

WORLD HELP

Financial Statements
With Independent Auditors' Report

December 31, 2015 and 2014

WORLD HELP

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SECTION I

MANAGEMENT'S OVERVIEW



P. O. Box 501
Forest, VA 24551

800.541.6691 phone
434.525.4727 fax

worldhelp.net



Letter from the President

World Help is a Christian humanitarian organization that exists to serve the physical and spiritual needs of people in impoverished communities around the world. Our strategy is based on the belief that true transformation is only possible when the needs of the body and soul are addressed simultaneously.

We are privileged to know that our Board, staff, international partners, and supporters are united in the vision to pour into holistic investments that will outlive us and last for eternity.

This holistic approach of HELP and HOPE shows people that they matter to God both now and for eternity. We are committed to purposeful investment through sustainable programs, enabling individuals and communities to thrive—body, mind, and soul—and building lasting change for generations to come.

FINANCIAL GROWTH

World Help staff, supporters, and partners are truly passionate individuals who are deeply committed to total transparency and fanatical attention to quality and detail. This, we believe, is the driving force behind our continued growth and progress. There are several financial accomplishments we feel are an undeniably positive reflection of our stewardship. In 2015, we saw these critical achievements:

- Temporarily restricted net assets decreased by \$382,000.
- Long-term debt, which excludes our line of credit, decreased by \$107,673 and is scheduled to be paid off by 2017.
- World Help's total revenue increased approximately \$5 million compared to 2014, which is an overall growth of 21%.
- Unrestricted net assets increased by \$350,000.

PROGRAM ADVANCES

While we celebrate our continued growth over the last year, our greatest celebration is over the **3 million lives** impacted by help and hope. Together in 2015, the global World Help family:

- Built **67 clean-water projects** in impoverished communities worldwide
- Planted **8,149 churches** in some of the world's least-reached regions
- Distributed over **240,000 Bibles**
- Rescued **684 children** from malnutrition, sickness, and abandonment
- Impacted **160,000 refugees** with life-saving aid and long-term solutions
- Sent **42 shipments of humanitarian supplies**, valued at more than \$14 million
- Provided **120,487 Nepali earthquake victims** with emergency relief supplies
- Supplied **17,380,848 meals** through our global feeding programs

SECTION II
AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
World Help
Forest, Virginia

We have audited the accompanying financial statements of World Help (Organization) (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
World Help
Forest, Virginia

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Help as of December 31, 2015 and 2014, and the changes in its net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

New York, New York
April 4, 2016

WORLD HELP

Statements of Financial Position

	December 31,	
	2015	2014
ASSETS:		
Cash and cash equivalents	\$ 796,426	\$ 1,129,070
Investments	907,431	937,371
Prepaid expenses and other assets	534,537	160,333
Inventory	83,250	86,356
Property and equipment—net	699,714	765,324
Investments held for long term purposes	162,909	63,620
Total Assets	\$ 3,184,267	\$ 3,142,074
LIABILITIES AND NET ASSETS:		
Accounts payable	\$ 211,248	\$ 264,602
Accrued payroll and payroll taxes	78,699	71,633
Grants payable	252,310	224,065
Deferred revenue	171,521	121,535
Notes payable	614,069	571,742
Total liabilities	1,327,847	1,253,577
Net assets:		
Unrestricted:		
Available for operations	(354,851)	(662,487)
Equity in property and equipment	560,645	518,582
	205,794	(143,905)
Temporarily restricted	1,586,326	1,968,102
Permanently restricted	64,300	64,300
Total net assets	1,856,420	1,888,497
Total Liabilities and Net Assets	\$ 3,184,267	\$ 3,142,074

