WORLDWIDE FISTULA FUND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018
INDEPENDENT AUDITORS’ REPORT

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF ACTIVITIES

STATEMENT OF FUNCTIONAL EXPENSES

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

Board of Directors
Worldwide Fistula Fund
Chicago, Illinois

We have audited the accompanying financial statements of Worldwide Fistula Fund (the Organization) which comprise the statement of financial position as of December 31, 2018, 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.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors’ 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 Organization’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 Organization’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, 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.

Emphasis of Matter
As discussed in Note 1 to the financial statements, in 2018, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to this matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
November 1, 2019
WORLDWIDE FISTULA FUND  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018

**ASSETS**

**CURRENT ASSETS**
- Cash and Cash Equivalents $747,266
- Accounts Receivable $61,697
- Contributions Receivable $24,250
- Prepaid Expenses $36,081
- Surgical Supplies $20,493
- Investments $14,421
- **Total Current Assets** $904,198

**PROPERTY AND EQUIPMENT**
- Hospital Buildings and Improvements $1,558,991
- Medical Equipment $84,459
- Computer Equipment $14,837
- Transportation Equipment $44,287
- **Total** $1,702,544
- Less: Accumulated Depreciation $(435,261)
- **Net Property and Equipment** $1,267,283

**Total Assets** $2,171,481

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**
- Accounts Payable $49,278
- Accrued Expenses $70,018
- **Total Current Liabilities** $119,296

**NET ASSETS**
- Without Donor Restrictions $1,913,169
- With Donor Restrictions $139,016
- **Total Net Assets** $2,052,185

**Total Liabilities and Net Assets** $2,171,481

See accompanying Notes to Financial Statements (3)
## WORLDWIDE FISTULA FUND
**STATEMENT OF ACTIVITIES**
**YEAR ENDED DECEMBER 31, 2018**

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$1,136,278</td>
<td>$42,500</td>
<td>$1,178,778</td>
</tr>
<tr>
<td>Special Events</td>
<td>7,532</td>
<td></td>
<td>7,532</td>
</tr>
<tr>
<td>Investment Loss</td>
<td>(1,064)</td>
<td></td>
<td>(1,064)</td>
</tr>
<tr>
<td>Other Income</td>
<td>18,000</td>
<td></td>
<td>18,000</td>
</tr>
<tr>
<td>Released from Restrictions</td>
<td>94,582</td>
<td>(94,582)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,255,328</td>
<td>(52,082)</td>
<td>1,203,246</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Services</td>
<td>938,714</td>
<td></td>
<td>938,714</td>
</tr>
<tr>
<td>Management and General</td>
<td>157,834</td>
<td></td>
<td>157,834</td>
</tr>
<tr>
<td>Fundraising</td>
<td>120,835</td>
<td></td>
<td>120,835</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,217,383</td>
<td></td>
<td>1,217,383</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Assets - Beginning of Year</td>
<td>1,875,224</td>
<td>191,098</td>
<td>2,066,322</td>
</tr>
<tr>
<td><strong>NET ASSETS - END OF YEAR</strong></td>
<td>$1,913,169</td>
<td>$139,016</td>
<td>$2,052,185</td>
</tr>
</tbody>
</table>

