

WORLD HELP
Forest, Virginia

Financial Statements
for years ended
December 31, 2010 and 2009
and
Supplementary Information on the
Federal Awards Programs
for year ended December 31, 2010

(Including Independent Auditor's
Report Thereon)

Not-for-Profit Organization

WORLD HELP

Officers

F. Vernon Brewer	President
Lester E. "Skip" Taylor	Chairman
D. Tom Thompson	Vice President
Noel Yeatts	Secretary
Chad Mather	Treasurer

Board of Directors

F. Vernon Brewer	Johnnie Moore
Robin Chilton	Jane Nelson
Scott Griffin	Peter Nelson
Louanne R. Guillermin	Harvey Saarloos
Robbie Lee	Lester E. "Skip" Taylor
Kirk Litton	D. Tom Thompson
John A. Lloyd	Cotton Verhoeven
Brian C. Mentzer	Noel Yeatts

WORLD HELP

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Report of Independent Auditor

The Board of Directors
World Help
Forest, Virginia

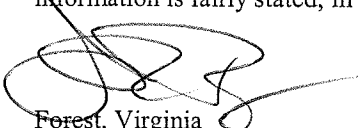
I have audited the accompanying statements of financial position of World Help ("the Organization") as of December 31, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Help as of December 31, 2010 and 2009, and the results of its activities and changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my reports dated September 26, 2011 on my consideration of the Institute's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Forest, Virginia
September 26, 2011

WORLD HELP
Statements of Financial Position
December 31, 2010 and 2009

	Assets	
	2010	2009
Current assets		
Cash and cash equivalents	\$ 940,317	\$ 393,753
Investments	593,492	537,791
Accounts receivable		
Government grants	0	42,690
Pledges receivable	349,159	369,675
Employee receivable	5,000	3,762
Prepaid expenses	13,325	55,138
Inventory	96,725	78,102
Total current assets	1,998,018	1,480,911
Property and equipment	2,188,939	2,123,682
Less accumulated depreciation	1,169,735	1,081,717
Net property and equipment	1,019,204	1,041,965
Other assets		
Endowment	84,519	81,926
Total assets	\$ 3,101,741	\$ 2,604,802
	Liabilities and net assets	
Current liabilities		
Accounts payable	\$ 1,079,699	\$ 757,073
Current maturities of Notes payable	206,755	192,079
Notes payable – Short-term	125,200	0
Accrued payroll and payroll taxes	38,319	40,645
Accrued expense-other	56,207	98,386
Total current liabilities	1,506,180	1,088,183
Long-term debt		
Notes Payable (net of current maturities)	495,389	634,555
Net assets		
Unrestricted	(215,258)	(482,993)
Temporarily restricted	1,251,130	1,300,757
Permanently restricted	64,300	64,300
Total net assets	1,100,172	882,064
Total liabilities and net assets	\$ 3,101,741	\$ 2,604,802

See Accompanying Notes and Independent Auditor's Report.

WORLD HELP
Statements of Activities
Years ended December 31, 2010 and 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010 Permanently Restricted</u>	<u>Total</u>
Revenue and other support				
Contributions				
Cash	\$ 9,579,307	\$ 1,251,130	\$ 0	\$ 10,830,437
Gifts-in-kind	108,563,274	0	0	108,563,274
Grants				
Cash	398,356	0	0	398,356
Gifts-in-kind	5,120,634	0	0	5,120,634
Product sales	142,688	0	0	142,688
Investment income	23,696	0	0	23,696
Net realized/unrealized gains (loss) on investments	40,359	0	0	40,359
Net assets released from restrictions	1,300,757	(1,300,757)	0	0
Total revenue and support	<u>125,169,071</u>	<u>(49,627)</u>	<u>0</u>	<u>125,119,444</u>
Expenses				
Program services				
International ministries	120,601,465	0	0	120,601,465
Outreach ministries	1,209,475	0	0	1,209,475
Grants and donations	0	0	0	0
Supporting services				
General and administrative	2,361,211	0	0	2,361,211
Fundraising	729,185	0	0	729,185
Total expenses	<u>124,901,336</u>	<u>0</u>	<u>0</u>	<u>124,901,336</u>
Increase (decrease) in net assets	267,735	(49,627)	0	218,108
Net assets at beginning of year	<u>(482,993)</u>	<u>1,300,757</u>	<u>64,300</u>	<u>882,064</u>
Net assets at end of year	<u>\$ (215,258)</u>	<u>\$ 1,251,130</u>	<u>\$ 64,300</u>	<u>\$ 1,100,172</u>

