



WORLD HELP

Financial Statements
With Independent Auditors' Report

March 31, 2024 and 2023

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 - 2024	6
Statement of Functional Expenses - 2023	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, 2024 and 2023, 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, 2024 and 2023, 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
July 12, 2024

WORLD HELP

Statements of Financial Position

	March 31,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 2,001,520	\$ 2,527,776
Investments	2,153,759	2,097,690
Prepaid expenses and other assets	444,935	598,126
Gift-in-kind inventory	403,580	5,638,305
Property and equipment–net	3,084,634	3,141,242
Investments held for long term purposes	1,605,839	1,325,142
Total Assets	\$ 9,694,267	\$ 15,328,281
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 276,996	\$ 599,704
Accrued payroll and payroll taxes	212,945	248,934
Grants payable	314,969	352,899
Deferred revenue	225,841	242,926
Notes payable	140,226	144,013
Total liabilities	1,170,977	1,588,476
Net assets:		
Without donor restrictions	8,163,613	13,342,439
With donor restrictions	359,677	397,366
Total net assets	8,523,290	13,739,805
Total Liabilities and Net Assets	\$ 9,694,267	\$ 15,328,281

See notes to financial statements

WORLD HELP

Statements of Activities

	Year Ended March 31,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions:						
Cash	\$ 13,022,528	\$ 304,388	\$ 13,326,916	\$ 15,118,658	\$ 348,128	\$ 15,466,786
Non-financial assets (Note 5)	22,155,744	-	22,155,744	22,948,063	-	22,948,063
Government grant revenue	44,310	-	44,310	75,000	-	75,000
Special events–net	1,899,754	-	1,899,754	2,324,617	-	2,324,617
Product sales	4,777	-	4,777	5,055	-	5,055
Investment income (loss)	289,643	-	289,643	(66,401)	-	(66,401)
Other income	6,143	-	6,143	23,867	-	23,867
Total Support and Revenue	37,422,899	304,388	37,727,287	40,428,859	348,128	40,776,987
RECLASSIFICATIONS:						
Satisfaction of program restrictions	342,077	(342,077)	-	1,356,720	(1,356,720)	-
EXPENSES:						
Program services:						
International ministries	36,566,125	-	36,566,125	29,605,141	-	29,605,141
Outreach ministries	353,486	-	353,486	659,421	-	659,421
Total program services	36,919,611	-	36,919,611	30,264,562	-	30,264,562
Supporting activities:						
Management and general	3,352,129	-	3,352,129	3,490,747	-	3,490,747
Fundraising	2,672,062	-	2,672,062	3,106,612	-	3,106,612
Total supporting activities	6,024,191	-	6,024,191	6,597,359	-	6,597,359
Total Expenses	42,943,802	-	42,943,802	36,861,921	-	36,861,921
Change in Net Assets	(5,178,826)	(37,689)	(5,216,515)	4,923,658	(1,008,592)	3,915,066
Net Assets, Beginning of Year	13,342,439	397,366	13,739,805	8,418,781	1,405,958	9,824,739
Net Assets, End of Year	\$ 8,163,613	\$ 359,677	\$ 8,523,290	\$ 13,342,439	\$ 397,366	\$ 13,739,805

See notes to financial statements

WORLD HELP

Statements of Cash Flows

	Year Ended March 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (5,216,515)	\$ 3,915,066
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	146,432	101,214
Net realized and unrealized (gain) loss on investments	(91,842)	187,730
Net gain on sale of equipment	-	(3,090)
Net change in donated gift-in-kind inventory	5,234,725	(4,281,021)
Contributions for building fund	-	(120,701)
Changes in:		
Prepaid expenses and other assets	153,191	(261,004)
Accounts payable and accrued expenses	(322,708)	141,883
Accrued payroll and payroll taxes	(35,989)	40,482
Grants payable	(37,930)	45,177
Deferred revenue	(17,085)	73,460
Net Cash Used by Operating Activities	(187,721)	(160,804)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(89,824)	(2,670,701)
Proceeds from sale of property and equipment	-	4,773
Purchase of investments	(3,132,035)	(2,090,932)
Proceeds from sale of investments	2,887,111	1,894,529
Net Cash Used by Investing Activities	(334,748)	(2,862,331)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable and capital lease obligation	(3,787)	(4,555)
Contributions for building fund	-	120,701
Net Cash Provided (Used) by Financing Activities	(3,787)	116,146
Change in Cash and Cash Equivalents	(526,256)	(2,906,989)
Cash and Cash Equivalents, Beginning of Year	2,527,776	5,434,765
Cash and Cash Equivalents, End of Year	\$ 2,001,520	\$ 2,527,776
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 8,928	\$ 9,225

