

**CENTER FOR HUMANITARIAN OUTREACH  
AND INTERCULTURAL EXCHANGE  
(d.b.a. CHOICE HUMANITARIAN)**

**CONSOLIDATED FINANCIAL STATEMENTS**

For the Years Ended December 31, 2016 and 2015

with

**REPORT OF INDEPENDENT AUDITORS**

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**HEB Business Solutions**  
375 South 300 West  
Salt Lake City, Utah 84101  
Tel (801) 328-5000  
Fax (801) 328-5009  
www.hebsolutions.com



## **REPORT OF INDEPENDENT AUDITORS**

To the Board of Trustees,  
Choice Humanitarian:

We have audited the accompanying consolidated financial statements of Center for Humanitarian Outreach and Intercultural Exchange (d.b.a. Choice Humanitarian) (the Organization) which comprise the consolidated statement of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Center for Humanitarian Outreach and Intercultural Exchange (d.b.a. Choice Humanitarian) as of December 31, 2016 and 2015, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Huber, Erickson & Bowman, LLC*

**Huber, Erickson & Bowman, LLC**  
**June 5, 2017**

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Consolidated Statement of Financial Position**

**As of December 31, 2016 and 2015**

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	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,068,731	\$ 1,103,421
Accounts receivable	166,388	-
Contributions receivable	173,152	284,254
Prepaid expenses	1,497	3,399
Other assets	-	1,960
Deferred costs	4,214	2,443
Property and equipment, net	17,901	15,252
<b>Total Assets</b>	<b><u>\$ 1,431,883</u></b>	<b><u>\$ 1,410,729</u></b>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 100,275	\$ 36,566
Accrued liabilities	31,907	46,453
Deferred revenues	50,145	121,390
<b>Total Liabilities</b>	<b>182,327</b>	<b>204,409</b>
 <b>Net Assets</b>		
Unrestricted	595,956	968,820
Temporarily restricted	653,600	237,500
<b>Total Net Assets</b>	<b><u>1,249,556</u></b>	<b><u>1,206,320</u></b>
 <b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,431,883</u></b>	<b><u>\$ 1,410,729</u></b>

See report of independent auditors.

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Consolidated Statement of Activities**

**For the Years Ended December 31, 2016 and 2015**

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	<b>2016</b>	<b>2015</b>
<b>Unrestricted Net Assets</b>		
<b>Public Support and Revenue</b>		
Expeditions	\$ 917,724	\$ 617,619
Contributions	2,068,038	3,180,284
Special event revenue, net	352,718	559,750
In-kind contributions	243,479	162,355
Investment return	(185)	(1,783)
Essential oils revenue, net	194,048	91,507
Net assets released from restrictions	204,000	124,176
Other income	1,399	13,139
<b>Total Unrestricted Revenue</b>	<b>3,981,221</b>	<b>4,747,047</b>
<b>Expenses</b>		
Program services	3,857,241	3,845,618
Management and general	246,644	267,834
Fundraising	250,200	327,282
<b>Total Expenses</b>	<b>4,354,085</b>	<b>4,440,734</b>
<b>(Decrease) Increase in Unrestricted Net Assets</b>	<b>(372,864)</b>	<b>306,313</b>
<b>Temporarily Restricted Net Assets</b>		
<b>Contributions</b>	620,100	237,500
<b>Net Assets Released from Restriction</b>		
Temporarily restricted contributions	(204,000)	(124,176)
<b>Increase in Temporarily Restricted Net Assets</b>	416,100	113,324
<b>Increase in Net Assets</b>	<b>43,236</b>	<b>419,637</b>
Net Assets at Beginning of Year	1,206,320	786,683
<b>Net Assets at End of Year</b>	<b>\$ 1,249,556</b>	<b>\$ 1,206,320</b>

See report of independent auditors.

