



HEART TO HONDURAS, INC.

**CONSOLIDATED
FINANCIAL STATEMENTS**

December 31, 2017 and 2016

HEART TO HONDURAS, INC.

**CONSOLIDATED FINANCIAL
STATEMENTS**

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Enhancing Trust

HEART TO HONDURAS, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**Board of Directors
Heart To Honduras, Inc.
Xenia, Ohio**

I have reviewed the accompanying consolidated statements of financial position of Heart To Honduras, Inc. (a nonprofit organization) as of December 31, 2017 and 2016, the related consolidated statements of activities and cash flows for the years then ended and the related notes to the consolidated financial statements. A review includes applying primarily analytical procedures to management's financial data and making inquiries of organization 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 as a whole. Accordingly, I do not express such an opinion.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated 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.

ACCOUNTANT'S RESPONSIBILITY


My 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

ACCOUNTANT'S CONCLUSION

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY DATA

My review of the consolidated financial statements as of and for the years ended December 31, 2017 and 2016 was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary data provided on pages 12-14 is presented only for additional analysis purposes and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the inquiry and analytical procedures applied in the review of the consolidated financial statements, and I am not aware of any material modifications that should be made thereto.


Wyoming, Michigan
December 24, 2018

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HEART TO HONDURAS, INC.

Consolidated Statements of Financial Position

	December 31,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 174,365	\$ 130,965
Contributions receivable	5,750	11,200
Prepaid expenses	6,728	-
Employee receivables	25	29
Inventory	373	492
Property held for sale	18,236	18,236
Property and equipment, net	1,738,590	1,770,520
Total Assets	<u>\$ 1,944,067</u>	<u>\$ 1,931,442</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 2,682	\$ 1,065
Accrued payroll taxes	1,410	7,595
Deferred revenue	1,407	3,588
Accrued severance pay	42,431	24,630
Total Liabilities	<u>47,930</u>	<u>36,878</u>
Net Assets		
Unrestricted		
Undesignated	(23,101)	(41,014)
Net investment in property and equipment	1,738,590	1,770,520
	<u>1,715,489</u>	<u>1,729,506</u>
Temporarily restricted	<u>180,648</u>	<u>165,058</u>
Total Net Assets	<u>1,896,137</u>	<u>1,894,564</u>
Total Liabilities and Net Assets	<u>\$ 1,944,067</u>	<u>\$ 1,931,442</u>

See accompanying notes and independent accountant's review report

HEART TO HONDURAS, INC.

Consolidated Statements of Activities

For the Years Ended December 31,

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions	\$ 387,256	\$ 778,748	\$ 1,166,004	\$ 591,527	\$ 651,582	\$ 1,243,109
Gifts-in-kind	70,018	-	70,018	77,138	-	77,138
Investment income	1,597	-	1,597	1,882	-	1,882
Merchandise sales, net of cost of goods sold of \$1,064 and \$6,853 respectively	906	-	906	1,209	-	1,209
Camp revenue	117,691	-	117,691	73,026	-	73,026
Other revenue	17,018	-	17,018	15,551	-	15,551
Total Support and Revenue	594,486	778,748	1,373,234	760,333	651,582	1,411,915
RECLASSIFICATIONS						
Net assets released for:						
Administration cost assessment	12,031	(12,031)	-	11,409	(11,409)	-
Satisfaction of purpose restrictions	751,127	(751,127)	-	897,058	(897,058)	-
Total Reclassifications	763,158	(763,158)	-	908,467	(908,467)	-
Total Support, Revenue and Reclassifications	1,357,644	15,590	1,373,234	1,668,800	(256,885)	1,411,915
EXPENSES						
Program services	1,115,978	-	1,115,978	1,139,590	-	1,139,590
Management and general	205,210	-	205,210	227,123	-	227,123
Fund-raising	49,532	-	49,532	65,615	-	65,615
Total Expenses	1,370,720	-	1,370,720	1,432,328	-	1,432,328
Change in Net Assets before Currency Exchange	(13,076)	15,590	2,514	236,472	(256,885)	(20,413)
Currency exchange	(941)	-	(941)	(2,412)	-	(2,412)
Change in Net Assets after Currency Exchange	(14,017)	15,590	1,573	234,060	(256,885)	(22,825)
Net Assets, Beginning of Year	1,729,506	165,058	1,894,564	1,495,446	421,943	1,917,389
Net Assets, End of Year	\$ 1,715,489	\$ 180,648	\$ 1,896,137	\$ 1,729,506	\$ 165,058	\$ 1,894,564

See accompanying notes and independent accountant's review report

HEART TO HONDURAS, INC.

