

**IVUMED, FORMERLY
INTERNATIONAL VOLUNTEERS IN UROLOGY, INC.
FINANCIAL REPORT
MARCH 31, 2016**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
IVUmed, formerly International Volunteers in Urology, Inc.
Salt Lake City, Utah

We have reviewed the accompanying financial statements of **IVUmed, formerly International Volunteers in Urology, Inc.** (a non-profit organization), which comprise the statement of financial position as of March 31, 2016 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter and Subsequent Events

The accompanying financial statements have been prepared assuming the Organization will continue as a going concern. As discussed in Note 5 and Note 6 to the financial statements, the Organization suffered a significant loss in Fiscal Year 2016. Management's plans and actions to reverse these losses are also described in Note 5 and Note 6. The financial statements do not include any adjustments that might result from this. Our conclusion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Ralph D. Chipman".

Ralph D. Chipman, CPA

Salt Lake City, Utah

October 25, 2016

IVUmed, formerly
International Volunteers in Urology, Inc.
Statement of Financial Position
As of March 31, 2016

ASSETS

Current Assets		
Cash and Cash Equivalents	\$	23,336
Accounts Receivable		
Inventory		108,294
Total Current Assets	\$	131,630
Fixed Assets		
Medical and Office Equipment & Furniture		377,939
Less: Accumulated Depreciation		(348,709)
Fixed Assets (net)		29,230
Other Assets		
Investments		314,631
Rent Guarantee		
Total Other Assets		314,631
Total Assets	\$	475,491

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$	-
Total Liabilities	\$	-
Net Assets		
Unrestricted	\$	462,647
Temporarily Restricted		12,844
Total Net Assets	\$	475,491
Total Liabilities and Net Assets	\$	475,491

The accompanying notes and accountant's report are an integral part of the financial statements.

IVUmed, formerly
International Volunteers in Urology, Inc.
Statement of Activities
For the Year
April 1, 2015 thru March 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Contributions	\$ 301,311		\$ -	\$ 301,311
In-kind Donations	249,810	-	-	249,810
Volunteer Services	1,470,100	-	-	1,470,100
Benefit Income	72,108	-	-	72,108
Other Misc. Income		-	-	-
Interest Income	-	-	-	-
Net Assets released from restrictions	(143,976)	(99,783)	-	(243,759)
 Total Support and Revenue	 1,949,353	 (99,783)	 -	 1,849,570
 Expenses				
Program Services	1,953,789			1,953,789
General and Administrative	213,526	-	-	213,526
Development and Fundraising	76,725	-	-	76,725
 Total Expenses	 2,244,040	 -	 -	 2,244,040
 Change in Net Assets	 (294,687)	 (99,783)	 -	 (394,470)
Prior Period Adjustment				-
Net Assets, Beginning of Period	757,334	112,627	-	869,961
Net Assets, End of Period	\$ 462,647	\$ 12,844	\$ -	\$ 475,491

The accompanying notes and accountant's report are an integral part of the financial statements.

IVUmed, formerly
International Volunteers in Urology, Inc.
Statement of Functional Expenses
For the Year
April 1, 2015 thru March 31, 2016

	Program Services	Supporting Services Management and General	Fund- raising	TOTAL
Salaries and Wages	\$ 178,602	\$ 142,881	\$ 35,720	\$ 357,203
Employee Benefits	43,715	34,972	8,742	87,429
Payroll Taxes	14,700	11,760	2,939	29,399
Total Salaries and Related Expenses	237,017	189,613	47,401	474,031
Overseas & Specific Program Expenses	1,639,537	-	-	1,639,537
Conferences, conventions and meetings	650	2,025	8,800	11,475
Occupancy	12,038	7,661	2,189	21,888
Printing & Publications	1,655	496	1,158	3,309
Legal and Professional Services	1,772	1,127	322	3,221
Equipment Rental	4,520	532	266	5,318
Equipment Repairs				-
Education & Training	169	108	31	308
Office Expenses	14	10	4	28
Office Supplies	502	352	151	1,005
Software	3,932	218	219	4,369
Postage	463	324	139	926
Insurance	2,650	1,687	482	4,819
Technical Support	468	55	27	550
Telecommunications	3,612	425	212	4,249
Dues & Subscriptions	4,910	3,437	1,473	9,820
Merchant Fees	2,848	570	2,279	5,697
Internet Service	1,027	653	187	1,867
Bank Charges	87	17	70	174
Local Events				-
Miscellaneous	1,252	877	376	2,505
National Events	12,187	2,438	9,752	24,377
Payroll Service	772	154	617	1,543
License & Permits	1,899	223	112	2,234
Expenses Before Depreciation & Interest	1,933,981	213,002	76,267	2,223,250
Depreciation	19,644	409	409	20,462
Interest Expense	164	115	49	328
Total Expenses	<u>\$ 1,953,789</u>	<u>\$ 213,526</u>	<u>\$ 76,725</u>	<u>\$ 2,244,040</u>

