

**ONEWORLD HEALTH**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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WELCH, ROBERTS, AMBURN & HUTTO, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

*Independent Auditors' Report*

Board of Directors  
OneWorld Health

***Report on the Financial Statements***

We have audited the accompanying financial statements of OneWorld Health, which comprise the consolidated statement of financial position as of June 30, 2018 and the related consolidated statement of activities, functional expenses, and cash flows 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 OneWorld Health as of June 30, 2018, 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 & Hutto, LLC*

Welch, Roberts, Amburn & Hutto, LLC  
Charleston, South Carolina  
February 17, 2020

MEMBERS, AMERICAN INSTITUTE OF CPAS, SOUTH CAROLINA ASSOCIATION OF CPAS

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**ONEWORLD HEALTH**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2018**

**EXHIBIT A**

Assets	
Cash and Cash Equivalents	1,216,890
Accounts Receivable, net of allowance for doubtful accounts of \$20,000	31,523
Promises to Give, net of allowance for uncollectible promises of \$0	7,574
Employee Advance	2,024
Prepaid Expenses	4,481
Land, Property, and Equipment, net of accumulated depreciation of \$581,539	1,847,405
Other Assets	43,468
Deposits	<u>1,300</u>
Total Assets	<u><u>\$ 3,154,665</u></u>
Liabilities and Net Assets	
Liabilities	
Accounts Payable	157,385
Payroll and Related Accrued Expenses	35,861
Line of Credit Payable	11,635
Deferred Revenue	65,403
Loan Payable	<u>139,515</u>
Total Liabilities	<u>409,799</u>
Net Assets	
Unrestricted Net Assets	2,721,702
Temporarily Restricted Net Assets	<u>23,164</u>
Total Net Assets	<u>2,744,866</u>
Total Liabilities and Net Assets	<u><u>\$ 3,154,665</u></u>

**ONEWORLD HEALTH**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT B**

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>			
Contributions	982,082	\$ 10,000	\$ 992,082
Contributed Goods and Services	2,050,827	-	2,050,827
Fundraising Events	911,422	-	911,422
Grant Income	22,782	5,590	28,372
Mission Trip Income	1,195,960	-	1,195,960
Clinic Service Fees	575,705	-	575,705
Miscellaneous Income	47,801	-	47,801
Currency Translation	(6,762)	-	(6,762)
<b>Net Assets Released from Restrictions</b>			
Expiration of Restrictions	63,413	(63,413)	-
<b>Total Revenue and Support</b>	<b>5,843,230</b>	<b>(47,823)</b>	<b>5,795,407</b>
<b>Expenses</b>			
<b>Program Services Expenses</b>			
Masindi, Uganda	492,498	-	492,498
El Viejo, Nicaragua	117,760	-	117,760
Sebaco, Nicaragua	100,069	-	100,069
Bulima, Uganda	41,765	-	41,765
Kijunjubwa, Uganda	68,648	-	68,648
Tola, Nicaragua	152,713	-	152,713
Mayoreo, Nicaragua	61,671	-	61,671
Central Lab, Nicaragua	36,372	-	36,372
Nejapa, Nicaragua	43,825	-	43,825
Jinotega, Nicaragua	102,188	-	102,188
Bweyale, Uganda	9,715	-	9,715
Nicaragua Regional	2,516,601	-	2,516,601
Uganda Regional	909,431	-	909,431
<b>Total Program Services</b>	<b>4,653,256</b>	<b>-</b>	<b>4,653,256</b>
<b>Supporting Services</b>			
General and Administrative	489,239	-	489,239
Fundraising	329,231	-	329,231
<b>Total Support Services</b>	<b>818,470</b>	<b>-</b>	<b>818,470</b>
<b>Total Expenses</b>	<b>5,471,726</b>	<b>-</b>	<b>5,471,726</b>
<b>Change in Net Assets</b>	<b>371,504</b>	<b>(47,823)</b>	<b>323,681</b>
Net Assets at Beginning of Year	2,350,198	70,987	2,421,185
Net Assets at End of Year	\$ 2,721,702	\$ 23,164	\$ 2,744,866

See accompanying notes and independent accountants' report.