See accompanying Notes to Financial Statements (4)
WORLDWIDE FISTULA FUND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting and Professional Fees</td>
<td>19,218</td>
<td>32,297</td>
<td>30,045</td>
<td>81,560</td>
</tr>
<tr>
<td>Depreciation</td>
<td>39,709</td>
<td>-</td>
<td>-</td>
<td>39,709</td>
</tr>
<tr>
<td>Grants - Education and Awareness</td>
<td>108,671</td>
<td>-</td>
<td>-</td>
<td>108,671</td>
</tr>
<tr>
<td>Equipment and Supplies</td>
<td>22,686</td>
<td>265</td>
<td>-</td>
<td>22,951</td>
</tr>
<tr>
<td>Fundraising Events</td>
<td>-</td>
<td>3,157</td>
<td>11,102</td>
<td>11,102</td>
</tr>
<tr>
<td>Information Technology</td>
<td>196,886</td>
<td>86,484</td>
<td>71,588</td>
<td>357,938</td>
</tr>
<tr>
<td>Management Fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>513</td>
</tr>
<tr>
<td>Meeting</td>
<td>26,086</td>
<td>-</td>
<td>-</td>
<td>26,086</td>
</tr>
<tr>
<td>Office</td>
<td>-</td>
<td>513</td>
<td>-</td>
<td>513</td>
</tr>
<tr>
<td>Grants - Patient Care and Rehabilitation</td>
<td>512,439</td>
<td>-</td>
<td>-</td>
<td>512,439</td>
</tr>
<tr>
<td>Postage</td>
<td>-</td>
<td>2,846</td>
<td>1,057</td>
<td>3,903</td>
</tr>
<tr>
<td>Printing and Reproduction</td>
<td>-</td>
<td>2,504</td>
<td>6,656</td>
<td>9,220</td>
</tr>
<tr>
<td>Program Development</td>
<td>23,054</td>
<td>-</td>
<td>-</td>
<td>23,054</td>
</tr>
<tr>
<td>Telephone</td>
<td>-</td>
<td>622</td>
<td>-</td>
<td>622</td>
</tr>
<tr>
<td>Travel</td>
<td>16,071</td>
<td>-</td>
<td>387</td>
<td>16,458</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>938,714</strong></td>
<td><strong>157,834</strong></td>
<td><strong>120,835</strong></td>
<td><strong>1,217,383</strong></td>
</tr>
</tbody>
</table>

See accompanying Notes to Financial Statements
WORLDWIDE FISTULA FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES
Change in Net Assets $ (14,137)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities
Depreciation and Amortization 39,709
Realized and Unrealized Loss on Operating Investments 1,343
Donated Investments (25,274)
Changes In Operating Assets and Liabilities.
Accounts Receivable (12,759)
Contributions Receivable (24,250)
Prepaid Expenses (33,950)
Accounts Payable 24,434
Accrued Expenses (8,147)
Net Cash Used by Operating Activities (53,031)

CASH FLOWS FROM INVESTING ACTIVITIES
Purchases of Operating Investments (90)
Proceeds from Sales of Operating Investments 9,600
Net Cash Provided by Investing Activities 9,510

NET CHANGE IN CASH AND CASH EQUIVALENTS (43,521)

Cash and Cash Equivalents - Beginning of Year 790,787

CASH AND CASH EQUIVALENTS - END OF YEAR $ 747,266

SUPPLEMENTAL CASH FLOW DISCLOSURE
Donated Investments $ 25,274

See accompanying Notes to Financial Statements

(6)
NOTE 1  PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
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, nondenominational, nonprofit 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 addressing childbirth injuries, with a special emphasis on improving the capacity of low-resource countries to meet these health care needs. The Organization currently provides programs in Niger, Uganda, Burkina Faso, Kenya and Ethiopia. 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 ailed surgeries by less skilled surgeons at other facilities. The Organization’s comprehensive, whole woman approach to addressing obstetric fistula provides postrepair 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.
NOTE 1  PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Organization (Continued)

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 solidarity support group development and training to connect women with each other for ongoing individual and group support, as well as mentoring. In Uganda and Kenya, these solidarity groups work in community settings to refer women for treatment, to ensure wide dissemination of fistula treatment awareness and prevention messages, and to facilitate economic empowerment through microfinance and small business ventures. In Uganda, the Organization also funds community health advocacy training for law enforcement officers, medical professionals, educators, community members and the media.

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 Well, 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 by providing healing surgical repairs for local women in need and provides clinical research experiences.

The Organization additionally funds research in maternal and reproductive health to assess current treatments, to uncover unmet treatment needs and to improve future care: postfistula repair incontinence studies in Uganda and Ethiopia, young women’s reintegration needs 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.

(8)
NOTE 1  PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

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. Spitznagel. Experts in physical therapy are recruited to travel to Ethiopia and provide professional development education to local medical professionals.