See Accompanying Notes and Independent Auditor's Report.

WORLD HELP
Statements of Activities
Years ended December 31, 2010 and 2009

	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and other support				
Contributions				
Cash	\$ 8,340,498	\$ 1,300,757	\$ 0	\$ 9,641,255
Gifts-in-kind	64,802,960	0	0	64,802,960
Grants				
Cash	327,745	0	0	327,745
Gifts-in-kind	519,300	0	0	519,300
Product sales	143,666	0	0	143,666
Investment income	18,335	0	0	18,335
Net realized/unrealized gains (loss) on investments	111,847	0	0	111,847
Net assets released from restrictions	1,460,727	(1,460,727)	0	0
Total revenue and support	<u>75,725,078</u>	<u>(159,970)</u>	<u>0</u>	<u>75,565,108</u>
Expenses				
Program services				
International ministries	71,225,595	0	0	71,225,595
Outreach ministries	1,375,620	0	0	1,375,620
Grants and donations	50	0	0	50
Supporting services				
General and administrative	1,858,321	0	0	1,858,321
Fundraising	675,577	0	0	675,577
Total expenses	<u>75,135,163</u>	<u>0</u>	<u>0</u>	<u>75,135,163</u>
Increase (decrease) in net assets	589,915	(159,970)	0	429,945
Net assets at beginning of year	<u>(1,072,908)</u>	<u>1,460,727</u>	<u>64,300</u>	<u>452,119</u>
Net assets at end of year	<u>\$ (482,993)</u>	<u>\$ 1,300,757</u>	<u>\$ 64,300</u>	<u>\$ 882,064</u>

See Accompanying Notes and Independent Auditor's Report.

WORLD HELP
Statements of Functional Expenses
Years ended December 31, 2010 and 2009
2010

	International Ministries	Outreach Ministries	Total Program Services	Management and General	Fundraising	Total
Printing/Mailing	\$ 22,750	\$ 26,159	\$ 48,909	\$ 1,541	\$ 180,695	\$ 231,145
Postage/Freight	212,175	15,556	227,731	14,662	98,943	341,336
Payroll and payroll tax	575,040	425,822	1,000,862	1,322,668	244,758	2,568,288
Employee benefits	42,923	31,785	74,708	98,730	18,270	191,708
Rent	33,590	15,235	48,825	18,481	3,746	71,052
Office Supplies	88,800	70,600	159,400	94,066	5,621	259,087
Telephone	27,411	8,050	35,461	35,789	0	71,250
Utilities	17,420	6,049	23,469	5,244	583	29,296
Ministry projects	5,635,394	333,699	5,969,093	178,258	37,077	6,184,428
Product costs	105,839	16,089	121,928	800	0	122,728
Humanitarian Aid	113,683,908	0	113,683,908	0	0	113,683,908
Accounting fees	4,836	3,581	8,417	11,124	2,058	21,599
Professional fees	42,739	10,742	53,481	126,170	133,530	313,181
Promotional items	2,590	2,115	4,705	30,438	235	35,378
Insurance	31,154	30,213	61,367	16,494	3,357	81,218
Repairs/Maintenance	6,389	71,392	77,781	79,898	0	157,679
Taxes and Licenses	11,601	6,752	18,353	9,581	0	27,934
Dues/Publications	5,796	2,805	8,601	26,245	312	35,158
Interest expense	12,630	25,808	38,438	6,584	0	45,022
Depreciation	38,480	107,023	145,503	29,657	0	175,160
Convention	0	0	0	254,568	0	254,568
Miscellaneous	0	0	0	213	0	213
Total expenses	\$ 120,601,465	\$ 1,209,475	\$ 121,810,940	\$ 2,361,211	\$ 729,185	\$ 124,901,336
			Donations and Grants			0
			Total Expenses			\$ 124,901,336

