
THE FISTULA FOUNDATION

Financial Statements

December 31, 2017 and 2016

and

Independent Auditors' Report

THE FISTULA FOUNDATION

December 31, 2017 and 2016

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DELAGNES, MITCHELL & LINDER, LLP

CERTIFIED PUBLIC ACCOUNTANTS

300 Montgomery Street, Suite 1050

San Francisco, CA 94104-1999

Phone (415) 983-0500

Fax (415) 983-0999

E-mail tmitchell@dmlcpa.com

To the Board of Directors
Fistula Foundation
San Jose, CA

We have audited the accompanying financial statements of Fistula Foundation (a tax-exempt organization), which comprise the statements of financial position as of December 31, 2017 and December 31, 2016, and the related statements of activities, functional expenses and cash flows for the years 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 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 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 auditors consider 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 Fistula Foundation as of December 31, 2017 and December 31, 2016, and the change in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



Delagnes, Mitchell & Linder, LLP

San Francisco, CA
April 17, 2018

THE FISTULA FOUNDATION

Statements of Financial Position

December 31, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash (primarily interest bearing accounts)	\$ 883,362	\$ 624,242
Current investments	3,153,243	3,867,927
Contributions receivable	1,284,917	787,344
Prepays, deposits and other assets	<u>70,339</u>	<u>76,721</u>
Total current assets	5,391,861	5,356,234
Noncurrent investments	10,015,257	3,807,801
Property and Equipment:		
Property and equipment, net of accumulated depreciation	<u>14,745</u>	<u>16,740</u>
Total assets	\$ <u><u>15,421,863</u></u>	\$ <u><u>9,180,775</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and other accrued expenses	\$ 218,292	\$ 176,034
Grants payable	<u>3,648,008</u>	<u>4,170,204</u>
Total liabilities	3,866,300	4,346,238
Net Assets:		
Unrestricted net assets		
Undesignated	3,948,630	2,291,880
Board designated	<u>530,025</u>	<u>530,000</u>
Total unrestricted net assets	4,478,655	2,821,880
Temporarily restricted assets	1,580,113	2,012,657
Permanently restricted assets	<u>5,496,795</u>	<u>-</u>
Total net assets	<u>11,555,563</u>	<u>4,834,537</u>
Total liabilities and net assets	\$ <u><u>15,421,863</u></u>	\$ <u><u>9,180,775</u></u>

see accompanying notes to the financial statements

THE FISTULA FOUNDATION
Statements of Activities
For the Years Ended December 31, 2017 and 2016

2017.....				2016.....			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>		<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and support:									
Contributions	\$ 7,455,501	1,366,917	5,496,795	14,319,213	\$	7,406,865	2,288,327	-	9,695,192
Net Investment income (loss)	1,053,591		-	1,053,591		439,764		-	439,764
Net assets released from restriction for purpose	<u>1,799,461</u>	<u>(1,799,461)</u>	<u>-</u>	<u>-</u>		<u>1,779,049</u>	<u>(1,746,894)</u>	<u>(32,155)</u>	<u>-</u>
Total revenues and support	<u>10,308,553</u>	<u>(432,544)</u>	<u>5,496,795</u>	<u>15,372,804</u>		<u>9,625,678</u>	<u>541,433</u>	<u>(32,155)</u>	<u>10,134,956</u>
				-					
Expenses:									
Program services	6,946,840	-	-	6,946,840		8,038,133	-	-	8,038,133
Management and general	868,205	-	-	868,205		827,076	-	-	827,076
Fundraising expense	<u>836,734</u>	<u>-</u>	<u>-</u>	<u>836,734</u>		<u>919,532</u>	<u>-</u>	<u>-</u>	<u>919,532</u>
Total expenses	<u>8,651,778</u>	<u>-</u>	<u>-</u>	<u>8,651,778</u>		<u>9,784,741</u>	<u>-</u>	<u>-</u>	<u>9,784,741</u>
Change in net assets	1,656,775	(432,544)	5,496,795	6,721,026		(159,063)	541,433	(32,155)	350,215
Net assets at beginning of year	<u>2,821,880</u>	<u>2,012,657</u>	<u>-</u>	<u>4,834,537</u>		<u>2,980,943</u>	<u>1,471,224</u>	<u>32,155</u>	<u>4,484,322</u>
Net assets at end of year	\$ <u>4,478,655</u>	<u>1,580,113</u>	<u>5,496,795</u>	<u>11,555,563</u>	\$	<u>2,821,880</u>	<u>2,012,657</u>	<u>-</u>	<u>4,834,537</u>

