



Financial Statements
December 31, 2015 and 2014
One Heart World-Wide

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Independent Auditor's Report

To the Board of Directors
One Heart World-Wide
San Francisco, CA

Report on the Financial Statements

We have audited the accompanying financial statements of One Heart World-Wide, which comprise the statements of financial position as of December 31, 2015 and 2014, and the related 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 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.

Auditor's 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 audit 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.

Opinion

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

Eide Bailly LLP

Salt Lake City, Utah
August 17, 2016

One Heart World-Wide
Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,403,221	\$ 1,133,175
Contributions receivable	50,000	15,000
Prepaid expenses	1,826	679
Other receivables	-	5,741
Total current assets	2,455,047	1,154,595
Property and Equipment, Net	9,866	2,843
	\$ 2,464,913	\$ 1,157,438
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 2,300	\$ -
Accrued expenses	17,272	17,729
Total current liabilities	19,572	17,729
Net Assets		
Unrestricted	1,911,912	846,797
Temporarily restricted	533,429	292,912
	2,445,341	1,139,709
	\$ 2,464,913	\$ 1,157,438

One Heart World-Wide
Statements of Activities
Years Ended December 31, 2015 and 2014

	2015	2014
Unrestricted Net Assets		
Public support		
Contributions	\$ 1,284,969	\$ 915,873
In-kind donations	1,845,864	86,690
Special events	73,961	89,474
Less: cost of direct benefits to donors	(37,725)	(44,285)
Total unrestricted public support and revenue	3,167,069	1,047,752
Net Assets Released from Restrictions		
Restrictions satisfied	1,113,945	431,494
Total unrestricted support and revenue	4,281,014	1,479,246
Expenses		
Program services	3,054,213	845,939
Supporting services		
Management and general	91,774	92,287
Fundraising	69,912	64,619
Total expenses	3,215,899	1,002,845
Increase in Unrestricted Net Assets	1,065,115	476,401
Temporarily Restricted Net Assets		
Public support		
Contributions	1,354,462	583,689
Net assets released from restrictions		
Restrictions satisfied	(1,113,945)	(431,494)
Change in Temporarily Restricted Net Assets	240,517	152,195
Change in Net Assets	1,305,632	628,596
Net Assets, Beginning of Year	1,139,709	511,113
Net Assets, End of Year	\$ 2,445,341	\$ 1,139,709

One Heart World-Wide
Statements of Functional Expenses
Year Ended December 31, 2015

	2015			
	Program Services	Management and General	Fund- raising	Total
Salaries, benefits and taxes	\$ 534,902	\$ 39,733	\$ 41,206	\$ 615,841
Aid and assistance	49,165	-	-	49,165
Professional services	25,593	2,593	2,414	30,600
Rent and utilities	34,944	2,589	2,410	39,943
Transportation and lodging	88,083	-	22,837	110,920
Education and training	234,656	-	-	234,656
Cost of direct benefits to donors	-	-	37,725	37,725
Printing and publication	-	2,221	-	2,221
Miscellaneous	571	15,059	-	15,630
Bank and credit card fees	-	10,744	-	10,744
Telephone and internet	8,064	447	416	8,927
Office supplies	18,853	14,776	-	33,629
Medical supplies	2,020,693	-	-	2,020,693
Computer and website	35,220	122	114	35,456
Meals and entertainment	-	1,201	40	1,241
Insurance	1,909	2,131	328	4,368
Depreciation	1,560	158	147	1,865
	<u>3,054,213</u>	<u>91,774</u>	<u>107,637</u>	<u>3,253,624</u>
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>(37,725)</u>	<u>(37,725)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 3,054,213</u>	<u>\$ 91,774</u>	<u>\$ 69,912</u>	<u>\$ 3,215,899</u>

One Heart World-Wide
Statements of Functional Expenses
Year Ended December 31, 2014

	2014			
	Program Services	Management and General	Fund- Raising	Total
Salaries, benefits and taxes	\$ 428,027	\$ 47,140	\$ 43,212	\$ 518,379
Aid and assistance	51,436	-	-	51,436
Professional services	55,728	3,368	1,830	60,926
Rent and utilities	33,491	2,624	1,726	37,841
Transportation and lodging	61,623	-	16,684	78,307
Education and training	169,896	-	-	169,896
Cost of direct benefits to donors	-	-	44,285	44,285
Printing and publication	-	2,067	-	2,067
Miscellaneous	9,379	18,814	-	28,193
Bank and credit card fees	-	5,102	-	5,102
Telephone and internet	8,388	495	326	9,209
Office supplies	15,853	6,946	-	22,799
Computer and website	8,486	412	271	9,169
Meals and entertainment	-	1,177	-	1,177
Insurance	2,425	4,013	485	6,923
Depreciation	1,207	129	85	1,421
	845,939	92,287	108,904	1,047,130
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(44,285)	(44,285)
Total expenses included in the expense section on the statement of activities	\$ 845,939	\$ 92,287	\$ 64,619	\$ 1,002,845

One Heart World-Wide
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
Operating Activities		
Change in net assets	\$ 1,305,632	\$ 628,596
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	1,865	1,421
Grants - property and equipment	-	8,947
Donated property and equipment	(8,888)	-
Changes in operating assets and liabilities		
Contributions receivable	(35,000)	(5,000)
Prepaid expenses	(1,147)	2,857
Other receivables	5,741	17,103
Accounts payable	2,300	(14,808)
Accrued expenses	(457)	14,459
Net Cash from Operating Activities	1,270,046	653,575
Net Change in Cash and Cash Equivalents	1,270,046	653,575
Cash and Cash Equivalents, Beginning of Year	1,133,175	479,600
Cash and Cash Equivalents, End of Year	\$ 2,403,221	\$ 1,133,175
Supplemental Disclosure of Non-Cash Investing Activity		
Contributed equipment and improvements	\$ 8,888	\$ -