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Consolidated Statement of Functional Expenses**

**For the Years Ended December 31, 2016 and 2015**

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<b>December 31, 2016</b>				
	Program Services	Supporting Services		Total
		Management and General	Fund Raising	
Depreciation expense	\$ -	\$ 6,189	\$ -	\$ 6,189
Expedition expenses	567,917	-	-	567,917
Field expenses	2,555,016	-	-	2,555,016
Marketing and public relations	9,794	2,527	3,475	15,796
Office expenses	241,005	79,135	75,184	395,324
Office supplies	77	4,557	-	4,634
Professional services	49,888	25,610	17,702	93,200
Rent	26,591	6,862	9,436	42,889
Essential oils	-	16,264	-	16,264
Salaries	406,953	105,500	144,403	656,856
<b>Total Expenses</b>	<b>\$ 3,857,241</b>	<b>\$ 246,644</b>	<b>\$ 250,200</b>	<b>\$ 4,354,085</b>

<b>December 31, 2015</b>				
	Program Services	Supporting Services		Total
		Management and General	Fund Raising	
Depreciation expense	\$ -	\$ 15,241	\$ -	\$ 15,241
Expedition expenses	455,053	-	-	455,053
Field expenses	2,787,878	319	478	2,788,675
Marketing and public relations	13,805	4,498	6,847	25,150
Office expenses	146,989	81,885	103,105	331,979
Office supplies	3,456	1,445	1,685	6,586
Professional services	89,686	38,382	43,962	172,030
Rent	20,994	16,196	10,306	47,496
Salaries	327,757	109,868	160,899	598,524
<b>Total Expenses</b>	<b>\$ 3,845,618</b>	<b>\$ 267,834</b>	<b>\$ 327,282</b>	<b>\$ 4,440,734</b>

See report of independent auditors.

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Consolidated Statement of Cash Flows**

**For the Years Ended December 31, 2016 and 2015**

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	<u>2016</u>	<u>2015</u>
<b>Cash Flows from Operating Activities</b>		
<b>Increase in Net Assets</b>	<b>\$ 43,236</b>	<b>\$ 419,637</b>
<b>Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities:</b>		
Depreciation	6,189	15,241
In-kind equipment contribution	(7,500)	
Decrease (increase) in assets:		
Accounts receivable	(53,326)	(12,964)
Deferred expenses	(1,771)	1,027
Prepaid expenses	1,902	(3,399)
Increase (decrease) in liabilities:		
Accounts payable	(13,293)	(17,083)
Accrued liabilities	(14,544)	(14,702)
Related party payable	77,000	-
Deferred revenue	(71,245)	74,014
<b>Total Adjustments</b>	<b>(76,588)</b>	<b>42,134</b>
<b>Net Cash (Used In) Provided by Operating Activities</b>	<b>(33,352)</b>	<b>461,771</b>
<b>Cash Flows from Investing Activities</b>		
Cash paid for furniture and equipment	(1,338)	(9,034)
<b>Net Cash Used in Investing Activities</b>	<b>(1,338)</b>	<b>(9,034)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(34,690)</b>	<b>452,737</b>
Cash and Cash Equivalents, Beginning of Year	1,103,421	650,684
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,068,731</b>	<b>\$ 1,103,421</b>

See report of independent auditors.



**Center for Humanitarian Outreach and Intercultural Exchange (d.b.a. Choice Humanitarian)**

**Notes to Consolidated Financial Statements**

**For the Years Ended December 31, 2016 and 2015**

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**NOTE 1 ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Organization**

The Center for Humanitarian Outreach and Intercultural Exchange (d.b.a. CHOICE Humanitarian) (the Organization) was incorporated as a not-for-profit organization in 1988. CHOICE Humanitarian is a leadership organization that works in remote villages all around the world. Strong local leadership means communities can develop their own vision, goals, and plan to work their way out of extreme poverty.

With 35 years of experience working to end poverty in Kenya, Bolivia, Guatemala, Mexico, Nepal, Ecuador, and Peru, CHOICE partners with rural communities where most villagers live on less than \$1.90 a day. The Leadership Model of Development CHOICE utilizes is holistic, integrating five core areas: economic development, health, education, environment, and culture preservation.

CHOICE has learned how to combine the most effective elements of both grassroots and top-down approaches to bring about powerful, sustainable change. Villages identify and manage their own development process and drive the initiatives that will resolve the problems they face. Projects are a vehicle to organize communities and resources, creating lasting change as communities establish their path towards self-reliance. Native in-country staff uses culturally appropriate programs to develop the capacity of local leaders and empower villagers through our “learn by doing” model. CHOICE multiplies its impact by identifying similar-minded local and international partners to support programs. Data collection and evaluation drive our efforts to ensure long-term success. Ultimately, CHOICE knows that economic opportunities provide an exit from poverty, and education is a game changer in economic development.