see accompanying notes to the financial statements

THE FISTULA FOUNDATION
Statements of Cash Flows
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets from Statement of Activities	\$ 6,721,026	\$ 350,215
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities:		
Depreciation	9,466	9,324
Changes in operating assets and liabilities:		
Contributions receivable	(497,573)	538,097
Prepaids, deposits and other assets	6,382	7,832
Accounts payable and other accrued expenses	<u>(479,938)</u>	<u>(276,471)</u>
Net cash provided by operating activities	5,759,363	628,997
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(7,471)	(6,789)
Purchase of investments	(8,659,204)	(6,584,024)
Sale of investments	<u>3,166,432</u>	<u>5,176,181</u>
Net cash provided by or (used) by investing activities	<u>(5,500,243)</u>	<u>(1,414,632)</u>
Net change in cash	259,120	(785,635)
Cash at beginning of year	<u>624,242</u>	<u>1,409,877</u>
Cash at end of year	\$ <u><u>883,362</u></u>	\$ <u><u>624,242</u></u>

see accompanying notes to the financial statements

THE FISTULA FOUNDATION
Statement of Functional Expenses
For The Year Ended December 31, 2017

	<u>Program Services</u>	<u>General and Management</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and employee benefits \$	549,111	462,544	498,278	1,509,933
Grants	5,442,177	-	-	5,442,177
Outreach	326,812	-	-	326,812
Zambia program	244,061	-	-	244,061
Advertising	-	-	17,769	17,769
Bank and credit card expense	55,445	50,824	47,744	154,013
Depreciation	3,442	2,900	3,124	9,466
Dignity jewelry	-	-	10,701	10,701
Dues, licenses and registrations	14,481	12,198	13,141	39,820
Insurance	826	826	850	2,502
Miscellaneous	169	3,745	174	4,088
Postage/shipping	15,953	17,931	46,540	80,424
Printing	22,840	26,890	69,270	119,000
Professional services	161,681	117,504	80,948	360,133
Rent	37,281	32,104	34,174	103,559
Repairs and maintenance	15,137	26,911	-	42,048
Supplies	3,091	4,946	4,328	12,365
Telephone	2,269	3,630	3,176	9,075
Training and seminars	6,938	7,568	6,517	21,023
Accounting and legal	-	89,629	-	89,629
Travel	45,126	8,054	-	53,180
Total	\$ 6,946,840	868,205	836,734	8,651,778

see accompanying notes to the financial statements

THE FISTULA FOUNDATION
Statement of Functional Expenses
For The Year Ended December 31, 2016

	<u>Program Services</u>	<u>General and Management</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and employee benefits	\$ 491,980	504,893	510,911	1,507,784
Grants	7,029,300	-	-	7,029,300
Outreach	132,151	-	-	132,151
Advertising	-	-	25,724	25,724
Bank and credit card expense	37,938	62,486	11,158	111,582
Depreciation	3,170	2,797	3,357	9,324
Dignity jewelry	-	-	12,985	12,985
Dues, licenses and registrations	10,526	9,287	11,145	30,958
Insurance	888	784	941	2,613
Miscellaneous	196	173	206	575
Postage/shipping	8,569	17,137	45,699	71,405
Printing	9,389	18,777	128,311	156,477
Professional services	141,418	57,855	112,307	311,580
Rent	33,833	29,853	35,824	99,510
Repairs and maintenance	3,745	7,270	-	11,015
Supplies	7,093	6,259	7,511	20,863
Telephone	2,731	2,410	2,892	8,033
Training and seminars	30,648	-	-	30,648
Software	6,850	11,131	10,561	28,542
Accounting and legal	-	87,910	-	87,910
Travel	87,708	8,054	-	95,762
Total	\$ <u>8,038,133</u>	<u>827,076</u>	<u>919,532</u>	<u>9,784,741</u>

