

**PALMETTO MEDICAL INITIATIVE, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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**CONSOLIDATED FINANCIAL STATEMENTS**  
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WELCH, ROBERTS & AMBURN  
CERTIFIED PUBLIC ACCOUNTANTS, LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
OneWorld Health (formerly Palmetto Medical Initiative, Inc.)

We have audited the accompanying consolidated financial statements of Palmetto Medical Initiative, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year 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 audit. We conducted our audit 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 Palmetto Medical Initiative, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Welch, Roberts & Amburn, LLP*

Welch, Roberts & Amburn, LLP  
Charleston, South Carolina  
August 26, 2016

**PALMETTO MEDICAL INITIATIVE, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**JUNE 30,**

**2015**

**ASSETS**

**Assets:**

Cash and cash equivalents (Note 2)	\$	731,412
Accounts receivable		26,985
Inventory		56,287
Prepaid expenses		992
Burundi funds held by PTI (Note 11)		6,160
Receivable - related party (Note 7)		3,300
Promises to give, net (Note 3)		364,815
Property and Equipment, net (Note 4)		961,129
Deposits		7,750
		<hr/>
Total Assets	\$	<u><u>2,158,830</u></u>

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable	\$	7,993
Credit card payable		1,912
Payroll tax liabilities		5,491
Pension withheld and accrued (Note 10)		1,149
Demand note payable (Note 5)		4,000
Deferred revenue - mission trips (Note 1)		49,906
Due to Burundi donors (Note 11)		163,646
		<hr/>
Total Liabilities		<u>234,097</u>

**Net Assets:**

Unrestricted		1,559,918
Temporarily Restricted (Note 12)		364,815
		<hr/>
Total Net Assets		<u>1,924,733</u>
		<hr/>
Total Liabilities and Net Assets	\$	<u><u>2,158,830</u></u>

The accompanying Independent Auditors' Report and notes  
are an integral part of these consolidated financial statements.

**PALMETTO MEDICAL INITIATIVE, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue:</b>			
Contributed goods and services (Note 1)	\$ 958,929	\$ -	\$ 958,929
Contributions (Note 1)	766,836	-	766,836
Mission trip income (Note 1)	863,066	-	863,066
Grants received (Note 1)	12,593	-	12,593
Clinic service fees (Note 1)	313,584	-	313,584
Miscellaneous income	405	-	405
Currency translation	2,248	-	2,248
<b>Net Assets Released from Restrictions:</b>			
Expiration of Restrictions	463,863	(463,863)	-
<b>Total Revenue</b>	<b>3,381,524</b>	<b>(463,863)</b>	<b>2,917,661</b>
<b>Expenses:</b>			
<b>Program Services:</b>			
Masindi, Uganda	1,067,473	-	1,067,473
El Viejo, Nicaragua	1,455,717	-	1,455,717
Burundi (Note 11)	143,756	-	143,756
Sebaco, Nicaragua	23,641	-	23,641
Bulima, Uganda	12,206	-	12,206
Kijunjubwa, Uganda	3,707	-	3,707
<b>Total Program Services</b>	<b>2,706,500</b>	<b>-</b>	<b>2,706,500</b>
<b>Support Services:</b>			
General and administrative	366,621	-	366,621
Fundraising (Note 8)	74,287	-	74,287
<b>Total Support Services</b>	<b>440,908</b>	<b>-</b>	<b>440,908</b>
<b>Total Expenses</b>	<b>3,147,408</b>	<b>-</b>	<b>3,147,408</b>
<b>Discontinued operations - Burundi (Note 11)</b>	<b>163,646</b>	<b>-</b>	<b>163,646</b>
<b>Change in Net Assets</b>	<b>70,470</b>	<b>(463,863)</b>	<b>(393,393)</b>
<b>Net Assets, Beginning of Year</b>	<b>1,489,448</b>	<b>828,678</b>	<b>2,318,126</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,559,918</b>	<b>\$ 364,815</b>	<b>\$ 1,924,733</b>

The accompanying Independent Auditors' Report and notes  
are an integral part of these consolidated financial statements.