Consolidated Statements of Cash Flows

	For the Years Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,573	\$ (22,825)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on disposal of property and equipment	59	-
Write-off of uncollectible employee receivables	-	400
Depreciation expense	74,925	78,471
Change in:		
Contributions receivable	5,450	8,550
Prepaid expenses	(6,728)	7,594
Employee receivables	4	218
Inventory	119	332
Accounts payable	1,617	(16,336)
Accrued payroll taxes	(6,185)	52
Deferred revenue	(2,181)	3,151
Accrued severance pay	17,801	(1,280)
Net Cash Provided by Operating Activities	86,454	58,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(43,054)	(237,226)
Net Cash Used by Investing Activities	(43,054)	(237,226)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	40,500	82,000
Payments on line of credit	(40,500)	(82,000)
Net Cash Provided by Financing Activities	-	-
Change in Cash and Cash Equivalents	43,400	(178,899)
Cash and Cash Equivalents, Beginning of Year	130,965	309,864
Cash and Cash Equivalents, End of Year	\$ 174,365	\$ 130,965
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	1,205	\$ 793

See accompanying notes and independent accountant's review report

HEART TO HONDURAS, INC.

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION

Heart to Honduras, Inc. (HTH) was incorporated as a Florida nonprofit religious corporation in July 1991. In 2001, HTH relocated its domestic operations to Xenia, Ohio. HTH is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (code) and is not a private foundation under Section 509(a)(2) of the code. HTH is supported primarily by contributions from churches and individuals. These financial statements include the assets, liabilities, net assets, revenue and expenses of Ministerio Corazon' Para Honduras Internacional (CPH), which operates as a non-governmental not-for-profit entity in Honduras. CPH reports to HTH's board of directors.

HTH is a holistic ministry, centered in Christ, resourced by passionate partners. With a vision to form disciples that will transform their world, Heart to Honduras partners with churches, educational and civic organizations, individuals and business to help the Honduran people realize their potential and to enable them to become agents of change in their communities. Heart to Honduras is equipping communities with sustainable models of work and development to provide clean water, secure housing, accessible medical care, a consistent food supply, adequate fair employment, as well as spiritual and educational opportunities.

HTH is supported primarily by contributions.

2. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of HTH include the combined financial resources and activities of HTH and CPH, which HTH funds. All inter-organization balances and transactions have been eliminated in the consolidation.

BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The more significant accounting policies are summarized below.

FUNCTIONAL CURRENCY AND GAIN (LOSS) ON CURRENCY EXCHANGE

Because the primary source of financing occurs in U.S. dollars and because the changes in the foreign operation assets directly affect the cash flows of the U.S. operations, the functional currency used is the U.S. dollar. All transactions in foreign currencies have been translated into U.S. dollars at average rates of exchange prevailing for the years ended December 31, 2017 and 2016 as applicable. These translations are reported as currency exchange on the consolidated statements of activities.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of bank checking, savings and money market accounts. Balances in the bank accounts may at times exceed federally insured limits. HTH has not experienced any losses in these accounts and management believes it is not exposed to any significant credit risk.

HEART TO HONDURAS, INC.

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

CASH AND CASH EQUIVALENTS, continued

HTH utilizes four accounts in a national bank in Honduras for funds deposited there, which totaled \$99,137 and \$29,209 at December 31, 2017 and 2016, respectively. Funds on deposit in Honduras banks are insured for up to 100,000 lempiras (or approximately \$4,240 and \$4,300 U.S. at December 31, 2017 and 2016, respectively) per each account.

At December 31, 2017 and 2016, the balance of temporarily restricted net assets exceeded the balance of cash and cash equivalents. However, HTH can borrow against its \$35,000 line of credit (Note 5) if such would be necessary to fulfill the purpose restrictions of temporarily restricted net assets.

Donated investments are recorded initially at fair value on the date of the gift and reported subsequently at fair value as of the report date. Fair value of donated marketable equity securities is based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy established under the Fair Value Measurements and Disclosure Topic of the Financial Accounting Standards Board Accounting Standards Codification.

