

WorldHarvest
Financial Statements
December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of:
WorldHarvest

Opinion

I have audited the accompanying financial statements of WorldHarvest (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WorldHarvest as of December 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

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of WorldHarvest and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 WorldHarvest's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

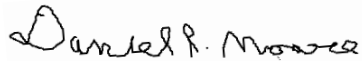
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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, I:

- 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 WorldHarvest. 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WorldHarvest's ability to continue as a going concern for a reasonable period of time.

I am 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.

A handwritten signature in black ink that reads "Daniel R. Monroe". The signature is written in a cursive style with a large initial 'D'.

Tempe City, CA
March 25, 2025

WORLDHARVEST
STATEMENTS OF FINANCIAL POSITION

| <u>ASSETS</u> | December 31, | |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| Current assets: | | |
| Cash and cash equivalent | \$ 246,902 | \$ 246,700 |
| Accounts receivable - IFGF Nepal | 145,836 | 145,836 |
| Accounts receivable - donations | - | 15,024 |
| Prepaid rent - IFGF Church | - | 3,505 |
| Right of use assets - office lease current portion | - | 3,539 |
| Total current assets | 392,738 | 414,604 |
| Office equipment and improvements | | |
| Office equipment | 58,003 | 58,003 |
| Building improvements | 15,882 | 15,882 |
| Less: accumulated depreciation | (50,261) | (37,412) |
| Net office equipment and improvements | 23,624 | 36,473 |
| Other Assets: | | |
| Investments | 417,789 | 376,043 |
| Total other assets | 417,789 | 376,043 |
| Total assets | \$ 834,151 | \$ 827,120 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Current liabilities: | | |
| Accounts payable & accrued expenses | 63,367 | 45,010 |
| Payroll taxes payable | 2,815 | 16,742 |
| Deferred revenue | 25,770 | 39,882 |
| Right of use liability - office lease - current portion | - | 3,539 |
| Total current liabilities \ Total liabilities | 91,952 | 105,173 |
| Net assets: | | |
| Without donor restrictions | 227,609 | 254,827 |
| Without donor restrictions - quasi endowment | 427,168 | 385,127 |
| Total without donor restrictions | 654,777 | 639,954 |
| With donor restrictions | 87,422 | 81,993 |
| Total net assets | 742,199 | 721,947 |
| Total liabilities and net assets | \$ 834,151 | \$ 827,120 |

The accompanying notes are an integral part of these financial statements.

WORLDHARVEST
STATEMENTS OF ACTIVITIES

| | Year Ended December 31, 2024 | | | Year Ended December 31, 2023 | | |
|---|--------------------------------|-----------------------------|-------------------|--------------------------------|-----------------------------|-------------------|
| | Without Donors Restrictions | With Donors Restrictions | Total | Without Donors Restrictions | With Donors Restrictions | Total |
| Support and revenue: | | | | | | |
| Sponsor - A - Child donations | \$ - | \$ 259,378 | \$ 259,378 | \$ - | \$ 275,350 | \$ 275,350 |
| Contributions | 759,488 | 90,715 | 850,203 | 439,852 | 394,286 | 834,138 |
| IFGF church contributions | 83,843 | - | 83,843 | 98,044 | - | 98,044 |
| Investment income | 42,109 | - | 42,109 | 42,517 | - | 42,517 |
| Interest income | 51 | - | 51 | 844 | - | 844 |
| Total support and revenue | 885,491 | 350,093 | 1,235,584 | 581,257 | 669,636 | 1,250,893 |
| Net assets released from restrictions due to satisfaction of purpose | 344,664 | (344,664) | - | 657,512 | (657,512) | - |
| Total support and revenue | <u>1,230,155</u> | <u>5,429</u> | <u>1,235,584</u> | <u>1,238,769</u> | <u>12,124</u> | <u>1,250,893</u> |
| Expenses: | | | | | | |
| Program services | 906,654 | - | 906,654 | 963,898 | - | 963,898 |
| Supporting activities: | | | | | | |
| Management & general | 245,860 | - | 245,860 | 246,595 | - | 246,595 |
| Fundraising | 62,818 | - | 62,818 | 59,285 | - | 59,285 |
| Total expenses | <u>1,215,332</u> | <u>-</u> | <u>1,215,332</u> | <u>1,269,778</u> | <u>-</u> | <u>1,269,778</u> |
| Change in net assets | 14,823 | 5,429 | 20,252 | (31,009) | 12,124 | (18,885) |
| Net assets at beginning of year | <u>639,954</u> | <u>81,993</u> | <u>721,947</u> | <u>670,963</u> | <u>69,869</u> | <u>740,832</u> |
| Net assets at end of year | <u>\$ 654,777</u> | <u>\$ 87,422</u> | <u>\$ 742,199</u> | <u>\$ 639,954</u> | <u>\$ 81,993</u> | <u>\$ 721,947</u> |