Note 1 - Principal Activity and Significant Accounting Policies

Organization

One Heart World-Wide (the Organization) was organized as a nonprofit corporation in 2004. The Organization maintains its corporate offices in San Francisco, California. The Organization strives to provide the simple training and medical supplies necessary to prevent birthing-related deaths in selected less developed regions of the world. During the years ended December 31, 2015 and 2014, the Organization's programs were focused in regions of Nepal. The Organization works with local communities and health providers to develop a culturally appropriate *Network of Safety* around mothers and infants to ensure that mothers and infants survive delivery and the first months of life. The mission of the Organization is to decrease maternal and neonatal mortality and morbidity in remote, rural areas of the world.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Organization are excluded from this definition.

Contributions Receivable

The Organization records contributions receivable expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2015 and 2014, there was no allowance for uncollectable contributions receivable and all contributions receivable are expected to be collected in the next year.

Property and Equipment

Property and equipment are recorded at acquisition cost or, where donated, at estimated market value at the date of the donation. Expenditures for additions and improvements are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in operations. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, which range from three to five years.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve and quasi-endowment.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Organization and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Organization’s Board of Directors.

The Organization reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose 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.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Organization. The restrictions stipulate that resources be maintained permanently but permit the Organization to expend the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization’s program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods and materials are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization’s mission.

Subsequent Events

The Organization has evaluated events through August 17, 2016, the date on which the financial statements were available to be issued.

Note 2 - Property and Equipment

Property and equipment consists of the following at December 31, 2015 and 2014:

	2015	2014
Office furniture and equipment	\$ 2,792	\$ 2,792
Computers	18,616	9,728
Medical equipment	21,000	21,000
Software	8,443	8,443
	50,851	41,963
Less accumulated depreciation	(40,985)	(39,120)
	\$ 9,866	\$ 2,843

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets are designated for the following purposes:

	2015	2014
Network of safety	\$ 483,429	\$ 277,912
Time restricted - contribution receivable	50,000	15,000
	\$ 533,429	\$ 292,912

Note 4 - Concentrations

The Organization receives significant contributions from the same donors. The following donors contributed over 10% of total public support for the years ended December 31, 2015 and 2014.

	2015	2014
Donor A	\$ 200,000	\$ 200,000
Donor B	300,000	300,000

The majority of the Organization's operations and its mission are centered in less developed regions throughout the world, including Nepal. The operations of the Organization are heavily regulated and subject to the administrative directives, rules and regulations of the local and national governmental authorities of the regions. Such administrative directives, rules and regulations are subject to change by the same governmental authorities and such changes may occur with little or no notice.

The Organization maintains cash in foreign bank accounts especially in Nepal. There are four bank accounts in Nepal: one in U.S. dollars controlled solely by the Organization's domestic office in San Francisco and totaling \$635 and \$30,430 December 31, 2015 and 2014, respectively; and three accounts in the local currency totaling \$40,328 and \$78,739 U.S. dollars at December 31, 2015 and 2014, respectively. The Organization transfers U.S. dollars to these accounts where local employees or local not-for-profit affiliates are able to access these funds to further the Organization's mission and conduct the Organization's operations in these foreign locations. Each month, the Organization's domestic office in San Francisco receives a monthly accounting of the funds from each foreign location, which is then included in the monthly accounting of the Organization providing the domestic office with the ability to review and approve the foreign expenditures for the previous month. The amounts held in these foreign bank accounts are not insured, and are subject to risk as well as the rules and regulations of local governments in those countries. Further, in order to comply with specific rules and regulations of certain foreign locations, three of the foreign bank accounts are not held in the name of the Organization, but rather in the name of an individual or an organization affiliated with the Organization. This provides additional potential risk of loss. The Organization attempts to limit the amount of funds held in these foreign bank accounts to amounts that are needed in a relatively short time frame to meet the financial demands of the operations in each foreign location.

Note 5 - Defined Contribution Retirement Plan

The Organization sponsors a defined contribution retirement plan (the Plan). Full-time employees who have attained the age of 21 and who meet other eligibility requirements are eligible to participate in the Plan. The Organization matches 100 percent of eligible employee contributions up to an employee's contribution of five percent of compensation. During the years ended December 31, 2015 and 2014, the Organization contributed \$4,108 and \$8,509 to the Plan, respectively.

Note 6 - Donated Materials and Professional Services

The Organization received donated professional services and materials as follows during the years ended December 31, 2015 and 2014:

	Program Services	Management and General	Fundraising and Development	Total
December 31, 2015				
Education and training	\$ 46,240	\$ -	\$ -	\$ 46,240
Professional services	-	2,520	-	2,520
Medical supplies	1,788,216	-	-	1,788,216
	\$ 1,834,456	\$ 2,520	\$ -	\$ 1,836,976
December 31, 2014				
Education and training	\$ 86,690	\$ -	\$ -	\$ 86,690

During the year ended December 31, 2015 in connection with an earthquake that severely affected the Organization's Nepal service area, the Organization solicited and obtained significant contributions of medical supplies that were provided to clinics in the affected region.

During the year ended December 31, 2015 the Organization received and capitalized a donation of equipment and improvements, valued at \$8,888.