



***WORLDWIDE FISTULA FUND, INC.***  
***(A NONPROFIT CORPORATION)***

*Financial Statements*  
*December 31, 2017*

**WORLDWIDE FISTULA FUND, INC.**  
**(A NONPROFIT CORPORATION)**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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KUTCHINS  
ROBBINS &  
DIAMOND,  
LTD.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Worldwide Fistula Fund, Inc.  
Schaumburg, Illinois

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the Worldwide Fistula Fund, Inc. (a nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to 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.

### *Auditors' 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 of 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 the Organization as of December 31, 2017 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.

*Kutchins, Robbins & Diamond, Ltd.*

Schaumburg, Illinois  
September 24, 2018

*"Helping Our Clients Achieve Financial Success Through Sound Advice"*

**WORLDWIDE FISTULA FUND, INC.**  
**(A NONPROFIT CORPORATION)**

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STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017

See notes to financial statements.

*ASSETS*

**CURRENT ASSETS**

Cash and cash equivalents	\$	790,787
Contributions receivable		48,938
Prepaid expenses		2,131
Surgical supplies		20,483
		<u>20,483</u>
		<u>862,339</u>

**PROPERTY AND EQUIPMENT**

Hospital buildings and improvements		1,558,981
Medical equipment		84,459
Computer equipment		14,837
Transportation equipment		44,267
		<u>44,267</u>
		1,702,544
Less: accumulated depreciation		<u>(395,552)</u>
Net property and equipment		<u>1,306,992</u>
	\$	<u>2,169,331</u>

*LIABILITIES AND NET ASSETS*

**CURRENT LIABILITIES**

Accounts payable	\$	24,844
Accrued expenses		78,165
		<u>78,165</u>
		<u>103,009</u>

**NET ASSETS**

Unrestricted		1,875,224
Temporarily restricted		191,098
		<u>191,098</u>
		<u>2,066,322</u>
	\$	<u>2,169,331</u>

**WORLDWIDE FISTULA FUND, INC.****(A NONPROFIT CORPORATION)**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2017*See notes to financial statements.*

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Contributions	\$ 784,551	\$ 24,820	\$ 809,371
Special events	4,771	-	4,771
Investment income	348	-	348
Other income	180	-	180
Released from restrictions	205,067	(205,067)	-
	<u>994,917</u>	<u>(180,247)</u>	<u>814,670</u>
Total revenues			
<b>EXPENSES</b>			
Program services	746,325	-	746,325
Management and general	114,714	-	114,714
Fundraising	97,074	-	97,074
	<u>958,113</u>	<u>-</u>	<u>958,113</u>
Total expenses			
<b>CHANGE IN NET ASSETS</b>	36,804	(180,247)	(143,443)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,838,420</u>	<u>371,345</u>	<u>2,209,765</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,875,224</u>	<u>\$ 191,098</u>	<u>\$ 2,066,322</u>

**WORLDWIDE FISTULA FUND, INC.**  
**(A NONPROFIT CORPORATION)**

STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2017

See notes to financial statements.

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Consulting and professional fees	\$ -	\$ 11,875	\$ -	\$ 11,875
Depreciation	46,255	-	-	46,255
Education and awareness	127,079	-	-	127,079
Equipment and supplies	-	122	-	122
Fundraising	-	-	17,430	17,430
Information technology	-	852	-	852
Management fees	146,444	64,871	72,680	283,995
Meeting	-	11,823	-	11,823
Office	-	23,094	-	23,094
Patient care	372,401	-	-	372,401
Postage	-	1,725	-	1,725
Printing and reproduction	-	-	2,499	2,499
Program development	12,294	-	-	12,294
Telephone	-	352	-	352
Travel	41,852	-	4,465	46,317
	<u>\$ 746,325</u>	<u>\$ 114,714</u>	<u>\$ 97,074</u>	<u>\$ 958,113</u>

**WORLDWIDE FISTULA FUND, INC.**  
**(A NONPROFIT CORPORATION)**

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STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2017

*See notes to financial statements.*

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	
Depreciation	\$ (143,443)
Adjustments to reconcile change in net assets to net cash used in operating activities	46,255
Changes in assets and liabilities	
Contribution receivable	17,208
Prepaid expenses	(2,131)
Accounts payable	(5,767)
Accrued expenses	(4,291)
	<hr/>
Net cash used in operating activities	(92,169)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<hr/>
	882,956
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<hr/>
	\$ 790,787

