EVERY MOTHER COUNTS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

December 31, 2014

HAN GROUP
Certified Public Accountants and Consultants

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HAN GROUP
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Every Mother Counts

We have audited the accompanying financial statements of Every Mother Counts (the Organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

HAN GROUP
Certified Public Accountants and Consultants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Every Mother Counts as of December 31, 2014, 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.

As discussed in Note 10, corrections were made to adjust beginning net assets and have been recorded as a prior period adjustment.

HAN GROUP LLC

HAN GROUP LLC
McLean, Virginia
June 1, 2015

EVERY MOTHER COUNTS
Statement of Financial Position
December 31, 2014

Assets		
Cash	$	1,010,922
Grants and contributions receivable, net		1,141,106
Other receivables		73,682
Investments		299,126
Prepaid expenses and deposits		34,855
Property and equipment, net		47,866
Total assets	$	2,607,557
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$	30,883
Accrued salaries and vacation		24,729
Deferred rent		16,969
Total liabilities		72,581
Net Assets		
Unrestricted		497,489
Temporarily restricted		2,037,487
Total net assets		2,534,976
Total liabilities and net assets	$	2,607,557

See accompanying notes.

EVERY MOTHER COUNTS
Statement of Activities
Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Grants and contributions	$ 907,072	$ 1,015,926	$ 1,922,998
Royalties	158,494	-	158,494
Other revenue	28,663	-	28,663
Net assets released from restrictions:			
Satisfaction of purpose restrictions	646,499	(646,499)	-
Expiration of time restrictions	698,801	(698,801)	-
Total revenue and support	2,439,529	(329,374)	2,110,155
Expenses			
Program services	2,409,159	-	2,409,159
Supporting services:			
Management and general	116,667	-	116,667
Fundraising	376,498	-	376,498
Total supporting services	493,165	-	493,165
Total expenses	2,902,324	-	2,902,324
Changes in Net Assets	(462,795)	(329,374)	(792,169)
Net Assets, beginning of year as previously stated	760,284	2,366,861	3,127,145
Prior Period Adjustment	200,000	-	200,000
Net Assets, beginning of year as restated	960,284	2,366,861	3,327,145
Net Assets, end of year	$ 497,489	$ 2,037,487	$ 2,534,976

See accompanying notes.

EVERY MOTHER COUNTS
Statement of Cash Flows
Year Ended December 31, 2014

Cash Flows from Operating Activities		
Changes in net assets	$	(792,169)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation		31,644
Net realized and unrealized loss on investments		1,389
Changes in operating assets and liabilities:		
Decrease in grants and contributions receivable		482,894
Increase in other receivables		(25,318)
Increase in prepaid expenses and deposits		(13)
Decrease in accounts payable and accrued expenses		(13,182)
Increase in accrued salaries and vacation		12,386
Increase in deferred rent		16,969
Net cash used in operating activities		(285,400)
Cash Flows from Investing Activities		
Proceeds from sale of investments		33,962
Purchase of investments		(334,477)
Purchase of property and equipment		(39,719)
Net cash used in investing activities		(340,234)
Net Decrease in Cash		(625,634)
Cash, beginning of year		1,636,556
Cash, end of year	$	1,010,922

See accompanying notes.

1. Nature of Operations

Every Mother Counts (the Organization) is a non-profit organization dedicated to making pregnancy and childbirth safe for every mother. We inform, engage, and mobilize new audiences to take actions and raise funds that support maternal health programs around the world. The Organization funds its program and supporting services primarily through grants and contributions from corporations, foundations and individuals.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization's financial statements are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Grants and Contributions Receivable

Grants and contributions receivable represents amounts due from the Organization's various grantors and contributors. There was no allowance recorded at December 31, 2014 as the entire balances have been deemed by management to be fully collectible within one year. If an amount becomes uncollectible, it is expensed when that determination is made.

Investments

Investments are measured at fair value and are composed of money market funds, corporate fixed income, municipal bonds and government securities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period. Net realized and unrealized gains or losses on investments are included in other revenue in the accompanying statement of activities. Money market funds held in the investment portfolios are included in investments in the accompanying statement of financial position.

