



WORLD OF GOD, INC.

SUMMARY FINANCIAL STATEMENTS & POLICIES

December 31, 2013

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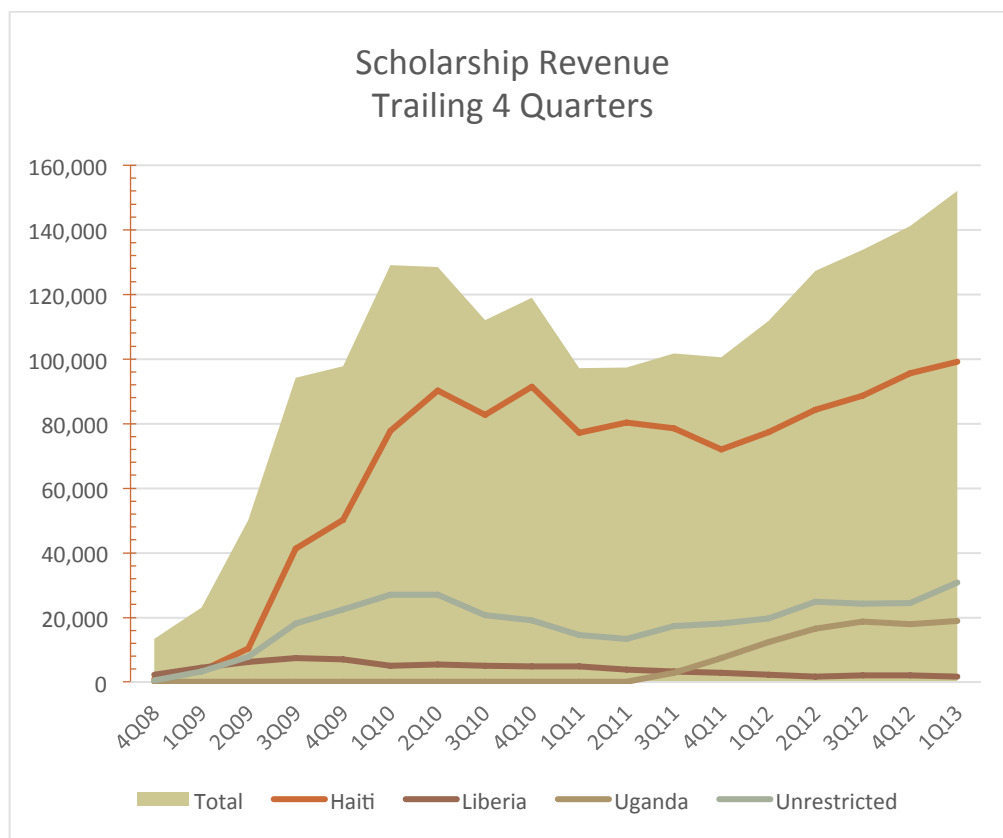
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ORGANIZATION

World of God (WOG) provides young people with a quality education that shapes their future, enables their success and transforms their communities. Through education, WOG envisions a future in which its students graduate with the skills needed to foster local sustainability, alleviate severe poverty and restore community prosperity.

WOG is dedicated to developing a close, personal relationship between the donor and student. We encourage donors to write students and vice-versa. Our Developing Country Organizations (DCO) in Haiti and in Uganda work with our students to not only help them understand letter writing, but to also help them express their lives through the words they use in the letters. We encourage donors to visit the student they support as part of our mission trips.

WOG is a charitable organization as described by the IRS in section 501 (c)(3), and is eligible to receive tax deductible contributions in accordance with IRS Code section 170.