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

In 2013, the Organization started Choice Ventures, LLC, a wholly owned and operated company. The LLC was organized to invest in for-profit businesses that will produce a positive economic impact on local communities, generate additional investment capital for the LLC, and provide program funds for CHOICE Humanitarian.

**Center for Humanitarian Outreach and Intercultural Exchange (d.b.a. Choice Humanitarian)**

**Notes to Consolidated Financial Statements**

**For the Years Ended December 31, 2016 and 2015**

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**NOTE 1 ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES**

**(CONTINUED)**

In 2015, the Organization merged with The Institute for Self Reliant Agriculture dba Feed the World, a wholly owned and operated non-profit. Feed the World remained a 501(c)(3) organization under the governance of the board of Choice Humanitarian. The reason for the merger was to combine resources and continue to use their resources to work towards eliminating poverty. Additionally, the Organization acquired Choice Essential Oils Producers, LLC., (“Choice Essential Oils”) in which 100% of the assets were donated by one of the Organization’s board members.

**Principles of Consolidation**

Choice Humanitarian represents the consolidated financial statements and accounts of The Center for Humanitarian Outreach and Intercultural Exchange and its wholly owned subsidiaries, Choice Ventures, LLC, Feed the World, and Choice Essential Oils. All significant inter-company accounts and transactions have been eliminated.

**Basis of Accounting**

Support and other gifts are recorded as restricted if they are received with donor stipulation that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction 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.

The Organization reports gifts of long-lived assets as unrestricted support unless explicit donor stipulations specify how the donated long-lived assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Restricted funds may only be utilized in accordance with the purpose established by the source of such funds. The Board of Directors in achieving its purposes and continuing the operations of the Organization may utilize unrestricted funds.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. When cash is wire transferred to a foreign bank account to be used for a project, it is immediately expensed as a field expense.

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Notes to Consolidated Financial Statements**

**For the Years Ended December 31, 2016 and 2015**

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**NOTE 1 ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES  
(CONTINUED)**

**Allowance for Doubtful Accounts**

The Organization has determined that the potential loss from accounts receivable is not material and has elected not to record an allowance for doubtful accounts as of December 31, 2016 and 2015.

**Property and Equipment**

Property and equipment consists of office furniture and equipment that are carried at cost. Donated assets are recorded at their estimated fair market value at the time of contribution. Expenditures for maintenance and repairs are charged against income and expenditures for major purchases and improvements are capitalized. The net book value of property sold or otherwise disposed of is removed from the property and accumulated depreciation accounts and the resulting gain or loss is included in income. The Organization generally capitalizes land, buildings, and equipment expenditures in excess of \$500. Purchases of property and equipment in foreign countries are recorded as field expense and are not capitalized.

**Property and Equipment (Continued)**

Depreciation of property and equipment is provided on a straight-line method over estimated useful lives of 3-5 years.

**Deferred Revenue and Expenses**

Occasionally, expeditions are billed to volunteers in advance of the period in which the related expenses are to be incurred. Cash received from advance billings are shown in the accompanying financial statements as deferred revenue. The revenue is recognized when the expedition occurs. Costs incurred by the Organization for future expeditions are capitalized and are expensed when the related revenue is earned.

**Fair Value of Financial Instruments**

The Organization's financial instruments consist of cash and cash equivalents, investments, receivables, and payables. The carrying amount of cash and cash equivalents, receivables, and payables approximates fair value because of the short-term nature of these items. The carrying amount of investments is based on readily determinable market values.

**Functional Expense Allocations**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expenses studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Notes to Consolidated Financial Statements**

**For the Years Ended December 31, 2016 and 2015**

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**NOTE 1 ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES  
(CONTINUED)**

**In-kind Contributions**

Contributed materials, supplies, facilities, property, and investments in debt and equity securities are recorded at their estimated fair value at the date of donation. The Organization reports in-kind contributions as unrestricted revenue in the accompanying statements of activities.