The accompanying notes are an integral part of these financial statements.

WORLDHARVEST
STATEMENTS OF FUNCTIONAL EXPENSES

| | Year Ended December 31, 2024 | | | | Year Ended December 31, 2023 | | | |
|------------------------------|------------------------------|-------------------------|------------------|---------------------|------------------------------|-------------------------|------------------|---------------------|
| | Program Services | Management & General | Fund- Raising | Total Expenses | Program Services | Management & General | Fund- Raising | Total Expenses |
| Salaries | \$ 137,872 | \$ 137,872 | \$ 37,601 | \$ 313,345 | \$ 125,566 | \$ 131,407 | \$ 35,042 | \$ 292,015 |
| Employee benefits | 7,282 | 7,282 | 1,985 | 16,549 | 6,263 | 6,554 | 1,748 | 14,565 |
| Payroll taxes | 10,746 | 10,746 | 2,931 | 24,423 | 9,484 | 9,925 | 2,647 | 22,056 |
| Meals & entertainment | 6,223 | 6,223 | 1,697 | 14,143 | 8,281 | 8,666 | 2,311 | 19,258 |
| Merchant fees & bank charges | - | 11,846 | - | 11,846 | - | 13,809 | - | 13,809 |
| Miscellaneous expense | - | - | 1,979 | 1,979 | - | 473 | - | 473 |
| Gifts & hospitality | 3,680 | 3,680 | 1,004 | 8,364 | 4,667 | 4,884 | 1,302 | 10,853 |
| Insurance | 2,019 | 2,019 | 551 | 4,589 | 1,662 | 1,740 | 464 | 3,866 |
| Newsletter & other printing | 2,907 | 2,907 | 793 | 6,607 | 7,096 | 7,426 | 1,980 | 16,502 |
| Office supplies & expenses | 10,300 | 10,300 | 2,809 | 23,409 | 12,267 | 12,837 | 3,423 | 28,527 |
| Postage | 855 | 855 | 233 | 1,943 | 957 | 1,002 | 267 | 2,226 |
| Telephone | 2,830 | 2,830 | 772 | 6,432 | 3,347 | 3,503 | 934 | 7,784 |
| Sponsor a child | 250,113 | - | - | 250,113 | 209,760 | - | - | 209,760 |
| Travel | 13,989 | 13,989 | 3,815 | 31,793 | 11,203 | 11,724 | 3,126 | 26,053 |
| Rent | 9,768 | 9,768 | 2,664 | 22,200 | 9,546 | 9,990 | 2,664 | 22,200 |
| Accounting & legal | - | 10,936 | - | 10,936 | - | 10,000 | - | 10,000 |
| Relief & missions | 427,608 | - | - | 427,608 | 537,792 | - | - | 537,792 |
| Marketing | 5,855 | - | - | 5,855 | 3,914 | - | - | 3,914 |
| Website | 8,037 | 8,037 | 2,192 | 18,266 | 4,796 | 5,019 | 1,338 | 11,153 |
| Depreciation | 5,654 | 5,654 | 1,542 | 12,850 | 6,327 | 6,621 | 1,767 | 14,715 |
| Membership | 916 | 916 | 250 | 2,082 | 970 | 1,015 | 272 | 2,257 |
| Total expenses | \$ 906,654 | \$ 245,860 | \$ 62,818 | \$ 1,215,332 | \$ 963,898 | \$ 246,595 | \$ 59,285 | \$ 1,269,778 |

The accompanying notes are an integral part of these financial statements.