FIVE YEAR INCOME & EXPENSE SUMMARY

World of God, Inc.
Income & Expenses
 January 2009 through December 2013

	Jan - Dec 09	Jan - Dec 10	Jan - Dec 11	Jan - Dec 12	Jan - Dec 13	TOTAL
Income						
Contribution Revenue						
Restricted Contributions						
Haiti Contributions	3,550	95,402	77,171	77,469	100,589	354,180
Liberia Contributions	16,229	6,660	5,319	2,263	1,709	32,180
Uganda Contributions						
Uganda Scholarships	0	0	0	12,367	18,880	31,247
Total Uganda Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,367</u>	<u>18,880</u>	<u>31,247</u>
Total Restricted Contributions	19,779	102,062	82,489	92,099	121,178	417,607
Unrestricted Contributions	3,326	26,944	14,601	19,789	30,833	95,493
Total Contribution Revenue	<u>23,105</u>	<u>129,006</u>	<u>97,090</u>	<u>111,887</u>	<u>152,011</u>	<u>513,100</u>
Total Income	23,105	129,006	97,090	111,887	152,011	513,100
Expense						
Program Services Expenses						
Direct Program Services	19,779	102,062	82,489	92,099	121,178	417,607
Other Program Services Related	1,132	5,574	1,892	3,655	3,076	15,329
Total Program Services Expenses	<u>20,911</u>	<u>107,636</u>	<u>84,382</u>	<u>95,754</u>	<u>124,254</u>	<u>432,936</u>
Supporting Services Expenses	15,898	11,057	13,636	18,686	28,999	88,276
Total Expense	<u>36,809</u>	<u>118,692</u>	<u>98,018</u>	<u>114,440</u>	<u>153,253</u>	<u>521,212</u>
Net Income	<u>-13,704</u>	<u>10,314</u>	<u>-928</u>	<u>-2,553</u>	<u>-1,241</u>	<u>-8,111</u>

FIVE YEAR BALANCE SHEET SUMMARY

World of God, Inc.
Balance Sheet
 As of December 31, 2013

	Dec 31, 09	Dec 31, 10	Dec 31, 11	Dec 31, 12	Dec 31, 13
ASSETS					
Current Assets					
Checking/Savings	13,521	63,456	8,592	19,418	42,929
Total Current Assets	<u>13,521</u>	<u>63,456</u>	<u>8,592</u>	<u>19,418</u>	<u>42,929</u>
TOTAL ASSETS	<u>13,521</u>	<u>63,456</u>	<u>8,592</u>	<u>19,418</u>	<u>42,929</u>
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Other Current Liabilities					
Due to Program Services					
Temporarily Restricted Haiti	3,550	45,077	2,442	7,911	27,340
Temporarily Restricted Liberia	3,278	960	269	1,252	0
Temporarily Restricted Uganda	0	0	0	6,911	13,291
Total Due to Program Services	6,828	46,037	2,712	16,074	40,631
Promissory Note Interest Due	378	790	179	195	390
Total Other Current Liabilities	<u>7,206</u>	<u>46,827</u>	<u>2,890</u>	<u>16,269</u>	<u>41,021</u>
Total Current Liabilities	7,206	46,827	2,890	16,269	41,021
Long Term Liabilities	20,000	20,000	10,000	10,000	10,000
Total Liabilities	27,206	66,827	12,890	26,269	51,021
Equity	-13,685	-3,371	-4,298	-6,851	-8,092
TOTAL LIABILITIES & EQUITY	<u>13,521</u>	<u>63,456</u>	<u>8,592</u>	<u>19,418</u>	<u>42,929</u>

DEVELOPING COUNTRY ORGANIZATIONS

WOG works with two Developing Country Organizations (DCO) to fulfill our mission of sending children to accredited and established schools that would otherwise be unavailable to them, opening doors of opportunity through quality education:

INSTITUTE CLASSIQUE DE BAYONNAIS, HAITI

In Haiti, our educational partner is OFCB ministries, which provides school, the Institute Classique de Bayonnais, for 2,000 students in Bayonnais, Haiti. Haiti is the poorest country in the Western hemisphere with a population of over 8 million, most of whom are living in extreme poverty. Bayonnais is located in the mountains, a five hour drive from the capital, Port au Prince. The rural region around Bayonnais has a population of 80,000 where there are few public schools, a newly established health clinic, no electricity, and water provided only through a gravity-fed spring from above the town. Monthly scholarship support allows WOG to make significant, sustainable contributions for the benefit of the children and the community in which they live. OFCB, founded 20 years ago by Actionel Fleurisma, now has 2,000 students in K-13, and since 2003 has been providing scholarships for gifted students to attend university in Port au Prince.