Realized and unrealized gains and losses are reported in unrestricted income in the statements of activities unless a donor or law temporarily or permanently restricts their use. Realized gains and losses are determined using the specific identification method.

CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of two promises to give from various individuals at December 31, 2017 and 2016. Unconditional promises to give are recognized as income when made and reported at fair value based upon estimated future cash flows. Unconditional promises to give that are expected to be collected within one year are reported at net realizable value because the present value of the estimated value of the estimated cash flows approximates net realizable value. Unconditional promises to give that are expected to be collected in future years are reported at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are expected to be received. This discount rate is based on yields of the various U.S. treasury bills corresponding to the timing of the contributions receivable. Amortization of the discount is included in contributions revenue in the statements of activities. Management believes all contributions receivable balances are fully collectible at December 31, 2017 and 2016; there is, therefore, no allowance for doubtful promises to give.

EMPLOYEE RECEIVABLES

Loans made to employees are approved by management. Employees must make monthly payments on these loans until fully paid. Upon termination of employment, management considers whether forgiveness of the unpaid balance is appropriate, given the circumstances. If not, arrangements for repayment are made with the former employee.

Outstanding loan balances are reviewed at year-end to determine their collectability. Those deemed to be uncollectible are written-off. Management thus believes all reported receivable balances are fully collectible and no provision for uncollectible accounts has been made.

HEART TO HONDURAS, INC.

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

INVENTORY

Inventory, which consists primarily of coffee and logo merchandise, is valued at the lower of cost or market. At December 31, 2017 and 2016, the value of inventory was \$373 and \$492, respectively. Cost is determined using the first-in, first-out method.

PROPERTY HELD FOR SALE

Property held for sale consists of the land and buildings of the former CPH headquarters in San Isidro, Honduras.

PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment is reported at cost, estimated cost or fair value. Expenditures for property and equipment in excess of \$1,000 and having estimated useful lives of three years or more are capitalized at cost when purchased. Donated items are reported at their estimated fair values as of the date the gifts are received. Depreciation is reported using the straight-line method over the estimated useful lives of the assets, which range from three to forty years. Depreciation expense was \$74,922 and \$78,471 for years ended December 31, 2017 and 2016, respectively.

DEFERRED REVENUE

Deferred revenue results primarily from deposits received for CPH camp events occurring in the subsequent year.

ACCRUED SEVERANCE PAY

Accrued severance pay reflects amounts due to employees at December 31, 2017 and 2016 under Honduran employment regulations, which prescribe that eligible employees are entitled to one month of severance compensation for every year of employment up to a maximum of fifteen months' compensation. Several former employees have in the past resigned and received their respective severance pay amounts. Some of these individuals have then been rehired by HTH as contract workers.

NET ASSETS

The financial statements report amounts by class of net assets as follows:

UNRESTRICTED NET ASSETS are those currently available for ministry purposes under the direction of the board (undesigned net assets) and those designated by the board for specific use.

TEMPORARILY RESTRICTED NET ASSETS are those subject to donor-imposed stipulations that may or will be met either by actions of HTH or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

PERMANENTLY RESTRICTED NET ASSETS result from contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be removed by actions of the HTH board or its management. To date HTH has received no permanently restricted contributions.

HEART TO HONDURAS, INC.

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued

SUPPORT AND REVENUE

Contributions are recorded when cash is received, unconditional promises are made or when ownership of donated assets is transferred. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to legal restrictions. Contributions are reported as 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 statements of activities as net assets released from restrictions.

Contributions of assets other than cash and services are reported at their estimated fair value. HTH reports donations of property and equipment as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment donated with restrictions regarding their use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired and placed in service, and a reclassification is made from temporarily restricted net assets to unrestricted net assets at that time.

All other revenues are recorded when earned.

GIFTS IN KIND

During the years ended December 31, 2017 and 2016, HTH received contributions of property, equipment and supplies having an estimated value of approximately \$2,850 and \$2,918, respectively. Also included in gifts-in-kind revenue is the estimated fair rental value of \$12,000 for both years ended December 31, 2017 and 2016 for leased office space (Note 4).