**PALMETTO MEDICAL INITIATIVE, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30,**

	<b>2015</b>
<b>Cash flows Provided by (Used in) Operating Activities:</b>	
Change in Net Assets	\$ (393,393)
Adjustments to reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Depreciation and amortization	91,993
Gain on asset sale	(324)
(Increase) Decrease in Assets:	
Accounts receivable	(19,233)
Prepaid expenses	(992)
Burundi funds held by PTI	(6,160)
Receivable - employee	(3,300)
Pledges outstanding	612,261
Inventory	23,077
Deposits	(7,050)
Increase (Decrease) in Liabilities:	
Accounts payable	275
Credit card payable	1,786
Accrued wages	(13,808)
Payroll tax liabilities	(2,887)
Pension withheld and accrued	1,149
Deferred revenue - mission trips	(61,450)
Due to Burundi donors	163,646
	<b>385,590</b>
<b>Cash Flows Provided by (Used in) Investing Activities:</b>	
Purchases of property and equipment	(265,241)
Proceeds from sale of fixed assets	3,600
	<b>(261,641)</b>
<b>Cash Flows Provided by Financing Activities:</b>	
Demand note payable borrowing	4,000
	<b>127,949</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>127,949</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>603,463</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 731,412</b>
<b>Supplemental Disclosure of Cash Flow Information</b>	
Cash paid during the year for:	
Interest	<b>\$ 8</b>

The accompanying Independent Auditors' Report and notes are an integral part of these consolidated financial statements.

**PALMETTO MEDICAL INITIATIVE, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30,**

	2015								Total Expenses
	Masindi, Uganda	El Viejo, Nicaragua	Burundi	Sebaco, Nicaragua	Bulima, Uganda	Kijunjubwa, Uganda	General and Administrative	Fundraising	
Grants awarded	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 18,273	\$ -	\$ 23,273
Auto expense	13,961	8,971	-	123	-	-	-	-	23,055
Legal and professional fees	4,424	5,494	5,400	-	-	-	42,120	-	57,438
Contract labor	6,600	32,179	7,233	1,212	-	-	-	-	47,224
Business registration fees	164	65	480	9	-	7	50	-	775
Outside contract services	19,090	1,495	-	196	-	-	-	-	20,781
In-kind doctors' services	117,936	113,400	9,072	-	-	-	-	-	240,408
Consulting	25	-	-	-	-	-	10,050	-	10,075
Depreciation	57,775	31,274	282	289	-	-	2,095	-	91,715
Amortization	-	-	-	-	-	-	278	-	278
Building rent	6,552	5,950	800	-	11,919	3,668	17,228	-	46,117
Equipment rent and maintenance	4,198	1,398	111	25	-	-	2,548	-	8,280
Utilities	2,888	3,343	-	18	-	-	-	-	6,249
Dues and subscriptions	302	162	10	-	-	-	11,816	-	12,290
Postage	7	5,087	626	-	-	-	928	-	6,648
Bank charges	1,657	2,061	823	37	-	-	2,198	-	6,776
Stationery and printing	6,583	1,087	646	297	-	-	7,488	-	16,101
Office expenses	1,653	2,714	-	1,129	-	-	3,938	-	9,434
Repair and maintenance - buildings	6,661	2,948	-	2,246	-	-	-	-	11,855
Supplies	10,405	9,376	1,514	1,613	-	-	672	-	23,580
Drugs and supplies	130,850	736,196	9,108	7,935	-	-	-	-	884,089
Uniforms	330	59	-	428	-	-	-	-	817
Telephone and internet	3,292	3,425	310	313	-	-	7,600	-	14,940
Promotional and marketing (Note 9)	7,506	1,110	-	2,186	-	-	58,834	-	69,636
Sponsored patients	9,290	-	-	-	-	-	-	-	9,290
Liability insurance	1,926	-	-	-	-	-	12,977	-	14,903
Workers' compensation	-	-	-	-	-	-	13,559	-	13,559
Interest expense	-	-	-	-	-	-	8	-	8
Penalties	1,872	31	-	-	-	-	-	-	1,903
Salaries and wages	204,156	145,481	27,940	2,329	-	-	76,824	46,263	502,993
Payroll taxes	14,454	7,867	-	500	-	-	29,590	-	52,411
Taxes and licenses	4,448	514	-	-	-	-	-	-	4,962
Employee benefits	52,219	16,747	1,942	63	-	-	9,850	4,377	85,198
Retirement plan expense (Note 10)	3,803	3,206	609	-	-	-	3,363	1,851	12,832
Conferences and meetings	810	926	-	-	-	-	5,331	-	7,067
Travel	355,127	294,747	76,593	1,911	287	32	4,469	14,972	748,138
Travel meals	292	2,323	28	183	-	-	70	2,064	4,960
Meals and entertainment	15,169	11,405	229	599	-	-	5,780	4,760	37,942
Bad debt expense	1,048	-	-	-	-	-	18,684	-	19,732
Gain on asset sale (Note 7)	-	(324)	-	-	-	-	-	-	(324)
	<u>\$ 1,067,473</u>	<u>\$ 1,455,717</u>	<u>\$ 143,756</u>	<u>\$ 23,641</u>	<u>\$ 12,206</u>	<u>\$ 3,707</u>	<u>\$ 366,621</u>	<u>\$ 74,287</u>	<u>\$ 3,147,408</u>