See Accompanying Notes and Independent Auditor's Report.

WORLD HELP
Statements of Functional Expenses
Years ended December 31, 2010 and 2009
2009

	International Ministries	Outreach Ministries	Total Program Services	Management and General	Fundraising	Total
Printing/Mailing	\$ 6,615	\$ 10,245	\$ 16,860	\$ 1,019	\$ 154,625	\$ 172,504
Postage/Freight	305,130	21,493	326,623	6,285	80,815	413,723
Payroll and payroll tax	527,304	504,776	1,032,080	1,214,285	229,241	2,475,606
Employee benefits	43,323	41,473	84,796	99,766	18,835	203,397
Rent	33,284	13,473	46,757	10,630	1,181	58,568
Office supplies	149,778	67,528	217,306	71,147	7,197	295,650
Telephone	19,711	9,465	29,176	26,017	0	55,193
Utilities	14,610	4,120	18,730	3,708	412	22,850
Ministry projects	4,670,888	458,172	5,129,060	90,016	38,033	5,257,109
Humanitarian aid	65,322,260	0	65,322,260	0	0	65,322,260
Accounting fees	4,601	4,404	9,005	10,595	2,000	21,600
Professional fees	28,377	8,572	36,949	113,555	131,862	282,366
Promotional items	62	365	427	16,294	0	16,721
Insurance	40,895	28,479	69,374	28,200	0	97,574
Repairs/Maintenance	4,539	61,994	66,533	62,340	0	128,873
Taxes and Licenses	2,544	4,215	6,759	20,610	0	27,369
Dues/Publications	5,332	3,951	9,283	27,277	438	36,998
Interest expense	14,584	34,077	48,661	6,415	0	55,076
Depreciation	31,638	98,439	130,077	49,554	10,938	190,569
Miscellaneous	120	379	499	608	0	1,107
Total expenses	<u>71,225,595</u>	<u>1,375,620</u>	<u>72,601,215</u>	<u>1,858,321</u>	<u>675,577</u>	<u>75,135,113</u>

Donations and Grants	50
Total Expenses	<u>\$ 75,135,163</u>

See Accompanying Notes and Independent Auditor's Report.

WORLD HELP
Statements of Cash Flows
Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Change in net assets	\$ 218,108	\$ 429,945
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Net realized/unrealized (gain) loss on investments	(36,723)	(78,251)
Net gain on sale of equipment	(3,636)	(33,597)
Depreciation	175,160	190,569
(Increase) decrease in receivables	61,968	(24,911)
(Increase) decrease in inventory	(18,623)	(75,162)
(Increase) decrease in prepaid expenses	41,813	3,064
Increase (decrease) in accounts payable	322,626	37,333
Increase (decrease) in accrued payroll and payroll taxes	(2,326)	1,802
Increase (decrease) in accrued expense –other	(42,179)	78,396
Net cash provided by (used in) operating activities	716,188	529,188
Cash flows from (used in) investing activities		
Net proceeds from purchases and sales of investments	(21,571)	(6,669)
Net proceeds from sale of equipment	29,680	113,500
Purchase of equipment	(178,443)	(195,885)
Net cash provided by (used in) investing activities	(170,334)	(89,054)
Cash flows from financing activities		
Proceeds from short-term debt	125,200	0
Proceeds from long-term debt	71,036	0
Payment of short-term debt	0	(197,119)
Payment of long-term debt	(195,526)	(197,076)
Net cash provided by (used in) financing activities	710	(394,195)
Net increase (decrease) in cash and cash Equivalents	546,564	45,939
Cash and cash equivalents at beginning of year	393,753	347,814
Cash and cash equivalents at end of year	\$ 940,317	\$ 393,753

See Accompanying Notes and Independent Auditor's Report.