WORLDHARVEST
STATEMENTS OF CASH FLOWS

| | <u>Years Ended December 31,</u> | |
|--|---------------------------------|------------------|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Change in net assets | \$ 20,252 | \$ (18,885) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 12,850 | 14,715 |
| Amortization of prepaid rent | 3,505 | 14,901 |
| Imputed interest income | (33) | (699) |
| Imputed rent expense | 33 | 699 |
| Realized gains (losses) on investments | (4,003) | 3,804 |
| Unrealized (gains) on investments | (29,480) | (38,786) |
| (Increase) decrease in: | | |
| Accounts receivable - Nepal | - | (145,836) |
| Donations receivable | 15,024 | (15,025) |
| Increase (decrease) in: | | |
| Accounts payable & accrued expenses | 4,430 | (14,929) |
| Deferred revenue | (14,114) | 39,882 |
| Net cash provided (used) by operating activities | 8,464 | (160,159) |
| Cash flows from investing activities: | | |
| Purchase of investments | (21,145) | (198,505) |
| Proceeds from sale of investments | 12,883 | 205,578 |
| Purchased equipment & improvements | - | (2,091) |
| Net cash provided (used) by investing activities | (8,262) | 4,982 |
| Net increase (decrease) in cash and cash equivalents | 202 | (155,177) |
| Cash and cash equivalents at beginning of year | 246,700 | 401,877 |
| Cash and cash equivalents at end of year | \$ 246,902 | \$ 246,700 |

The accompanying notes are an integral part of these financial statements.

WORLDHARVEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. NATURE OF ORGANIZATION

Programs of WorldHarvest (a nonprofit corporation) began in December of 1989 as part of Indonesian Harvest Outreach (IHO). In 2001, WorldHarvest was chartered as a religious nonprofit corporation in California. Program activity of IHO was transferred to WorldHarvest with the intent of providing community, educational, and media services. WorldHarvest is affiliated with the International Full Gospel Fellowship (IFGF) of Monrovia, California and its member churches. Services are provided through WorldHarvest partners primarily in South Asia, Russia and the Neighboring States, Europe, Sub Sahara Africa, East Asia the Pacific, and the Middle East.

The scope of these financial statements is limited to the Corporate Office of WorldHarvest. The financial activity of the IFGF of Los Angeles, California, the various IFGF churches and the associated overseas partners are not incorporated with WorldHarvest.

WorldHarvest is exempt from income tax under Internal Revenue Code Section 501(c)(3). In addition, WorldHarvest qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). WorldHarvest is also exempt from state income tax under section 23701d of the California Revenue and Taxation Code.

Individuals, churches, and other nonprofit corporations throughout the United States support WorldHarvest. A portion of WorldHarvest's support comes from sixteen-member church congregations of the IFGF in the United States and Canada. These churches generally remit 4% of their total receipts excluding capital funds, bequests, and restricted contributions to WorldHarvest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

WorldHarvest uses accrual basis accounting and also follows the standards of Accord Network, formally known as Association of Evangelical Relief and Development Organizations (AERDO), in recording gifts-in-kind.

Cash

Cash is cash in bank checking and savings accounts.

Investments

Investments consist of shares of equity funds, exchanged traded funds, and a federal savings bond. The equity funds are carried at fair value, which is based on quoted market prices. The federal saving bond is reported at cost and cost is very close to fair value. Realized and unrealized gains and losses and losses are reported as investment income without donor restrictions in the statement of activities unless restricted by donor.

WORLDHARVEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Promises receivable

Unconditional promises to give are recognized as revenue or gains in the period received as either assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There are no such receivables at December 31, 2024 or 2023.

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

Office equipment

Equipment and improvements are capitalized at cost, or estimated fair market value at date of gift, and depreciated on a straight-line basis over the estimated useful lives of 3 to 5 years for equipment.

