Financial Statements
December 31, 2016 and 2015

One Heart World-Wide

EideBailly

CPAs & BUSINESS ADVISORS

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, 2016 and 2015, 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.

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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, 2016 and 2015, 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 8, 2017

One Heart World-Wide

Statements of Financial Position

December 31, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	$ 2,299,181	$ 2,403,221
Contributions receivable	-	50,000
Prepaid expenses	3,010	1,826
Total current assets	2,302,191	2,455,047
Property and Equipment, Net	6,872	9,866
	$ 2,309,063	$ 2,464,913
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ -	$ 2,300
Accrued liabilities	42,992	17,272
Total current liabilities	42,992	19,572
Net Assets		
Unrestricted	2,240,068	1,911,912
Temporarily restricted	26,003	533,429
	2,266,071	2,445,341
	$ 2,309,063	$ 2,464,913

	2016	2015
Unrestricted Net Assets		
Public support		
Contributions	$ 1,600,157	$ 1,284,969
In-kind donations	197,791	1,845,864
Special events, less direct cost of benefits to donors of $9,933 and $37,725 in 2016 and 2015, respectively	14,358	36,236
Total unrestricted public support	1,812,306	3,167,069
Net assets released from restrictions	860,657	1,113,945
	2,672,963	4,281,014
Expenses		
Program services	2,146,115	3,054,213
Supporting services		
Management and general	137,926	91,774
Fundraising	60,766	69,912
Total expenses	2,344,807	3,215,899
Change in Unrestricted Net Assets	328,156	1,065,115
Temporarily Restricted Net Assets		
Public support		
Contributions	353,231	1,354,462
Net assets released from restrictions	(860,657)	(1,113,945)
Change in Temporarily Restricted Net Assets	(507,426)	240,517
Change in Net Assets	(179,270)	1,305,632
Net Assets, Beginning of Year	2,445,341	1,139,709
Net Assets, End of Year	$ 2,266,071	$ 2,445,341

	Program Services	Management and General	Fund-raising	Total
Salaries, benefits and taxes	$ 691,701	$ 56,893	$ 33,921	$ 782,515
Aid and assistance	20,449	-	-	20,449
Professional services	191,123	15,720	9,373	216,216
Rent and utilities	42,313	3,480	2,075	47,868
Transportation and lodging	190,523	14,765	13,115	218,403
Education and training	413,070	-	-	413,070
Cost of direct benefits to donors	-	-	9,933	9,933
Printing and publication	-	338	-	338
Miscellaneous	115	12,257	-	12,372
Bank and credit card fees	-	3,689	-	3,689
Telephone and internet	5,854	482	287	6,623
Office supplies	87,073	19,042	-	106,115
Medical supplies	459,322	-	-	459,322
Computer and website	36,907	3,036	1,810	41,753
Meals and entertainment	-	3,513	56	3,569
Insurance	5,018	4,493	-	9,511
Depreciation	2,647	218	129	2,994
	2,146,115	137,926	70,699	2,354,740
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(9,933)	(9,933)
Total expenses included in the expense section on the statement of activities	$ 2,146,115	$ 137,926	$ 60,766	$ 2,344,807

	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
	3,054,213	91,774	107,637	3,253,624
Less expenses included with revenues on the statement of activities Cost of direct benefits to donors	-	-	(37,725)	(37,725)
Total expenses included in the expense section on the statement of activities	$ 3,054,213	$ 91,774	$ 69,912	$ 3,215,899

	2016	2015
Operating Activities		
Change in net assets	$ (179,270)	$ 1,305,632
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	2,994	1,865
Donated property and equipment	-	(8,888)
Changes in operating assets and liabilities		
Contributions receivable	50,000	(35,000)
Prepaid expenses	(1,184)	(1,147)
Other receivables	-	5,741
Accounts payable	(2,300)	2,300
Accrued liabilities	25,720	(457)
Net Cash from (used for) Operating Activities	(104,040)	1,270,046
Net Change in Cash and Cash Equivalents	(104,040)	1,270,046
Cash and Cash Equivalents, Beginning of Year	2,403,221	1,133,175
Cash and Cash Equivalents, End of Year	$ 2,299,181	$ 2,403,221
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 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, 2016 and 2015, 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. Management determines 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, 2016 and 2015, there was no allowance for uncollectible contributions receivable and all contributions receivable are expected to be collected in the next year.

Property and Equipment

Property and equipment additions are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2016 and 2015.

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 8, 2017, 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, 2016 and 2015:

	2016	2015
Office furniture and equipment	$ 2,792	$ 2,792
Computers	18,616	18,616
Medical equipment	21,000	21,000
Software	8,443	8,443
	50,851	50,851
Less accumulated depreciation	(43,979)	(40,985)
	$ 6,872	$ 9,866

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets are designated for the following purposes:

	2016	2015
Network of safety	$ 26,003	$ 483,429
Time restricted - contribution receivable	-	50,000
	$ 26,003	$ 533,429

Note 4 - Concentrations

The following donors contributed over 10 percent of total public support for the years ended December 31, 2016 and 2015:

	2016	2015
Donor A	$ 300,000	$ 200,000
Donor B	300,000	300,000
Donor C	300,000	-

The Organization’s operations and mission is centered in Nepal, a less developed region of the world. Its operations 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 in Nepal. In 2016, there are nine bank accounts in Nepal: one in U.S. dollars totaling $95,888 and $635 at December 31, 2016 and 2015, respectively; and eight accounts in the local currency totaling $86,526 and $52,138 U.S. dollars at December 31, 2016 and 2015, respectively. Each month, the Organization's domestic office in San Francisco receives a monthly accounting of the funds from each foreign location in Nepal, 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. 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, 2016 and 2015, the Organization contributed $13,845 and $4,108 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, 2016 and 2015:

	Program Services	Management and General	Fundraising and Development	Total
December 31, 2016				
Professional services	$ 174,837	$ 14,381	$ 8,573	$ 197,791
	$ 174,837	$ 14,381	$ 8,573	$ 197,791

	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

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.