

WORLD HELP

Financial Statements
With Independent Auditors' Report

December 31, 2017 and 2016

WORLD HELP

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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, 2017 and 2016, 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, 2017 and 2016, 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 11, 2018

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Statements of Financial Position

	December 31,	
	2017	2016
ASSETS:		
Cash and cash equivalents	\$ 909,797	\$ 1,537,208
Investments	1,129,632	1,001,487
Prepaid expenses and other assets	500,050	399,014
Inventory	59,410	62,391
Property and equipment–net	698,166	694,409
Investments held for long term purposes	125,575	173,876
Total Assets	\$ 3,422,630	\$ 3,868,385
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 269,502	\$ 516,784
Accrued payroll and payroll taxes	114,721	108,746
Grants payable	227,842	247,581
Deferred revenue	378,904	271,303
Revolving line of credit	849,838	561,838
Notes payable	45,928	38,522
	1,886,735	1,744,774
Net assets:		
Unrestricted:		
Available for operations	(1,235,157)	(594,489)
Board designated	100,330	-
Equity in property and equipment	652,238	655,887
	(482,589)	61,398
Temporarily restricted	1,954,184	1,997,913
Permanently restricted	64,300	64,300
	1,535,895	2,123,611
Total Liabilities and Net Assets	\$ 3,422,630	\$ 3,868,385

See notes to financial statements

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Statements of Activities

	Year ended December 31,							
	2017			2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:								
Contributions and grants:								
Cash	\$ 12,833,606	\$ 1,699,921	\$ -	\$ 14,533,527	\$ 11,083,650	\$ 2,947,372	\$ -	\$ 14,031,022
Gifts-in-kind	18,587,766	-	-	18,587,766	16,234,556	170,000	-	16,404,556
Special events–net	1,988,236	-	-	1,988,236	1,286,559	-	-	1,286,559
Product sales	125,359	-	-	125,359	49,329	-	-	49,329
Investment income	119,108	9,341	-	128,449	58,564	-	-	58,564
Other income	7,750	-	-	7,750	17,048	-	-	17,048
Total support and revenue	33,661,825	1,709,262	-	35,371,087	28,729,706	3,117,372	-	31,847,078
RECLASSIFICATIONS:								
Satisfaction of program restrictions	1,752,991	(1,752,991)	-	-	2,705,785	(2,705,785)	-	-
EXPENSES:								
Program services:								
International ministries	28,476,957	-	-	28,476,957	24,934,531	-	-	24,934,531
Outreach ministries	591,596	-	-	591,596	575,216	-	-	575,216
Total program services	29,068,553	-	-	29,068,553	25,509,747	-	-	25,509,747
Supporting activities:								
Management and general	4,057,301	-	-	4,057,301	3,782,537	-	-	3,782,537
Fundraising	2,832,949	-	-	2,832,949	2,287,603	-	-	2,287,603
Total supporting activities	6,890,250	-	-	6,890,250	6,070,140	-	-	6,070,140
Total expenses	35,958,803	-	-	35,958,803	31,579,887	-	-	31,579,887
Change in Net Assets	(543,987)	(43,729)	-	(587,716)	(144,396)	411,587	-	267,191
Net Assets, Beginning of Year	61,398	1,997,913	64,300	2,123,611	205,794	1,586,326	64,300	1,856,420
Net Assets, End of Year	<u>\$ (482,589)</u>	<u>\$ 1,954,184</u>	<u>\$ 64,300</u>	<u>\$ 1,535,895</u>	<u>\$ 61,398</u>	<u>\$ 1,997,913</u>	<u>\$ 64,300</u>	<u>\$ 2,123,611</u>

See notes to financial statements

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Statements of Cash Flows

	Year ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (587,716)	\$ 267,191
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	98,703	82,285
Donated note receivable	-	(170,000)
Net realized and unrealized gain on investments	(85,697)	(25,590)
Net gain on sale of equipment	(5,250)	(16,631)
Changes in:		
Prepaid expenses and other assets	(101,036)	135,523
Purchased inventory	2,981	20,859
Accounts and grants payable	(267,021)	300,807
Accruals	5,975	30,047
Deferred revenue	107,601	99,782
Net Cash Provided (Used) by Operating Activities	(831,460)	724,273
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(102,460)	(91,157)
Proceeds from sale of property and equipment	5,250	30,808
Purchase of investments	(390,901)	(321,901)
Proceeds from sale of investments	396,754	412,468
Net Cash Provided (Used) by Investing Activities	(91,357)	30,218
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on line of credit	881,678	561,838
Repayments on line of credit	(593,678)	(475,000)
Borrowings on debt	52,463	-
Repayments on debt	(45,057)	(100,547)
Net Cash Provided (Used) by Financing Activities	295,406	(13,709)
CHANGE IN CASH AND CASH EQUIVALENTS	(627,411)	740,782
CASH AND CASH EQUIVALENTS:		
Beginning of year	1,537,208	796,426
End of year	\$ 909,797	\$ 1,537,208
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for interest expense	\$ 10,585	\$ 11,486