Absent donor directions regarding how long those donated assets must be maintained, WorldHarvest reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Functional allocation of expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefits primarily on estimates of time and effort.

Contributions, restricted contributions, and reclassifications

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Classes of net assets

Net assets without restrictions include amounts available to be used at the discretion of the board of directors in the organization's programs and operations and those resources invested in equipment. Net assets with restrictions on a temporary basis are those that are restricted by donors for specific operating purposes. Net assets with permanent restrictions are those that represent endowments where it is stipulated by donors that the principal remain in perpetuity and only the income is available for use in unrestricted or temporarily restricted purposes in accordance with donor intentions. All donations are considered available for unrestricted use unless specifically restricted by the donor.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WORLDHARVEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

Contributed services and products

During the year ended December 31, 2024 and 2023 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Statement of Cash Flows

This statement reflects inflows and outflows of cash, summarized by operating, investing, and financing activities. The statement of cash flows is prepared using the indirect method. For purposes of the statement, cash consists of bank checking and savings accounts.

Fair value of financial instruments

Carrying values of certain financial instruments, including cash, accounts receivable, accounts payable, and accrued expenses approximated their fair values due to the short-term nature of these financial instruments.

3. ACCOUNTS RECEIVABLE AND DONATIONS RECEIVABLE

Accounts receivable of \$145,836 from IFGF Nepal is an amount due from a supported organization in Nepal. This is due for a building purchased in Nepal. This loan also covers establishment of a chicken farm and a goat slaughter house. The profits from these businesses will be used to repay the loans. There is no specific repayment schedule. No interest is charged on this loan and no interest is imputed as impute amounts are immaterial. Management of WorldHarvest expects the loan will be repaid.

At December 31, 2023, \$15,024 is due for donations made in December but not collected until January of 2024.

4. PREPAID RENT – IFGF CHURCH AND OTHER IFGF TRANSACTIONS

An agreement, dated March 1, 2016, with the Los Angeles IFGF church modified a note receivable. The agreement reclassified the note receivable from the Los Angeles IFGF church to prepaid rent to be utilized over the period of March 1, 2016 to March 1, 2024 for space occupied by WorldHarvest. WorldHarvest records monthly rent expense of \$1,300. The prepaid rent is amortized assuming a 6% interest rate. The equivalent of a principal payment reduces the asset. The interest element is recorded as interest income on a monthly basis. WorldHarvest and the Los Angeles IFGF church share some other minor additional costs such as telephone phone expenses.

5. INVESTMENTS

As noted in the following table, investments consist of the shares in mutual funds and exchange traded funds. The publicly traded securities are carried at their quoted market value on December 31, 2024.

WORLDHARVEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

5. INVESTMENTS concentrations

| | |
|-----------------------|------------------|
| | <u>2024</u> |
| Federal saving bond | \$ 10,000 |
| Mutual funds | 156,963 |
| Exchange traded funds | <u>250,826</u> |
| | <u>\$417,789</u> |

Investment income consists of the following for the years ended December 31, 2024.

| | |
|---------------------------------|-----------------|
| | <u>2024</u> |
| Unrealized gains on investments | \$29,480 |
| Realized gains on investments | 4,003 |
| Interest and dividends | 11,249 |
| Investment management fees | <u>(2,623)</u> |
| Totals | <u>\$42,109</u> |

Investment income consists of the following for the years ended December 31, 2023:

| | |
|-----------------------|------------------|
| | <u>2023</u> |
| Federal saving bond | \$ 10,000 |
| Mutual funds | 137,161 |
| Exchange traded funds | <u>228,882</u> |
| | <u>\$376,043</u> |

Investment income consists of the following for the years ended December 31, 2023:

| | |
|---------------------------------|-----------------|
| | <u>2023</u> |
| Unrealized gains on investments | \$38,786 |
| Realized losses on investments | (3,804) |
| Interest and dividends | 9,869 |
| Investment management fees | <u>(2,335)</u> |
| Totals | <u>\$42,516</u> |