In 2018, the Organization acquired the assets of One By One, a Seattle-based fistula 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. The Organization welcomed onto the board four new members from the Seattle organization, bringing the Organization’s total number of board of directors to 16. Former One By One board members who did not join the Organizations’ board volunteer on Organization committees.

Use of Estimates in Preparing Financial Statements

The preparation of the 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Method of Accounting

The financial statements have been prepared using the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America for nonprofit organizations.
NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Accounting principles generally accepted in the United States of America require the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. From time to time, the amount included in this account may exceed the federally insured limit. However, the Organization has not experienced any losses on this account and does not believe it is exposed to any significant risk.

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. The Organization believes all receivables are collectible and no allowance has been recorded at December 31, 2018.

Investments

The investments of the Organization consist of equity and fixed income mutual funds and are reported at fair value which generally represent quoted market price as of the last business day of the year. Realized and unrealized gains and losses are reflected in the statement of activities within investment income.

Property and Equipment

Property and equipment are 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 are charged to expense as incurred; significant renewals and betterments are capitalized.
NOTE 1  PRINCIPAL ACTIVITY AND 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 2018 that meet that criteria.

Contributions
Contributions are recorded net assets with or without restrictions 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 contributions 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, 2018.

Concentrations
During the year ended December 31, 2018, the Organization received approximately 31% of
its funding from two major donors.

Functional Allocation of Expenses
The financial statements report certain categories of expenses that are attributable to more
than one program or supporting function. Therefore, these expenses require allocation on a
reasonable basis that is consistently applied. The expenses that are allocated include
contract employee fees, which are allocated on the basis of estimates of time and effort.

Income Taxes
The Organization is exempt from federal and state income taxes under Section 501(c)(3) of
the Internal Revenue Code. The Organization is subject to income tax on any unrelated
business income. There was no unrelated business income tax owed for the year ended
December 31, 2018.

The Organization follows the requirements for accounting for uncertain tax positions. The
Organization has determined that it is not required to record a liability related to uncertain
tax positions as of December 31, 2018.
NOTE 1  PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Recent Accounting Guidance

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued amended
guidance to clarify the principles for recognizing revenue from contracts with customers.
The guidance requires an entity to recognize revenue to depict the transfer of goods or
services to customers in an amount that reflects the consideration to which an entity
expects to be entitled in exchange for those goods or services.

The guidance also requires expanded disclosures relating to the nature, amount, timing,
and uncertainty of revenue and cash flows arising from contracts with customers.
Additionally, qualitative and quantitative disclosures are required regarding customer
contracts, significant judgments and changes in judgments, and assets recognized from
the costs to obtain or fulfill a contract. The guidance will initially be applied
retrospectively using one of two methods. The standard will be effective for the

Leases

In February 2016, the FASB issued amended guidance for the treatment of leases. The
guidance requires lessees to recognize a right-of-use asset and a corresponding lease
liability for all operating and finance leases with lease terms greater than one year. The
guidance changes the accounting for sale and leaseback transactions to conform to the
new revenue recognition standard. The guidance also requires both qualitative and
quantitative disclosures regarding the nature of the Organization's leasing activities. The
guidance will initially be applied using a modified retrospective approach. The
amendments in the guidance are effective for fiscal years beginning after December 15,
2020.

Adoption of New Accounting Standard

In 2018, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, Not-
for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.
This guidance is intended to improve the net asset classification requirements and the
information presented in the financial statements and notes to the financial statements about
a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of
this guidance include: presentation of two classes of net assets versus the previously
required three; recognition of capital gifts for construction as a net asset without donor
restrictions when the associated long-lived asset is placed in service; and recognition of
underwater endowment funds as a reduction in net assets with donor restrictions. The
guidance also enhances disclosures for board-designated amounts, composition of net
assets without donor restrictions, liquidity, and expenses by both their natural and functional
classifications.
NOTE 1  PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

Subsequent Events
Management evaluated subsequent events through November 1, 2019, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2018, but prior to November 1, 2019, that provided additional evidence about conditions that existed at December 31, 2018, have been recognized in the financial statements for the year ended December 31, 2018. Events or transactions that provided evidence about conditions that did not exist at December 31, 2018, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2018.