See notes to financial statements

WORLD HELP

Statement of Functional Expenses

Year Ended March 31, 2024

	Program Services			Supporting Activities			Cost of Direct Benefit to Donors	Total
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting		
Gift-in-kind humanitarian aid	\$ 27,390,469	\$ -	\$ 27,390,469	\$ -	\$ -	\$ -	\$ -	\$ 27,390,469
Contributions to ministry partners	6,857,941	134,696	6,992,637	-	201,578	201,578	-	7,194,215
Payroll and employee benefits	1,276,036	166,376	1,442,412	1,932,341	1,317,361	3,249,702	-	4,692,114
Postage and freight	838,285	-	838,285	21,759	308,046	329,805	-	1,168,090
Travel	62,421	-	62,421	153,793	261,000	414,793	394,726	871,940
Professional fees	-	935	935	490,824	117	490,941	890	492,766
Other	48,235	6,249	54,484	381,287	47,773	429,060	9,997	493,541
Printing and mailing	-	44,440	44,440	21,883	399,963	421,846	-	466,286
Promotional	-	-	-	58,112	129,914	188,026	39,275	227,301
Taxes and licenses	-	-	-	223,151	-	223,151	-	223,151
Depreciation	86,678	-	86,678	59,754	-	59,754	-	146,432
Rent	6,060	790	6,850	9,225	6,310	15,535	-	22,385
Total expenses	36,566,125	353,486	36,919,611	3,352,129	2,672,062	6,024,191	444,888	43,388,690
Less cost of direct benefit to donors	-	-	-	-	-	-	(444,888)	(444,888)
Total expenses on statements of activities	\$ 36,566,125	\$ 353,486	\$ 36,919,611	\$ 3,352,129	\$ 2,672,062	\$ 6,024,191	\$ -	\$ 42,943,802

See notes to financial statements

WORLD HELP

Statement of Functional Expenses

Year Ended March 31, 2023

	Program Services			Supporting Activities			Cost of Direct Benefit to Donors	Total
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting		
Gift-in-kind 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
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
Professional fees	-	297,057	297,057	577,444	406,293	983,737	-	1,280,794
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
Promotional	-	-	-	73,407	132,955	206,362	28,337	234,699
Taxes and licenses	-	-	-	254,288	-	254,288	-	254,288
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

Notes to Financial Statements

March 31, 2024 and 2023

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 consist of "Children of the World", which is a program designed to educate audiences in the United States of the perils faced by children in the developing world. Annually, the Organization formed a choir of children from its child sponsorship programs around the world. The choir toured the United States to promote awareness of the needs of children to overcome malnutrition, obtain clean water, education, etc. The in-person, touring element of the ministry was stopped in March 2020, until further notice, due to the implications of Covid-19; however, the recorded music produced over two decades of touring, continues to impact lives around the world. In addition to this, the outreach ministry continues to invest in choir alum, who, upon graduating from their sponsorship programs, are each granted a four-year scholarship to a local college or technical institution of their choosing for having participated on the Children of the World International Children's Choir for a tour year.

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, 2024 and 2023, the cash accounts exceeded FDIC insured limits by approximately \$181,000 and \$118,000, respectively. As of March 31, 2024 and 2023, the Organization had no restricted cash.

WORLD HELP

Notes to Financial Statements

March 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS AND INVESTMENTS HELD FOR LONG TERM PURPOSES

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 notes receivable which are reported at cost.

As of March 31, 2024, investments include two notes receivable in the amounts of \$440,000 and \$400,000 that are unsecured, with interest rates of 10%, and with principal and accrued interest due on the maturity dates of June 16, 2024 and November 10, 2024, respectively. Management expects the payment of the notes receivable to be fully collectible, therefore no allowance was deemed necessary as of March 31, 2024.

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.

GIFT-IN-KIND 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 \$22,155,744 and \$22,948,063 for the years ended March 31, 2024 and 2023, respectively.

