

**Kupona Foundation
Financial Statements
December 31, 2014**

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Independent Auditor's Report

To the Board of Directors
of Kupona Foundation

I have audited the accompanying financial statements of Kupona Foundation, which comprise the statements of financial position as of December 31, 2014, and the related statements of activities, cash flows and functional expenses 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kupona Foundation 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.

Report on Summarized Comparative Information

I have previously audited Kupona Foundation's 2013 financial statements, and expressed an unmodified opinion on those audited financial statements in my report dated July 17, 2014. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

September 8, 2015



Kupona Foundation
Statement of Financial Position
December 31, 2014
(With Summarized Financial Information for 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets		
Cash	\$ 180,946	\$ 157,975
Pledges receivable	87,500	70,000
Total Current Assets	\$ 268,446	\$ 227,975
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 8,700	\$ 7,000
Total Current Liabilities	8,700	7,000
 Net Assets		
Unrestricted	222,246	150,975
Temporarily restricted	37,500	70,000
Total Net Assets	259,746	220,975
 Total Liabilities and Net Assets	 \$ 268,446	 \$ 227,975

See independent auditor's report and accompanying notes to the financial statements.

Kuona Foundation
Statement of Activities
For the Year Ended December 31, 2014
(With Summarized Financial Information for 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2014</u>	<u>2013</u>
Support and Revenue				
Contributions	\$ 207,272	\$ 398,150	\$ 605,422	\$ 638,425
Contributions - services	15,770	-	15,770	
Less: Direct costs of special events	(13,437)	-	(13,437)	(20,389)
	<u>209,605</u>	<u>398,150</u>	<u>607,755</u>	<u>618,036</u>
Interest Income	211	-	211	648
Net assets released from restrictions: Satisfaction of program restrictions	430,650	(430,650)	-	-
Total Support and Revenue	<u>640,466</u>	<u>(32,500)</u>	<u>607,966</u>	<u>618,684</u>
Expenses				
Program services	<u>467,465</u>	-	<u>467,465</u>	<u>593,032</u>
Supporting services:				
General and administrative	39,643	-	39,643	46,864
Fund-raising	62,087	-	62,087	49,100
Total Supporting services	<u>101,730</u>	-	<u>101,730</u>	<u>95,964</u>
Total expenses	<u>569,195</u>	-	<u>569,195</u>	<u>688,996</u>
Change in Net Assets	71,271	(32,500)	38,771	(70,312)
Beginning Net Assets	150,975	70,000	220,975	291,287
Ending Net Assets	<u>\$ 222,246</u>	<u>\$ 37,500</u>	<u>\$ 259,746</u>	<u>\$ 220,975</u>

See independent auditor's report and accompanying notes to the financial statements.

Kupona Foundation
Statement of Cash Flows
For the Year Ended December 31, 2014
(With Summarized Financial Information for 2013)

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 38,771	\$ (70,312)
Adjustment to reconcile changes in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in operating assets:		
Escrow	-	1,024
Pledges receivable	(17,500)	10,000
Increase in operating liabilities:		
Accounts payable	1,700	-
Net cash provided by (used in) operating activities	22,971	(59,288)
 Net increase (decrease) in Cash	 22,971	 (59,288)
Beginning Cash	157,975	217,263
Ending Cash	\$ 180,946	\$ 157,975

See independent auditor's report and accompanying notes to the financial statements.

Kupona Foundation
Statement of Functional Expenses
Year Ended December 31, 2014
(With Summarized Financial Information for 2013)

	Supporting Services			Direct	Total
Program Services	General and Administrative	Fund-Raising	Costs of Special Events	2014	2013
Salaries	\$ 39,547	19,852	\$ 49,630	\$ -	\$ 109,029
Payroll taxes and processing fees	3,356	2,237	5,592	-	11,185
Transmission of funds to CCBRT	416,418	-	-	-	416,418
Venue, catering and other	-	-	-	9,358	14,792
Travel, meals and meetings	6,000	4,307	3,922	979	10,432
Professional fees	1,050	10,792	-	-	16,792
Printing and promotion	662	525	510	1,539	3,624
Supplies and other expenses	201	1,159	1,458	882	4,161
Storage	-	351	451	-	1,003
Insurance	231	14	-	679	693
Bank charges and other fees	-	406	524	-	1,161
Photography	-	-	-	-	580
	467,465	39,643	62,087	13,437	582,632
Less: Direct costs of special events deducted from income on Statement of Activities	-	-	-	(13,437)	(20,389)
Total Expenses	\$ 467,465	\$ 39,643	\$ 62,087	\$ -	\$ 569,195

See independent auditor's report and accompanying notes to the financial statements.