See notes to financial statements

WORLD HELP

Statements of Activities

	Year ended December 31,							
	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:								
Contributions and grants:								
Cash	\$ 12,784,237	\$ 1,227,291	\$ -	\$ 14,011,528	\$ 10,948,175	\$ 1,517,509	\$ -	\$ 12,465,684
Gifts-in-kind	14,074,767	-	-	14,074,767	10,554,897	-	-	10,554,897
Special events–net	577,845	-	-	577,845	689,804	-	-	689,804
Product sales	55,685	-	-	55,685	75,477	-	-	75,477
Investment income	47,070	-	-	47,070	1,276	-	-	1,276
Other income	6,185	-	-	6,185	11,048	-	-	11,048
Total support and revenue	27,545,789	1,227,291	-	28,773,080	22,280,677	1,517,509	-	23,798,186
RECLASSIFICATIONS:								
Satisfaction of program restrictions	1,609,067	(1,609,067)	-	-	1,651,713	(1,651,713)	-	-
EXPENSES:								
Program services:								
International ministries	23,444,653	-	-	23,444,653	20,060,258	-	-	20,060,258
Outreach ministries	650,078	-	-	650,078	667,921	-	-	667,921
Total program services	24,094,731	-	-	24,094,731	20,728,179	-	-	20,728,179
Supporting activities:								
Management and general	3,320,122	-	-	3,320,122	2,961,088	-	-	2,961,088
Fundraising	1,390,304	-	-	1,390,304	1,318,714	-	-	1,318,714
Total supporting activities	4,710,426	-	-	4,710,426	4,279,802	-	-	4,279,802
Total expenses	28,805,157	-	-	28,805,157	25,007,981	-	-	25,007,981
Change in Net Assets	349,699	(381,776)	-	(32,077)	(1,075,591)	(134,204)	-	(1,209,795)
Net Assets, Beginning of Year	(143,905)	1,968,102	64,300	1,888,497	931,686	2,102,306	64,300	3,098,292
Net Assets, End of Year	\$ 205,794	\$ 1,586,326	\$ 64,300	\$ 1,856,420	\$ (143,905)	\$ 1,968,102	\$ 64,300	\$ 1,888,497

See notes to financial statements

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Statements of Cash Flows

	Year ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (32,077)	\$ (1,209,795)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Donated inventory	(14,074,767)	(10,513,425)
Distributed inventory	14,074,767	12,051,605
Depreciation	108,697	117,009
Net realized and unrealized gain on investments	(16,308)	(22,728)
Net gain on sale of equipment	(1,134)	(11,048)
Changes in:		
Grants receivable	(77,587)	(369)
Prepaid expenses	(296,617)	73,406
Purchased inventory	3,106	7,296
Accounts and grants payable	(25,109)	(55,407)
Accruals	7,066	(90,010)
Deferred revenue	49,986	(31,386)
Net Cash Provided (Used) by Operating Activities	(279,977)	315,148
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(13,887)	(39,973)
Proceeds from sale of property and equipment	1,134	1,009
Purchase of investments	(1,240,990)	(1,440,445)
Proceeds from sale of investments	1,187,949	1,414,669
Net Cash Used by Investing Activities	(65,794)	(64,740)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on line of credit	705,000	399,300
Repayments on line of credit	(584,200)	(299,300)
Payments on debt	(107,673)	(120,023)
Net Cash Provided (Used) by Financing Activities	13,127	(20,023)
CHANGE IN CASH AND CASH EQUIVALENTS	(332,644)	230,385
CASH AND CASH EQUIVALENTS:		
Beginning of year	1,129,070	898,685
End of year	\$ 796,426	\$ 1,129,070

(continued)

See notes to financial statements

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Statements of Cash Flows (continued)

	Year ended December 31,	
	<u>2015</u>	<u>2014</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for interest expense (none capitalized)	<u>\$ 8,203</u>	<u>\$ 15,481</u>
Noncash investing and financing activities:		
Donations of investments	<u>\$ 354,957</u>	<u>\$ 116,924</u>
Purchase of property and equipment with debt	<u>\$ 29,200</u>	<u>\$ 73,400</u>

See notes to financial statements

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Statement of Functional Expenses