**WORLDWIDE FISTULA FUND, INC.  
(A NONPROFIT CORPORATION)**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NATURE OF ACTIVITIES**

The Worldwide Fistula Fund, Inc. (the "Organization") was originally founded in 1995 as The Worldwide Fund for Mothers Injured in Childbirth. The Organization was reorganized as Worldwide Fistula Fund in 2003. The Organization is a secular, non-denominational, not-for-profit charitable organization registered in the States of Colorado, Illinois, Minnesota, Missouri, and New York. From 1995-2008, the Organization funded multiple fistula treatment programs (Evangel VVF Centre in Nigeria, Aberdeen Clinic and Fistula Center in Sierra Leone, Mercy Maternity and Fistula Center in Ghana and MercyShips) and fistula research on Tanzania, Uganda and the Democratic Republic of Congo. The Organization also trained doctors in Ghana, Liberia, Nigeria, Sierra Leone, Togo and Benin to provide quality fistula repair surgeries.

Today, the Worldwide Fistula Fund protects and restores the health and dignity of the world's most vulnerable women by preventing and treating devastating childbirth injuries. The Organization supports research, treatment, prevention, and social service programs directed at obstetric fistula and other childbirth injuries, with a special emphasis on improving the capacity of low-resource countries to meet these health care needs. The Organization currently provides women's health care programs in Niger, Uganda, Burkina Faso, and Ethiopia, and is exploring expansion into other parts of Africa. The Organization is led by a distinguished Board which includes a former trustee of the International Continence Society, clinicians in obstetrics and urogynecology, professors in global health, medical anthropology and physical therapy, experts in health delivery systems and captains of industry. The distinguished founder, Dr. Lewis Wall, remains engaged with the Organization and is still recognized as a leading expert in the field of obstetric fistula and health systems in sub-Saharan Africa.

The Organization provides holistic care for women by combining fistula treatment, psychosocial reintegration programs, and vocational training in Niger, Burkina Faso, and Uganda. Women receive life-changing treatment services at Danja Fistula Center in Niger through a network of hospitals and the Women's Center in Uganda, and through our hospital and reintegration partners in Burkina Faso. From 2008-2012, the Organization built and then opened the Danja Fistula Center (the "Center"), the finest fistula hospital in Niger and all of West Africa. The Center's skilled fistula surgeons are able to successfully treat women who have suffered failed surgeries by less skilled surgeons at other facilities. The Organization's comprehensive, whole woman approach to addressing obstetric fistula provides post-repair recovery and on-going support services to women including safe places to heal, comprehensive post-surgical care, nutritious meals, group and individual counseling, individual recovery plans and integrated physical therapy developed by the Organization's Rehabilitation Advisory Council. Women are able to acquire educational and vocational skills reintegration training through literacy and health classes, as well as courses in embroidery and sewing, jewelry design, and cooking and catering to generate income and support themselves once returning home. In 2013, the Organization launched the Women's Economic Empowerment Center in Uganda with a local non-governmental organization to provide dedicated facilities for these reintegration programs.

In 2017, with the Organization's International Federation of Gynecology and Obstetrics ("FIGO") certified fistula surgeon, fistula services were launched in Burkina Faso. The Organization partnered with a local hospital to provide fistula surgical services and another local organization to follow treatment with psychosocial reintegration and vocational skills training. A multi-year plan for services in Burkina Faso is in development.

To facilitate a woman's transition back into her community after fistula services, the Organization funds survivor support network development training to connect women with each other for ongoing individual and group support, as well as mentoring. Besides providing support, these survivor groups work in community settings to refer women with fistula for treatment and ensure wide dissemination of fistula treatment awareness and prevention messages. In Uganda, the Organization also funds community health advocacy training for law enforcement officers, medical professionals, educators, community members and the media.



**NATURE OF ACTIVITIES (CONTINUED)**

The Organization seeks to additionally improve global women's reproductive health and the safety of childbirth by improving the capacity of low-resource countries to meet women's health care needs. The Organization develops collaborative medical education programs in Ethiopia with other leaders in women's health to achieve these common goals.