WORLD HELP
Notes to Financial Statements
December 31, 2010 and 2009

Note 1 – Nature of organization and summary of significant accounting policies

Nature of organization

World Help (the “Organization”) was established as an unincorporated not-for-profit association in 1990. The purpose of the organization is to promote the gospel of Jesus Christ by establishing a network of evangelical churches and Christian ministries worldwide and to support and provide evangelism, food, clothing, medical relief and literature distribution.

Basis of financial statement presentation

The Organization’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements follow the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. When a restriction expires (that is, when a stipulated time restriction ends or purpose is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions are recognized when the donor makes an unconditional promise to give and are recorded as restricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire during the year in which the contributions are recognized. Contributions other than cash are recorded at the estimated fair market values as of the date of the contribution.

WORLD HELP
Notes to Financial Statements
December 31, 2010 and 2009

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are carried at fair market value as of year end.

Inventories

Inventories are stated at the lower of cost (principally first-in, first-out) or market.

Property and depreciation

Property and equipment are stated in the financial statements at cost. Depreciation is computed using the straight-line method over estimated useful lives as follows:

<u>Classification</u>	<u>Estimated Useful Life</u>
Office equipment & computers	3-5 years
Office furniture	7 years
Vehicle	5 years

Income taxes

The Organization is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code except to the extent of unrelated business income. There was \$0 and \$0 income tax due on unrelated business income for the years ended December 31, 2010 and 2009 respectively.

Related party transactions

In the regular course of its operations, the Organization receives contributions from individuals serving on its Board of Directors.

WORLD HELP
Notes to Financial Statements
December 31, 2010 and 2009

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Functional expenses

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and functional expenses. The functional expenses of the Organization's program and supporting services include those costs directly attributable to its program as well as an allocation of supporting service expenditures, which, in the estimation of management, are indirectly attributable to its programs.

In 2010 and 2009, World Help incurred joint costs of \$279,638 and \$235,440, respectively for informational materials and activities that included fund-raising appeals. Of those costs, \$279,638 and \$235,440 was allocated to fund-raising expense for 2010 and 2009, respectively.

Gifts-in-kind

The Organization receives donations and grants of food, medical and orphanage supplies for use in World Help's humanitarian aid programs. Such gifts are recorded at their estimated fair value at the date of donation. Gifts-in-kind included in total contributions received were approximately \$113,700,000 and \$65,000,000 for the years ended December 31, 2010 and 2009, respectively.

Gifts-in-kind distributed through World Help amounted to approximately \$113,700,000 and \$65,000,000 for the years ended December 31, 2010 and 2009, respectively.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WORLD HELP
Notes to Financial Statements
December 31, 2010 and 2009

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Note 2 – Investments

Investments for the years ended December 31, 2010 and 2009 consist of the following:

	<u>2010</u>			<u>2009</u>
	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
Note receivable	\$ 68,622	\$ 0	\$ 68,622	\$ 74,278
Mutual Funds	325,559	0	325,559	278,964
REIT	20,219	64,300	84,519	81,926
Equity portfolio	199,311	0	199,311	184,549
Total investments	<u>613,711</u>	<u>64,300</u>	<u>678,011</u>	<u>619,717</u>

Investment income from the above investments is summarized as follows:

	<u>2010</u>	<u>2009</u>
Interest and dividends	\$ 23,696	\$ 18,335
Net realized and unrealized gain (loss)	<u>40,359</u>	<u>111,847</u>
Total	<u>\$ 64,055</u>	<u>\$ 130,182</u>

Note 3 –Inventories

The major components of inventories at December 31, 2010 and 2009 consist of CD's cassettes, books and T-shirts. The values at cost are \$96,725 and \$78,102, respectively.