CONTRIBUTED SERVICES

For the years ended December 31, 2017 and 2016, contributed services that require specialized skills are reflected in the statements of activities at their estimated fair value of \$55,168 and \$62,220, respectively. These services included medical and information technology services for both years ended December 31, 2017 and 2016.

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when incurred. The cost of providing the various program services and supporting activities have been presented on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities, benefiting from those expenditures.

HEART TO HONDURAS, INC.

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31, 2017		
	Headquarters	Honduras	Total
Land	\$ -	\$ 516,031	\$ 516,031
Land improvements	-	315,023	315,023
Buildings and leasehold improvements	350,630	1,068,689	1,419,319
Construction in progress	-	53,928	53,928
Furniture and equipment	29,101	81,338	110,439
Vehicles	-	191,038	191,038
	<u>379,731</u>	<u>2,226,047</u>	<u>2,605,778</u>
Accumulated depreciation	<u>(152,628)</u>	<u>(714,560)</u>	<u>(867,188)</u>
	<u>\$ 227,103</u>	<u>\$ 1,511,487</u>	<u>\$ 1,738,590</u>

	December 31, 2016		
	Headquarters	Honduras	Total
Land	\$ -	\$ 510,515	\$ 510,515
Land improvements	-	315,023	315,023
Buildings and leasehold improvements	347,318	1,060,555	1,407,873
Construction in progress	-	32,550	32,550
Furniture and equipment	29,101	76,777	105,878
Vehicles	-	191,038	191,038
	<u>376,419</u>	<u>2,186,458</u>	<u>2,562,877</u>
Accumulated depreciation	<u>(143,223)</u>	<u>(649,134)</u>	<u>(792,357)</u>
	<u>\$ 233,196</u>	<u>\$ 1,537,324</u>	<u>\$ 1,770,520</u>

Management has reviewed the assets in Honduras and, in its opinion, has determined they are under the control and ownership of HTH. While such items are recognized as assets of HTH, the political situation in many foreign countries is subject to rapid change. While HTH believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the realizable value of the assets in Honduras. In addition, the carrying value of the assets in Honduras may not represent the amount that could be realized should the assets be sold.

Several of the buildings in Honduras have been built by donated labor and with donated materials. According to U.S. generally accepted accounting principles, these assets have been reported at their estimated fair values as of the dates they were placed in service.

HEART TO HONDURAS, INC.

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

4. LINE OF CREDIT

HTH has a \$35,000 unsecured line of credit, which is due on demand and subject to annual review by the bank. Amounts borrowed under this agreement bear interest at the bank's prime rate plus 4 percent (which equates to 4.75 percent and 4.50 percent at December 31, 2017 and 2016, respectively). HTH both borrowed and repaid a total of \$40,500 and \$82,000 during the years ended December 31, 2017 and 2016, respectively, on the line of credit.

5. EMPLOYEE BENEFIT PLAN

HTH provides retirement benefits to its full-time staff with ministerial credentials through a defined contribution plan administered by Servant Solutions, which is a retirement plan governed by the General Assembly of the Church of God. HTH board of directors determines the amount to contribute annually. Contributions to the plan during the years ended December 31, 2017 and 2016 were \$35,400 and \$33,000, respectively.

6. LEASE AGREEMENT

HTH leased a copier on January 2013 for a 60-month agreement expiring in December 2017 and requiring monthly payments of \$465 and \$438 for the years ended December 31, 2017 and 2016, respectively. Total lease expense for the years ended December 31, 2017 and 2016 was \$5,123 and \$5,256, respectively.

HTH has a long-term lease for its headquarters facility in Xenia, Ohio. The lease is for 99 years at an annual cost of \$1. This lease meets the criteria for a bargain lease. Therefore, the estimated fair rental value has been reported as both gift-in-kind revenue and an administrative expense in the consolidated statements of activities. The estimated fair value of the leased property was \$12,000 for each of the years ended December 31, 2017 and 2016, respectively.

HTH sub-leases a portion of its headquarters to another nonprofit organization. This sub-lease is on a year-to-year basis, expires on January 31 and requires monthly payments of \$1,325.

The carrying value of sub-leased property is as follows:

	December 31,	
	2017	2016
Leasehold improvements	\$ 66,515	\$ 66,515
Less: accumulated depreciation	(23,420)	(21,757)
	<u>\$ 43,095</u>	<u>\$ 44,758</u>

HEART TO HONDURAS, INC.

