during the receipting process and adjusting a product(s) value accordingly.

For the years ended March 31, 2023 and 2022, all contributed non-financial assets are without donor restrictions, and are utilized for the Organization's program services. The Organization does not hold contributed nonfinancial assets for sale.

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

6. INVENTORY:

Inventory consists of:

	March 31,	
	2023	2022
Donated medical supplies and equipment	\$ 3,186,953	\$ 1,048,825
Donated clothing and other supplies	2,451,352	308,460
Books and media	12,414	30,741
	\$ 5,650,719	\$ 1,388,026

7. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	March 31, 2023		
	Cost	Accumulated Depreciation	Net
Land	\$ 144,406	\$ -	\$ 144,406
Buildings and improvements	3,303,291	(437,560)	2,865,731
Office equipment	451,806	(321,149)	130,657
Office furniture	28,816	(28,368)	448
Transportation equipment	74,100	(74,100)	-
	4,002,419	(861,177)	3,141,242
Construction in process	-	-	-
	\$ 4,002,419	\$ (861,177)	\$ 3,141,242
	March 31, 2022		
	Cost	Accumulated Depreciation	Net
Land	\$ 144,406	\$ -	\$ 144,406
Buildings and improvements	659,272	(388,065)	271,207
Office equipment	414,802	(357,770)	57,032
Office furniture	28,816	(26,578)	2,238
Transportation equipment	220,004	(216,921)	3,083
	1,467,300	(989,334)	477,966
Construction in process	95,472	-	95,472
	\$ 1,562,772	\$ (989,334)	\$ 573,438

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

8. REVOLVING LINE OF CREDIT:

The Organization maintains a \$1,000,000 revolving line of credit with a financial institution with variable interest payable monthly, secured by a deed of trust on the land and building. The outstanding balance and any unpaid interest is payable on demand. As of March 31, 2023 and 2022, there was no outstanding balance.

9. NOTES PAYABLE:

Notes payable consists of:

	March 31,	
	2023	2022
Economic Injury Disaster Loan (EIDL), secured by business assets, with an interest rate of 2.75% and a maturity date of June 25, 2050. The loan is payable in monthly principal and interest payments of \$641 beginning June 25, 2021.	\$ 144,013	\$ 147,625
Note payable to a financial institution with a fixed interest rate of 3.04%. The note is payable in monthly installments of \$945 and secured by a vehicle. The note matured in April 2022.	-	943
	\$ 144,013	\$ 148,568

Future estimated maturities of notes payable are as follows:

<u>Year Ending March 31,</u>	
2024	\$ 3,462
2025	3,877
2026	3,985
2027	4,096
2028	4,210
Thereafter	124,383
	\$ 144,013

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

9. NOTES PAYABLE, continued:

CONSTRUCTION LOAN AGREEMENT

On December 20, 2021, the Organization entered into a construction loan agreement for a principal amount not to exceed \$1,524,500 and is secured by the Organization's real property as defined in the agreement. The loan would have been disbursed based on the Organization applying for advances as the construction progresses and costs are incurred. The loan's initial interest rate was variable, based upon prime + .125%, and could reset daily based upon changes in the index rate. Monthly interest payments were due during the first 12 months of the agreement once borrowing was initiated. Monthly principal and interest payments would have begun on January 20, 2023, based upon the variable index rate as defined in the agreement. Any unpaid principal and interest was due at maturity on December 20, 2031. As of March 31, 2023 and 2022, no advances on the loan were made and the loan was closed as of March 31, 2023.

DEBT COVENANTS

The Organization is currently in compliance with or had obtained waivers for all debt covenant requirements as of March 31, 2023 and 2022.

10. NET ASSETS:

Net assets consists of:

	March 31,	
	2023	2022
Without donor restrictions:		
Available for operations	\$ 12,017,297	\$ 7,137,739
Board designated - growth fund	753,784	793,123
Board designated - retirement fund	571,358	487,919
Total without donor restrictions	<u>13,342,439</u>	<u>8,418,781</u>
With donor restrictions:		
Subject to expenditure for specified purpose or passage of time:		
Ministry projects	338,865	594,964
Other purposes	51,292	31,292
Bibles	7,209	10,550
Building fund	-	769,152
Total with donor restrictions	<u>397,366</u>	<u>1,405,958</u>
Total net assets	<u>\$ 13,739,805</u>	<u>\$ 9,824,739</u>

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

10. NET ASSETS, continued:

During the year ended March 31, 2022, the Organization received permission from the donors to the endowment fund to release the original gift amount of the endowment fund. The Organization reclassified these amounts totaling \$64,300 to net assets without donor restrictions.

11. SPECIAL EVENTS - NET:

The Organization hosts semi-annual Global Impact Summits as well as golf tournaments, running races and other events with the proceeds of the events going to the Organization. Special events consist of:

	Year Ended March 31,	
	2023	2022
Contributions	\$ 2,565,969	\$ 1,872,184
Revenue	233,777	281,662
Less: direct expenses	(475,129)	(332,235)
	<u>\$ 2,324,617</u>	<u>\$ 1,821,611</u>

12. COMMITMENTS:

LETTERS OF CREDIT

Related to the construction project for the warehouse that started during the year ended March 31, 2022, and was completed during the year ended March 31, 2023, the Organization is required to maintain letters of credit totaling \$42,069 and \$92,248 as of both March 31, 2023 and 2022, with the County of Bedford, Virginia, and Bedford Regional Water Authority as the beneficiaries, respectively. The letters of credit are secured by a deed of trust on the land and building. The Organization expects the letters of credit to expire and be released during the year ended March 31, 2024.

13. RETIREMENT PLAN:

The Organization has established a Safe Harbor 401(k) retirement plan effective January 1, 2023, covering all employees who are 18 years of age or older and who have met the required eligibility waiting period. Prior to December 31, 2022, the Organization had a SIMPLE IRA retirement plan covering all employees who were reasonably expected to receive at least \$5,000 in compensation for a calendar year. The plans allow for employee contributions to the plan up to the maximum allowed by the Internal Revenue Service. The Organization matches 100% of each employee's contributions up to a maximum of 3% of gross wages. For the year ended March 31, 2023, the Organization modified the contributions and matched 50% of each employee's contributions that exceed 3% up to 5%. The Organization contributed \$58,373 and \$47,509 for the years ended March 31, 2023 and 2022, respectively.

WORLD HELP

Notes to Financial Statements

March 31, 2023 and 2022

14. RELATED PARTY TRANSACTIONS:

Members of the board of directors, individually or through their business interests, contributed approximately \$1,716,000 and \$1,868,000 to the Organization during the years ended March 31, 2023 and 2022, respectively.

15. DONOR CONCENTRATION:

Three donors provided approximately 89% of donated non-financial assets received by the Organization for the year ended March 31, 2023. Four donors provided approximately 86% of donated non-financial assets received by the Organization for the year ended March 31, 2022, of which three donors were the same as for the year ended March 31, 2023. The organizational implications of these concentrations are recognized by management and the board.

16. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through August 10, 2023, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.