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes for the years ended December 31:

| | | |
|---------------------------|-----------------|-----------------|
| <u>Program</u> | <u>2024</u> | <u>2023</u> |
| Disaster relief | \$30,503 | \$31,094 |
| Sponsor a child | 42,974 | 39,934 |
| Sponsor a child – reserve | <u>13,945</u> | <u>10,965</u> |
| Total | <u>\$87,422</u> | <u>\$81,993</u> |

WORLDHARVEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

6. NET ASSETS WITH DONOR RESTRICTIONS continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the years ended December 31:

| <u>Program</u> | <u>2024</u> | <u>2023</u> |
|---------------------------|------------------|------------------|
| Disaster relief | \$ 4,061 | \$395,549 |
| Summer mission | 87,245 | --- |
| Sponsor a child | 253,358 | 260,442 |
| Sponsor a child – reserve | --- | 1,521 |
| | <u>\$344,664</u> | <u>\$657,512</u> |

7. OPERATING LEASE – RIGHT OF USE ASSET AND LIABILITY

WorldHarvest has a lease on an office building in Monrovia, California. The monthly rental rate is \$1,300. After the lease expired on March 31, 2024 the lease became a month-to-month basis. Rent expense for the years ended December 31, 2024 was \$15,600. See Note 4 for additional details on this lease and the related party – IFGF.

In the year ended December 31, 2023, WorldHarvest had a lease on an office building in Monrovia, California. The monthly rental rate was \$1,300 from March 1, 2016 to March 1, 2024. Rent was not paid in cash because the \$100,000 note receivable was converted to prepaid rent and will be amortized as monthly rent. Therefore, no future rent schedule is presented. Rent expense for the years ended December 31, 2023 was \$15,600.

8. DEFERRED REVENUE

The deferred revenue of \$25,770 and \$39,882 at December 31, 2024 and 2023 is an advance from two member churches on their monthly 4% tithe amounts. The funds and other funds were used to purchase a building, a chicken farm, and a goat slaughter house at the church site in Nepal. See note 3 for additional details.

9. LIQUIDITY AND AVAILABILITY

Financial assets are considered to be available for general expenditure if there are no donor or other restrictions that would preclude use for general expenditures. At December 31, 2024 and 2023 financial assets available for general expenditure within one year are comprised of the following:

| | <u>2024</u> | <u>2023</u> |
|--|------------------|------------------|
| Cash | \$246,902 | \$246,700 |
| Account receivable – IFGF Nepal | 145,836 | 145,836 |
| Account receivable | --- | 15,024 |
| Investments | <u>417,789</u> | <u>376,043</u> |
| Total financial assets | 810,527 | 783,063 |
| Less: temporarily restricted net assets at year end | <u>(87,422)</u> | <u>(81,993)</u> |
| Total liquid assets available for general expenditures | <u>\$723,105</u> | <u>\$701,610</u> |

WORLDHARVEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

9. LIQUIDITY AND AVAILABILITY continued

To manage liquid assets WorldHarvest monitors cash balance in the various bank accounts and plans to not spend any reserves. WorldHarvest also anticipates future cash flow needs holds cash to meet these coming payments. This maintains cash balance sufficient to provide cash for all general expenditures for the year. The endowment funds of \$427,168 and \$385,127 for years ended December 31, 2024 and 2023 respectively are a quasi-endowment as established by the board of directors and not by external donor so these funds can be used if needed.

10. FAIR VALUE MEASUREMENTS

Generally Accepted Accounting Principles require assets and liabilities subject to fair value reporting to be classified based on the type of inputs used to value the asset or liability. The three types are: valuations based on quoted market prices for identical assets exchanged in active markets (quoted prices), valuation inputs that are directly or indirectly observable in a market place (other market valuations), and inputs where there is no observable market place and therefore valuations are derived from the WorldHarvest’s internal information (non – market valuations). Valuations based on the three types of inputs for the years ended December 31, 2024 and 2023 are:

| <u>Description</u> | <u>Quoted Prices</u> | 2024 <u>Market Valuations</u> | Non – Market <u>Valuations</u> |
|----------------------|--------------------------|--------------------------------------|-----------------------------------|
| Mutual funds | \$156,963 | \$ --- | \$ --- |
| Federal savings bond | 10,000 | --- | --- |
| Exchanged funds | <u>250,826</u> | <u>---</u> | <u>--</u> |
| Totals | <u>\$417,789</u> | <u>\$ ---</u> | <u>\$ ---</u> |