Property and Equipment

Property and equipment over $1,000 with a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Direct costs incurred during the application stage of the development of the Organization's website are capitalized and amortized over an estimated useful life of three years. Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expense.

2. Summary of Significant Accounting Policies (continued)

Classification of Net Assets

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's operations.

- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of the Organization or the passage of time.

Revenue Recognition

Unconditional grants and contributions are recognized as revenue when received or promised and are reported as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Revenue from all other sources is recognized when earned.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash deposits and investments. The Organization maintains cash deposits and investments with various financial institutions that exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC).

The Organization has not experienced any losses on its cash deposits and investments to date as it relates to FDIC or SIPC insurance limits. Management periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

3. Concentrations of Credit Risk (continued)

In addition, the Organization invests funds in a professionally managed portfolio of marketable securities. Such investments are exposed to market and credit risks. Therefore, the Organization's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

4. Investments

Investments consist of the following at December 31, 2014:

Money market funds	$	172,949
Corporate fixed income		85,561
Municipal bonds		20,942
Government securities		19,674
Total investments	$	299,126

Investment income consists of the following for the year ended December 31, 2014:

Interest and dividends	$	1,802
Realized gain		37
Unrealized loss		(1,426)
Total investment income	$	413

5. Fair Value Measurements

The three levels of the fair value hierarchy for recurring fair value measurements are prioritized based on the inputs to valuation techniques used to measure fair value and are as follows:

- 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 (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) 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.

5. Fair Value Measurements (continued)

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

The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at December 31, 2014:

	Level 1	Total
Money market funds	$ 172,949	$ 172,949
Corporate fixed income	85,561	85,561
Municipal bonds	20,942	20,942
Government securities	19,674	19,674
Total investments	$ 299,126	$ 299,126

6. Property and Equipment

The Organization carried the following property and equipment at December 31, 2014:

Website	$ 80,051
Furniture and equipment	27,412
Total property and equipment	107,463
Less: accumulated depreciation	(59,597)
Property and equipment, net	$ 47,866

7. Operating Leases

In November 2013, the Organization entered into a non-cancellable lease agreement for office space for a term from December 2013 through November 2016. The lease calls for abatement of one-half of the monthly base rent for four months after the first month of the lease. Rent expense was $120,420 for the year ended December 31, 2014. At December 31, 2014, future minimum lease payments for these leases are as follows for the years ending December 31:

2015	$ 128,079
2016	120,626
Total future minimum lease payments	$ 248,705

8. Related Party Transactions

The Organization received royalties from entities whose officers are board members with the Organization. The amount of such royalties was $95,520 for the year ended December 31, 2014.

During April 2014, the Organization entered into an agreement with a film production company whose officer is a board member with the Organization to produce a short film. The Organization paid $53,250 to this film production company for the film production services during 2014.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets were restricted as the following at December 31, 2014:

Implementing Partners Program	$ 1,323,686
Uganda	15,000
Time restricted	698,801
Total temporarily restricted net assets	$ 2,037,487

10. Retirement Plan

The Organization established a 401(k) plan effective January 1, 2013. The plan is available to all employees who meet certain age and length of service requirements. Subject to certain limitations, participants may elect to make pre-tax contributions up to the maximum permitted by law. In addition, the Organization makes contributions 100% on the first 3% of each employee's eligible earnings that the employee defers as an elective deferral and an additional 50% on the next 2% of each employee's eligible earnings that the employee defers as an elective deferral. The Organization contributed $21,073 to the plan for the year ended December 31, 2014.

11. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from the payment of income taxes other than net unrelated business income. No provisions for income tax are required for the year ended December 31, 2014 as the Organization had no unrelated business income.

Financial Accounting Standards Board Accounting Standards Codification 740-10, *Income Taxes*, provides guidance for reporting uncertainty in income taxes. The Organization has performed an evaluation of uncertain tax positions for the year ended December 31, 2014 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements. Information returns for the years ended December 31, 2011 or later remain subject to examination by various taxing authorities.

12. Prior Period Adjustment

A prior period adjustment was made to correct an understatement of grants and contributions revenue and receivable for the grant of $200,000 promised in 2013. The net effect on ending net assets at December 31, 2013 was an increase of $200,000.

13. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 1, 2015, the date the financial statements were available to be issued.