The accompanying Independent Auditors' Report and notes  
are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies:

**Nature of the Organization:**

Palmetto Medical Initiative, Inc. (the "Organization") (a nonprofit organization) was organized in 2009. The purpose of the Organization is to assist with healthcare needs of third world countries by providing healthcare professionals with the opportunity and resources to administer healthcare in such countries. The Organization is supported primarily through donor contributions in the United States. Mission trips are organized to the third world countries for the purpose of administering healthcare. The Organization also assists with operating clinics in Uganda, Nicaragua, and Burundi (See Note 11). The Consolidated Statement of Functional Expenses includes the costs associated with operating the local clinics and expenses of the mission trips.

The Organization incurred \$12,206 and \$3,707, respectively of startup costs related to locations in Bulima and Kijunjubwa, Uganda. These expenses were incurred in the planning and development phase in preparation for operating future clinics at these locations. As of June 30, 2015, no clinical operations or healthcare was being provided at these locations.

**Basis of Accounting and Consolidation:**

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United State of America and include the Organization, its wholly owned subsidiary Palmetto Medical Initiative Uganda and the not-for-profit entity Fundacion Cristiana Iniciativa Medica Palmetto. All significant intercompany transactions have been eliminated.

**Basis of Presentation:**

The financial statements are presented following the requirements of the Financial Accounting Standards Board in its statement of Accounting Standards Codification (FASB ASC) No. 958-205, *Not-for-Profit Entities , Presentation of Financial Statements*. Under FASB ASC No. 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restriction on their use. Temporarily restricted net assets are restricted as to time or purpose as designated by the donor. All net assets other than those subject to temporary or permanent donor-imposed restrictions, including Board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class. As of June 30, 2015, the Organization had temporarily restricted net assets of \$364,815 and no permanently restricted net assets.

**Cash and Cash Equivalents:**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Revenue, Receivables, and Other Support:**

Contributions are recognized when they are received or when the donor makes a promise to give to the Organization that is, in substance, unconditional. All revenues received are recorded as unrestricted,



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

**Revenue, Receivables, and Other Support (Continued):**

temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending upon the nature of the restriction. When a 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 released from restrictions. Restricted donations that are received and have their restriction expire in the same period are included in unrestricted net assets. The Organization did not receive any temporarily or permanently restricted contributions during the year ended June 30, 2015.

Revenues from government and private grants are recognized as earned in accordance with the terms of the grant or contract. Any grant payments received before they have been expended are recorded as a refundable advance. Projects funded by grants that incur expenses prior to payment receipt are recorded as revenue with a corresponding receivable. There were no refundable advances or receivables at June 30, 2015.

Revenue from providing clinical services to patients is recognized as earned at the time the services are performed. The clinics perform ongoing credit evaluations of its patients' financial conditions and generally issues credit to patients and requires no collateral before performing services.

The Organization invoices mission trip volunteers for the cost of travel and lodging, plus a service fee to cover associated overhead costs. Funds received from volunteers related to mission trips scheduled subsequent to the end of the fiscal year are recorded as deferred revenue - mission trips in the Consolidated Statement of Financial Position. Mission trip income for the year ended June 30, 2015, was \$863,066 and payments for future trips recorded as deferred revenue - mission trips was \$49,906 at June 30, 2015.

**Allowance for Doubtful Accounts:**

The Organization allows for estimated losses on patient accounts receivable and promises to give based on prior bad debt experience and management's review of existing receivables and promises to give. Bad debt recoveries are charged against the allowance account as realized. Based on these factors, there is no allowance for doubtful accounts at June 30, 2015. The corresponding charge to bad debts for the year ended June 30, 2015 was \$19,732, representing primarily promises to give that were determined to be uncollectible during the year.