see accompanying notes to the financial statements

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

1. Nature of Activities and Summary of Significant Accounting Policies

(a) Nature of Activities

The Fistula Foundation (Foundation), formerly called “American Friends Foundation for Childbirth Injuries,” was founded in 2000 to raise awareness of and funding for fistula repair, prevention, and educational programs worldwide.

(b) Basis of Presentation

The financial statements are presented on the basis of unrestricted, temporarily restricted and permanently restricted net assets.

(c) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

(d) Net Asset Classification

The Foundation classifies as permanently restricted net assets a) the original value of the gifts and grants to permanent endowments, b) the original value of subsequent gifts to the permanent endowments, and c) accumulations to the permanent endowments in accordance with the applicable donor or grantor gift instrument. The remaining portion of endowment fund net assets that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure for the intended purpose or, when designated as quasi-endowment by the Board of Directors, reported as unrestricted and designated by management for specific purposes.

Temporarily restricted net assets consist of a) contributions received that are not subject to the Board of Directors’ power to modify the restriction on the distribution of funds for a specified charitable purpose and b) the remaining portion of donor-restricted endowment funds that are not classified as permanently restricted. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

(e) Grants Policy

Grants authorized but unpaid at year-end are reported as liabilities.

(f) Cash

Cash includes depository account balances other than those held temporarily as part of the long-term investment portfolio. The accounts are insured by the FDIC up to \$250,000 in 2017 and 2016 for each bank. At December 31, 2017 and 2016, the Foundation had uninsured cash balances of \$633,362 and \$347,897 respectively.

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

1. Nature of Activities and Summary of Significant Accounting Policies, Continued

(g) Donated Goods and Services

Donated services are recognized as contributions, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets 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 Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

(h) Functional Allocation of Expenses

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies as well as estimates made by the Foundation's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

(i) Income Taxes

The Foundation is exempt from paying Federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d, and contributions to it are tax deductible as prescribed by the Code.

The Foundation has been classified as an organization that is not a private foundation under Section 509(a)(1) and has been designated as a "publicly supported" organization under Section 170(b)(1)(A)(vi) of the Code.

(j) Compensated Absences

The Foundation accrues a liability for vested vacations to which employees are entitled depending on the length of service and other factors. The accompanying financials statements include accrued personal time off (PTO) of \$106,085 and \$66,221 as of December 31, 2017 and 2016, respectively.

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

1. Nature of Activities and Summary of Significant Accounting Policies, Continued

(k) Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities.

(l) Fair value measurements

FASB ASC 820, Fair Value Measurements, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

1. Nature of Activities and Summary of Significant Accounting Policies, Continued

(m) Fair value measurements (continued)

Investments are made by the investment managers, and the investments are monitored by the Board of Directors. Though the market value of investments is subject to fluctuations on a year to year basis, management believes the investment policy is prudent for the long-term welfare of the Foundation.

(n) Property and Equipment and Depreciation

Property and equipment is recorded at cost. Depreciation of property and equipment is provided over the estimated 3 to 7 years useful lives of the respective assets on a straight-line basis.

(o) Reclassification and correction of prior period error

Certain reclassifications have been made to the 2016 financial statement presentation to correspond to the current year's format. As described in Note 7, net assets are increased by \$362,377 due to these reclassifications and correction

2. Investments

The following represents the original cost basis, unrealized gains and (losses) and fair value of investments as of December 31, 2017 and 2016. The fair value of investments is determined based upon quoted market prices.