**ONEWORLD HEALTH**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT C**

	Program Services									SubTotal
	Masindi, Uganda	El Viejo, Nicaragua	Sebaco, Nicaragua	Bulima, Uganda	Kijunjubwa, Uganda	Tola, Nicaragua	Mayoreo, Nicaragua	Central Lab, Nicaragua		
Vehicle Expenses	\$ 11,806	\$ -	\$ 26	\$ -	\$ 269	\$ -	\$ 42	\$ 1,716	\$ 13,859	
Legal and Professional Services	182	194	1,053	69	222	342	1,184	214	3,460	
Contract Labor	1,601	8,517	6,934	92	963	6,192	1,728	112	26,139	
Outside Contract Services	6,853	-	648	-	112	414	-	-	8,027	
In-Kind Medical Services	-	-	-	-	-	-	-	-	-	
Consulting	-	-	-	-	-	-	-	-	-	
Depreciation and Amortization	73,757	36,854	10,100	6,716	16,923	7,110	1,717	398	153,575	
Rent	924	-	19	280	140	-	6,686	5,844	13,893	
Utilities	10,141	4,702	3,031	1,157	339	3,553	973	1,072	24,968	
Dues and Subscriptions	191	196	196	-	-	196	76	75	930	
Bank Charges	726	75	138	138	107	83	26	25	1,318	
Postage and Printing	6,757	13	-	310	383	-	-	-	7,463	
Office Expenses	2,742	2,778	3,126	340	3,675	2,718	13,498	10,958	39,835	
Repairs and Maintenance	12,632	2,027	5,508	451	1,131	3,831	982	1,087	27,649	
Supplies	7,350	2,234	603	1,011	705	419	1,174	3,422	16,918	
Medical Supplies	98,286	14,396	9,940	7,593	17,553	7,684	11,053	4,846	171,351	
Advertising and Marketing	2,165	2,430	2,904	112	1,076	5,213	4,275	-	18,175	
Sponsored Patients	1,169	-	-	-	38	-	-	-	1,207	
Liability Insurance	-	-	-	-	-	-	-	-	-	
Workers Compensation	-	-	-	-	-	-	-	-	-	
Salaries and Wages	119,775	28,170	30,299	16,236	19,316	23,441	11,923	4,482	253,642	
Payroll Taxes	40,194	5,847	5,219	1,885	1,401	3,745	2,739	826	61,856	
Taxes and Licenses	3,261	415	3,248	159	232	-	370	2	7,687	
Employee Benefits	38,367	5,413	8,655	4,554	3,110	5,789	2,662	800	69,350	
Conferences and Meetings	1,878	-	-	34	81	-	-	-	1,993	
Travel	26,284	2,255	7,045	628	872	78,176	563	493	116,316	
Interest Expense	-	-	-	-	-	-	-	-	-	
Bad Debts	20,000	-	-	-	-	-	-	-	20,000	
Loss on Disposal of Fixed Assets	5,457	1,244	1,377	-	-	3,807	-	-	11,885	
<b>Total Expenses Reported by Function</b>	<b>\$ 492,498</b>	<b>\$ 117,760</b>	<b>\$ 100,069</b>	<b>\$ 41,765</b>	<b>\$ 68,648</b>	<b>\$ 152,713</b>	<b>\$ 61,671</b>	<b>\$ 36,372</b>	<b>\$ 1,071,496</b>	

See accompanying notes and independent accountants' report.