Notes to Consolidated Financial Statements

December 31, 2017 and 2016

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	December 31,	
	2017	2016
Brazos Abiertos	\$ 11,707	\$ 11,766
Community development	20,542	19,937
Education	8,909	18,998
Groups	28,082	19,134
Health care	7,438	5,787
Land development	-	815
Leadership development	3,844	3,844
Microeconomic heart fund	1,580	11,580
Ministries	7,782	16,674
Projects	14,635	4,904
Projects - groups	51,968	38,335
Sister churches	4,275	7,189
The Big Picture	19,886	4,206
Widows homes	-	1,889
	<u>\$ 180,648</u>	<u>\$ 165,058</u>

8. SUBSEQUENT EVENTS

Management has evaluated for potential recognition or disclosure in these financial statements subsequent events and transactions occurring through December 24, 2018, the date these financial statements were available to be issued. No such significant events or transactions were identified.

SUPPLEMENTARY DATA

HEART TO HONDURAS, INC.

Consolidating Statements of Financial Position

	December 31,							
	2017				2016			
	Heart To Honduras	Corazon' Para Honduras	Eliminations	Total	Heart To Honduras	Corazon' Para Honduras	Eliminations	Total
ASSETS								
Cash and cash equivalents	\$ 75,228	\$ 99,137	\$ -	\$ 174,365	\$ 101,756	\$ 29,209	\$ -	\$ 130,965
Contributions receivable	5,750	-	-	5,750	11,200	-	-	11,200
Prepaid expenses	6,728	-	-	6,728	-	-	-	-
Employee receivables	-	25	-	25	-	29	-	29
Inventory	-	373	-	373	-	492	-	492
Property held for sale	-	18,236	-	18,236	-	18,236	-	18,236
Property and equipment, net	227,103	1,511,487	-	1,738,590	233,196	1,537,324	-	1,770,520
Total Assets	\$ 314,809	\$ 1,629,258	\$ -	\$ 1,944,067	\$ 346,152	\$ 1,585,290	\$ -	\$ 1,931,442
LIABILITIES AND NET ASSETS								
Liabilities								
Accounts payable	\$ 1,332	\$ 1,350	\$ -	\$ 2,682	\$ 447	\$ 618	\$ -	\$ 1,065
Accrued payroll taxes	-	1,410	-	1,410	7,209	386	-	7,595
Deferred revenue	-	1,407	-	1,407	-	3,588	-	3,588
Accrued severance pay	-	42,431	-	42,431	-	24,630	-	24,630
Total Liabilities	1,332	46,598	-	47,930	7,656	29,222	-	36,878
Net Assets								
Unrestricted								
Undesignated	(16,078)	(7,023)	-	(23,101)	14,097	(55,111)	-	(41,014)
Net investment in property and equipment	227,103	1,511,487	-	1,738,590	233,196	1,537,324	-	1,770,520
	211,025	1,504,464	-	1,715,489	247,293	1,482,213	-	1,729,506
Temporarily restricted	102,452	78,196	-	180,648	91,203	73,855	-	165,058
Total Net Assets	313,477	1,582,660	-	1,896,137	338,496	1,556,068	-	1,894,564
Total Liabilities and Net Assets	\$ 314,809	\$ 1,629,258	\$ -	\$ 1,944,067	\$ 346,152	\$ 1,585,290	\$ -	\$ 1,931,442

See accompanying notes and independent accountant's review report

HEART TO HONDURAS, INC.

