

ONEWORLD HEALTH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

Independent Auditor's Report

Board of Trustees
OneWorld Health

Report on the Financial Statements

We have audited the accompanying financial statements of OneWorld Health (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements 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, 2019, 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
February 9, 2021
Charleston, South Carolina

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, 2019

EXHIBIT A

Assets

Cash and Cash Equivalents	1,862,506
Accounts Receivable, net of allowance for doubtful accounts of \$26,314	44,775
Promises to Give, net of allowance for uncollectible promises of \$0	2,200
Employee Advance	127
Prepaid Expenses	11,922
Land, Property, and Equipment, net of accumulated depreciation \$750,426	1,948,467
Other Assets	55,153
Marketable Securities	4,966
Deposits	<u>1,300</u>
Total Assets	<u><u>\$ 3,931,416</u></u>

Liabilities and Net Assets

Liabilities

Accounts Payable	177,087
Payroll and Related Accrued Expenses	66,148
Line of Credit Payable	5,138
Deferred Revenue	219,116
Loan Payable	<u>137,700</u>
Total Liabilities	<u>605,189</u>

Net Assets

Without Donor Restrictions	3,323,762
With Donor Restrictions	<u>2,465</u>

Total Net Assets	<u><u>3,326,227</u></u>
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Total Liabilities and Net Assets	<u><u>\$ 3,931,416</u></u>
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ONEWORLD HEALTH
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT B

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	1,223,353	\$ -	\$ 1,223,353
Contributed Goods and Services	586,750	-	586,750
Fundraising Events	1,369,496	-	1,369,496
Grant Income	39,106	-	39,106
Mission Trip Income	788,032	-	788,032
Clinic Service Fees	725,090	-	725,090
Miscellaneous Income	11,570	-	11,570
Currency Translation	3,159	-	3,159
Net Assets Released from Restrictions			
Expiration of Restrictions	20,699	(20,699)	-
Total Revenue and Support	4,767,255	(20,699)	4,746,556
Expenses			
Program Services Expenses			
Masindi, Uganda	752,729	-	752,729
El Viejo, Nicaragua	114,765	-	114,765
Sebaco, Nicaragua	107,275	-	107,275
Bulima, Uganda	48,486	-	48,486
Kijunjubwa, Uganda	53,213	-	53,213
Tola, Nicaragua	54,426	-	54,426
Mayoreo, Nicaragua	55,829	-	55,829
Central Lab, Nicaragua	32,447	-	32,447
Antiguo Juzgados, Nicaragua	36,127	-	36,127
Jinotega, Nicaragua	93,457	-	93,457
Bweyale, Uganda	46,309	-	46,309
Costa Rica	240,969	-	240,969
Honduras Regional	5,665	-	5,665
Nicaragua Regional	572,676	-	572,676
Uganda Regional	1,105,972	-	1,105,972
Total Program Services	3,320,344	-	3,320,344
Supporting Services			
General and Administrative	326,284	-	326,284
Fundraising	518,567	-	518,567
Total Support Services	844,851	-	844,851
Total Expenses	4,165,195	-	4,165,195
Change in Net Assets	602,060	(20,699)	581,361
Net Assets at Beginning of Year	2,721,702	23,164	2,744,866
Net Assets at End of Year	<u>\$ 3,323,762</u>	<u>\$ 2,465</u>	<u>\$ 3,326,227</u>

See accompanying notes and independent auditors' report.