**ONEWORLD HEALTH**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT C Continued**

	Program Services Continued						Support Services		Total
	SubTotal from Previous Page	Nejapa, Nicaragua	Jinotega, Nicaragua	Bweyale, Uganda	Nicaragua Regional	Uganda Regional	General and Administrative	Fundraising	
Vehicle Expenses	\$ 13,859	\$ 26	\$ -	\$ -	\$ 10,649	\$ 1,926	\$ -	\$ -	\$ 26,460
Legal and Professional Services	3,460	2,817	501	330	11,097	5,151	96,582	21,428	141,366
Contract Labor	26,139	5,153	5,156	-	1,449	3,898	-	-	41,795
Outside Contract Services	8,027	-	-	-	-	-	-	-	8,027
In-Kind Medical Services	-	-	-	-	386,880	250,242	-	-	637,122
Consulting	-	-	-	-	-	10,368	9,811	7,973	28,152
Depreciation and Amortization	153,575	1,548	2,065	-	624	2,045	16,137	-	175,994
Rent	13,893	4,702	9,558	8,574	8,247	2,013	1,554	-	48,541
Utilities	24,968	301	1,070	-	5,641	756	18,139	-	50,875
Dues and Subscriptions	930	76	47	-	417	594	16,199	3,362	21,625
Bank Charges	1,318	25	32	-	1,663	812	1,179	-	5,029
Postage and Printing	7,463	-	-	-	609	52	4,233	4,402	16,759
Office Expenses	39,835	16,261	24,101	5	2,781	1,383	1,939	-	86,305
Repairs and Maintenance	27,649	103	717	364	2,293	41	2,126	-	33,293
Supplies	16,918	-	464	-	719	221	-	-	18,322
Medical Supplies	171,351	2,590	7,063	-	1,346,929	10,092	1,406	-	1,539,431
Advertising and Marketing	18,175	4,721	6,935	-	2,346	421	48,985	199,531	281,114
Sponsored Patients	1,207	-	-	-	3,748	15,671	-	-	20,626
Liability Insurance	-	-	-	-	-	6,169	7,298	-	13,467
Workers Compensation	-	-	-	-	-	-	28,158	-	28,158
Salaries and Wages	253,642	3,760	9,962	-	202,548	179,624	95,779	50,911	796,226
Payroll Taxes	61,856	339	1,659	-	7,476	-	34,381	-	105,711
Taxes and Licenses	7,687	90	717	-	-	1,678	10,067	-	20,239
Employee Benefits	69,350	897	2,419	-	55,230	50,016	39,524	11,716	229,152
Conferences and Meetings	1,993	-	-	40	46	1,544	5,748	2,552	11,923
Travel	116,316	416	27,974	402	465,209	364,714	23,096	27,356	1,025,483
Interest Expense	-	-	-	-	-	-	5,026	-	5,026
Bad Debts	20,000	-	-	-	-	-	20,000	-	40,000
Loss on Disposal of Fixed Assets	11,885	-	1,748	-	-	-	1,872	-	15,505
<b>Total Expenses Reported by Function</b>	<b>\$ 1,071,496</b>	<b>\$ 43,825</b>	<b>\$ 102,188</b>	<b>\$ 9,715</b>	<b>\$ 2,516,601</b>	<b>\$ 909,431</b>	<b>\$ 489,239</b>	<b>\$ 329,231</b>	<b>\$ 5,471,726</b>

See accompanying notes and independent accountants' report.

**ONEWORLD HEALTH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2018**

**EXHIBIT D**

Cash Flows From Operating Activities	
Changes in Net Assets	\$ 323,681
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	175,994
Loss on Disposal of Fixed Assets	15,505
(Increase) Decrease in:	
Accounts Receivable	20,811
Pledges Receivable	63,413
Employee Advance	(1,796)
Prepaid Expenses	(1,375)
Other Assets	(6,459)
Increase (Decrease) in:	
Accounts Payable	33,074
Payroll Taxes and Retirement Contributions Payable	17,469
Deferred Revenue	(84,524)
Net Cash Provided by Operating Activities	<u>555,793</u>
 Cash Flows From Investing Activities:	
Purchase of Equipment and Improvements	<u>(369,768)</u>
Net Cash Used in Investing Activities	<u>(369,768)</u>
 Cash Flows From Financing Activities:	
Payments on Line of Credit, net	(1,239)
Payments on Long Term Debt, net	<u>(6,325)</u>
Net Cash Used in Financing Activities	<u>(7,564)</u>
Net Change in Cash	178,461
 Cash, Beginning of Year	<u>1,038,429</u>
 Cash, End of Year	<u><u>\$ 1,216,890</u></u>
 <b>Supplementary Information:</b>	
Interest Paid	<u><u>\$ 5,026</u></u>

**ONEWORLD HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Note 1. Summary of Significant Accounting Policies**

- a. **Nature of Activities** – OneWorld Health (the “Organization”) was organized in 2009 under the name of Palmetto Medical Initiative, Inc. The name of the Organization was changed to OneWorld Health in 2016 to better reflect the Organization’s global mission.