See notes to financial statements

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Statement of Functional Expenses

Year Ended December 31, 2017

	Program Services			Supporting Activities			Total
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting	
Humanitarian aid	\$ 18,584,566	\$ -	\$ 18,584,566	\$ -	\$ -	\$ -	\$ 18,584,566
Ministry projects	8,255,208	-	8,255,208	-	426,702	426,702	8,681,910
Payroll and payroll tax	857,052	266,228	1,123,280	2,439,879	696,204	3,136,083	4,259,363
Printing and mailing	72,437	12,338	84,775	1,542	809,597	811,139	895,914
Postage and freight	501,626	4,555	506,181	569	168,886	169,455	675,636
Travel	67,889	128,165	196,054	141,434	141,434	282,868	478,922
Promotional items	-	-	-	199,114	163,690	362,804	362,804
Special events - indirect	-	-	-	-	357,894	357,894	357,894
Professional fees	-	30,850	30,850	269,661	3,856	273,517	304,367
Employee benefits	59,649	18,529	78,178	169,811	48,454	218,265	296,443
Taxes and licenses	-	-	-	258,231	-	258,231	258,231
Rent	78,530	-	78,530	74,019	-	74,019	152,549
Repairs and maintenance	-	63,379	63,379	63,422	7,922	71,344	134,723
Depreciation	-	47,438	47,438	45,337	5,930	51,267	98,705
Insurance	-	5,314	5,314	72,182	664	72,846	78,160
Telephone	-	3,276	3,276	63,718	409	64,127	67,403
Office supplies	-	6,105	6,105	59,021	763	59,784	65,889
Product costs	-	1,065	1,065	61,138	-	61,138	62,203
Dues and publications	-	-	-	58,128	-	58,128	58,128
Accounting fees	-	-	-	48,888	-	48,888	48,888
Utilities	-	4,137	4,137	20,866	517	21,383	25,520
Interest expense	-	217	217	10,341	27	10,368	10,585
Total	\$ 28,476,957	\$ 591,596	\$ 29,068,553	\$ 4,057,301	\$ 2,832,949	\$ 6,890,250	\$ 35,958,803

See notes to financial statements

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Statement of Functional Expenses

Year Ended December 31, 2016

	Program Services			Supporting Activities			Total
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting	
Humanitarian aid	\$ 16,230,056	\$ -	\$ 16,230,056	\$ -	\$ -	\$ -	\$ 16,230,056
Ministry projects	7,486,812	-	7,486,812	-	351,553	351,553	7,838,365
Payroll and payroll tax	777,169	288,361	1,065,530	2,197,754	620,699	2,818,453	3,883,983
Printing and mailing	-	876	876	110	542,923	543,033	543,909
Postage and freight	361,716	4,980	366,696	622	145,130	145,752	512,448
Special events - indirect	-	-	-	-	375,987	375,987	375,987
Professional fees	-	38,150	38,150	326,542	4,769	331,311	369,461
Travel	27,156	120,022	147,178	99,506	99,506	199,012	346,190
Employee benefits	51,622	19,154	70,776	145,981	41,229	187,210	257,986
Promotional items	-	-	-	162,351	93,169	255,520	255,520
Taxes and licenses	-	-	-	242,470	-	242,470	242,470
Repairs and maintenance	-	43,945	43,945	107,994	5,493	113,487	157,432
Rent	-	-	-	83,660	-	83,660	83,660
Depreciation	-	38,400	38,400	39,085	4,800	43,885	82,285
Telephone	-	2,903	2,903	67,790	363	68,153	71,056
Insurance	-	4,238	4,238	60,674	530	61,204	65,442
Dues and publications	-	-	-	64,238	-	64,238	64,238
Office supplies	-	6,028	6,028	54,543	754	55,297	61,325
Product costs	-	2,571	2,571	49,586	-	49,586	52,157
Accounting fees	-	-	-	48,100	-	48,100	48,100
Utilities	-	4,297	4,297	21,497	537	22,034	26,331
Interest expense	-	1,291	1,291	10,034	161	10,195	11,486
Total	\$ 24,934,531	\$ 575,216	\$ 25,509,747	\$ 3,782,537	\$ 2,287,603	\$ 6,070,140	\$ 31,579,887

See notes to financial statements

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Notes to Financial Statements

December 31, 2017 and 2016

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 (IRC) and comparable state laws. However, the Organization is subject to federal income tax on any unrelated business taxable income. In addition, the Organization is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

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. At December 31, 2017 and 2016, the cash accounts exceeded FDIC insured limits by approximately \$657,000 and \$1,285,000, respectively. The Organization has not experienced any losses on such accounts and does not believe it is exposed to any significant credit risk on these accounts.

