

CHILD FOUNDATION
FINANCIAL STATEMENTS
Year Ended May 31, 2009

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TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' 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 - 11

INDEPENDENT AUDITORS' REPORT

Board of Directors
Child Foundation
Portland, Oregon

We have audited the accompanying statement of financial position of Child Foundation (a nonprofit corporation) as of May 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. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the financial statements of Child Foundation as of May 31, 2008 and in our report dated December 15, 2008, we expressed an unqualified opinion on those financial statements.

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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Foundation as of May 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.

Susan M. Haase, CPA

Susan M. Haase, CPA

November 4, 2009

CHILD FOUNDATION

STATEMENT OF FINANCIAL POSITION

Year Ended May 31, 2009

(With Comparative Totals for the Year Ended May 31, 2008)

ASSETS

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	274,437	257,542
Investments	0	0
Property and equipment, net	7,979	14,181
Prepaid expenses	74,802	9,599
Security deposits	1,611	671
Total assets	<u>358,829</u>	<u>281,993</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	7,446	4,210
Payroll tax liabilities	5,571	5,210
Total liabilities	<u>13,017</u>	<u>9,420</u>
Net assets		
Unrestricted	5,590	139,322
Temporarily restricted	340,222	133,251
Total net assets	<u>345,812</u>	<u>272,573</u>
Total liabilities and net assets	<u>358,829</u>	<u>281,993</u>

CHILD FOUNDATION

STATEMENT OF ACTIVITIES

Year Ended May 31, 2009

(With Comparative Totals for the Year Ended May 31, 2008)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2009</u>	<u>2008</u>
Revenues, gains and other support				
Public support				
Contributions	116,148	1,657,641	1,773,789	1,612,030
Interest income	1,743	0	1,743	0
Total Income	117,891	1,657,641	1,775,532	1,612,030
Net assets released from restrictions				
Satisfaction of program restrictions	1,450,670	(1,450,670)	0	0
Total Revenues, gains and other supports	1,568,561	206,971	1,775,532	1,612,030
 Expenses				
Program services	1,450,670	0	1,450,670	1,380,401
Supporting services				
Management and general	162,209	0	162,209	72,422
Development	89,414	0	89,414	63,598
Total expenses	1,702,293	0	1,702,293	1,516,421
 Change in net assets	(133,732)	206,971	73,239	95,609
Beginning net assets	139,322	133,251	272,573	176,964
Net assets, end of year	5,590	340,222	345,812	272,573

CHILD FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended May 31, 2009

(With Comparative Totals for the Year Ended May 31, 2008)

	PROGRAM SERVICES	SUPPORTING SERVICES		Total	
		Management and General	Development	2009	2008
Salaries and wages	\$ 143,201	\$ 29,929	\$ 24,304	\$ 197,434	\$ 207,503
Projects	1,139,359	0	0	1,139,359	1,089,958
Scholarships	0	0	500	500	5,500
Grants	0	0	0	0	11,000
Accounting	0	15,240	0	15,240	0
Advertising	2,015	50	6,756	8,821	916
Dues & Subscriptions	0	294	0	294	0
Employee Benefits	5,208	2,315	3,322	10,845	0
Fund-raising	119	0	24,074	24,193	16,212
Insurance	955	4,186	142	5,283	3,051
Legal	68,316	36,786	0	105,102	10,425
Licenses	0	5,731	0	5,731	1,171
Printing	10,057	2,787	7,195	20,039	21,574
Occupancy	7,656	13,030	2,397	23,083	8,536
Office supplies	2,935	8,228	1,001	12,164	7,874
Parking	340	599	330	1,269	0
Payroll taxes	11,245	2,850	1,999	16,094	16,516
Postage	13,820	2,433	9,636	25,889	17,611
Professional fees	12,895	25,380	12	38,287	63,133
Programming/Web Des	8,984	0	0	8,984	0
Telephone	1,878	4,591	4,721	11,190	5,659
Travel	0	1,346	2,401	3,747	4,102
Bank and merchant fee	17,181	2,601	0	19,782	15,083
Depreciation	4,458	3,833	624	8,915	9,860
Miscellaneous	48	0	0	48	737
	<u>1,450,670</u>	<u>162,209</u>	<u>89,414</u>	<u>1,702,293</u>	<u>1,516,421</u>

CHILD FOUNDATION

STATEMENT OF CASH FLOWS

Year Ended May 31, 2009

(With Comparative Totals for the Year Ended May 31, 2008)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Change in net assets	73,239	95,609
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Receivables	0	0
Prepaid expenses	(65,203)	180
Deposits	(940)	(39)
Accounts payable and accrued expenses	3,237	(14,620)
Accrued payroll taxes	361	691
Net cash provided by operating activities	10,694	91,682
Cash flows from investing activities:		
Purchase of fixed assets	(2,714)	(9,036)
Depreciation and amortization	8,915	9,860
Purchase of investing activities	0	24,789
Net cash used in investing activities	6,201	15,753
Net change in cash	16,895	107,435
Cash, beginning of year	257,542	150,107
Cash, end of year	274,437	257,542