The Mekelle Medical Education Collaboration ("MMEC") began in 2013 as an educational partnership between the Organization and the College of Health Sciences at Mekelle University in Ethiopia. The MMEC provides enhanced obstetrics and gynecology education for students, residents and faculty at Mekelle University. Led by the Organization's founder, Dr. Lewis Wall, experts in obstetrics and gynecology, urogynecology, and additional specialties travel each spring/summer to provide enhanced curriculum and training to benefit local medical professionals. In 2016, the Organization launched Ethiopia's first Urogynecology Fellowship Training Program with collaborating partners, Mekelle University and Hamlin Fistula Ethiopia. Urogynecology, also known as female pelvic medicine and reconstructive surgery, is a specialty focused on the care of women with pelvic floor dysfunction such as incontinence (urinary and fecal leakage), prolapse (bulging or falling of the vaginal tissues), and pelvic pain. In addition to classroom instruction, the Fellowship Program provides hands-on experience while providing healing surgical repairs for local women in need.

The Organization additionally funds research in maternal and reproductive health to assess current treatments, to uncover unmet treatment needs and to improve future care. Current research underway includes post-fistula repair incontinence studies in Uganda and Ethiopia, young women's reintegration needs outcomes study in Uganda and a pelvic organ prolapse post-repair study in Ethiopia. Research provides evidence of our successful programs and opportunities to promote that success through publication.

In 2015, the Organization launched development of the Gestational Trophoblastic Disease ("GTD") Center at the Ayder Referral Hospital of Mekelle University, which we continue to fund. GTD is a group of conditions in which tumors grow inside a woman's uterus (womb). Clinical data from Ayder Referral Hospital suggests that GTD is a relatively common problem in the surrounding Tigray region at 1 case per 110 deliveries - one of the highest rates in the world. In a recent worldwide survey, mortality for patients with GTD primarily treated at a GTD center was only 2.1% compared to 8% for those referred after failure of primary treatment elsewhere. The center will be self-sustaining by 2020 and will no longer require our funding.

In 2017, the Organization began providing enhanced curriculum for the Master's program in physical therapy at the College of Health Sciences at Mekelle University. This program is led by the Organization's Board member, Dr. Spitznagle. Experts in physical therapy are recruited to travel to Ethiopia and provide professional development education to local medical professionals.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting:*** The accounting records and the accompanying financial statements have been maintained and prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

***Basis of Presentation:*** The Organization reports 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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued):** Unrestricted net assets include resources that are not subject to donor-imposed restrictions plus those resources for which donor-imposed restrictions have been satisfied. Contributions are reported as increases in the appropriate category of net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Temporarily restricted net assets are subject to donor-imposed restrictions related to specific purposes or time periods. Satisfaction of temporarily restricted net assets (i.e., when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) is reported as a reclassification from temporarily restricted net assets to unrestricted net assets. The Organization reports contributions with a donor-imposed restriction whose restrictions are met in the same reporting period as unrestricted support.

Permanently restricted net assets are subject to donor-imposed restrictions that will never lapse, thus requiring that the funds be retained permanently. At December 31, 2017, the Organization did not have any permanently restricted net assets.

**Cash and Cash Equivalents:** The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less and used to support daily operations to be cash equivalents.

**Concentration of Credit Risk:** The Organization's cash balances at financial institutions exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Management does not believe this presents a significant risk to the Organization.

**Contributions Receivable:** The balance represents amounts due from donors in accordance with donor agreements. Receivables are periodically reviewed for collectability by management and an estimated allowance for doubtful accounts is recorded, if necessary. An allowance for doubtful accounts has not been recorded at December 31, 2017, as management believes that all receivables will be collected.

**Prepaid Expenses:** Expenditures related to future periods are recorded as prepaid expenses and are recognized as expenses when the service or goods are consumed.

**Property and Equipment:** Property and equipment is recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets, which typically range from 5 to 40 years. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The costs of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

**Contributions:** Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Unconditional promises to give are reported at the estimated net realizable value and included in pledges receivable. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give for the year ended December 31, 2017.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Donated Services:** A significant amount of donated services are contributed to the Organization by various members to support the Organization's program and supporting services. These volunteer activities include participation on the Board of Directors and numerous other committees. The value of these services has not been included in the financial statements. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization did not receive donated services during 2017 that meet that criteria.

**Functional Allocation of Expenses:** The costs of providing the programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Tax Exempt Status:** The Organization is recognized as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. However, any income from certain activities not directly related to the Organization's tax exempt purpose would be subject to taxation as unrelated business income.

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**New Accounting Pronouncements:** During 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14 *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The ASU is effective for the year ending December 31, 2018. This ASU replaces the three classes of net assets used in financial statements of nonprofit entities (unrestricted, temporarily restricted, and permanently restricted) with two classes of net assets (net assets with donor restrictions and net assets without donor restrictions).