For the years ended March 31, 2024 and 2023, \$24,681,450 and \$16,048,195, respectively, of donated non-financial asset inventory was delivered to the Organization before being distributed and the remaining amounts of \$2,709,019 and \$2,618,847, respectively, were shipped directly from the donor to other organizations. Donated inventory distributed is reported as a component of gift-in-kind humanitarian aid in the statements of functional expenses, as the donated inventory is used to support program services. As of March 31, 2024 and 2023, \$403,580 and \$5,638,306, respectively, of donated non-financial asset inventory was not distributed and remained on hand (Note 6).

WORLD HELP

Notes to Financial Statements

March 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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

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, 2024 and 2023.

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, 2024 and 2023

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 and Investments Held for Long Term Purposes

Investments and investments held for long term purposes 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.

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.

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.

WORLD HELP

Notes to Financial Statements

March 31, 2024 and 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS, continued

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.

During the year ended March 31, 2024, the Organization filed for Employee Retention Credit (ERC) funds totaling \$676,758. The Organization has taken the position that the acceptance and payment of ERC funds by the Internal Revenue Service (IRS) is the barrier to revenue recognition that must be met. As of March 31, 2024, the Organization has not received funds from the IRS, therefore no revenue has been recognized for the years ended March 31, 2024 and 2023, in the statements of activities. The ERC, is a refundable tax credit for certain eligible businesses and tax-exempt organizations that had employees and were affected during the COVID-19 pandemic. Laws and regulations concerning government programs, including the ERC, established by the CARES Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact, if any, this would have on the Organization.

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, 2024 and 2023

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,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 2,001,520	\$ 2,527,776
Investments	2,153,759	2,097,690
Investments held for long term purposes	1,605,839	1,325,142
Financial assets, at year end	<u>5,761,118</u>	<u>5,950,608</u>
Less those unavailable for general expenditure within one year, due to:		
Board designated net assets	<u>(1,605,839)</u>	<u>(1,325,142)</u>
	<u>(1,605,839)</u>	<u>(1,325,142)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,155,279</u>	<u>\$ 4,625,466</u>

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, 2024 and 2023, the Organization has \$359,677 and \$397,366, respectively, in net assets with donor restrictions for projects, bibles, and other purposes, of which \$359,677 and \$397,366, 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, 2024 and 2023 (Note 8).

WORLD HELP

Notes to Financial Statements

March 31, 2024 and 2023

4. INVESTMENTS:

Investments consist of:

	March 31,	
	2024	2023
Investments at cost:		
Cash equivalents held in brokerage accounts	\$ 27,937	\$ 32,125
Notes receivable–net (including accrued interest)	889,833	431,667
Closely held stock	3,658	3,658
	921,428	467,450
Investments at fair value (Level 1):		
Marketable equity securities	168,123	170,458
Exchange-traded funds	494,134	1,788,837
Mutual funds	2,175,913	996,087
	\$ 3,759,598	\$ 3,422,832

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

	March 31,	
	2024	2023
Investments	\$ 2,153,759	\$ 2,097,690
Investment held for long-term purposes	1,605,839	1,325,142
	\$ 3,759,598	\$ 3,422,832

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

	Year Ended March 31,	
	2024	2023
Interest and dividends	\$ 197,801	\$ 121,329
Net realized and unrealized gains (losses) on investments	91,842	(187,730)
	\$ 289,643	\$ (66,401)

WORLD HELP

Notes to Financial Statements

March 31, 2024 and 2023

5. CONTRIBUTED NON-FINANCIAL ASSETS:

Contributed non-financial assets consist of the following:

	Year Ended March 31,	
	2024	2023
Donated clothing and other supplies	\$ 13,995,825	\$ 10,640,958
Donated medical supplies and equipment	4,327,817	9,329,185
Donated food	3,832,102	2,977,920
	<u>\$ 22,155,744</u>	<u>\$ 22,948,063</u>

Gift-in-kind expenses for the year ended March 31, 2024, amounted to \$27,390,469 and are reported as gift-in-kind humanitarian aid in the statement of functional expenses. Gift-in-kind revenue for the year ended March 31, 2024, amounted to \$22,155,744 and is reported as non-financial assets under contributions in the statements of activities; the correlated expenses exceeded revenue by \$5,234,725. This was due to gift-in-kind revenue realized during the year ended March 31, 2023, but not recognized as expense until the year ended March 31, 2024, therefore, carried as a component of gift-in-kind inventory as of March 31, 2023. The timing difference between the gift-in-kind expense and revenue is the primary reason for the significant negative change in net assets for the year ended March 31, 2024, as reported in the statements of activities.