ACRES OF HOPE, NEBBI, UGANDA

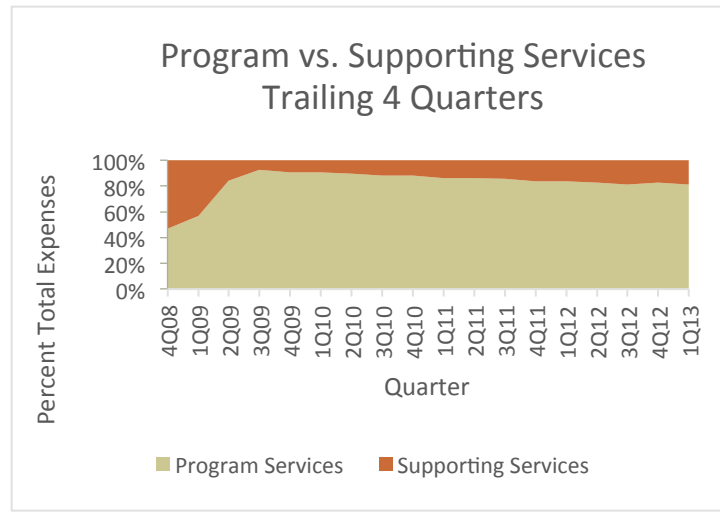
Northern Uganda has been devastated by years of war, AIDS, and poverty, and over 2 million children below the age of 15 have lost one or both parents to this devastation. Without help these children will have little hope for the future; growing up without food, shelter, or an education. Fortunately, a man with a vision of hope for these children, Pastor Odongo Geoffrey Keronga, established "Acres of Hope". Over 50 children are now seeing their dreams come true as they attend school at Acres of Hope. There



are seven classrooms: three take place inside, one in an unfinished fourth home, and three more take place under tarps. Other classes meet under a mango tree. Even with these circumstances, the students perform very well on their national exams.

FINANCIAL ACCOUNTABILITY

82.5% of every dollar is designated for direct in-country aid. Our contributions directly support students and the educational process of which they are a part, meeting the most immediate needs of students and the community. Our DCO partners are accountable for these funds and insure that each student's school needs are provided for. WOG is committed to full disclosure and accountability for financial reporting. Annual statements are posted on the WOG web site. WOG is a 501c3 tax exempt corporation, approved by the U.S. Department of Internal Revenue. All donations are tax deductible.



DONOR CONTRIBUTIONS

WOG receives the majority of its funding through annual scholarship donations supporting children in either Haiti or Uganda, and also receives some one-time contributions. Donors have the option of paying through monthly installments or an annual lump sum. The organization accepts major credit cards, bank drafts or checks. Monthly drafts continue until WOG has been notified by the sponsor to cease automated drafts. Annual contributors are invoiced on the anniversary of their initial contribution. Current scholarships are \$40 (for Haiti) and \$50 (for Uganda) per month per student respectively.

REVENUE RECOGNITION

All donations are recognized as contribution revenue within the month the funds are actually received by WOG. We do not accrue unearned contribution revenue as a receivable although many WOG supporters commit to an annual scholarship amount paid either annually in advance, or monthly through twelve equal installments.

DEPOSITORY ACCOUNT

All donations are deposited into the WOG operating account held at Bank of America. These funds are FDIC insured and held on deposit until such time they are transferred to in-country support or required for operational support of WOG. WOG believes no significant deposit or credit risk exists due to the size and wherewithal of Bank of America and FDIC insurance.

All donation funding is deposited into a single account for efficiency and to reduce overall operating costs of the organization, however, the total amount is allocated across various funds monthly and

reconciled against the books and records of the organization and the bank's statement. Amounts due to DCOs are reconciled to the record of receipts, by source.

INVESTMENT ACCOUNT

Currently, WOG has no investment or securities account to receive donations other than cash. The Board anticipates that we will have the need of a securities account as the organization's funding increases and will review ahead of accepting gifts of securities.