The new ASU also will require expanded disclosures about liquidity and availability of resources, presentation of expenses by both functional and natural classifications, changes in the cash flow statement when prepared using the direct method, and changes in reporting of investment returns.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. This standard was subsequently amended by ASU 2015-14 and ASU 2016-12. The core principle of the amended standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The provisions of this standard are effective for periods beginning after December 15, 2018. Early adoption is permitted subject to certain limitations. The standard requires that it is to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application.

The effect of these pronouncements on the financial statements has not been determined.

**Subsequent Events:** Management has evaluated subsequent events through September 24, 2018, the date the financial statements were available to be issued.

**WORLDWIDE FISTUAL FUND, INC.**  
**(A NONPROFIT CORPORATION)**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**RESTRICTED NET ASSETS**

As of December 31, 2017, temporarily restricted net assets are available for the following purposes:

Mekelle and other projects	\$ <u>191,098</u>
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Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors. As of December 31, 2017, net assets released from restrictions were as follows:

Mekelle and other projects	\$ 138,921
Donor-imposed time restrictions	<u>66,146</u>
	\$ <u>205,067</u>

**REGIONAL SERVICES**

The Organization protects and restores the health and dignity of the world's most vulnerable women by preventing and treating childbirth injuries. The Organization supports research, treatment, prevention, and social service programs directed at obstetric fistula and other childbirth injuries with a special emphasis on improving the capacity of low-resource countries to meet their women's health care needs. The following is a breakout of expenses by regional program. All other expenses were for the general operations, mission and related fundraising expenditures of the Organization.

Ethiopia	\$ 144,756
Niger	374,164
Uganda	<u>227,405</u>
	\$ <u>746,325</u>

**MEMORANDUM OF UNDERSTANDING**

The Organization first entered into a memorandum of understanding with SIM-Niger in June 2011 relating to the Center. The memorandum of understanding is to be formally reviewed and renewed by both parties every five years (last completed during 2016) and will be reviewed and renewed again in 2021. The Center, which opened in 2012, was constructed on the grounds of the Centre de Sante et de Leprologie ("CSL"), of which SIM-Niger is the owner/operator. The land is owned by the government of Niger and SIM-Niger holds a ninety-nine-year lease. The buildings of the Center were constructed using funds provided by the Organization according to plans agreed to by the Organization and SIM-Niger, and approved in consultation with the administration of CSL. Funds from the Organization donated or provided to the Center are only to be used for medical, clinical and rehabilitative purposes and will not be used for religious or political activities or to support general overhead expenses for SIM-Niger unrelated to the activities of the Center. Day-to-day operational management of the Center is controlled by SIM-Niger through its administrative and medical staff at the Center. SIM-Niger shall be responsible for the maintenance of the facility to the standards appropriate for a medical facility. The Center will be governed and operated by a self-perpetuating local governing board. The Organization may appoint up to two members to the governing board. The memorandum also addresses the naming rights and other aspects of the operations of the Center.

**WORLDWIDE FISTUAL FUND, INC.**  
**(A NONPROFIT CORPORATION)**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**COMMITMENT**

**Administrative Contract:** Activities of the Organization are performed by employees of WJ Weiser & Associates. The Organization pays a stated administrative fee for its share of facilities, salaries, payroll taxes and other related expenses. The Organization renewed the agreement with WJ Weiser & Associates through February 2019. The agreement automatically renews every two years with 5% annual increases unless cancelled ninety days prior to renewing or unless renegotiated. Total administrative fees for December 31, 2017 were \$283,995. Future minimum payments due under this agreement are as follows:

<u>Year Ending December 31,</u>	<u>Amounts</u>
2018	\$ 298,437
2019	50,138
	<u>\$ 348,575</u>

**SUBSEQUENT EVENT**

In 2018, One By One, a Seattle-based fistula organization, merged into the Organization. This allowed the Organization to extend its mission work into Kenya and expand its base of supporters within the Seattle area. One By One was a natural fit with the Organization because of a shared philosophy in their work in Africa. Beyond providing funding, we partner strategically with local organizations in low resource countries to help locals address their own women's health care needs. The Organization welcomed onto the Board, four new members from the Seattle organization, bringing the Organization's total number of Board of Directors to sixteen. Former One By One Board members who did not join the Organizations' Board volunteer on Organization committees.