Note 4 – Property and equipment

The cost and accumulated depreciation of the various classes of property and equipment at December 31, 2010 and 2009 were as follows:

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 144,406	\$ 0	\$ 144,406	\$ 0
Building	618,659	175,161	618,659	156,772
Office Equipment	738,949	528,956	617,527	483,057
Office Furniture	89,283	74,159	89,283	69,425
Transportation Equipment	597,642	391,459	653,807	372,463
	<u>\$ 2,188,939</u>	<u>\$ 1,169,735</u>	<u>\$ 2,123,682</u>	<u>\$ 1,081,717</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$175,160 and \$190,569 respectively.

WORLD HELP
Notes to Financial Statements
December 31, 2010 and 2009

Note 5 – Long-term debt, Notes payable

Long-term debt at December 31, 2010 and 2009 consisted of the following notes payable:

	Final Maturity	<u>12/31/10</u>	<u>12/31/09</u>
Note payable, bank @ 5.23% due in monthly installments of \$5,833, secured by a Deed of Trust on the land and building.	2017	\$ 389,884	\$ 438,546
Note payable, bank @ 6.40%, due in monthly installments of \$12,940, secured by various vehicles.	2012	244,616	379,283
Notes payable, bank @ 5.5-6.5% due in monthly installments of \$1,374, secured by vehicles.	2015	<u>67,644</u>	<u>8,805</u>
Total long-term debt		\$ 702,144	\$ 826,634
Less current maturities		<u>206,755</u>	<u>192,079</u>
		<u>\$ 495,389</u>	<u>\$ 634,555</u>

Aggregate principal payments on notes payable are scheduled as follows: 2011-\$206,755; 2012-\$169,283; 2013-\$71,119; 2014-\$74,991; 2015-\$74,435 and thereafter-\$105,561. .

At December 31, 2010 and 2009 collateral for notes payable consisted of property and equipment, which amounted to approximately \$2,100,000.

Note 6 – Operating leases

The Organization has several non-cancelable operating leases for housing, equipment and transportation equipment that expires at various dates through 2013. Rental expenses for those leases consisted of \$71,052 and \$58,568 for the years ended December 31, 2010 and 2009, respectively.

WORLD HELP
Notes to Financial Statements
December 31, 2010 and 2009

Note 7 – Endowment

For the years ended December 31, 2010 and 2009, the endowment had permanently restricted contributions totaling \$64,300 and \$64,300, respectively. The endowment had a fair market value at December 31, 2010 and 2009 of \$84,519 and \$81,926, respectively.

The components of net realized and unrealized gains for the year are as follows:

	<u>2010</u>		<u>2009</u>
Realized gains (losses)	\$ 0	\$	0
Unrealized gains (losses)	2,593		4,949
Net realized and unrealized gains on endowment	<u>\$ 2,593</u>	\$	<u>4,949</u>

World Help's endowment fund was established to provide assurance of future economic stability. The endowment fund requires the net earnings to be reinvested for the first three years, thereafter becoming available to World Help for unrestricted use.

Unrestricted net assets of \$20,219 have been designated by the Board of Directors as endowment funds. This amount represents the earnings on the permanently restricted net assets.

Note 8 – Income tax status

World Help is exempt from income tax under Section 501(a) of the Internal Revenue Code and has been determined to be a charitable organization under Section 501(c)(3) of the Code, which qualifies contributions, bequests, and legacies as deductions by the donor for income, estate, and gift tax purposes. An annual information return is filed with the Internal Revenue Service.