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 third world countries for the purpose of administering healthcare. The Organization also assists with operating clinics in Uganda and Nicaragua. The Consolidated Statement of Activities includes the costs associated with both operating the local clinics as well as the costs of the mission trips.

- b. **Basis of Accounting and Consolidation** - The Organization prepares its financial statements in accordance with generally accepted accounting principles of the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The consolidated financial statements include the Organization and its wholly owned subsidiary, Palmetto Medical Initiative Uganda, as well as the not-for-profit entity Fundacion Cristiana Iniciativa Medica Palmetto in Nicaragua. All significant intercompany transactions have been eliminated.
- c. **Basis of Presentation** - The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management’s discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.
- d. **Revenue Recognition** - Contributions are recognized as revenue when they are received or unconditionally pledged. All revenues received are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporary or permanently restricted net assets, depending on 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 and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted support that is received and has the restriction expire in the same period is treated as an unrestricted contribution.

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.

Revenues from providing clinical services to patients are recognized as earned at the time the services are performed. The clinics perform ongoing credit evaluations of a patient’s financial condition and generally issue credit to patients for services. The Organization does not require collateral or prepayment before performing services.

Revenues for mission trips are recognized when the mission trip has taken place. The Organization invoices mission trip volunteers for the cost of travel and lodging, plus a service fee to cover the associated overhead cost in advance of the mission trip taking place. Funds received in advance of the mission trip are included in deferred revenue. Refunds are made for trips that cannot be taken.

- e. **Income Taxes** – OneWorld Health 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, 2018, 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 Exempt Organization from Income Tax*, for the years ending 2018, 2017 and 2016 are subject to examination by the IRS, generally for three years after they were filed.



**ONEWORLD HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

- f. **Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.
- g. **Contributed Goods and Services** - Contributed goods include medical supplies, equipment, and specialized medical products such as the implants provided for Walk Nicaragua, and are recorded at the fair value provided by the donor.

Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The contributed services for the Organization include medical volunteers providing healthcare on mission trips, a medical advisory committee, and tax & accounting services. 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.

- h. **Startup Costs** – The Organization incurred \$9,715 of startup costs related to the Bweyale, Uganda during the year ended June 30, 2018, and these costs are included on the Consolidated Statement of Functional Expenses. No clinical operations or healthcare services were provided at this location.
- i. **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 on the Consolidated 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.
- j. **Cash Equivalents** – The Organization considers all investment instruments with maturity of three months or less to be cash equivalents.
- k. **Property and Equipment** - The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair 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. Property and equipment are depreciated using the straight line method over estimated useful lives as follows:

Buildings and Improvements 39 years  
Furniture and Equipment 5 - 10 years  
Website Design 3 years

Construction in process includes deposits, architecture fees, and other expenses related to fixed assets still being built and not in service as of year-end.

- l. **Patient Accounts Receivable**– Patient accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after administrators have used reasonable collection efforts are written off through a charge to the valuation allowance. The allowance for doubtful accounts on patient accounts receivables at June 30, 2018 is \$20,000. Changes in the valuation allowance resulted in \$20,000 of charges to bad debt expense for the year ended June 30, 2018.
- m. **Promises to Give** – Unconditional promises to give are recognized as revenues when the donor commits the gift. Conditional promises to give are recognized as revenue when the specified conditions are substantially met and the promise become unconditional. Unconditional promises to give are recorded at the present value of their estimated future cash flows using a credit risk adjusted discount rate of return appropriate for the expected term of the promise to give. This rate is 2.86% for the year ended June 30, 2018. Amortization of the discount is recorded as contribution revenue in accordance with donor restrictions on the contribution.

Management provides for probable uncollectible amounts through a provision for uncollectible promises to give and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after administrators have used reasonable collection efforts are written off through a charge to the valuation allowance. The allowance for uncollectible promises to give at June 30, 2018 is \$0. Changes in the valuation allowance resulted in charges in the amount of \$20,000 to uncollectible promises to give for the year ended June 30, 2018.