At December 31, 2017 and 2016 all of the Organizations investments were classified as Level 1 and consisted of the following:

		2017		2016	
		<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Equity	\$	903,717	1,239,955	796,358	1,086,390
Mutual Funds		3,730,104	3,889,629	2,199,629	1,987,440
Corporate bonds		306,146	285,591	358,955	342,171
Exchange Traded Funds		6,085,384	6,408,052	2,168,372	2,568,797
Certificate of Deposits		-	-	24,955	25,241
MoneyMarket/Cash		<u>1,345,273</u>	<u>1,345,273</u>	<u>1,665,803</u>	<u>1,665,803</u>
Total Investments	\$	<u>12,370,624</u>	<u>13,168,500</u>	<u>7,214,072</u>	<u>7,675,728</u>

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

2. Investments (continued)

The following schedule summarizes the investment returns and classifications in the Statement of Activities:

	<u>2017</u>	<u>2016</u>
Interest and dividend income	\$ 267,491	\$ 159,760
Realized gain (loss)	317,607	114,407
Unrealized gain (loss)	<u>468,493</u>	<u>165,597</u>
Net investment income or (loss)	\$ <u>1,053,591</u>	\$ <u>439,764</u>

3. Property and Equipment

Property and equipment consisted of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Computer & equipment	\$ 49,362	\$ 45,036
Furniture and fixtures	32,517	29,372
Leasehold improvements	2,288	2,288
Software	<u>45,845</u>	<u>45,845</u>
Subtotal	130,012	122,541
Less accumulated depreciation	<u>115,267</u>	<u>105,801</u>
Total property and equipment – net of accumulated depreciation	\$ <u>14,745</u>	\$ <u>16,740</u>

4. Permanently Restricted Net Assets

In 2016, the Foundation contacted the original donor of a small endowment that was permanently earmarked for the Hamlin Fistula Hospital. The Foundation obtained the donor's approval for the transfer of these funds to the Hamlin Fistula Hospital. The amount of this endowment including interest amounted to \$35,791, and these funds were transferred to the Hamlin Fistula Hospital.

The Board established a fund in 2016 to function as an endowment for the future of the Foundation.

In 2017 the Foundation received \$5,494,795 as an endowment to be used for its mission and purposes annually. The terms of the endowment state that five percent (5%) of the fair market value of such endowment, determined as of the last day of the previous calendar year, can be used in the succeeding year.

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

4. Permanently Restricted Net Assets (continued)

At December 31, 2016, the composition of the endowment fund was:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	-	-	-	-
Board designated endowment	<u>\$ 530,000</u>	<u>-</u>	<u>-</u>	<u>\$ 530,000</u>
Total Endowment	<u>\$ 530,000</u>	<u>-</u>	<u>-</u>	<u>\$ 530,000</u>

Changes in the endowment net assets for the year ended December 31, 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	-	-	\$ 5,496,795	\$ 5,496,795
Board designated endowment	<u>\$ 530,025</u>	<u>-</u>	<u>-</u>	<u>\$ 530,025</u>
Total Endowment	<u>\$ 530,025</u>	<u>-</u>	<u>-</u>	<u>\$ 6,026,820</u>

Interpretation of Law

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation. In accordance with UMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate endowment funds:

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

4. Permanently Restricted Net Assets (continued)

- a. The duration and preservation of the fund
- b. The purpose of the Foundation and donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Foundation
- g. The investment policies of the Foundation

5. Temporarily Restricted Net Assets

Support that is restricted by a grantor agency or a donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Temporarily restricted net assets are as follows:

	<u>2017</u>	<u>2016</u>
Love a Sister	\$ 332,357	\$ 212,563
Fistula treatment in Zimbabwe	122,466	245,091
Fistula treatment in Zambia	347,700	-
Fistula treatment in Chad	-	87,734
Fistula treatment in Nigeria	-	266,827
Fistula treatment in Ethiopia	-	57,428
Fistula treatment in Bangladesh	185,975	185,975
Fistula treatment in Liberia	-	10,250
Kisii Capital Improvements	50,000	50,000
Kenya (AOF)	37,000	-
Radical accountability	150,611	75,000
Fistula treatment in Nepal	5,000	11,000
Fistula treatment in Guinea	-	20,000
Fistula Treatment in Afghanistan	16,804	269,390
Fistula treatment in Angola	-	6,650
Treatment in Africa	205,000	-
Fistula Treatment at Panzi hospital	-	230,749
Maternity Africa	<u>127,200</u>	<u>284,000</u>
Total Temporarily Restricted	\$ <u>1,580,113</u>	\$ <u>2,012,657</u>

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

5. Temporarily Restricted Net Assets (continued)

Temporarily restricted net assets released from restrictions by incurring expenses were as follows:

	<u>2017</u>	<u>2016</u>
Love a Sister	\$ 212,563	\$ 284,539
Fistula treatment in Zimbabwe	142,485	97,965
Fistula treatment in Zambia	235,000	
Fistula treatment in Chad	87,734	203,714
Fistula treatment in Ethiopia	57,428	-
Fistula treatment in Guinea	20,000	-
Kisii Capital Improvements	50,000	
Fistula treatment in Nepal	11,000	-
Fistula treatment in Nigeria	266,827	50,173
Fistula treatment in Ethiopia	-	27,347
Fistula treatment Bangladesh	-	50,000
Fistula treatment in Liberia	10,250	155
Fistula treatment in Angola	6,650	62,200
Fistula treatment in Afghanistan	252,586	33,197
Construction of Gynocare facility	-	250,000
Radical Accountability	59,389	70,000
Maternity Africa	156,800	
FIGO surgeon training program	-	238,353
Fistula Treatment at Panzi hospital	<u>230,749</u>	<u>379,251</u>
Total Temporarily Restricted	\$ <u>1,799,461</u>	\$ <u>1,746,894</u>

6. Retirement Plan

The Foundation maintains a deferred annuity retirement plan under Section 403(b) of the Internal Revenue Code for all eligible employees. The Foundation may make discretionary contributions to the plan. The Foundation contributed \$43,534, and \$55,073 to the plan for the years ended December 31, 2017 and 2016, respectively.

The Foundation also maintains a deferred compensation plan for a key employee under which annual contributions of \$16,000 and \$16,000 were made for the years ended December 31, 2017 and 2016 respectively.

7. Correction of Error in Prior Period

In the calendar year ended December 31, 2016 net assets were adjusted to correct a duplicate entry of a grant payable. The adjustment increases the change in net assets and the unrestricted assets by \$362,377.

THE FISTULA FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

7. Correction of Error in Prior Period

Unrestricted net assets as originally stated as of 12/31/16	\$ 2,459,503
Temporarily restricted net assets as originally stated	<u>2,012,657</u>
Total Net Assets as originally stated as of 12/31/16	4,472,160
Correction of error in grants as of 12/31/16	<u>362,377</u>
Total Net Assets as restated as of 12/31/16	\$ <u>4,834,537</u>

8. Commitments

The minimum rental commitments under non-cancelable leases at December 31, 2017 are summarized, as follows:

Year ending December 31,

2018	\$ 94,560
2019	97,400
2020	<u>17,520</u>
	\$ <u>209,480</u>

9. Subsequent Events

The Foundation evaluates events that occur subsequent to the balance sheet date, but before financial statements are issued for periods ending on such balance sheet dates, for possible adjustments to such financial statements or other disclosures. This evaluation generally occurs through the date on which the Foundation's financial statements are issued. For the financials statements as of and for the year ending December 31, 2017, this date is April 17, 2018.