Year Ended December 31, 2015

	Program Services			Supporting Activities			
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting	
Humanitarian aid	\$ 14,074,768	\$ -	\$ 14,074,768	\$ -	\$ -	\$ -	\$ 14,074,768
Ministry projects	8,129,605	-	8,129,605	-	274,297	274,297	8,403,902
Payroll and payroll tax	860,939	294,870	1,155,809	1,899,491	461,574	2,361,065	3,516,874
Postage and freight	300,022	5,592	305,614	699	175,189	175,888	481,502
Travel	27,084	179,672	206,756	123,910	123,910	247,820	454,576
Professional fees	-	32,987	32,987	338,285	4,123	342,408	375,395
Printing and mailing	-	13,200	13,200	1,650	226,168	227,818	241,018
Taxes and licenses	-	-	-	239,712	-	239,712	239,712
Employee benefits	52,235	17,890	70,125	115,247	28,005	143,252	213,377
Promotional items	-	318	318	74,123	84,022	158,145	158,463
Repairs and maintenance	-	24,665	24,665	96,121	3,083	99,204	123,869
Depreciation	-	53,623	53,623	48,371	6,703	55,074	108,697
Office supplies	-	11,217	11,217	57,484	1,402	58,886	70,103
Telephone	-	3,612	3,612	62,572	452	63,024	66,636
Dues and publications	-	-	-	58,100	-	58,100	58,100
Rent	-	-	-	51,027	-	51,027	51,027
Insurance	-	3,920	3,920	45,968	490	46,458	50,378
Product costs	-	1,429	1,429	39,696	-	39,696	41,125
Accounting fees	-	-	-	40,500	-	40,500	40,500
Utilities	-	4,215	4,215	21,086	527	21,613	25,828
Interest expense	-	2,868	2,868	4,976	359	5,335	8,203
Miscellaneous	-	-	-	1,104	-	1,104	1,104
Total	\$ 23,444,653	\$ 650,078	\$ 24,094,731	\$ 3,320,122	\$ 1,390,304	\$ 4,710,426	\$ 28,805,157

See notes to financial statements

WORLD HELP

Statement of Functional Expenses

Year Ended December 31, 2014

	Program Services			Supporting Activities			Total
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting	
Humanitarian aid	\$ 12,051,605	\$ -	\$ 12,051,605	\$ -	\$ -	\$ -	\$ 12,051,605
Ministry projects	6,812,996	-	6,812,996	-	260,489	260,489	7,073,485
Payroll and payroll tax	856,309	304,617	1,160,926	1,608,189	355,627	1,963,816	3,124,742
Travel	61,307	160,299	221,606	101,510	101,510	203,020	424,626
Professional fees	-	42,693	42,693	365,917	10,114	376,031	418,724
Postage and freight	222,409	6,078	228,487	760	195,173	195,933	424,420
Printing and mailing	-	23,486	23,486	2,936	288,359	291,295	314,781
Taxes and licenses	-	-	-	218,419	-	218,419	218,419
Employee benefits	55,632	19,790	75,422	104,479	23,103	127,582	203,004
Depreciation	-	55,184	55,184	54,927	6,898	61,825	117,009
Repairs and maintenance	-	23,382	23,382	37,866	2,923	40,789	64,171
Product costs	-	861	861	47,307	-	47,307	48,168
Rent	-	-	-	86,623	-	86,623	86,623
Telephone	-	4,066	4,066	59,581	507	60,088	64,154
Office supplies	-	18,093	18,093	43,853	2,261	46,114	64,207
Promotional items	-	160	160	26,645	70,598	97,243	97,403
Insurance	-	1,160	1,160	50,287	145	50,432	51,592
Dues and publications	-	-	-	67,273	-	67,273	67,273
Utilities	-	4,544	4,544	23,226	568	23,794	28,338
Accounting fees	-	-	-	46,300	-	46,300	46,300
Interest expense	-	3,508	3,508	11,534	439	11,973	15,481
Miscellaneous	-	-	-	3,456	-	3,456	3,456
Total	\$ 20,060,258	\$ 667,921	\$ 20,728,179	\$ 2,961,088	\$ 1,318,714	\$ 4,279,802	\$ 25,007,981