The accompanying notes and accountant's report are an integral part of the financial statements.

IVUmed, formerly
International Volunteers in Urology, Inc.
Statement of Cash Flows
For the Year
April 1, 2015 thru March 31, 2016

Cash Flows from Operating Activities		
Change in Net Assets		\$(394,470)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation Expense	20,462	
Decrease in Equipment	5,147	
Changes in current assets and liabilities:		
(Increase) Decrease in accounts receivable		
(Increase) Decrease in inventory	(16,771)	
Increase (Decrease) in accounts payable		
Total operating adjustments		8,838
Net cash from Operating Activities		(385,632)
Cash Flows from Investing Activities		
Decrease (Increase) of Other Assets	232,151	
Sale (Purchase) of Depreciable Assets		
Net cash from Investing Activities		232,151
Cash Flows from Financing Activities		
Increase (Decrease) in Long Term Debt	-	
Net cash from Financing Activities		-
Net Increase (Decrease) in Cash and Cash Equivalents		(153,481)
Cash and Equivalents at Beginning of Period		176,817
Cash and Equivalents at End of Period		<u>\$ 23,336</u>

Supplemental Cash Flow Information:

During the period ended March 31, 2016, non-cash contributions of inventory and equipment of \$249,810, and 8,674.50 hours or \$1,166,800 of medical volunteer services were received. In addition, 3,033 hours or \$303,300 of non-medical services were contributed to IVUmed.

The accompanying notes and accountant's report are an integral part of the financial statements.

**IVUMED, FORMERLY
INTERNATIONAL VOLUNTEERS IN UROLOGY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016**

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of IVUmed, formerly International Volunteers in Urology, Inc. (the Corporation) is presented to assist in understanding the Corporation's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Business Activity - IVUmed, formerly International Volunteers in Urology, Inc. is a non-profit corporation, originally incorporated under the laws of the State of Georgia in November 1995. The Corporation relocated to Salt Lake City, Utah during the year ended December 31, 2000 and was registered in the State of Utah, Department of Commerce, Division of Corporations & Commercial Code on April 28, 2006. The Corporation is committed to making quality urological and other health care available to people worldwide. In fulfilling this mission, the Corporation provides medical and surgical education to physicians and nurses and treatment to suffering children and adults, while providing much needed surgical service. The Corporation derives its revenue from donations (cash and non-cash) from the general public.

Accounting - The financial statements of the Corporation have been prepared on the accrual basis of accounting.

Basis of Presentation - The Corporation has adopted FASB Accounting Standards Codification: Topic 958 for Not-For-Profit Entities; Subtopic 205 for Presentation of Financial Statements; Section 05 for Overview and Background, "Financial Statements of Not-for-Profit Organizations." Under FASB ASC 958-205-05, the Corporation is required to present a complete set of financial statements, including a statement of cash flows, and to group expenses according to the purpose or function for which costs are incurred (rather than natural category). The primary functional classifications are: Program Services and Supporting Activities, such as Management & General and Fund-Raising. The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

FASB ASC 958-205-05 also requires that the various funds be categorized into three distinct categories of net assets. Accordingly, Net Assets are reported in three classes (unrestricted net assets, restricted net assets and permanently restricted net assets) based upon the existence or absence of

donor-imposed restrictions and the nature of those restrictions. The Corporation has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

In-Kind Donations - Contributions of donated non-cash assets meet the requirements of FASB ASC 958-205-05 and are, therefore, recorded at their fair values in the period received.