NOTE 2  LIQUIDITY AND AVAILABILITY

The Organization has $847,634 of financial assets available within one year of the balance sheet date consisting of cash of $747,266, accounts receivable of $61,697, contributions receivable of $24,250, and short-term investments of $14,421. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to time restrictions, but will be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash on hand to meet 45% of the Organization’s annual operating expenses, which are, on average, approximately $1,022,000. As of December 31, 2018, the Organization does not expect that its liquidity will deteriorate.

NOTE 3  FAIR VALUE MEASUREMENTS AND DISCLOSURES

In determining fair value, the Organization uses various valuation approaches within the fair value measurement framework of accounting principles generally accepted in the United States of America. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizing the use of unobservable inputs by requiring that the most observable inputs be used when available. The measurement framework defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
NOTE 3  FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

For the year ended December 31, 2018, the only asset or liability that is measured at fair value on a recurring basis in periods subsequent to initial recognition is investments. Fair value for Level 1 investments include investments in mutual funds that are listed on a national market or exchange, and are valued at the last sales price or, if there is no sale and the market is still considered active, at the last transaction price before year-end.

Fair values of assets measured on a recurring basis at December 31, 2018 are as follows:

<table>
<thead>
<tr>
<th>Fair Value Measurements at Report Date Using</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>$ 10,007</td>
<td>$ 10,007</td>
<td>$</td>
</tr>
<tr>
<td>International Equity</td>
<td>1,563</td>
<td>1,563</td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>2,851</td>
<td>2,851</td>
<td></td>
</tr>
<tr>
<td>Total Investments at Fair Value</td>
<td>$ 14,421</td>
<td>$ 14,421</td>
<td>$</td>
</tr>
</tbody>
</table>

NOTE 4  INVESTMENTS

The composition of investments held by the Organization at December 31, 2018 is summarized below:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Appreciation (Depreciation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>$ 10,759</td>
<td>$ 10,007</td>
<td>$ (52)</td>
</tr>
<tr>
<td>International Equity</td>
<td>1,601</td>
<td>1,563</td>
<td>(38)</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>2,838</td>
<td>2,851</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>$ 15,198</td>
<td>$ 14,421</td>
<td>$ (777)</td>
</tr>
</tbody>
</table>
NOTE 5 COMMITMENT

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 December 2020. The agreement automatically renews every two years with 5% annual increases unless cancelled 90 days prior to renewing or unless renegotiated. Total administrative fees for December 31, 2018 were $357,938. This included an additional $18,000 related to the acquisition of One By One (see Note 1). Future minimum payments due under this agreement are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$499,860</td>
</tr>
<tr>
<td>2020</td>
<td>499,860</td>
</tr>
<tr>
<td><strong>Total Minimum Future Payments</strong></td>
<td><strong>$999,720</strong></td>
</tr>
</tbody>
</table>

NOTE 6 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 99-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 Organization reimburses SIM-Niger for administration, clinical/patient care, reintegration, recruitment, and prevention costs, as determined by the parties each year. The reimbursement paid to SIM-Niger totaled $230,000 for 2018. 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.
NOTE 7  NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2018, net assets are restricted following purposes:

Subject to Expenditure for Specific Programs or Passage of Time:

Specific Programs $ 114,016
Passage of Time, Included in Receivables 25,000
Total $ 139,016

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposed as follows for the year ended December 31, 2018:

Specific Programs:

Ethiopia - Research and Education $ 76,050
Ethiopia - Meeting Travel 2,441
Kenya - Travel 5,000
Surgeries 7,500
Physical Therapy 3,591
Total $ 94,582

NOTE 8  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 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 $ 117,900
Niger 323,081
Uganda 234,502
Kenya 130,820
Burkina Faso 132,411
Total $ 938,714