See notes to financial statements

WORLD HELP

Notes to Financial Statements

December 31, 2015 and 2014

1. NATURE OF ORGANIZATION:

World Help (Organization) was established as an unincorporated not-for-profit association in 1991. World Help is a faith-based humanitarian organization that exists to serve the physical and spiritual needs of people in impoverished communities around the world. The Organization's primary activities are described below:

International Programs—The Organization works with partners to provide humanitarian, medical and educational assistance and ensuring clean water and people's spiritual needs by providing Bibles and establishing churches in as many communities as possible.

Outreach Ministries—The Organization's outreach ministries primarily consists of "Children of the World," which is a program designed to educate the perils of children in the developing world. Annually, the Organization forms a choir of children from its child sponsorship program and tours the United States to promote awareness of the needs of children to overcome malnutrition, obtain clean water, education, etc.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

2. SIGNIFICANT ACCOUNTING POLICIES:

The Organization prepares its financial statements on the accrual basis of accounting. The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The more significant accounting policies are described below.

CASH, CASH EQUIVALENTS AND CREDIT RISK

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements, or otherwise designated or restricted. The carrying amount approximates fair value because of the short maturity of those instruments. While the Organization's cash equivalents at times may exceed federally insured limits, the Organization has not experienced any losses on such accounts. The Organization believes it is not exposed to any significant credit risk on these accounts.

INVESTMENTS

The Organization's primary investment objective is to preserve and protect its assets by earning a total return for each account appropriate to each account's liquidity requirements, distribution requirements, and risk tolerance. Investments are stated at fair value, except for closely held stock which is reported at cost.

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Notes to Financial Statements

December 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVENTORY

Inventory procured by the Organization is stated at the lower of cost or fair value. The Organization receives donations of medical equipment, medical supplies, clothing and food for use in the Organization's humanitarian aid programs. Gift-in-kind contributions are valued at their estimated fair value on the date of donation. Fair value is determined using the market approach. This approach uses prices and other relevant information generated for market transactions involving comparable assets. In-kind contributions included in total contributions received were \$14,074,767 and \$10,554,897, respectively, for the years ended December 31, 2015 and 2014.

For the years ended December 31, 2015 and 2014, \$11,010,262 and \$9,278,878 of donated inventory was delivered to the Organization before being distributed, respectively, and the remaining amounts of approximately \$3,064,505 and \$1,276,019, respectively, was shipped directly from the donor to the organizations.

The Organization is a member of the Accord Network, a group of charities performing and providing regulation and oversight for those organizations doing relief and development work. In accordance with standards the group revised in December 2009 (the Interagency Gift-in-kind Standards), the Organization only recognizes amounts related to the value of gifts-in-kind when the Organization (i) is the original recipient of the gift, or (ii) is in partnership with another organization for distribution, or (iii) uses the gifts-in-kind in a program.

FIXED ASSETS AND DEPRECIATION

Property and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for property and equipment over \$2,000 with a useful life in excess of one year. The fair value of donated fixed assets are similarly capitalized. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

Building	39 years
Office equipment and computers	3-5 years
Office furniture	7 years
Vehicles	5 years

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Notes to Financial Statements

December 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

The Organization follows the provisions of the *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Codification (FASB ASC). These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Level 1

Quoted prices in active markets for identical assets or liabilities.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments

Investments include equity securities, exchange traded funds, and mutual funds and are recorded at fair value based on readily determinable values which are considered Level 1 under the *Fair Value* topic of the FASB ASC. The fair value of the Level 1 securities are determined by reference to quoted market prices and other relevant information generated by market transactions.

NET ASSETS

The Organization classifies net assets into three categories: unrestricted, temporarily restricted, and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity but permitting use of all or part of the investment income earned on the contributions. Management has elected to omit the reporting disclosures associated with the *Endowment* topic of the FASB ASC due to the lack of significance to its financial statements.