**Kupona Foundation
Notes to Financial Statements
December 31, 2014**

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Kupona Foundation (Kupona) seeks to solicit donations, marshal resources and raise awareness in the United States, enabling CCBRT to unlock the potential of people and communities by improving their access to quality healthcare. As CCBRT's sister organization, Kupona convenes an ecosystem of donors, technical experts, advocates and volunteers, all with a view to enabling CCBRT's life-changing programs and sustainable growth. This collaborative partnership gives individuals and institutions in the U.S. the opportunity to foster direct, local impact, ensuring maximum return on donor investment and programmatic benefit for CCBRT and its patients.

Kupona was incorporated in the State of Delaware in 2009.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent revenues and expenses related to the operations and management of the Organization's primary programs and supporting services. If funds are raised and set aside by the Board for future use, these are considered unrestricted. Temporarily restricted contributions that are expended for their restricted purpose in the same reporting period as received may be recorded as unrestricted.

Temporarily restricted net assets represent resources available for use, but expendable only for the purpose specifically stated by the donor. As of December 31, 2014 there was \$37,500 of temporarily restricted net assets.

Permanently restricted net assets are assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on only related investments for general or specific purpose. As of December 31, 2014 there were no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See independent auditor's report

Kupona Foundation
Notes to Financial Statements
December 31, 2014

Note 1 - (Continued)

Cash

Cash consists of demand deposit accounts held at major financial institutions and may at times exceed the insurable amount. Management believes it mitigates its risk by investing in major financial institutions and in funds that are currently U.S. federal government insured. Recoverability of investments is dependent upon the performance of the issuer.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with original maturities of three months or less when purchased to be cash equivalents.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and / or nature of any donor restrictions. Kupona has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Income is recognized on an accrual basis when earned.

Accounts and Pledges Receivable

Accounts and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through adjustments to valuation allowances based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. For the year ended December 31, 2014 the allowance for doubtful accounts was \$0.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Promises to Give

Unconditional promises to give are recognized in the period received both as revenues or gains and as assets, decreases of liabilities, or expenses, depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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Kupona Foundation
Notes to Financial Statements
December 31, 2014

Note 1 - (Continued)

Income Taxes

Kupona is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Tax Uncertainties

The Organization's policy is to record interest expense and penalties in operating expenses. For the year ended December 31, 2014, there was no interest and penalties expense recorded and no accrued interest and penalties.

The Organization's Federal Forms 990 are open for examination for the years ended December 31, 2011, on.

Functional Allocation of Expenses

The costs of providing various programs and other 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 benefited.

Concentrations

Approximately 48% of contributions were provided by two organizations for the year ended December 31, 2014.

All pledges receivable were from one organization at December 31, 2014.

Donated Services

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers provide various services that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Subsequent Events

In preparing these financial statements, Kupona, has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through September 8, 2015, the date the financial statements were available to be issued.

Note 2 - Pledges Receivable

Pledges receivable are recorded as support when pledged unless the pledge is conditional and the conditions have not yet been met. At December 31, 2014, all pledges receivable are expected to be collected; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2014.

See independent auditor's report

Kupona Foundation
Notes to Financial Statements
December 31, 2014

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets by revenue source and changes therein for the year ended December 31, 2014, were as follows:

	<u>Balance</u> <u>December 31,</u> <u>2013</u>	<u>Additions</u>	<u>Releases</u> <u>From</u> <u>Restrictions</u>	<u>Balance</u> <u>December 31,</u> <u>2014</u>
<u>Restricted as to purpose:</u>				
Cleft lip / palate surgery	\$ -	\$127,200	\$127,200	\$ -
Fistula program	50,000	50,000	100,000	-
Mabinti Center program	20,000	40,000	60,000	-
Cataract, burn and clubfoot treatment	-	40,000	40,000	-
Maternal and newborn healthcare program	-	32,200	32,200	-
CCBRT Core program	-	25,500	25,500	-
Family planning program	-	8,250	8,250	-
<u>Restricted as to time and purpose:</u>				
Salary costs of fistula treatment in Tanzania Sept. 2014 - Dec. 2015	-	75,000	37,500	\$37,500
	<u>\$70,000</u>	<u>\$398,150</u>	<u>\$430,650</u>	<u>\$37,500</u>

See independent auditor's report