If the fair value of in-kind contributions cannot be reasonably determined, they are not recorded. Donated personal services of nonprofessional volunteers, as well as national and local programming services, are not recorded as revenue and expense as there is no objective basis available to measure the value of such services.

**Income Taxes**

Choice Humanitarian and Feed the World have received a determination letter from the Internal Revenue Service that states the Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). A similar exemption applies for state income tax; therefore, no provision for income taxes has been recorded.

Choice Ventures, LLC, is taxed as a C-Corporation for tax purposes, per the Operating Agreement. Choice Essentials Oils is wholly-owned and is a disregarded entity for tax purposes.

**Temporarily Restricted Net Assets**

As of December 31, 2016 and 2015, the Organization had temporary restricted net assets of \$653,600 and \$237,500. The following details the reasons for the temporary restrictions:

	<u>2016</u>	<u>2015</u>
Vietnam donations	\$ 8,400	\$ 8,000
Nepal Earthquake – Rebuild Houses	48,500	229,500
doTERRA HHF – Nepal Grant	442,900	-
doTERRA HHF – Guatemala Grant	153,800	-
Total	<u>\$ 653,600</u>	<u>\$ 237,500</u>

**Use of 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 amounts could differ from those estimates.

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Notes to Consolidated Financial Statements**

**For the Years Ended December 31, 2016 and 2015**

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**NOTE 2 CASH DEPOSITS IN EXCESS OF FEDERALLY INSURED AMOUNTS**

The Organization maintains its cash accounts in bank deposit accounts. At December 31, 2016 and 2015, the Company had \$522,186 and \$786,558 in deposits, respectively, in excess of federally insured limits.

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment by major classifications are as follows:

	<u>2016</u>	<u>2015</u>
Furniture	\$ 24,440	\$ 16,940
Equipment	2,833	2,833
Computers and servers	<u>179,254</u>	<u>177,916</u>
	206,527	197,689
Accumulated depreciation	<u>(188,626)</u>	<u>(182,437)</u>
Net property and equipment	<u>\$ 17,901</u>	<u>\$ 15,252</u>

Depreciation expense for the years ended December 31, 2016 and 2015 was \$6,189 and \$15,241, respectively.

**NOTE 4 IN-KIND DONATIONS**

The Organization recognizes contribution revenue for certain assets received at the fair value of such assets. Recognized asset contributions for the years ended December 31, 2016 and 2015 totaled \$243,479 and \$162,355, respectively. Contributed assets included office equipment and software, vacation packages, collectibles and other miscellaneous items sold at auction by the Organization for cash.

**Center for Humanitarian Outreach and Intercultural Exchange (d.b.a. Choice Humanitarian)**

**Notes to Consolidated Financial Statements**

**For the Years Ended December 31, 2016 and 2015**

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**NOTE 5 OPERATING LEASE**

The organization has entered into a long-term operating lease agreement on building space. Rent expense recognized under this lease agreement for the years ended December 31, 2016 and 2015 totaled \$42,889 and \$47,496, respectively. Future minimum lease payments under non-cancelable operating leases as of December 31, 2016 are detailed in the following:

2017	\$	35,535
2018		36,604
2019		37,698
2020		28,903
	\$	<u>138,740</u>

**NOTE 6 SPECIAL EVENT REVENUE**

In 2016, the Organization sponsored five fundraising events in order to promote awareness of the organization's mission. At the Gala event participants purchase tickets to attend, are entertained and participate in various silent and live auctions. The Breakfast event is a casual breakfast by invitation where the Organization's mission is promoted and donations are received and pledged. At the Golf Tournament event participants purchase foursome's to compete against fellow golfers and participate in silent auctions. The Junior Board of Directors event is new during 2016 and invites youth and their families from middle schools and high schools to learn more about the Organization and how they can become involved with humanitarian work during their teenage years. The Symposium is also new during 2016 and is a one day educational event where students, nonprofit organizations, and international organizations come together to network and share best practices regarding international development. The gross revenues and direct expenses associated with these events for the years ended December 31, 2016 and 2015 are summarized as follows:

2016

	<u>Salt Lake Gala</u>	<u>Salt Lake Breakfast</u>	<u>Golf Tournament</u>	<u>Jr. Board of Directors</u>	<u>Symposium</u>	<u>Total</u>
Contributions from participants	\$ 110,469	\$ 57,100	\$ 25,280	\$ 4,541	\$ 22,000	\$ 219,390
Ticket & auction sales	221,513	-	53,630	-	3,365	278,508
Less: costs of direct benefits to donors	(51,543)	-	(18,805)	(312)	(17,709)	(88,369)
Less: direct expenses	<u>(27,810)</u>	<u>(11,978)</u>	<u>(4,400)</u>	<u>(305)</u>	<u>(12,318)</u>	<u>(56,812)</u>
Net Revenues	<u>\$ 252,629</u>	<u>\$ 45,122</u>	<u>\$ 55,705</u>	<u>\$ 3,924</u>	<u>\$ (4,662)</u>	<u>\$352,718</u>

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

Notes to Consolidated Financial Statements

**For the Years Ended December 31, 2016 and 2015**

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**NOTE 6 SPECIAL EVENT REVENUE (CONTINUED)**

2015

	<u>Salt Lake Gala</u>	<u>Salt Lake Breakfast</u>	<u>Golf Tournament</u>	<u>Total</u>
Contributions from participants	\$ 374,108	\$ 57,014	\$ 32,500	\$ 463,622
Ticket & auction sales	212,635	-	31,401	244,036
Less: costs of direct benefits to donors	(82,903)	-	(34,561)	(117,464)
Less: direct expenses	<u>(15,213)</u>	<u>(14,313)</u>	<u>(918)</u>	<u>(30,444)</u>
Net Revenues	<u>\$ 488,627</u>	<u>\$ 42,701</u>	<u>\$ 28,422</u>	<u>\$ 559,750</u>

**NOTE 7 CHOICE ESSENTIAL OILS REVENUE**

During the years ended December 31, 2016 and 2015, Choice Essentials Oils had the following gross revenues and cost of goods sold:

	<u>2016</u>	<u>2015</u>
Gross revenues	\$ 1,254,605	\$ 536,263
Cost of goods sold	<u>1,060,557</u>	<u>444,756</u>
Gross profit	<u>\$ 194,048</u>	<u>\$ 91,507</u>

**NOTE 8 PREVIOUSLY REPORTED NET ASSETS**

During the year ended December 31, 2015, Choice Essential Oils and Feed the World were added into the financial statements. As such, the beginning net assets do not tie to the previously reported net assets for the year ended December 31, 2014. The following schedule details the change in the beginning net assets:

Previously reported net assets at December 31, 2014	\$ 732,299
Net assets contributed from Choice Essential Oils and Feed the World	<u>54,384</u>
Net Assets at Beginning of Year	<u>\$ 786,683</u>

**NOTE 9 ACCOUNTING FOR UNCERTAIN TAX POSITIONS**

The Organization follows the provisions of FASB Accounting Standards Codification 740-10-45 regarding the recognition of liabilities from uncertain tax positions. For the years ended December 31, 2016 and 2015, the Company did not recognize any liabilities for uncertain tax positions. The Company is not subject to U.S. federal, state, and local income tax examinations by tax authorities for years before December 31, 2013.

**NOTE 10 SUBSEQUENT EVENTS**

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Company has evaluated subsequent events through June 5, 2017, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 5, 2017, have been incorporated into these financial statements.



**SUPPLEMENTARY INFORMATION**

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Consolidating Statements of Financial Position**