ONEWORLD HEALTH
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT C

	Program Services											SubTotal
	Masindi, Uganda	El Viejo, Nicaragua	Sebaco, Nicaragua	Bulima, Uganda	Kijunjubwa, Uganda	Tola, Nicaragua	Mayoreo, Nicaragua	Central Lab, Nicaragua	Antiguo Juzgados, Nicaragua	Jinotega, Nicaragua		
Vehicle Expenses	\$ 11,142	\$ -	\$ 39	\$ -	\$ 124	\$ -	\$ 28	\$ 1,806	\$ -	\$ -	\$ -	\$ 13,139
Legal and Professional Services	375	(50)	(50)	-	-	164	(50)	-	-	(50)	-	339
Contract Labor	18,666	16,538	19,543	1,045	292	11,098	1,559	-	9,685	25,299	-	103,723
Outside Contract Services	-	-	1,135	-	-	187	325	2,167	9	-	-	3,824
In-Kind Medical Services	72,000	-	-	-	-	-	-	-	-	-	-	72,000
Consulting	300	-	-	-	-	-	-	-	-	-	-	300
Depreciation and Amortization	61,790	35,510	9,740	7,359	16,139	6,842	2,723	1,362	2,342	3,323	-	147,130
Rent	864	-	-	311	162	-	5,975	5,308	5,302	9,800	-	27,722
Utilities	13,097	5,513	2,976	1,505	405	2,867	2,222	2,378	796	3,039	-	34,797
Dues and Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges	747	129	120	129	113	66	74	48	48	122	-	1,597
Postage and Printing	8,075	-	32	244	-	15	-	-	-	-	-	8,366
Office Expenses	3,522	2,691	3,495	884	907	1,261	2,855	1,969	2,300	2,455	-	22,338
Repairs and Maintenance	7,883	5,043	5,588	1,053	1,046	3,157	1,896	445	714	839	-	27,663
Supplies	-	-	12	-	-	-	251	-	171	-	-	435
Medical Supplies	256,787	13,525	17,352	12,715	10,029	9,824	10,708	5,652	2,220	15,290	-	354,102
Advertising and Marketing	1,873	1,672	2,129	21	162	1,209	1,017	-	1,561	1,925	-	11,569
Sponsored Patients	3,697	-	-	205	168	-	-	-	-	-	-	4,070
Liability Insurance	-	-	-	-	-	-	-	543	-	-	-	543
Workers Compensation	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and Wages	140,242	21,546	27,083	16,028	16,556	10,792	17,701	7,244	6,163	19,451	-	282,806
Payroll Taxes	13,949	4,157	6,783	1,603	1,656	2,420	3,884	1,645	1,128	4,556	-	41,780
Taxes and Licenses	454	283	724	378	378	783	31	2	305	362	-	3,699
Employee Benefits	33,575	5,234	6,996	3,784	4,227	2,698	3,763	1,336	2,791	5,038	-	69,442
Conferences and Meetings	683	-	-	56	70	-	-	-	-	-	-	809
Travel	96,696	2,976	3,577	959	779	1,043	866	542	593	2,008	-	110,038
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts	6,314	-	-	209	-	-	-	-	-	-	-	6,523
Loss on Disposal of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized Gain on Marketable Securities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses Reported by Function	\$ 752,729	\$ 114,765	\$ 107,275	\$ 48,486	\$ 53,213	\$ 54,426	\$ 55,829	\$ 32,447	\$ 36,127	\$ 93,457		\$ 1,348,753

See accompanying notes and independent auditors' report.

ONEWORLD HEALTH
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT C Continued

