

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

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2017 and 2016

with

REPORT OF INDEPENDENT AUDITORS

TABLE OF CONTENTS

Report of Independent Auditors	1
---	----------

Financial Statements:

Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities.....	4
Consolidated Statements of Functional Expenses.....	5
Consolidated Statements of Cash Flows.....	6
Notes to Consolidated Financial Statements.....	7
Supplementary Information	15



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 statements of financial position as of December 31, 2017 and 2016, 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, 2017 and 2016, 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
May 22, 2018

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

Consolidated Statements of Financial Position

As of December 31, 2017 and 2016

Page 3

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 635,234	\$ 1,068,731
Restricted cash	280,000	-
Accounts receivable	-	166,388
Contributions receivable	98,399	173,152
Prepaid expenses	6,700	1,497
Inventory	20,819	-
Deferred costs	5,508	4,214
Property and equipment, net	12,813	17,901
Total Assets	<u>\$ 1,059,473</u>	<u>\$ 1,431,883</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 58,547	\$ 100,275
Accrued liabilities	60,377	31,907
Deferred revenues	372,670	50,145
Total Liabilities	491,594	182,327
Net Assets		
Unrestricted	(372,148)	595,956
Temporarily restricted	940,027	653,600
Total Net Assets	567,879	1,249,556
Total Liabilities and Net Assets	<u>\$ 1,059,473</u>	<u>\$ 1,431,883</u>

See report of independent auditors.

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

Consolidated Statements of Activities

For the Years Ended December 31, 2017 and 2016

Page 4

	<u>2017</u>	<u>2016</u>
Unrestricted Net Assets		
Public Support and Revenue		
Expeditions	\$ 1,291,610	\$ 917,724
Contributions	1,346,692	2,068,038
Special event revenue, net	372,979	352,718
In-kind contributions	254,589	243,479
Investment return	-	(185)
Essential oils revenue, net	(120,035)	194,048
Net assets released from restrictions	439,998	204,000
Other income	4,160	1,399
Total Unrestricted Revenue	3,589,993	3,981,221
Expenses		
Program services	3,422,635	3,857,241
Management and general	413,365	246,644
Fundraising	562,100	250,200
Total Expenses	4,398,100	4,354,085
(Decrease) Increase in Unrestricted Net Assets	(808,107)	(372,864)
Temporarily Restricted Net Assets		
Contributions	566,425	620,100
Net Assets Released from Restriction		
Temporarily restricted contributions	(439,998)	(204,000)
Increase in Temporarily Restricted Net Assets	126,427	416,100
(Decrease) / Increase in Net Assets	(681,680)	43,236
Net Assets at Beginning of Year	1,249,559	1,206,320
Net Assets at End of Year	\$ 567,879	\$ 1,249,556

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, 2017 and 2016

Page 5

December 31, 2017				
	Program Services	Supporting Services		Total
		Management and General	Fund Raising	
Depreciation expense	\$ -	\$ 5,088	\$ -	\$ 5,088
Expedition expenses	785,840	145	-	785,985
Field expenses	2,012,592	209,143	166,661	2,388,396
Marketing and public relations	9,723	1,923	3,064	14,710
Office expenses	133,286	39,591	157,318	330,195
Office supplies	715	179	286	1,180
Professional services	81,990	25,670	25,872	133,532
Rent	26,670	8,798	14,022	49,490
Essential oils	1,171	-	-	1,171
Salaries	370,648	122,828	194,877	688,353
Total Expenses	\$ 3,422,635	\$ 413,365	\$ 562,100	\$ 4,398,100

December 31, 2016				
	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
Total Expenses	\$ 3,857,241	\$ 246,644	\$ 250,200	\$ 4,354,085

See report of independent auditors.