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Notes to Financial Statements

December 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTIONS, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS

Revenue is reported when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization.

Contributions and grants are recorded as temporarily restricted if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from temporarily restricted to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Temporarily restricted contributions, which have been fully expended for their intended purposes within the reporting period, are reported as unrestricted. Temporarily restricted contributions are subject to assessments ranging from 0% to 40%, which are used for general and administrative expenses.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. 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.

SPECIAL EVENTS

The Organization hosted an annual president council event and also benefited from golf tournaments and running races with the proceeds going to the Organization. For the years ended December 31, 2015 and 2014, the Organization had contributions totaling \$1,279,443 and \$1,118,356, respectively, which was offset by event expenses of \$701,598 and \$428,552, respectively.

ALLOCATION OF FUNCTIONAL EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2015, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

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Notes to Financial Statements

December 31, 2015 and 2014

3. INVESTMENTS:

Investments consist of:

	As of December 31,	
	2015	2014
Cash equivalents	\$ 13,222	\$ 74,864
Marketable equity securities:		
Consumer defensive	210,806	115,834
Consumer cyclical	47,825	-
Industrials	1,808	11,831
Basic materials	-	9,223
Financial services	-	15,289
Technology	-	8,850
Exchange-traded funds:		
Large-cap	14,365	93,044
Mid-cap	-	32,855
Small-cap	-	25,958
Short bond	-	67,619
High yield bond	-	39,600
Emerging markets bond	-	34,359
Long bond	-	24,696
Intermediate bond	-	23,532
Alternative	-	48,121
Commodity	-	29,518
Mutual funds:		
Balanced	225,999	-
Mid-cap	159,018	46,724
International developed markets	91,861	24,531
Multi-strategy	83,522	31,259
Managed futures	56,662	34,103
Alternative	46,554	-
Intermediate bond	44,833	-
International bond	28,490	35,262
International emerging markets	22,813	15,054
REITs	18,270	9,919
Large growth world	634	16,029
Short bond	-	33,701
High yield bond	-	47,775
Small-cap	-	31,141
Large-cap	-	16,642
Closely held stock	3,658	3,658
	\$ 1,070,340	\$ 1,000,991

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Notes to Financial Statements

December 31, 2015 and 2014

3. INVESTMENTS, continued:

	As of December 31,	
	2015	2014
Investments	\$ 907,431	\$ 937,371
Investment held for long-term purposes	162,909	63,620
	<u>\$ 1,070,340</u>	<u>\$ 1,000,991</u>

Investment gains (losses) consist of:

	For the Year Ended December 31,	
	2015	2014
Interest and dividends	\$ 30,762	\$ 24,004
Net realized and unrealized gains (losses) on investments	16,308	(22,728)
	<u>\$ 47,070</u>	<u>\$ 1,276</u>

4. INVENTORY:

Inventory consists of:

	As of December 31,	
	2015	2014
CDs, cassettes, books and t-shirts, at cost	\$ 83,250	\$ 86,356

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Notes to Financial Statements

December 31, 2015 and 2014

5. PROPERTY AND EQUIPMENT:

Property and equipment consists of:

	As of December 31, 2015		
	Cost	Accumulated Depreciation	Net
Land	\$ 144,406	\$ -	\$ 144,406
Buildings	622,994	266,740	356,254
Office equipment	524,958	481,261	43,697
Office furniture	79,373	75,478	3,895
Transportation equipment	466,214	314,752	151,462
	\$ 1,837,945	\$ 1,138,231	\$ 699,714
	As of December 31, 2014		
	Cost	Accumulated Depreciation	Net
Land	\$ 144,406	\$ -	\$ 144,406
Buildings	622,994	249,174	373,820
Office equipment	522,891	444,114	78,777
Office furniture	74,504	73,937	567
Transportation equipment	436,075	268,321	167,754
	\$ 1,800,870	\$ 1,035,546	\$ 765,324

Depreciation expense for the years ended December 31, 2015 and 2014, was \$108,697 and \$117,009, respectively.