FUND ALLOCATION POLICY

It is WOG's policy to allocate monthly the donor contributions received during that month between Temporarily Restricted and Non-Restricted funds. As our donors typically choose the child for whom they provide scholarship funding, a portion of these contributions are temporarily donor-imposed restricted to the DCO where that child attends school. A smaller percentage is allocated to WOG Non-Restricted funds for operational and fundraising support. Some donors choose to contribute directly to our DCOs and not provide scholarship funding. These types of contributions are also temporarily donor-imposed restricted to our DCOs, less the small percentage allocated to WOG Non-Restricted fund for operational and fundraising support.

Currently, WOG's allocation policy allocates 82.5% of all DCO donor-imposed restricted donations to our Temporarily Restricted Funds and 17.5% to WOG's Non-Restricted Fund. Definitions of our funds are below:

TEMPORARILY RESTRICTED FUNDS

These funds are subject to donor-imposed restrictions that permit WOG to use or expend the asset as specified by the donor when the gift was originally made. Our Temporarily Restricted Funds currently consist of the following:

DCO TEMPORARILY RESTRICTED SCHOLARSHIP FUNDS

The majority of our contributions are restricted to supporting child scholarships in either Haiti or Uganda. At the end of each month, 82.5% of each scholarship contribution is allocated to the restricted fund for scholarship support to the respective DCO. The remaining 17.5% is allocated to the unrestricted fund to support the operations of WOG. Note: We continue to receive contributions from a small group of original WOG supporters who contribute between \$20 and \$35 per month versus the currently suggested donation. In these instances, we have honored our original commitment and allocate 100% of these donations to the restricted fund for Haiti.

DCO TEMPORARILY RESTRICTED ANNUAL & SPECIFIC PROJECT FUNDS

WOG also receives contributions from those choosing to support our work in either Haiti or Uganda but have chosen not to support a child through scholarship funding. In the past, examples have been annual DCO funding, natural disaster relief, medical relief, or project specific such as for the purchase of shoes or blind student educational materials. At the end of each month, 82.5% of each contribution is allocated to the respective annual fund or project specific fund, and the remaining 17.5% is allocated to the unrestricted fund of WOG.

NON-RESTRICTED FUNDS

These funds are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired or been allocated according to the terms of the original gift. The Board may use unrestricted funds for operations, fundraising, or other purposes it approves from time to time.

Those amounts allocated to the Non-Restricted Fund as well as all other unrestricted donations are used to cover the additional Program Services, Supporting Services, and Fundraising expenses of the organization. It is the policy of WOG to allocate the amount of unrestricted funding that exceeds our operating expenses, less the amount of operating cash reserves required to maintain our operations, to Program Services. The Board of WOG shall decide in its sole discretion the allocation of any excess unrestricted funds based on the needs of the schools and children we support.

THE BLESSING IS ALL MINE

I PROVIDE A SCHOLARSHIP FOR INSTANT DERISMA, WHO TURNED 19 ON JANUARY 1. HE IS IN EIGHTH GRADE AND WALKS TWO HOURS TO SCHOOL. INSTANT WANTS TO BE AN ENGINEER. I AM SO COMMITTED TO SUPPORTING THIS SCHOOL THAT I GOT MY SUNDAY SCHOOL CLASS TO PROVIDE SCHOLARSHIPS FOR FIVE STUDENTS. I WENT TO BAYONNAIS TO BE A BLESSING AND ENDED UP BEING BLESSED BEYOND BELIEF.

Sandy Hieronymus , World of God Donor, Charlotte, NC

PERMANENTLY RESTRICTED FUNDS

Permanently restricted funds are subject to donor-imposed restrictions that they be maintained permanently by the Organization and only the greater of the income or 5% of the fund's value may be used annually as specified by the donor. WOG does not currently have any permanently donor-restricted endowment funds but anticipates at some time in the future to fundraise for this type of support.

DISTRIBUTION POLICY

Temporarily Restricted Funds are held on deposit in WOG's bank account until such time they are transferred to the DCO in either Haiti or Uganda. We routinely work with our in-country DCOs to establish a budget and appropriate wire transfer policy. Given the high cost of international wire transfer fees, the volatility of the receipt of our contributions, and the typical greater security of U.S. financial institutions, WOG reserves the right to routinely transfer a fixed amount on a periodic basis to

each organization. This policy allows for more efficient budgeting process for our partners, and a lower overall cost.