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Notes to Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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 and a note receivable which is reported at cost. The note receivable was donated to the Organization during 2016. The note receivable is unsecured with an interest rate of 7% and requires monthly interest only payments until the maturity date of December 31, 2020.

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. Gifts-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 of inventory included in total contributions received were \$18,584,566 and \$16,230,056, respectively, for the years ended December 31, 2017 and 2016.

For the years ended December 31, 2017 and 2016, \$17,453,897 and \$12,855,021 of donated inventory was delivered to the Organization before being distributed, respectively, and the remaining amounts of approximately \$1,130,669 and \$3,375,035, respectively, were shipped directly from the donor to other 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, 2017 and 2016

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 Board 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. Board designated net assets are set aside to begin funding a retirement plan for the Organization's current CEO. 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, 2017 and 2016

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.

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.

The following table reconciles total expenses for the years ending December 31, 2017 and 2016, to total expenses on the statements of activities and functional expenses:

	Year Ended December 31, 2017				
	Program Services	Management and General	Fundraising	Costs of Direct Benefit to Donors	Total
Total expenses	\$ 29,068,553	\$ 4,057,301	\$ 2,832,949	\$ 828,367	\$ 36,787,170
Less costs of direct benefit to donors netted against support on the statements of activities	-	-	-	(828,367)	(828,367)
Total expenses on the statements of activities and functional expenses	<u>\$ 29,068,553</u>	<u>\$ 4,057,301</u>	<u>\$ 2,832,949</u>	<u>\$ -</u>	<u>\$ 35,958,803</u>

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Notes to Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

ALLOCATION OF FUNCTIONAL EXPENSES, continued

	Year Ended December 31, 2016				
	Program Services	Management and General	Fundraising	Costs of Direct Benefit to Donors	Total
Total expenses	\$ 25,509,747	\$ 3,782,537	\$ 2,287,603	\$ 892,493	\$ 32,472,380
Less costs of direct benefit to donors netted against support on the statements of activities	-	-	-	(892,493)	(892,493)
Total expenses on the statements of activities and functional expenses	\$ 25,509,747	\$ 3,782,537	\$ 2,287,603	\$ -	\$ 31,579,887

3. INVESTMENTS:

Investments consist of:

	As of December 31,	
	2017	2016
Cash equivalents	\$ 57,386	\$ 14,363
Marketable equity securities:		
Consumer defensive	126,078	113,932
Consumer cyclical	18,090	20,519
Exchange-traded funds	11,401	19,681
Mutual funds:		
Balanced	227,701	221,415
Mid-cap	189,749	180,513
Multi-strategy	117,920	107,439
International developed markets	114,798	96,770
Intermediate bond	55,442	45,987
International emerging markets	37,565	25,631
International bond	34,626	29,000
Alternative fixed income	33,732	52,561
REITs	30,903	19,469
Managed futures	26,158	54,425
Closely held stock	3,658	3,658
Note receivable	170,000	170,000
	\$ 1,255,207	\$ 1,175,363

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Notes to Financial Statements

December 31, 2017 and 2016

3. INVESTMENTS, continued:

	As of December 31,	
	2017	2016
Investments	\$ 1,129,632	\$ 1,001,487
Investment held for long-term purposes	125,575	173,876
	\$ 1,255,207	\$ 1,175,363

Investment income consists of:

	Year Ended December 31,	
	2017	2016
Interest and dividends	\$ 42,752	\$ 32,974
Net realized and unrealized gains on investments	85,697	25,590
	\$ 128,449	\$ 58,564

4. INVENTORY:

Inventory consists of CDs, cassettes, books and t-shirts, at cost, and amounted to \$59,410 and \$62,391 as of December 31, 2017 and 2016, respectively.

5. PROPERTY AND EQUIPMENT:

Property and equipment consists of:

	As of December 31, 2017		
	Cost	Accumulated Depreciation	Net
Land	\$ 144,406	\$ -	\$ 144,406
Buildings	646,338	303,222	343,116
Office equipment	449,612	427,594	22,018
Office furniture	91,903	80,111	11,792
Transportation equipment	513,829	336,995	176,834
	\$ 1,846,088	\$ 1,147,922	\$ 698,166

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Notes to Financial Statements

December 31, 2017 and 2016

5. PROPERTY AND EQUIPMENT, continued:

	As of December 31, 2016		
	Cost	Accumulated Depreciation	Net
Land	\$ 144,406	\$ -	\$ 144,406
Buildings	641,416	284,639	356,777
Office equipment	529,957	500,755	29,202
Office furniture	91,903	77,347	14,556
Transportation equipment	450,535	301,067	149,468
	\$ 1,858,217	\$ 1,163,808	\$ 694,409

Depreciation expense for the years ended December 31, 2017 and 2016, was \$98,703 and \$82,285, respectively.