**ONEWORLD HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

- n. **Other Assets** – Other assets comprise primarily of medical items donated and used in patient care.
- o. **Deferred Revenue** - Deferred revenue results from the Organization recognizing mission trip revenue and related expenses in the period in which the mission trip takes place. Accordingly, mission trip income received for a future mission trip is deferred until the mission trip takes place and is netted against expenses obligated but not paid by year-end. As of June 30, 2018, the Organization has deferred revenue of \$65,403 for future mission trips.
- p. **Expense Allocations** - The cost of providing the program and other activities have been summarized on a functional basis in the Consolidated Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Expenses are charged to the program and supporting services on the basis of time and allocable expense. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support of the Organization.

The Organization’s CEO and Executive Director devote a percentage of their time traveling, meeting, and soliciting donors, and as such, a portion of their salaries and related employment expenses are allocated to fundraising activities on the Consolidated Statement of Functional Expenses.

**Note 2. Promises to Give**

Unconditional promises to give at June 30, 2018 total \$7,574. The amortized discount included in revenue for the year ended June 30, 2018 is \$129.

There were no conditional promises to give at June 30, 2018.

**Note 3. Land, Property, and Equipment**

Land, Property, and Equipment as of June 30, 2018 are as follows:

Buildings and Improvements	\$	1,479,412
Machinery and Equipment		543,473
Furniture and Fixtures		104,609
Vehicles		242,305
Website Design		26,250
Subtotal of Property and Equipment		2,396,049
Less Accumulated Depreciation		(581,539)
Property and Equipment, net		1,814,510
Construction in Process		32,895
Land, Property, and Equipment, net	\$	1,847,405

Depreciation expense for the year ended June 30, 2018 is \$175,994.

**Note 4. Line of Credit Payable**

The Organization entered into a one-year Revolving Line of Credit agreement with a bank in 2016 to be used for working capital purposes which has been renewed annually. The credit line is \$150,000 of which the Organization has utilized \$11,635 as of June 30, 2018. The interest rate is Prime plus 1% (4.35% as of June 30, 2018), and is due on demand.

**Note 5. Loan Payable**

The Organization purchased an office in Charleston, South Carolina through a mortgage with a bank. Monthly payments of \$908.79 are due which include principle and interest at 3.5%. The loan is secured by the property purchased. The loan balance as of December 31, 2018 is \$139,515. \$6,110 is due within 12 months, and the remaining balance of \$133,405 due in the following year with a balloon payment August 10, 2020.

**ONEWORLD HEALTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Note 6. Contributed Goods and Services**

Contributed goods and services for the year ended June 30, 2018 consist of the following:

Accounting and tax services	55,662
Volunteer medical services	637,112
Orthopedic implants	1,344,981
Other contributed goods and services	13,072
Total Contributed Goods and Services	\$ 2,050,827

**Note 7. Operating Leases**

The Organization has operating leases for the office equipment and the building location for the Mayoreo clinic. All operating leases are expensed as incurred. For the year ending June 30, 2018, the Organization incurred \$48,541 in lease expense.

**Note 8. Restrictions on Net Assets**

**Funds Received for Future Purposes**

Temporary restrictions on net assets as of June 30, 2018 are related to contributions received for the future periods and specific purposes. Temporarily restricted net assets as of June 30, 2018 were restricted for the following purposes and periods:

For Subsequent Periods	\$ 7,574
Charlene's Project - Masindi, Uganda	5,590
Living Water Project - Tola, Nicaragua	10,000
Total Temporarily Restricted Net Assets	\$ 23,164

**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 the future year. Net assets released from restrictions for the year ending June 30, 2018 are as follows:

Expiration of Time Restrictions	\$ 63,413
Total Net Assets Released from Restrictions	\$ 63,413

**Note 9. Retirement Plan**

The Organization sponsors a 401(k) plan. The plan provides employees the ability to defer up to 100% of their annual compensation up to a maximum of \$18,000. The Organization makes matching contributions up to a maximum of 4% of employee wages. Discretionary employer contributions are also permitted. Employer matching contributions and discretionary contributions for the year total \$14,980.

**Note 10. Advertising Costs**

Advertising and promotion costs are expensed as incurred. Advertising expense is \$281,114 for the year ended June 30, 2018.

**Note 11. Subsequent Events**

The Organization has evaluated subsequent events through February 17, 2020, the date which the financial statements were available for issue. Civil unrest in Nicaragua has caused future volunteer mission trips to this area to be cancelled. The Organization has shifted the focus of volunteer trips in South America to where the refugees from Nicaragua can still be served such as Costa Rica.