Financial Statements
December 31, 2014 and 2013

One Heart World-Wide

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, 2014 and 2013, 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, 2014 and 2013, 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
July 17, 2015

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 1,133,175	$ 479,600
Contributions receivable	15,000	10,000
Prepaid expenses	679	3,536
Other receivables	5,741	22,844
Total current assets	1,154,595	515,980
Property and equipment, net	2,843	13,211
	$ 1,157,438	$ 529,191
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ -	$ 14,808
Accrued expenses	17,729	3,270
Total current liabilities	17,729	18,078
Net Assets		
Unrestricted	846,797	370,396
Temporarily restricted	292,912	140,717
	1,139,709	511,113
	$ 1,157,438	$ 529,191

	2014	2013
Unrestricted Net Assets		
Public support		
Contributions	$ 915,873	$ 568,858
In-kind donations	86,690	117,488
Special events	89,474	120,719
Less: cost of direct benefits to donors	(44,285)	(51,964)
Total unrestricted public support and revenue	1,047,752	755,101
Net Assets Released from Restrictions		
Restrictions satisfied	431,494	439,233
Total unrestricted support and revenue	1,479,246	1,194,334
Expenses		
Program services	845,939	927,764
Supporting services		
Management and general	92,287	66,975
Fundraising	64,619	36,541
Total expenses	1,002,845	1,031,280
Increase in Unrestricted Net Assets	476,401	163,054
Temporarily restricted net assets		
Public support		
Contributions	583,689	451,597
Net assets released from restrictions		
Restrictions satisfied	(431,494)	(439,233)
Change in Temporarily Restricted Net Assets	152,195	12,364
Change in Net Assets	628,596	175,418
Net Assets, Beginning of Year	511,113	335,695
Net Assets, End of Year	$ 1,139,709	$ 511,113

	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	432	18,814	-	19,246
Grants	8,947	-	-	8,947
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

	2013			
	Program Services	Management and General	Fund-Raising	Total
Salaries, benefits and taxes	$ 379,995	$ 27,048	$ 18,592	$ 425,635
Aid and assistance	130,577	-	-	130,577
Professional services	80,160	3,075	2,114	85,349
Rent and utilities	36,565	2,603	1,789	40,957
Transportation and lodging	66,694	-	12,270	78,964
Education and training	174,749	-	-	174,749
Cost of direct benefits to donors	-	-	51,964	51,964
Printing and publication	-	1,038	-	1,038
Miscellaneous	14,887	16,226	-	31,113
Bank and credit card fees	-	5,650	-	5,650
Telephone and internet	7,853	559	384	8,796
Office supplies	16,703	6,561	-	23,264
Computer and website	15,279	1,088	747	17,114
Meals and entertainment	-	612	191	803
Insurance	1,362	2,162	454	3,978
Depreciation	2,940	353	-	3,293
	927,764	66,975	88,505	1,083,244
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	-	-	(51,964)	(51,964)
Total expenses included in the expense section on the statement of activities	$ 927,764	$ 66,975	$ 36,541	$ 1,031,280

	2014	2013
Operating Activities		
Change in net assets	$ 628,596	$ 175,418
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	1,421	3,293
Grants - property and equipment	8,947	-
Donated property and equipment	-	(10,000)
Changes in operating assets and liabilities		
Contributions receivable	(5,000)	10,000
Prepaid expenses	2,857	(1,400)
Other receivables	17,103	(16,199)
Accounts payable	(14,808)	3,400
Accrued expenses	14,459	-
Net Cash from Operating Activities	653,575	164,512
Net Change in Cash and Cash Equivalents	653,575	164,512
Cash and Cash Equivalents, Beginning of Year	479,600	315,088
Cash and Cash Equivalents, End of Year	$ 1,133,175	$ 479,600

Note 1 - Principal Activity and Significant Accounting Policies

Organization

One Heart World-Wide (the Organization) was organized as a nonprofit corporation in 2003. 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, 2014 and 2013, 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.

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 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 corporations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations 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 Sections 509(a)(1), respectively. 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 entities 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 July 17, 2015, 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, 2014 and 2013:

	2014	2013
Office furniture and equipment	$ 2,792	$ 2,792
Automobile	-	10,000
Computers	9,728	15,374
Medical equipment	21,000	21,000
Software	8,443	10,190
	41,963	59,356
Less accumulated depreciation	(39,120)	(46,145)
	$ 2,843	$ 13,211

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets are designated for the following purposes:

	2014	2013
Network of safety	$ 277,912	$ 140,717
Time restricted - contribution receivable	15,000	-
	$ 292,912	$ 140,717

Note 4 - Concentrations

The Organization receives significant contributions from the same donors. The following donors contributed over 10% of total public support for at least one of the years ended December 31, 2014 and 2013.

	2014	2013
Donor A	$ 200,000	$ 200,000
Donor B	300,000	100,000

The majority of the Organization's operations and its mission are centered in less developed regions throughout the world, including Nepal and Mexico. 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 in Nepal and Mexico. 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 $30,430 and $17,347 December 31, 2014 and 2013, respectively; and three accounts in the local currency totaling $78,739 and $19,324 U.S. dollars at December 31, 2014 and 2013, respectively. There is one bank account in Mexico in the local currency totaling $630 and $806 U.S. dollars at December 31, 2014 and 2013, respectively. The Organization transfers U.S. dollars to these accounts in Nepal and Mexico, 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 three percent of compensation. During the years ended December 31, 2014 and 2013, the Organization contributed $8,509 and $4,845 to the Plan, respectively.

Note 6 - Related Party Transactions

During the years ended December 31, 2014 and 2013, Board of Directors contributed $19,065 and $13,476, respectively.