	SubTotal from Previous Page	Program Services Continued						Support Services		Total
		Bweyale, Uganda	Costa Rica	Honduras Regional	Nicaragua Regional	Uganda Regional	Total Program Services	General and Administrative	Fundraising	
Vehicle Expenses	\$ 13,139	\$ -	\$ -	\$ -	\$ 13,032	\$ 7,970	34,140	-	-	34,140
Legal and Professional Services	339	-	40	-	6,795	28	7,202	38,040	5,461	50,702
Contract Labor	103,723	1,037	-	-	5,242	13,705	123,707	-	-	123,707
Outside Contract Services	3,824	-	-	-	14,457	-	18,281	-	-	18,281
In-Kind Medical Services	72,000	-	93,744	-	21,168	236,250	423,162	-	-	423,162
Consulting	300	-	200	-	-	4,005	4,505	2,153	23,584	30,242
Depreciation and Amortization	147,130	4,401	-	-	644	2,045	154,220	15,936	-	170,156
Rent	27,722	270	-	-	12,035	4,256	44,283	-	-	44,283
Utilities	34,797	551	-	-	7,394	2,216	44,959	17,807	242	63,008
Dues and Subscriptions	-	-	-	-	2,883	599	3,482	20,546	2,988	27,017
Bank Charges	1,597	40	337	23	1,650	1,265	4,912	3,223	-	8,134
Postage and Printing	8,366	563	-	-	636	155	9,720	3,648	10,450	23,818
Office Expenses	22,338	11,831	-	-	9,743	5,409	49,321	3,815	23	53,159
Repairs and Maintenance	27,663	1,832	-	-	12,907	4,046	46,449	6,172	-	52,620
Supplies	435	-	-	-	682	-	1,117	-	-	1,117
Medical Supplies	354,102	7,837	-	-	13,333	28,677	403,949	-	-	403,949
Advertising and Marketing	11,569	1,763	-	-	18,375	4,098	35,805	4,982	319,288	360,074
Sponsored Patients and Hurricane Relief	4,070	-	-	-	-	8,037	12,107	8,420	-	20,527
Liability Insurance	543	-	-	-	2,637	-	3,179	7,321	-	10,500
Workers Compensation	-	-	-	-	-	-	-	16,706	-	16,706
Salaries and Wages	282,806	8,431	-	-	225,914	224,272	741,423	113,402	52,778	907,603
Payroll Taxes	41,780	843	-	-	23,279	16,055	81,958	8,369	3,732	94,058
Taxes and Licenses	3,699	2,330	-	-	1,989	8,819	16,837	9,320	-	26,158
Employee Benefits	69,442	2,172	-	-	59,737	36,253	167,604	17,832	13,521	198,956
Conferences and Meetings	809	199	-	-	14,093	2,706	17,806	1,242	1,659	20,707
Travel	110,038	2,210	146,649	5,642	104,049	489,915	858,502	15,375	84,843	958,720
Interest Expense	-	-	-	-	-	-	-	6,734	-	6,734
Bad Debts	6,523	-	-	-	-	-	6,523	5,374	-	11,897
Loss on Disposal of Fixed Assets	-	-	-	-	-	5,191	5,191	-	-	5,191
Unrealized Gain on Marketable Securities	-	-	-	-	-	-	-	(133)	-	(133)
Total Expenses Reported by Function	\$ 1,348,753	\$ 46,309	\$ 240,969	\$ 5,665	\$ 572,676	\$ 1,105,972	\$ 3,320,344	\$ 326,284	\$ 518,567	\$ 4,165,195

See accompanying notes and independent auditors' report.

**ONEWORLD HEALTH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT D

Cash Flows From Operating Activities	
Changes in Net Assets	\$ 581,361
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	170,156
Donation of Marketable Securities	(4,833)
Loss on Disposal of Fixed Asset	5,191
(Increase) Decrease in:	
Accounts Receivable	(13,252)
Pledges Receivable	5,374
Employee Advance	1,897
Prepaid Expenses	(7,441)
Other Assets	(11,685)
Increase (Decrease) in:	
Accounts Payable	19,701
Payroll Taxes and Retirement Contributions Payable	30,287
Deferred Revenue	153,713
	<u>930,470</u>
 Cash Flows From Investing Activities:	
Purchase of Equipment and Improvements	(277,565)
Proceeds from Sale of Fixed Asset	1,156
Unrealized Gain on Marketable Securities	(133)
	<u>(276,543)</u>
 Cash Flows From Financing Activities:	
Payments on Line of Credit, net	(6,496)
Proceeds on Refinance of Long Term Debt	140,000
Payments on Long Term Debt, net	(141,815)
	<u>(8,311)</u>
Net Change in Cash	645,616
Cash, Beginning of Year	<u>1,216,890</u>
Cash, End of Year	<u><u>\$ 1,862,506</u></u>
 Supplementary Information:	
Interest Paid	<u><u>\$ 6,734</u></u>

ONEWORLD HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 statements of the Organization have been prepared according to the FASB issued Accounting Standard Update 2016-14, Not-for Profit (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This was meant to improve the presentation of financial statements and disclosures of not-for-profit organizations by providing more relevant information about their resources and changes in those resources to their donors, grantors, creditors and other users. The new guidance requires not-for-profit entities to present the amount for each of two classes of net assets – net assets with donor restrictions and net assets without donor restrictions.