Contributed non-financial assets are reported at the estimated fair value on the date of donation. The Organization estimates fair value based on available markets, condition, quantity and quality of the item(s) being donated, as well as the available pricing sources. For the year ended March 31, 2023, as part of the Organization's annual research, prices were 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. For the year ended March 31, 2024, each donation was independently evaluated in a three step process of establishing condition, conducting research, and formulating a valuation. The Organization assigns 100% of the market value for brand new donations and either 50%, 75%, or 100% for used donations. The Organization compiles prices from seven different sources, removes the highest and lowest values, and then calculates an average from the remaining five values to determine the final fair market "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, 2024 and 2023, 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, 2024 and 2023

6. GIFT-IN-KIND INVENTORY:

Inventory consists of:

	March 31,	
	2024	2023
Donated clothing and other supplies	\$ 354,700	\$ 2,451,352
Donated medical supplies and equipment	48,880	3,186,953
	\$ 403,580	\$ 5,638,305

7. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	March 31, 2024		
	Cost	Accumulated	
		Depreciation	Net
Land	\$ 144,406	\$ -	\$ 144,406
Buildings and improvements	3,336,977	(520,261)	2,816,716
Office equipment	206,414	(125,744)	80,670
Office furniture	18,514	(18,514)	-
Transportation equipment	122,600	(79,758)	42,842
	\$ 3,828,911	\$ (744,277)	\$ 3,084,634
	March 31, 2023		
	Accumulated		
	Cost	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

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, 2024 and 2023, there was no outstanding balance. The Organization is currently in compliance with or had obtained waivers for all loan covenants as of March 31, 2024 and 2023.

WORLD HELP

Notes to Financial Statements

March 31, 2024 and 2023

9. NOTES PAYABLE:

Notes payable consists of:

	March 31,	
	2024	2023
Economic Injury Disaster Loan (EIDL), secured by business assets, with an effective 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.	\$ 140,226	\$ 144,013

Future estimated maturities of notes payable are as follows:

<u>Year Ending March 31,</u>		
2025	\$	3,558
2026		3,985
2027		4,096
2028		4,210
2029		4,327
Thereafter		120,050
	\$	140,226

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 the loan was 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, no advances on the loan were made and the loan ended as of March 31, 2023. The Organization is currently in compliance with or had obtained waivers for all loan covenant requirements as of March 31, 2024 and 2023.

WORLD HELP

Notes to Financial Statements

March 31, 2024 and 2023

10. NET ASSETS:

Net assets consists of:

	March 31,	
	2024	2023
Without donor restrictions:		
Available for operations	\$ 6,557,774	\$ 12,017,297
Board designated - growth fund	867,288	753,784
Board designated - retirement fund	738,551	571,358
Total without donor restrictions	8,163,613	13,342,439
With donor restrictions:		
Subject to expenditure for specified purpose or passage of time:		
Ministry projects	299,988	338,865
Other purposes	56,291	51,292
Bibles	3,398	7,209
Total with donor restrictions	359,677	397,366
Total net assets	\$ 8,523,290	\$ 13,739,805

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,	
	2024	2023
Contributions	\$ 2,206,727	\$ 2,565,969
Revenue	137,915	233,777
Less: direct expenses	(444,888)	(475,129)
	\$ 1,899,754	\$ 2,324,617

WORLD HELP

Notes to Financial Statements

March 31, 2024 and 2023

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 March 31, 2024 and 2023, 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 letters of credit expired and were 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 the calendar year. The plans allow for employee contributions to the plan up to the maximum allowed by the Internal Revenue Service. For the years ended March 31, 2024 and 2023, the Organization matched 50% of each employee's contributions that exceed 3% up to 5%. The Organization contributed \$133,377 and \$58,373 for the years ended March 31, 2024 and 2023, respectively.

14. RELATED PARTY TRANSACTIONS:

Members of the board of directors, individually or through their business interests, contributed approximately \$1,767,000 and \$1,716,000 to the Organization during the years ended March 31, 2024 and 2023, respectively.

15. DONOR CONCENTRATION:

Four donors provided approximately 75% of donated non-financial assets received by the Organization for the year ended March 31, 2024. Three donors provided approximately 89% of donated non-financial assets received by the Organization for the year ended March 31, 2023, of which two donors were the same as for the year ended March 31, 2024. The organizational implications of these concentrations are recognized by management and the board.

16. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through July 12, 2024, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.