**Inventory:**

Inventory consists primarily of medical supplies. Purchased inventory is stated at cost using the first in - first out (FIFO) method. Donated inventory is valued at the amount reported by the donor organization.

PALMETTO MEDICAL INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

**Property and Equipment:**

The Organization capitalizes property and equipment costing over \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair market value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation and amortization is computed on the straight-line method over the estimated useful lives of the assets: 3 to 10 years for website design, equipment, furniture and fixtures, and vehicles and 39 years for buildings.

**Income Taxes:**

Palmetto Medical Initiative, Inc. was organized as a corporation under the laws of the State of South Carolina. The Organization is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3), and from State taxation under South Carolina Code of Laws, 1962, Section 65-222. The Organization is classified by the Internal Revenue Service as other than a private foundation.

The Organization follows accounting guidance with respect to how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. As of June 30, 2015, management has reviewed all open tax years and jurisdictions and concluded the accounting guidance resulted in no impact to the Organization's financial position or results of operations. The Organization's Form 990, Return of an Organization Exempt from Income Tax, for the years ending 2015, 2014 and 2013 are subject to examination by the IRS generally for three years after they were filed.

**Contributed Goods and Services:**

\$958,929 has been reflected in the Consolidated Statement of Activities for donated goods and services. These services consist primarily of accounting and taxation assistance and over 5,100 hours of healthcare services provided to patients during mission trips. There are other volunteer services that the Organization receives throughout the year. However, these services do not meet the criteria for recognition as contributed services.

Contributed goods and services consist of the following at June 30, 2015:

	<u>Amount</u>
Accounting and tax services	\$ 39,629
Volunteer medical services	240,408
Orthopedic implants	619,075
Other supplies	24,983
Water purification system	<u>34,834</u>
	<u>\$ 958,929</u>

PALMETTO MEDICAL INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued):

Use of 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 and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency Transactions and Balances:

Foreign currency transactions are translated into the functional currency of the Organization using the weighted average exchange rate during the year. Foreign exchange gains and losses resulting from the settlement of such transactions and from remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in the Statement of Activities. Non-monetary items are not retranslated at year-end and are measured at historical cost translated using the weighted average exchange rate at the transaction date.

Note 2 - Cash and Cash Equivalents:

Cash and cash equivalents consist of the following at June 30, 2015:

	<u>Amount</u>
Cash on hand	\$ 4,197
Checking	<u>727,215</u>
Total cash and cash equivalents	<u>\$ 731,412</u>

The Organization maintains its checking accounts at several banks. Accounts at U.S. financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The amount in excess of the insured limits at June 30 2015 was \$354,321. Accounts at Uganda financial institutions are insured by the Deposit Protection Fund for up to 5,000,000 UGX (approximately \$1,800 at June 30, 2015). The amount in excess of the insured limits at June 30, 2015 was 144,429,466 UGX or approximately \$43,009. Accounts at Nicaragua financial institutions are insured by the Financial Deposit Guarantee Fund up to \$10,000. The amount in excess at June 30, 2015 was \$68,085. The Organization maintains its cash balances at high quality institutions and has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

PALMETTO MEDICAL INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015

Note 3 - Promises to Give:

Unconditional promises to give consist of the following at June 30, 2015:

	<u>Amount</u>
Amounts due in:	
Less than one year	\$ 167,406
One to five years	200,332
Greater than five years	<u>3,428</u>
	371,166
Less discount to present value	<u>(6,351)</u>
	<u>\$ 364,815</u>

Promises to give are considered temporarily restricted and are recognized at fair value, using present value techniques when the donor makes an unconditional promise to give to the Organization. The discount rate decreased .31% during the year from 1.91% at June 30, 2014 to 1.60% at June 30, 2015.

Note 4 - Property and Equipment:

Property and equipment consist of the following at June 30, 2015:

	<u>Amount</u>
Website design	\$ 7,175
Buildings	505,740
Medical Equipment	303,176
Furniture and fixtures	40,782
Vehicles	241,744
Construction in progress	<u>62,194</u>
	1,160,811
Less accumulated depreciation	<u>(199,682)</u>
	<u>\$ 961,129</u>

Depreciation and amortization included in expenses amounted to \$91,993 for the year ended June 30, 2015.