UNDISTRIBUTED TEMPORARILY RESTRICTED FUNDS

From time to time due to the growth in the number of new donors, the Temporarily Restricted funds may increase in value over the set amount of transfers to our DCOs creating a credit balance. WOG's policy is to remit any excess funds at the discretion of our DCO, and to only hold on deposit in our bank account enough funds to cover the budgeted funding amount and operational cash reserves.

FUNDS WITH DEFICIENCIES

The value of assets associated with individual donor-imposed funds may fall below the accrued amount due to that DCO. These instances can occur when the remittances to the DCO exceed the cash available on hand for that DCO as we attempt to remit fixed monthly or quarterly amounts to our DCOs while our funding is received in varying monthly amounts. However, it is the policy of the Board to not allow the total due to DCOs exceed the total cash resources of WOG. Therefore we will notify the DCO of the deficiency and correct it by reducing future payments.

AUDIT OF DISTRIBUTIONS

At the time of each in-country distribution, notification is sent to our partners of the amount and timing of the transfer. We verify via a return email that this notification has been received. We also require notification upon receipt of the funds. Periodically, our DCOs receive a detailed accounting of all donations collected and remitted for their organization.

FOREIGN EXCHANGE

It is the policy of WOG to convert US Dollars to the local foreign currency of our DCOs through our domestic bank in the United States at the spot exchange rate offered by our domestic bank on the date of the transfer. We believe we receive an overall better rate and have better foreign currency controls in place by executing the foreign exchange domestically versus at a foreign financial institution. We do not use, nor foresee using, any foreign currency exchange contracts or other hedging techniques. Given the banking systems within the countries we operate, there can often be a significant delay between sending the transfers from our U.S. bank and receipt of funds in the foreign bank account.

HE TORE AT MY HEART

I HAVE PROVIDED A SCHOLARSHIP FOR JONALIE SIMEON FOR 3 1/2 YEARS. IT HAS TRULY BEEN A BLESSING. I AM TOUCHED BY HIS LETTERS AND HIS GRATITUDE FOR THE OPPORTUNITY TO ATTEND SCHOOL. I CHOSE HIM FROM A GROUP OF PHOTOGRAPHS OF CHILDREN NEEDING A SCHOLARSHIP, AND HIS SOMBER EXPRESSION TORE AT MY HEART. HIS PARENTS ARE BOTH DECEASED, AN HE NOW LIVES WITH HIS AUNT AND UNCLE.

Marsha Rexford, World of God Donor, Charlotte, NC

PROMISSORY NOTE

WOG was originally founded by Allen Smith in 2008. At that time he lent to the organization through a personal Promissory Note \$20,000 for start-up and initial operational support. Since that time, the organization has reduced by \$10,000 the amount due to Mr. Smith. As of 12/31/2013 the outstanding balance due on this Note is \$10,000. The Note carries an annual interest rate 1.95% and the principal is due on demand annually. Mr. Smith has graciously extended the term of the note each and every year, and it is the hope of the Board that we ultimately raise enough in unrestricted funding to retire the Note.

FINANCIAL CONTROLS

The WOG operating bank account currently has two individuals authorized on the account: Chris Cecil, Treasurer, and Allen Smith, Founder & Board Member. Our bookkeeping consultant has limited access to view the bank account information, but has no wire transfer or checking access to the account. The hardcopy bank statements are mailed directly to the address of record. Financial statements are prepared and reconciled monthly, as well as reviewed and approved by the WOG Board. We believe this process adequately covers the risks associated with maintaining the WOG operating bank account, wire transfers, and fund accounting.

ACCOUNTING BASIS & TAX PREPARATION

WOG's financial statements have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Each year, as a Section 501 (c)(3) tax-exempt organization, the U.S. Federal Tax Return Form 990 is prepared and filed by our accountant, C. Dewitt Foard & Company, 1001 Morehead Square Dr., Charlotte, NC 28203. The unaudited monthly and annual financial statements, as well as copies of our annual IRS Form 990s, are available for review at any time by request to the WOG Treasurer.

Dow Bauknight
Chairperson
WOG Board of Directors

Chris Cecil
Treasurer
WOG Board of Directors