6. REVOLVING LINE OF CREDIT:

The Organization maintains an \$850,000 revolving line of credit with a financial institution with interest payable monthly at 5 percent, secured by a deed of trust on the land and building. The outstanding balance and any unpaid interest is payable on demand or upon maturity at September 1, 2022.

7. NOTES PAYABLE:

Notes payable consist of:

	As of December 31,	
	2017	2016
Note payable to financial institution with an interest rate of 3.04%. Payable in monthly installments of \$945. Matures in April 2022. Secured by vehicle.	45,928	-
Note payable to financial institution with an interest rate of 3.46%. Payable in monthly installments of \$5,833. Repaid in full during 2017. Secured by a deed of trust on the land and building.	-	21,494
Note payable to financial institution with an interest rate of 3.75%. Payable in monthly installments of \$2,161. Repaid in full during 2017. Secured by vehicle.	-	17,028
	\$ 45,928	\$ 38,522

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Notes to Financial Statements

December 31, 2017 and 2016

7. NOTES PAYABLE, continued:

Future estimated maturities of debt are as follows:

<u>Year Ending December 31,</u>	
2018	\$ 10,080
2019	10,390
2020	10,711
2021	11,041
2022	3,706
	<u>3,706</u>
	<u>\$ 45,928</u>

8. NET ASSETS:

Unrestricted net assets consists of:

	<u>As of December 31,</u>	
	<u>2017</u>	<u>2016</u>
Available for operations	<u>\$ (1,235,157)</u>	<u>\$ (594,489)</u>
Board designated	<u>100,330</u>	<u>-</u>
Equity in property and equipment:		
Property and equipment-net	698,166	694,409
Debt attributed to property and equipment	<u>(45,928)</u>	<u>(38,522)</u>
	<u>652,238</u>	<u>655,887</u>
	<u>\$ (482,589)</u>	<u>\$ 61,398</u>

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Notes to Financial Statements

December 31, 2017 and 2016

8. NET ASSETS, continued:

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

	Net Assets December 31, 2016	Temporarily Restricted Contributions	Amounts Released	Net Assets December 31, 2017
Ministry projects	\$ 1,377,666	\$ 1,409,883	\$ (1,362,589)	\$ 1,424,960
Bibles	350,247	290,038	(337,110)	303,175
Term endowment	100,000	-	(53,292)	46,708
Other purposes	170,000	9,341	-	179,341
	\$ 1,997,913	\$ 1,709,262	\$ (1,752,991)	\$ 1,954,184
	Net Assets December 31, 2015	Temporarily Restricted Contributions	Amounts Released	Net Assets December 31, 2016
Ministry projects	\$ 1,195,984	\$ 2,759,447	\$ (2,577,765)	\$ 1,377,666
Bibles	290,342	187,925	(128,020)	350,247
Term endowment	100,000	-	-	100,000
Other purposes	-	170,000	-	170,000
	\$ 1,586,326	\$ 3,117,372	\$ (2,705,785)	\$ 1,997,913

9. SPECIAL EVENTS - NET:

The Organization hosts semi-annual Global Impact Summits as well as golf tournaments and running races; the proceeds of the events go to the Organization. Special events consist of:

	Year Ended December 31,	
	2017	2016
Contributions	\$ 2,635,231	\$ 1,945,203
Revenue	181,372	233,849
Less: direct expenses	(828,367)	(892,493)
	\$ 1,988,236	\$ 1,286,559

WORLD HELP

Notes to Financial Statements

December 31, 2017 and 2016

10. OPERATING LEASES:

The Organization has several operating leases for housing, warehouse space and equipment that expire at various dates through 2020. Rental expenses for those leases consisted of approximately \$126,678 and \$59,934 for the years ended December 31, 2017 and 2016, respectively.

Future minimum lease payments under the operating leases are:

<u>Year Ending December 31,</u>	
2018	\$ 127,488
2019	99,575
2020	<u>15,300</u>
	<u><u>\$ 242,363</u></u>

11. 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 \$51,600 and \$44,485 for the years ended December 31, 2017 and 2016, respectively.

12. DONOR CONCENTRATION:

Two donors provided approximately 88% and 86% of donated inventory received by the Organization for the years ended December 31, 2017 and 2016, respectively. The organizational implications of these concentrations are recognized by management and the board.

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 11, 2018, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.