| <u>Description</u> | <u>Quoted Prices</u> | 2023 <u>Market Valuations</u> | Non – Market <u>Valuations</u> |
|----------------------|--------------------------|--------------------------------------|-----------------------------------|
| Equity funds | \$137,161 | \$ --- | \$ --- |
| Federal savings bond | 10,000 | --- | --- |
| Exchanged funds | <u>228,882</u> | <u>---</u> | <u>--</u> |
| Totals | <u>\$376,043</u> | <u>\$ ---</u> | <u>\$ ---</u> |

11. CONCENTRATIONS

WorldHarvest maintains cash in banks located in Southern California. The deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000. No amounts exceed insured limits. In addition, approximately 50% of 2024 and 48% of 2023 donations came from California sources.

WORLDHARVEST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

12. ENDOWMENTS

WorldHarvest has adopted the state of California version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). WorldHarvest's management interprets California state law (UPMIFA) as requiring preservation of the fair value of the original gift of donor- restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WorldHarvest classifies as permanently restricted endowment funds 1) the original value of gifts donated to the permanent endowment and 2) the original value of subsequent gifts to the permanent endowment. Temporarily restricted endowment funds are the accumulated earnings of permanent endowments restricted for specified program activities and are available for spending on those programs. Unrestricted designated endowment assets are available for spending on the designated purposes.

In accordance with UPMIFA, WorldHarvest considers the following factors in making a determination of whether to invest or appropriate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of WorldHarvest and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of WorldHarvest
- 7) The investment policies of WorldHarvest

WorldHarvest has adopted investment and spending policies for endowment assets that are designed and intended to provide a stream of funding for programs while seeking to maintain the purchasing power of WorldHarvest's endowment assets. As a result, endowment funds have been invested in the mutual funds (\$156,963), exchanged traded funds (\$250,826) and cash in a bank (\$19,379) at December 31, 2024. Endowment funds have been invested in the mutual funds (\$137,161), exchanged traded funds (\$228,882) and cash in a bank (\$19,083) at December 31, 2023.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). Spending of underwater endowments will be approved by the board of directors on a as needed basis. When donor endowment deficits exist, they are classified as a reduction of the net category they occupy.

| | <u>Unrestricted Designated</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|------------------------------|------------------------------------|-----------------------------------|-----------------------------------|------------------|
| Balance at December 31, 2023 | \$385,127 | \$ --- | \$ --- | \$385,127 |
| Interest and dividends | 11,249 | --- | --- | 11,249 |
| Rounding | (68) | --- | --- | (68) |
| Realized gains | 4,003 | --- | --- | 4,003 |
| Unrealized gains | 29,480 | --- | --- | 29,480 |
| Management fees | <u>(2,623)</u> | --- | --- | <u>(2,623)</u> |
| Balance at December 31, 2024 | <u>\$427,168</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$427,168</u> |

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12. ENDOWMENTS

| | Unrestricted <u>Designated</u> | Temporarily <u>Restricted</u> | Permanently <u>Restricted</u> | <u>Total</u> |
|------------------------------|-----------------------------------|----------------------------------|----------------------------------|------------------|
| Balance at December 31, 2022 | \$ 342,610 | \$ --- | \$ --- | \$ 342,610 |
| Interest and dividends | 9,869 | --- | --- | 9,869 |
| Additions | --- | --- | --- | --- |
| Realized losses | (3,804) | --- | --- | (3,804) |
| Unrealized gains | 38,786 | --- | --- | 38,786 |
| Management fees | (2,335) | --- | --- | (2,335) |
| Balance at December 31, 2023 | <u>\$385,127</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$385,127</u> |

13. EVALUATION OF SUBSEQUENT EVENTS

WorldHarvest has evaluated subsequent events through March 25, 2025, the date which the financial statements were available to be issued, and there are no subsequent events to report.