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

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

Page 6

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
(Decrease) / Increase in Net Assets	\$ (681,680)	\$ 43,236
Adjustments to Reconcile Change in Net Assets to Net Cash (Used in) Provided by Operating Activities:		
Depreciation	5,088	6,189
In-kind equipment contribution	-	(7,500)
Decrease (increase) in assets:		
Accounts receivable	241,141	(53,326)
Inventory	(20,819)	-
Deferred expenses	(1,294)	(1,771)
Prepaid expenses	(5,203)	1,902
Increase (decrease) in liabilities:		
Accounts payable	(41,725)	(13,293)
Accrued liabilities	28,470	(14,544)
Related party payable	-	77,000
Deferred revenue	322,525	(71,245)
Total Adjustments	<u>528,183</u>	<u>(76,588)</u>
Net Cash (Used In) Provided by Operating Activities	<u>(153,497)</u>	<u>(33,352)</u>
Cash Flows from Investing Activities		
Cash paid for furniture and equipment	-	(1,338)
Net Cash Used in Investing Activities	<u>-</u>	<u>(1,338)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(153,497)	(34,690)
Cash and Cash Equivalents, Beginning of Year	<u>1,068,731</u>	<u>1,103,421</u>
Cash and Cash Equivalents, End of Year	<u>\$ 915,234</u>	<u>\$ 1,068,731</u>
Cash and cash equivalents	\$ 635,234	\$ 1,068,731
Restricted cash	280,000	-
Total cash and cash equivalents	<u>\$ 915,234</u>	<u>\$ 1,068,731</u>

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, 2017 and 2016

Page 7

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.

**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, 2017 and 2016

Page 9

**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, 2017 and 2016.

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, 2017 and 2016

Page 10

**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, 2017 and 2016, the Organization had temporary restricted net assets of \$940,027 and \$653,600. The following details the reasons for the temporary restrictions:

	2017	2016
doTERRA HHF – 2017 Nepal Grant	\$ 177,502	\$ 442,900
doTERRA HHF – 2018 Nepal Grant	256,250	-
doTERRA HHF – 2017 Guatemala Grant	36,100	153,800
doTERRA HHF – 2018 Guatemala Grant	56,000	-
G Phillips School – Guatemala	5,005	-
Economic Development - Choice Ventures	280,000	-
Training Center – Ecuador	6,298	-
S Rockwood Bolivia Project	80,579	-
Jupiter Systems – Peru	42,293	-
Vietnam donations	-	8,400
Nepal Earthquake – Rebuild Houses	-	48,500
Total	<u>\$ 940,027</u>	<u>\$ 653,600</u>

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

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2017 and 2016

Page 11

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

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.

NOTE 2 CASH

The Organization maintains its cash accounts in bank deposit accounts. At December 31, 2017 and 2016, the Organization had \$528,956 and \$522,186 in deposits, respectively, in excess of federally insured limits.

The Organization had cash restricted for monies received from a donor that are specifically to be used by Choice Ventures for microloans.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment by major classifications are as follows:

	<u>2017</u>	<u>2016</u>
Furniture	\$ 24,440	\$ 24,440
Equipment	2,833	2,833
Computers and servers	179,254	179,254
	<u>206,527</u>	<u>206,527</u>
Accumulated depreciation	<u>(193,714)</u>	<u>(188,626)</u>
Net property and equipment	<u>\$ 12,813</u>	<u>\$ 17,901</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$5,088 and \$6,189, 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, 2017 and 2016 totaled \$254,589 and \$243,479, 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, 2017 and 2016

Page 12

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, 2017 and 2016 totaled \$49,490 and \$42,889, respectively. Future minimum lease payments under non-cancelable operating leases as of December 31, 2017 are detailed in the following:

2018	\$	36,604
2019		37,698
2020		28,903
	\$	<u>103,206</u>

NOTE 6 CHOICE ESSENTIAL OILS REVENUE

During the years ended December 31, 2017 and 2016, Choice Essentials Oils had the following gross revenues and cost of goods sold:

	<u>2017</u>	<u>2016</u>
Gross revenues	\$ 25,200	\$ 1,254,605
Cost of goods sold	145,235	1,060,557
Gross (loss) profit	<u>\$ (120,035)</u>	<u>\$ 194,048</u>

Due to timing differences in when revenue was reported compared to when the expenses were reported, this caused a loss in 2017.

NOTE 7 SPECIAL EVENT REVENUE

In 2017, 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 was 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 was 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, 2017 and 2016 are summarized as follows:

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

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2017 and 2016

Page 13

NOTE 7 SPECIAL EVENT REVENUE (CONTINUED)

