

**CHILD FAMILY HEALTH  
INTERNATIONAL**

Financial Statements

December 31, 2009

**CHILD FAMILY HEALTH INTERNATIONAL**

Financial Statements

December 31, 2009

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report .....	1
Financial Statements:	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6

*Antoinette G. Nies*

Certified Public Accountant

61 Prince Royal Drive  
Corte Madera, CA 94925  
agn.cpa@comcast.net  
415-927-9475 voice  
415-924-6960 fax

### **Independent Auditor's Report**

Board of Directors  
Child Family Health International

I have audited the accompanying Statement of Financial Position of Child Family Health International as of December 31, 2009 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior-year summarized comparative information has been derived from the Organization's 2008 financial statements and, in my report dated April 18, 2009, I expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Family Health International as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Antoinette G. Nies, CPA*

May 11, 2010

**CHILD FAMILY HEALTH INTERNATIONAL**  
Statement of Financial Position  
December 31, 2009  
(With Comparative Totals at December 31, 2008)

	2009	2008
<b>ASSETS</b>		
Current Assets		
Cash and Equivalents	\$ 417,704	\$ 140,031
Prepaid Expenses	9,662	12,487
Total Current Assets	427,366	152,518
Other Assets		
Deposits	2,501	3,497
Property and Equipment - Net	4,658	7,354
Total Other Assets	7,159	10,851
<b>Total Assets</b>	<b>\$ 434,525</b>	<b>\$ 163,369</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$ 21,114	\$ 11,279
Accrued Expenses	19,474	25,503
Fees Received in Advance	179,651	164,617
Total Current Liabilities	220,239	201,399
<b>NET ASSETS</b>		
Unrestricted	190,086	(70,783)
Temporarily Restricted	24,200	32,753
Total Net Assets	214,286	(38,030)
<b>Total Liabilities and Net Assets</b>	<b>\$ 434,525</b>	<b>\$ 163,369</b>

**CHILD FAMILY HEALTH INTERNATIONAL**

Statement of Activities

For the Year Ended December 31, 2009

(With Comparative Totals at December 31, 2008)

	Unrestricted	Temporarily Restricted	Total 2009	Total 2008
<b>SUPPORT AND REVENUE</b>				
Fees	\$ 1,336,336		\$ 1,336,336	\$ 1,546,532
Contributions and Grants	112,975	68,754	181,729	293,556
In-Kind Donations	155,639		155,639	1,614,075
Contract Fees	93,243		93,243	105,396
Interest Income	326		326	1,017
Other Income	520		520	338
Total Revenue	<u>1,699,039</u>	<u>68,754</u>	<u>1,767,793</u>	<u>3,560,914</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>77,307</u>	<u>(77,307)</u>	-	-
<b>EXPENSES</b>				
Program	1,410,394		1,410,394	3,650,359
General and Administrative	89,641		89,641	99,338
Fundraising	15,442		15,442	62,937
Total Expenses	<u>1,515,477</u>	-	<u>1,515,477</u>	<u>3,812,634</u>
<b>Change in Net Assets</b>	260,869	(8,553)	252,316	(251,720)
<b>NET ASSETS, Beginning of Year</b>	<u>(70,783)</u>	<u>32,753</u>	<u>(38,030)</u>	<u>213,690</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 190,086</u>	<u>\$ 24,200</u>	<u>\$ 214,286</u>	<u>\$ (38,030)</u>

**CHILD FAMILY HEALTH INTERNATIONAL**

Statement of Functional Expenses  
For the Year Ended December 31, 2009  
(With Comparative Totals at December 31, 2008)

	Program	General and		Total	
		Administrative	Fundraising	2009	2008
Salaries	\$ 237,523	\$ 18,301	\$ 8,281	\$ 264,105	\$ 533,755
Payroll Taxes and Benefits	68,767	6,134	2,195	77,096	98,788
	<u>306,290</u>	<u>24,435</u>	<u>10,476</u>	<u>341,201</u>	<u>632,543</u>
Medical Student Exchange Costs	650,326	(540)		649,786	917,427
Advertising and Promotion	141,027	333	103	141,463	183,552
Program Development and Support	133,745			133,745	148,182
Professional Fees		40,319		40,319	34,189
Occupancy	30,553	2,853	885	34,291	35,370
Outreach	29,710	199	62	29,971	24,111
Credit Card and Wire Transfer Fees	27,998		138	28,136	32,470
Printing and Design	20,968	1,291	687	22,946	37,837
Travel	17,276	857	3	18,136	33,678
Medical Supplies and Transportation	12,829			12,829	1,625,821
Web Hosting and Computer Maintenance	9,875	901	285	11,061	12,908
Insurance	2,500	7,428		9,928	9,941
Other Expenses	556	8,709	175	9,440	7,303
Telephone	5,361	1,498	155	7,014	8,021
Website Design	6,375			6,375	8,865
Dues and Subscriptions	2,799	259	2,172	5,230	9,066
Postage and Shipping	4,491	507	118	5,116	23,709
Materials and Supplies	3,356	262	81	3,699	21,145
Assistance to Partners	829			829	850
	<u>1,406,864</u>	<u>89,311</u>	<u>15,340</u>	<u>1,511,515</u>	<u>3,806,988</u>
Total Expenses Before Depreciation					
Depreciation	3,530	330	102	3,962	5,646
	<u>\$ 1,410,394</u>	<u>\$ 89,641</u>	<u>\$ 15,442</u>	<u>\$ 1,515,477</u>	<u>\$ 3,812,634</u>
Total Expenses					