**As of December 31, 2016**

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	Choice Humanitarian	Choice Ventures	Choice Essential Oils	Feed the World	Eliminating Entries	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 880,178	\$ 122,720	\$ 63,523	\$ 2,310	\$ -	\$ 1,068,731
Accounts receivable	-	-	166,388	-	-	166,388
Contributions receivable	360,724	-	-	-	(187,572)	173,152
Prepaid expenses	1,497	-	-	-	-	1,497
Deferred costs	4,214	-	-	-	-	4,214
Property and equipment, net	17,901	-	-	-	-	17,901
<b>Total Assets</b>	<b>\$ 1,264,514</b>	<b>\$ 122,720</b>	<b>\$ 229,911</b>	<b>\$ 2,310</b>	<b>\$ (187,572)</b>	<b>\$ 1,431,883</b>
<b>Liabilities and Net Assets</b>						
<b>Liabilities</b>						
Accounts payable	\$ 23,275	\$ -	\$ 109,000	\$ -	\$ (32,000)	\$ 100,275
Accrued liabilities	31,907	-	-	-	-	31,907
Deferred revenues	50,145	155,572	-	-	(155,572)	50,145
<b>Total Liabilities</b>	<b>105,327</b>	<b>155,572</b>	<b>109,000</b>	<b>-</b>	<b>(187,572)</b>	<b>182,327</b>
<b>Net Assets</b>						
Unrestricted	505,587	(32,852)	120,911	2,310	-	595,956
Temporarily restricted	653,600	-	-	-	-	653,600
<b>Total Net Assets</b>	<b>1,159,187</b>	<b>(32,852)</b>	<b>120,911</b>	<b>2,310</b>	<b>-</b>	<b>1,249,556</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,264,514</b>	<b>\$ 122,720</b>	<b>\$ 229,911</b>	<b>\$ 2,310</b>	<b>\$ (187,572)</b>	<b>\$ 1,431,883</b>

See report of independent auditors.

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Consolidating Statements of Activities**

**For the Year ended December 31, 2016**

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	Choice Humanitarian	Choice Ventures	Choice Essential Oils	Feed the World	Eliminating Entries	Total
<b>Unrestricted Net Assets</b>						
<b>Public Support and Revenue</b>						
Expeditions	\$ 917,724	\$ -	\$ -	\$ -	\$ -	\$ 917,724
Contributions	2,154,797	-	-	2,723	(89,482)	2,068,038
Special event revenue, net	352,718	-	-	-	-	352,718
In-kind contributions	243,479	-	-	-	-	243,479
Investment income	(287)	-	-	102	-	(185)
Net assets released from restrict	204,000	-	-	-	-	204,000
Essential Oils revenue, net	-	-	194,048	-	-	194,048
Other income	1,399	-	-	-	-	1,399
<b>Total Unrestricted Revenue</b>	<b>3,873,830</b>	<b>-</b>	<b>194,048</b>	<b>2,825</b>	<b>(89,482)</b>	<b>3,981,221</b>
<b>Expenses</b>						
Program services	3,856,538	703	-	-	-	3,857,241
Management and general	243,204	496	1,462	18,964	(17,482)	246,644
Fundraising	250,200	-	-	-	-	250,200
<b>Total Expenses</b>	<b>4,349,942</b>	<b>1,199</b>	<b>1,462</b>	<b>18,964</b>	<b>(17,482)</b>	<b>4,354,085</b>
<b>Increase in Unrestricted Net Assets</b>	<b>(476,112)</b>	<b>(1,199)</b>	<b>192,586</b>	<b>(16,139)</b>	<b>(72,000)</b>	<b>(372,864)</b>

See report of independent auditors.

**Center for Humanitarian Outreach and Intercultural  
Exchange (d.b.a. Choice Humanitarian)**

**Consolidating Statements of Activities (Continued)**

**For the Year ended December 31, 2016**

**Page 17**

	Choice Humanitarian	Choice Ventures	Choice Essential Oils	Feed the World	Eliminating Entries	Total
<b>Temporarily Restricted Net Assets</b>						
<b>Contributions</b>	620,100	-	-	-	-	620,100
<b>Net Assets Released from     Restriction</b>						
Temporarily restricted contributions	(204,000)	-	-	-	-	(204,000)
<b>(Decrease) Increase in Temporarily Restricted Net Assets</b>	<b>(204,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(204,000)</b>
<b>Increase in Net Assets</b>	<b>(60,012)</b>	<b>(1,199)</b>	<b>192,586</b>	<b>(16,139)</b>	<b>(72,000)</b>	<b>43,236</b>
Distributions	-	-	(72,000)	-	72,000	-
Net Assets at Beginning of Year	1,219,199	(31,653)	325	18,449	-	1,206,320
<b>Net Assets at End of Year</b>	<b>\$ 1,159,187</b>	<b>\$ (32,852)</b>	<b>\$ 120,911</b>	<b>\$ 2,310</b>	<b>\$ -</b>	<b>\$ 1,249,556</b>

See report of independent auditors.