2017

	<u>Salt Lake Gala</u>	<u>Salt Lake Breakfast</u>	<u>Golf Tournament</u>	<u>Symposium</u>	<u>Other Events</u>	<u>Total</u>
Contributions from participants	\$ 113,057	\$ 112,973	\$ 74,365	\$ 20,000	\$ 2,863	\$ 323,258
Ticket & auction sales	186,249	-	7,135	3,830	-	197,214
Less: costs of direct benefits to donors	(55,602)	(17,542)	(10,756)	(11,430)	(1,203)	(96,533)
Less: direct expenses	<u>(28,498)</u>	<u>(6,882)</u>	<u>(6,531)</u>	<u>(6,075)</u>	<u>(2,974)</u>	<u>(50,960)</u>
Net Revenues	<u>\$ 215,206</u>	<u>\$ 88,549</u>	<u>\$ 64,213</u>	<u>\$ 6,325</u>	<u>\$ (1,314)</u>	<u>\$ 372,979</u>

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>

NOTE 8 SUBSEQUENT EVENTS

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Company has evaluated subsequent events through May 22, 2018, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of May 22, 2018, 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, 2017

Page 15

	Choice Humanitarian	Choice Ventures	Choice Essential Oils	Feed the World	Eliminating Entries	Total
Assets						
Cash and cash equivalents	\$ 684,456	\$ (55,021)	\$ 390	\$ 5,409	\$ -	\$ 635,234
Restricted cash	120,000	160,000				280,000
Contributions receivable	372,865	-	-	-	(274,466)	98,399
Inter-entity receivable	-	120,000	-	-	(120,000)	-
Inventory	-	20,819	-	-	-	20,819
Prepaid expenses	6,700	-	-	-	-	6,700
Deferred costs	5,508	-	-	-	-	5,508
Property and equipment, net	12,813	-	-	-	-	12,813
Total Assets	\$ 1,202,342	\$ 245,798	\$ 390	\$ 5,409	\$ (394,466)	\$ 1,059,473
Liabilities and Net Assets						
Liabilities						
Accounts payable	\$ 53,223	\$ 5,324	\$ -	\$ -	\$ -	\$ 58,547
Accrued liabilities	60,377	-	-	-	-	60,377
Deferred revenues	372,670	274,466	-	-	(274,466)	372,670
Related party payable	120,000	-	-	-	(120,000)	-
Total Liabilities	606,270	279,790	-	-	(394,466)	491,594
Net Assets						
Unrestricted	(183,955)	(193,992)	390	5,409	-	(372,148)
Temporarily restricted	780,027	160,000	-	-	-	940,027
Total Net Assets	596,072	(33,992)	390	5,409	-	567,879
Total Liabilities and Net Assets	\$ 1,202,342	\$ 245,798	\$ 390	\$ 5,409	\$ (394,466)	\$ 1,059,473

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, 2017

Page 16

	Choice Humanitarian	Choice Ventures	Choice Essential Oils	Feed the World	Eliminating Entries	Total
Unrestricted Net Assets						
Public Support and Revenue						
Expeditions	\$ 1,291,610	\$ -	\$ -	\$ -	\$ -	\$ 1,291,610
Contributions	1,343,177	245	-	3,270	-	1,346,692
Special event revenue, net	372,979	-	-	-	-	372,979
In-kind contributions	254,589	-	-	-	-	254,589
Net assets released from restricti	439,998	-	-	-	-	439,998
Essential Oils revenue, net	-	-	(120,035)	-	-	(120,035)
Other income	4,160	-	-	-	-	4,160
Total Unrestricted Revenue	3,706,513	245	(120,035)	3,270	-	3,589,993
Expenses						
Program services	3,421,948	687	-	-	-	3,422,635
Management and general	412,009	698	486	172	-	413,365
Fundraising	562,100	-	-	-	-	562,100
Total Expenses	4,396,057	1,385	486	172	-	4,398,100
(Decrease) / Increase in Unrestricted Net Assets	(689,544)	(1,140)	(120,521)	3,098	-	(808,107)

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, 2017

Page 17

	Choice Humanitarian	Choice Ventures	Choice Essential Oils	Feed the World	Eliminating Entries	Total
Temporarily Restricted Net Assets						
Contributions	566,425	-	-	-	-	566,425
Net Assets Released from Restriction						
Temporarily restricted contributions	(439,998)	-	-	-	-	(439,998)
(Decrease) in Temporarily Restricted Net Assets	(439,998)	-	-	-	-	(439,998)
(Decrease) Increase in Net Assets	(563,117)	(1,140)	(120,521)	3,098	-	(681,680)
Net Assets at Beginning of Year	1,159,189	(32,852)	120,911	2,311	-	1,249,559
Net Assets at End of Year	\$ 596,072	\$ (33,992)	\$ 390	\$ 5,409	\$ -	\$ 567,879

See report of independent auditors.