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Notes to Financial Statements

December 31, 2015 and 2014

6. NOTES PAYABLE:

Notes payable consist of:

	As of December 31,	
	2015	2014
Note payable to financial institution. Interest rate of 3.46% at December 31, 2014. Payable in monthly installments of \$5,833. Due October 2017. Secured by a deed of trust on the land and building.	\$ 89,443	\$ 149,674
Line of credit with financial institution. Interest rate of 4% at December 31, 2013. Interest only payments due monthly with outstanding balance payable on demand or upon maturity in September 2017. Secured by a deed of trust on the land and building.	475,000	325,000
Note payable to financial institution. Interest rate of 4% at December 31, 2014. Payable in monthly installments of \$1,116. Due September 2016. Secured by vehicle.	9,854	22,553
Note payable to financial institution. Interest rate of 3.75% at December 31, 2014. Payable in monthly installments of \$2,503. Due August 2017, paid in full during 2015. Secured by vehicle.	-	10,811
Note payable to financial institution. Interest rate of 3.75% at December 31, 2014. Payable in monthly installments of \$2,161. Due August 2017. Secured by vehicle.	39,772	63,704
	\$ 614,069	\$ 571,742

Future estimated maturities of debt are as follows:

Years Ending December 31,	Amounts
2016	\$ 572,185
2017	41,884
	\$ 614,069

WORLD HELP

Notes to Financial Statements

December 31, 2015 and 2014

7. NET ASSETS:

Unrestricted net assets consists of:

	As of December 31,	
	2015	2014
Available for operations	\$ (354,851)	\$ (662,487)
Equity in property and equipment:		
Property and equipment–net	699,714	765,324
Debt attributed to property and equipment	(139,069)	(246,742)
	560,645	518,582
	\$ 205,794	\$ (143,905)

Temporarily restricted net assets were released from donor restrictions because the purpose restrictions were accomplished as follows:

	Net Assets December 31, 2014	Temporarily Restricted Contributions	Amounts Released	Net Assets December 31, 2015
Ministry projects	\$ 1,624,420	\$ 1,069,585	\$ 1,498,021	\$ 1,195,984
Bibles	343,682	57,706	111,046	290,342
Term endowment	-	100,000	-	100,000
	\$ 1,968,102	\$ 1,227,291	\$ 1,609,067	\$ 1,586,326
	Net Assets December 31, 2013	Temporarily Restricted Contributions	Amounts Released	Net Assets December 31, 2014
Ministry projects	\$ 1,740,348	\$ 1,372,487	\$ 1,488,415	\$ 1,624,420
Bibles	361,958	145,022	163,298	343,682
	\$ 2,102,306	\$ 1,517,509	\$ 1,651,713	\$ 1,968,102

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Notes to Financial Statements

December 31, 2015 and 2014

8. OPERATING LEASES:

The Organization has several non-cancelable operating leases for housing and equipment that expire at various dates through 2018. Rental expenses for those leases consisted of approximately \$50,206 and \$84,917 for the years ended December 31, 2015 and 2014, respectively.

Future minimum lease payments under the operating leases are:

<u>Years Ending December 31,</u>	<u>Amounts</u>
2016	\$ 25,123
2017	18,576
2018	<u>3,096</u>
	<u>\$ 46,795</u>

9. RETIREMENT PLAN:

The Organization 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 allowed by the Internal Revenue Service. The Organization matches 100% of each employee's contributions up to a maximum of 3% of gross wages. The Organization contributed \$45,351 and \$44,305 for the years ended December 31, 2015 and 2014, respectively.

10. DONOR CONCENTRATION:

Two donors provided approximately 79% and 86% of donated inventory received by the Organization for the years ended December 31, 2015 and 2014, respectively. The organizational implications of these concentrations are recognized by management and the board.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.