Note 5 - Demand Note Payable:

The Organization's demand note payable consists of the following at June 30, 2015:

	<u>Amount</u>
Interest free note payable to Monica Alicia Rios Carillo, due on demand, secured by land and building	<u>\$ 4,000</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015

Note 6 - Leases:

The Organization leases its offices in Charleston, South Carolina on a month to month basis. Rent expense under this lease for the year ended June 30, 2015 was \$17,228 (See Note 13 - Subsequent Events).

Note 7 - Related Parties:

During 2015, the Organization sold a vehicle to one of its employees in Nicaragua for \$3,600 resulting in a gain of \$324. At June 30, 2015, the employee owed the Organization \$3,300 for the vehicle.

Note 8 - Fundraising Activities:

The Organization's Executive Director devotes approximately 40% of his time traveling, meeting and soliciting donors. These expenses amounted to \$74,287, and are included in the Consolidated Statement of Functional Expenses.

Note 9 - Promotional and Marketing:

During the year ended June 30, 2015, the Organization incurred \$69,636 of promotional and marketing expenses. Included in this amount is \$41,647 of rebranding expenses associated with the Organization's name change from Palmetto Medical Initiative, Inc. to OneWorld Health (See Note 13 - Subsequent Events).

Note 10 - Retirement Plan:

The Organization sponsors a 401(k) plan, (the "Plan"), which provides employees the ability to defer up to 100% of their annual compensation up to a maximum of \$18,000 for the year ended June 30, 2015. The Organization makes matching contributions up to a maximum of 4% of employee wages. Discretionary employer contributions are also permitted. Employer matching and discretionary contributions made in the year ended June 30, 2015 were \$12,282. The Organization also paid \$550 for administrative fees related to the Plan.

Note 11 - Burundi Operations:

During the fourth quarter of the year ended June 30, 2015, the Burundi clinical operations were terminated due to the country's unstable social climate. At that time, the Organization had \$163,646 in contributions that had been received specifically for use in Burundi clinical operations. These funds are to be returned to the original donors, and are reflected as a liability as of June 30, 2015. Total expenses during the year related to mission trips to Burundi Totaled \$143,756 and are included on the Statement of Functional Expenses. No future mission trips to this location are expected.

During the year ended June 30, 2015, the Organization deposited \$51,381 related to the Burundi operations with another not for profit organization, PTI, to facilitate financial transactions in Burundi. PTI disbursed \$45,221 to third parties during the year ended June 30, 2015 on behalf of the Organization for mission trips. At June 30, 2015, funds held by PTI for the Organization, totaled \$6,160. These funds were returned to the Organization subsequent to June 30, 2015 due to the termination of the clinical operations.

**PALMETTO MEDICAL INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**Note 12 - Restrictions on Net Assets:**

**Funds Received for Future Purposes:**

Temporary restrictions on net assets as of June 30, 2015 are related to contributions received for future years. Temporarily restricted net assets as of June 30, 2015 were restricted for the following purposes and periods:

For Subsequent Periods	<u>\$ 364,815</u>
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**Net Assets Released from Restrictions:**

Net assets were released by the passage of time for contributions received in the prior year restricted by donors for future years and by the use of funds as restricted by the donor. Net assets released from restrictions for the year ending June 30, 2015 are as follows:

Discontinued Operations - Burundi	\$ 140,903
Expiration of Time Restrictions	<u>322,960</u>
Total Net Assets Released from Restrictions	<u>\$ 463,863</u>

**Note 13 - Subsequent Events:**

The Committee has evaluated events through August 26, 2016, the date which the financial statements were available to be issued, and no matters came to their attention that would require adjustments to or disclosure in the consolidated financial statements except for the following:

On December 1, 2015, the Organization purchased a building for its U.S. corporate offices. The purchase price was \$195,000. The Organization entered into a related mortgage for \$156,000, payable in 60 monthly installments of \$909. Subsequent to obtaining the building, office furniture valued at \$52,500 was donated to the Organization by Thomas Interior Systems.

On December 21, 2015, the Organization changed its name from Palmetto Medical Initiative, Inc. to OneWorld Health to better align its name with its mission of providing sustainable healthcare on a worldwide basis to developing countries (See Note 9 - Promotional and Marketing).