Volunteer Services - The Corporation received a significant amount of donated services, \$1,166,800 from unpaid medical volunteers who assisted in providing medical care and training, and \$303,300 of other non-medical services. These amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-205-05 has been satisfied.

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property & Equipment - The Corporation follows the practice of capitalizing all expenditures for furniture and medical equipment in excess of \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is calculated over the estimated useful lives of the assets. The estimated useful lives of the furniture and medical equipment range between three and seven years. Depreciation expense for the period ended March 31, 2016 was \$20,462.

Income Taxes - The Corporation is exempt from federal income taxes under section 501(c) (3) of the Internal Revenue Code and therefore has made no provisions for federal income taxes in the accompanying financial statements. There was no unrelated business income for the period ended March 31, 2016.

Cash and Cash Equivalents - Cash and cash equivalents consist of deposits with Wells Fargo Bank, N.A. and Morgan Stanley & Co. Accounts are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000, and by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley (the Excess Coverage). SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash.

Inventories - Inventories are stated at discounted hospital catalog prices. Inventory consists of medical supplies and equipment value at less than \$1,000 used to provide surgical care.

Investments - Investments in securities are represented at the market value of all priced positions provided by correspondent custodians, minus the unrealized gains or losses for the period.

Note 2 LEASE AGREEMENT

The Corporation entered into an Office Space Lease for a period of 63 months on June 6, 2013. This lease shall terminate Sept 30, 2018. Monthly payments of \$1,824 paid in advance on the first day of each month were agreed to.

Note 3 PROPER TY AND EQUIPMENT

Property and equipment consist of the following as of March 31, 2016:

Office Furniture and Equipment	\$ 120,907
Medical Equipment	<u>257,032</u>
	377,939
Accumulated Depreciation	<u>(348,709)</u>
Total Property and Equipment	\$ <u>29,230</u>

Note 4 TEMPORARILY RESTRICTED NET ASSETS

As of March 31, 2016 there is a total of \$ 12,844 in temporarily restricted net assets to be used for the following purposes:

Various Contributors for Resident Scholars	6,432
India Camps	6,372
Santucci - Reconstructive	<u>40</u>
Total temporarily restricted net assets	\$ <u>12,844</u>

Note 5 EMPHASIS OF MATTER

Net Assets dropped from \$869,961 as of March 31, 2015 to \$475,491 as of March 31, 2016, a reduction of \$394,470. In addition to the Loss of \$150,711 on the Form 990 there was an investment loss of \$55,286. A reduction of \$185,520 in Contributions without a similar size decrease in Salaries/Benefits caused much of the loss. CPA indicated to board in October 2015 that IVUmed is still liquid but it is critical to unite behind a realistic short-term financial plan. ED developed much more realistic grant expectations. Difficult changes were made in leadership, governance, board membership and board engagement, and development and commitment to the strategic plan. To further resolve these issues the Board engaged Dr. Ned Hill, past Dean BYU Marriott School of Mgt. Dr Hill interviewed staff, founder, CPA, board members and examined key financial data from 990s supplemented with current and projected data from staff. Dr. Hill made specific recommendations to fix the fund-raising problem, cut expenditures and invest more

conservatively. Consequently, FY2017 Budget includes one less staff person, reduced program expenses and a 12% across-the-board reduction in staff compensation. The budget has an income goal of \$550,000 from diverse sources, an achievable goal that has been reached each year prior to the current fiscal year with a profit \$50,000.

Note 6 **SUBSEQUENT EVENTS**

Management evaluated all activity of IVUmed for the first six months of FY2017. The staff and board members' hard work and focus on financial health has resulted in income of \$275,550 with expenses of \$274,349 with a profit of \$1,202 through 10/12/16 – a significant improvement over FY2016. In addition to investing more conservatively, there are cash and investments of \$326,897 with a reserve of \$277,125. Future potential is strong because there is great need for the services IVUmed provides. IVUmed continues as a significant, highly respected force of highly skilled volunteer doctors and nurses who have treated thousands of children and adults. Equally important is the teaching provided to local doctors and nurses who then have trained many others.