The Organization’s financial statements have been prepared to reflect the new update by reporting information regarding its financial position and activities according to net assets without donor restrictions and net assets with donor restrictions. Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s board of directors.

- d. **Revenue Recognition** - Contributions are recognized as revenue when they are received or unconditionally pledged. All revenues received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

When a donor restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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.

Revenue from government and private grants is 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.

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 a patient’s financial condition and generally issue credit to patients for services. The Organization does not require collateral or prepayment before performing services.

Revenue for mission trips is 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.

- 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, 2019, 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 2019, 2018 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

ONEWORLD HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

- 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. **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.
- i. **Cash Equivalents** – The Organization considers all investment instruments with maturity of three months or less to be cash equivalents.
- j. **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.

- k. **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, 2019 is \$26,314. Changes in the valuation allowance resulted in \$6,523 of charges to bad debt expense for the year ended June 30, 2019.
- l. **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, 2019. 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, 2019 is \$0. Changes in the valuation allowance resulted in charges in the amount of \$5,374 to uncollectible promises to give for the year ended June 30, 2019.

- m. **Other Assets** – Other assets comprise primarily of medical items donated and used in patient care.

ONEWORLD HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

- n. **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, 2019, the Organization has deferred revenue of \$219,116 for future mission trips.
- o. **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, 2019 total \$2,200. The amortized discount included in revenue for the year ended June 30, 2019 is \$64.

There were no conditional promises to give at June 30, 2019.

Note 3. Land, Property, and Equipment

Land, Property, and Equipment as of June 30, 2019 are as follows:

Buildings and Improvements	\$	1,664,880
Machinery and Equipment		643,544
Furniture and Fixtures		113,914
Vehicles		242,305
Website Design		26,250
Subtotal of Property and Equipment		2,690,893
Less Accumulated Depreciation		(750,426)
Property and Equipment, net		1,940,467
Construction in Process		8,000
Land, Property, and Equipment, net	\$	1,948,467

Depreciation expense for the year ended June 30, 2019 is \$170,156.

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 \$5,138 as of June 30, 2019. The interest rate is Prime plus 1% (6.5% as of June 30, 2019), and is due on demand.

Note 5. Loan Payable

The Organization purchased an office in Charleston, South Carolina through a mortgage with a bank which was refinanced November 20, 2018. Monthly payments of \$962.96 are due which include principle and interest at 5.5%. The loan is secured by the property financed. The loan balance as of December 31, 2019 is \$137,700. \$4,072 is due within 12 months, and the final balloon payment of \$118,274 will be due November 20, 2023.

ONEWORLD HEALTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 6. Contributed Goods and Services

Contributed goods and services for the year ended June 30, 2019 consist of the following:

Volunteer medical services	439,623
Medical supplies	140,627
Other contributed goods and services	6,500

Total Contributed Goods and Services	\$ 586,750

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, 2019, the Organization incurred \$44,283 in lease expense.

Note 8. Restrictions on Net Assets

Funds Received for Future Purposes

Net assets with donor restrictions as of June 30, 2019 are related to contributions received for the future periods and specific purposes. Net assets with donor restrictions as of June 30, 2019 were restricted for the following purposes and periods:

For Subsequent Periods	\$ 2,200
Charlene's Project - Masindi, Uganda	265

Total Net Assets With Donor Restrictions	\$ 2,465

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, 2019 are as follows:

Expiration of Time Restrictions	\$ 20,699

Total Net Assets Released from Restrictions	\$ 20,699

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 \$15,371.

Note 10. Advertising Costs

Advertising and promotion costs are expensed as incurred. Advertising expense is \$360,074 for the year ended June 30, 2019.

Note 11. Subsequent Events

The Organization has evaluated subsequent events through February 9, 2021, the date which the financial statements were available for issue.

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of February 9, 2021 operations in the United States of America and worldwide are subject to reduced hours or complete shutdowns including limitations on travel. We cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the statement financial position in fiscal year 2020. Because of travel restrictions, volunteer mission trips have been suspended. Clinical operations in Nicaragua and Uganda continue. Also in 2020, Nicaragua was hit with two devastating hurricanes. These natural disasters have affected clinical operations and supply chains in the area.