Note 9 – Cash flow information

Cash paid for interest and income taxes was as follows:

	<u>2010</u>	<u>2009</u>
Interest expense	<u>\$45,022</u>	<u>\$55,076</u>
Income taxes	<u>\$ 0</u>	<u>\$ 0</u>

WORLD HELP
Notes to Financial Statements
December 31, 2010 and 2009

Note 10 – Retirement Plan

World Help has established a SIMPLE IRA retirement plan covering all employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year. The plan allows for employee contributions to the plan up to the maximum amount allowed by the Internal Revenue Service. The organization matches 100% of each employee's contributions up to a maximum of 3% of gross wages. World Help contributed \$25,105 and \$22,910 for December 31, 2010 and 2009, respectively.

Compliance Section

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**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Board of Directors
World Help
Forest, Virginia

I have audited the financial statements of World Help ("the Organization") as of and for the year ended December 31, 2010, and have issued my report thereon dated September 26, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Organization's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

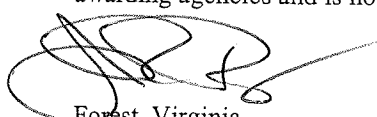
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect of the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Forest, Virginia
September 26, 2011

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-17-

Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Directors
World Help
Forest, Virginia

Compliance

I have audited the compliance of World Help ("the Organization") with the types of compliance requirements described in the U.S. Office of Management Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Organization's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. My responsibility is to express an opinion on the Organization's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Organization's compliance with those requirements.

In my opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2010.

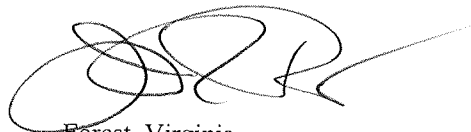
Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing an opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over companies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Forest, Virginia
September 26, 2011

WORLD HELP
Schedule of Findings and Questioned Costs
for year ended December 31, 2010

I. Summary of Auditor’s Results

- A. An unqualified opinion was issued on the financial statements of World Help (“the Organization”).
- B. My audit of the financial statements disclosed no material weaknesses in internal controls.
- C. My audit of the financial statements disclosed no instances of noncompliance with laws, regulations, and the provisions of contracts and grant agreements that are material to the financial statements.
- D. My audit of compliance with the types of compliance requirements applicable to the Organization’s major programs disclosed no material weaknesses in internal controls over major programs.
- E. An unqualified opinion was issued on the Organization’s compliance with the types of compliance requirements applicable to its major programs.
- F. My audit disclosed no audit findings which related to federal awards.
- G. Major federal programs for the Organization for the year ended December 31, 2010 are:

<u>Program Name</u>	<u>Federal CFDA *Number</u>
Food for Peace Emergency Program	98.008
Limited Excess Property Program	**

* Catalog of Federal Domestic Assistance
 **CFDA Number not applicable

- H. Major federal programs were determined using \$300,000.
- I. The Organization was determined to be a high risk auditee.

II. Findings – Financial Statement Audit

None

III. Findings and Questioned Costs – Major Federal Award Programs Audit

None

WORLD HELP
Summary Schedule of Prior Year Audit Findings
for year ended December 31, 2010

None

WORLD HELP
Schedule of Expenditures of Federal Awards
for the year ended December 31, 2010

<u>Federal Grantor/Program Titles</u>	<u>CFDA Number</u>	<u>Federal (Direct and Pass-Through) Expenditures</u>
USAid		
Food for Peace Emergency Program		
Grant FFP-G-10-00052 Honduras	98.008	\$ 505,077
Grant FFP-G-10-00054 Guatemala	98.008	503,552
Grant FFP-G-10-00067 Honduras	98.008	295,381
Grant FFP-G-10-00068 Guatemala	98.008	<u>345,500</u>
		1,649,510
Limited Excess Property Program		
Excess Property Transfer Agreement No. 11	**	<u>3,869,480</u>
Total federal financial assistance		<u>\$ 5,518,990</u>

** CFDA Number not applicable

WORLD HELP
Notes to Schedule of Expenditures of Federal Awards
For year ended December 31, 2010

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards only includes the federal grant activity of the United States Agency for International Development (USAID) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.