Consolidating Statement of Activities

For the Year Ended December 31, 2017

	Heart To Honduras			Corazon' Para Honduras			Eliminations	Total
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		
SUPPORT AND REVENUE								
Contributions	\$ 382,666	\$ 469,135	\$ 851,801	\$ 4,590	309,613	\$ 314,203	\$ -	\$ 1,166,004
Grants from Heart To Honduras	-	-	-	-	366,561	366,561	(366,561)	-
Gifts-in-kind	70,018	-	70,018	-	-	-	-	70,018
Investment income	493	-	493	1,104	-	1,104	-	1,597
Merchandise sales, net of cost of goods sold of \$1,064 HON	-	-	-	906	-	906	-	906
Camp revenue	-	-	-	117,691	-	117,691	-	117,691
Other revenue	15,900	-	15,900	1,118	-	1,118	-	17,018
Total Support and Revenue	469,077	469,135	938,212	125,409	676,174	801,583	(366,561)	1,373,234
RECLASSIFICATIONS								
Net assets released for:								
Administration cost assessment	12,031	(12,031)	-	-	-	-	-	-
Satisfaction of purpose restrictions	445,855	(445,855)	-	671,833	(671,833)	-	-	-
Total Reclassifications	457,886	(457,886)	-	671,833	(671,833)	-	-	-
Total Support, Revenue and Reclassifications	926,963	11,249	938,212	797,242	4,341	801,583	(366,561)	1,373,234
EXPENSES								
Program services	762,457	-	762,457	720,082	-	720,082	(366,561)	1,115,978
Management and general	158,726	-	158,726	46,484	-	46,484	-	205,210
Fund-raising	42,048	-	42,048	7,484	-	7,484	-	49,532
Total Expenses	963,231	-	963,231	774,050	-	774,050	(366,561)	1,370,720
Change in Net Assets before Currency Exchange	(36,268)	11,249	(25,019)	23,192	4,341	27,533	-	2,514
Currency exchange	-	-	-	(941)	-	(941)	-	(941)
Change in Net Assets after Currency Exchange	(36,268)	11,249	(25,019)	22,251	4,341	26,592	-	1,573
Net Assets, Beginning of Year	247,293	91,203	338,496	1,482,213	73,855	1,556,068	-	1,894,564
Net Assets, End of Year	\$ 211,025	\$ 102,452	\$ 313,477	\$ 1,504,464	\$ 78,196	\$ 1,582,660	\$ -	\$ 1,896,137

See accompanying notes and independent accountant's review report

HEART TO HONDURAS, INC.

Consolidating Statement of Activities

For the Year Ended December 31, 2016

	Heart To Honduras			Corazon' Para Honduras			Eliminations	Total
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total		
SUPPORT AND REVENUE								
Contributions	\$ 587,724	\$ 381,080	\$ 968,804	\$ 3,803	\$ 270,502	\$ 274,305	\$ -	\$ 1,243,109
Grants from Heart To Honduras	-	-	-	-	480,050	480,050	(480,050)	-
Gifts-in-kind	77,138	-	77,138	-	-	-	-	77,138
Investment income	825	-	825	1,057	-	1,057	-	1,882
Merchandise sales, net of cost of goods sold of \$1,765 HON	-	-	-	1,209	-	1,209	-	1,209
Camp revenue	-	-	-	73,026	-	73,026	-	73,026
Other revenue	14,575	-	14,575	976	-	976	-	15,551
Total Support and Revenue	680,262	381,080	1,061,342	80,071	750,552	830,623	(480,050)	1,411,915
RECLASSIFICATIONS								
Net assets released for:								
Administration cost assessment	11,409	(11,409)	-	-	-	-	-	-
Satisfaction of purpose restrictions	604,810	(604,810)	-	772,298	(772,298)	-	-	-
Total Reclassifications	616,219	(616,219)	-	772,298	(772,298)	-	-	-
Total Support, Revenue and Reclassifications	1,296,481	(235,139)	1,061,342	852,369	(21,746)	830,623	(480,050)	1,411,915
EXPENSES								
Program services	987,879	-	987,879	631,761	-	631,761	(480,050)	1,139,590
Management and general	181,789	-	181,789	45,334	-	45,334	-	227,123
Fund-raising	60,735	-	60,735	4,880	-	4,880	-	65,615
Total Expenses	1,230,403	-	1,230,403	681,975	-	681,975	(480,050)	1,432,328
Change in Net Assets before Currency Exchange	66,078	(235,139)	(169,061)	170,394	(21,746)	148,648	-	(20,413)
Currency exchange	-	-	-	(2,412)	-	(2,412)	-	(2,412)
Change in Net Assets after Currency Exchange	66,078	(235,139)	(169,061)	167,982	(21,746)	146,236	-	(22,825)
Net Assets, Beginning of Year	181,215	326,342	507,557	1,314,231	95,601	1,409,832	-	1,917,389
Net Assets, End of Year	\$ 247,293	\$ 91,203	\$ 338,496	\$ 1,482,213	\$ 73,855	\$ 1,556,068	\$ -	\$ 1,894,564

See accompanying notes and independent accountant's review report