**CHILD FAMILY HEALTH INTERNATIONAL**

Statement of Cash Flows

For the Year Ended December 31, 2009

(With Comparative Totals at December 31, 2008)

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 252,316	\$ (251,720)
Adjustments to Reconcile Change in Net Assets to Cash Provided (Used) by Operations		
Depreciation	3,962	5,646
Donated Inventory	-	127,343
Loss on Disposal of Equipment	455	-
(Increases) Decreases in Operating Assets		
Prepaid Expenses	2,825	5,333
Deposits	996	(97)
Increases (Decreases) in Operating Liabilities		
Accounts Payable	9,835	7,850
Accrued Expenses	(6,029)	7,815
Fees Received in Advance	15,034	(103,064)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>279,394</u>	<u>(200,894)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Equipment	(1,721)	(2,795)
<b>Net Cash (Used) by Investing Activities</b>	<u>(1,721)</u>	<u>(2,795)</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>277,673</b>	<b>(203,689)</b>
<b>CASH AND EQUIVALENTS, Beginning of Year</b>	<u>140,031</u>	<u>343,720</u>
<b>CASH AND EQUIVALENTS, End of Year</b>	<u>\$ 417,704</u>	<u>\$ 140,031</u>

# CHILD FAMILY HEALTH INTERNATIONAL

Notes to Financial Statements

December 31, 2009

## 1. **Organization**

The Child Family Health International (CFHI) is a not-for-profit organization created to encourage and facilitate U.S. medical students to work abroad. The central philosophy of CFHI is to narrow the gap between existing medical technology and its accessibility to underserved populations. Since 1993, the CFHI Global Service Learning program has arranged for over 1,700 medical students, volunteers, and allied health professionals to work and study in Ecuador, India, Mexico and South Africa.

CFHI is supported primarily through program fees and private contributions.

## 2. **Summary of Significant Accounting Policies**

### **Basis of Accounting**

The financial statements of CFHI have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

### **Basis of Presentation**

The Organization is required to report 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.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, CFHI considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

### **Accounts Receivable**

Accounts Receivable are stated at unpaid balances. CFHI considers accounts receivable to be fully collectible at year-end. Accordingly, no allowance for doubtful accounts has been recorded.

### **Promises to Give**

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

# CHILD FAMILY HEALTH INTERNATIONAL

Notes to Financial Statements

December 31, 2009

(continued)

## 2. Summary of Significant Accounting Policies – continued

### Property and Equipment and Depreciation

The Program capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

### Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support 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 support. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

### Donated 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 CFHI.

### Functional Allocation of Expenses

Costs of providing CFHI's 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.

### Use of Estimates

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

# CHILD FAMILY HEALTH INTERNATIONAL

Notes to Financial Statements

December 31, 2009

(continued)

## 2. Summary of Significant Accounting Policies – continued

### Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

### Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year December 31, 2008, from which the summarized information was derived.

### Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

## 3. Property and Equipment

Property and Equipment consist of the following:

Office Equipment and Furniture	\$ 24,165
Less: Accumulated Depreciation	<u>19,507</u>
Net Book Value	<u>\$ 4,658</u>

# CHILD FAMILY HEALTH INTERNATIONAL

Notes to Financial Statements

December 31, 2009

(continued)

## 4. Temporarily Restricted Net Assets

Temporarily Restricted Net Assets are restricted for the following purposes:

Genesis School	\$	7,581
Bolivia		6,349
Bonny Memorial Fund		3,017
Medical Services		2,465
Tuberculosis		2,000
Curriculum Development		1,218
South Africa		750
India		670
Other		<u>150</u>
	\$	<u>24,200</u>

## 5. In-Kind Donations

The value of contributions included as In-Kind Donations in the statement of activities and the corresponding expenses for the year ended December 31, 2009, are as follows:

Program:		
Search Engine Positioning	\$	109,545
Access to Online Medical Research		25,826
Medical Supplies		4,300
Web Design		<u>2,250</u>
		<u>141,921</u>
General and Administrative:		
Accounting Services		8,000
Legal Services		<u>5,718</u>
		<u>13,718</u>
	\$	<u>155,639</u>

## 6. Lease Agreement

The Organization is obligated under non-cancelable lease agreements for rent of facilities and equipment expiring in 2015 and 2013 respectively. Rent expense under leases for the year ended December 31, 2009 was \$ 34,290.

Future minimum lease commitments are as follows:

Year Ending December 31,		
2011	\$	39,781
2012		41,165
2013		41,202
2014		40,733
2015		<u>6,831</u>
	\$	<u>160,712</u>

# CHILD FAMILY HEALTH INTERNATIONAL

## Notes to Financial Statements

December 31, 2009

(continued)

### **7. Defined Contribution Plan**

CFHI has a defined contribution plan (the Plan) covering substantially all employees. Organization contributions to the Plan are discretionary. No contributions were made to the Plan in 2009.

### **8. Concentrations of Credit Risk**

CFHI maintains its cash in bank deposit accounts in one financial institution. The balances in two accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances in the third account are not. At December 31, 2009, CFHI's uninsured balances totaled approximately \$351,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

### **9. Related Parties**

The president of the Board of Directors and founder of the Organization is also employed by the Organization. She received \$22,450 in wages during the fiscal year.

A member of CFHI's Board of Directors is also on the Board of Directors of a vendor of web-based services. During the year ended December 31, 2009, CFHI paid this vendor \$4,125 for services performed.

### **10. Subsequent Events**

In preparing these financial statements, Management has evaluated events and transactions for potential recognition or disclosure through May 11, 2010, the date the financial statements were available to be issued, and does not believe there are any material subsequent events which would require further disclosure.