

**INTERNATIONAL VOLUNTEERS IN UROLOGY, INC.**  
**FINANCIAL REPORT**  
**MARCH 31, 2005**

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## INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors  
International Volunteers in Urology, Inc.  
757 East South Temple, Suite 110  
Salt Lake City, UT 84102

We have reviewed the accompanying financial statements of International Volunteers in Urology, Inc. (A non-profit organization) as of and for the 15-Month period ended March 31, 2005 and the related statements of activities, functional expenses, and cash flows for the period then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the Organization's management.

A review consists principally of inquiries of the Organizations personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Ralph D. Chipman, CPA

August 23, 2005

**International Volunteers in Urology, Inc.**  
**Statement of Financial Position**  
**As of March 31, 2005**

ASSETS

Current Assets		
Cash and Cash Equivalents	\$ 154,624	
Dream Weaver Receivable	\$ 16,043	
Inventory	87,069	
Total Current Assets		\$ 257,736
Fixed Assets		
Medical and Office Equipment & Furniture	305,929	
Less: Accumulated Depreciation	(102,246)	
Fixed Assets (net)		203,683
 Total Assets		 \$ 461,419

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable		\$ 1,518
Total Liabilities		\$ 1,518
Net Assets		
Unrestricted	\$ 283,455	
Temporarily Restricted	176,446	
Total Net Assets		\$ 459,901
 Total Liabilities and Net Assets		 \$ 461,419

The accompanying notes are an integral part of the financial statements.

**International Volunteers in Urology, Inc.**  
**Statement of Activities**  
**For the Period**  
**January 1, 2004 thru March 31, 2005**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Support and Revenue				
Contributions	\$ 186,262	\$ 142,656	\$ -	\$ 328,918
In-kind Donations	155,146	-	-	155,146
Volunteer Services	729,271	-	-	729,271
Benefit Income	44,113	-	-	44,113
Miscellaneous Income	-	-	-	-
Interest Income	-	-	-	-
Net assets released from restrictions	<u>76,293</u>	<u>(76,293)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,191,085</u>	<u>66,363</u>	<u>-</u>	<u>1,257,448</u>
Expenses				
Program Services	1,183,884	-	-	1,183,884
General and Administrative	69,591	-	-	69,591
Development and Fundraising	<u>52,060</u>	<u>-</u>	<u>-</u>	<u>52,060</u>
Total Expenses	<u>1,305,535</u>	<u>-</u>	<u>-</u>	<u>1,305,535</u>
Change in Net Assets	(114,450)	66,363	-	(48,087)
Net Assets, Beginning of 15-Month Period	<u>397,905</u>	<u>110,083</u>	<u>-</u>	<u>507,988</u>
Net Assets, End of 15-Month Period	<u><u>\$ 283,455</u></u>	<u><u>\$ 176,446</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 459,901</u></u>

The accompanying notes are an integral part of the financial statements.

**International Volunteers in Urology, Inc.**  
**Statement of Functional Expenses**  
**For the Period**  
**January 1, 2004 thru March 31, 2005**

	Program Services	Supporting Services		TOTAL
		Management and General	Fund- raising	
Salaries and Wages	\$ 86,783	\$ 31,043	\$ 17,408	\$ 135,234
Payroll Taxes and Employee Benefits	8,506	3,046	1,737	13,289
Total salaries and related expenses	95,289	34,089	19,145	148,523
Overseas program expense	\$ 135,800	-	-	135,800
Accounting Fees	\$ 1,479	3,519	-	4,998
Legal and Professional	1,185	-	-	1,185
Travel	84,245	1,736	870	86,851
Printing and Publications	13,826	1,300	5,742	20,868
Postage	4,529	913	357	5,799
Occupancy	16,281	10,846	3,013	30,140
Conferences	4,507	2,868	813	8,188
Insurance	4,608	3,687	920	9,215
Fundraising	-	-	16,046	16,046
Medical Supplies	8,416	1,053	1,052	10,521
Miscellaneous	3,754	727	468	4,949
Board Meetings	6,073	-	-	6,073
Office Expenses	10,849	7,224	2,007	20,080
Total Expenses before Depreciation	390,841	67,962	50,433	509,236
Depreciation	63,772	1,629	1,627	67,028
Total Expenses	<u>\$ 454,613</u>	<u>\$ 69,591</u>	<u>\$ 52,060</u>	<u>\$ 576,264</u>

The accompanying notes are an integral part of the financial statements.

**International Volunteers in Urology, Inc.**  
**Statement of Cash Flows**  
**For the Period**  
**January 1, 2004 thru March 31, 2005**

Cash Flows from Operating Activities	
Change in Net Assets	\$ (48,087)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation Expense	67,028
Increase in Equipment	(214,188)
Changes in current assets and liabilities:	
(Increase) Decrease in accounts receivable	(16,043)
(Increase) Decrease in inventory	219,536
Increase (Decrease) in accounts payable	(8,442)
Increase (Decrease) in accrued liabilities	<u>(2,630)</u>
Total operating adjustments	<u>45,261</u>
Net cash from Operating Activities	(2,826)
Cash Flows from Investing Activities	
Sale (Purchase) of Other Assets	-
Sale (Purchase) of Depreciable Assets	<u>-</u>
Net cash from Investing Activities	-
Cash Flows from Financing Activities	
Increase (Decrease) in Long Term Debt	<u>-</u>
Net cash from Financing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(2,826)</u>
Cash and Equivalents at Beginning of Period	<u>157,450</u>
Cash and Equivalents at End of Period	<u><u>\$ 154,624</u></u>

Supplemental Cash Flow Information:

During the 15-month period ended March 31, 2005, non-cash contributions of inventory and equipment of \$155,146, and 4,933 hours of volunteer services of \$729,271 were received.

The accompanying notes are an integral part of the financial statements.

**INTERNATIONAL VOLUNTEERS IN UROLOGY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 15-MONTH PERIOD ENDED MARCH 31, 2005**

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**Note 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of International Volunteers in Urology, Inc. (the Organization) is presented to assist in understanding the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Business Activity** - International Volunteers in Urology, Inc. is a non-profit corporation, organized under the laws of the State of Georgia in November 1995. The Organization is committed to making quality urological care available to people worldwide. In fulfilling this mission, the Organization provides medical and surgical education to physicians and nurses, and treatment to suffering men, women and children. The organization derives its revenue from donations (cash and non-cash) from the general public. The Organization relocated to Salt Lake City, Utah during the year ended December 31, 2000.

**Accounting** - The financial statements of the Organization have been prepared on the accrual basis of accounting.

**Basis of Presentation** - The Organization has adopted Statements of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS 117, the Organization is required to group expenses according to the purpose for which costs are incurred. The primary functional classifications are: Program Services and Supporting Activities, such as Management & General and Fund-Raising. Net Assets are reported in three classes (unrestricted net assets, restricted net assets and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

The Organization has also adopted SFAS 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

**In-Kind Donations** - Contributions of donated non-cash assets meet the requirements of SFAS No. 116 and are, therefore, recorded at their fair values in the period received.

***Volunteer Services*** - The Organization receives a significant amount of donated services, \$729,271, from unpaid volunteers who assist in providing medical care. Certain amounts [\$1,183,884 (\$454,613 + \$729,271)] have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have been satisfied.

***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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Property & Equipment*** - The Organization follows the practice of capitalizing all expenditures for furniture and medical equipment in excess of \$1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the assets. The estimated useful lives of the furniture and equipment range between three and seven years. Depreciation expense for the 15-Month period ended March 31, 2005 was \$67,028.

***Income Taxes*** - The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provisions for federal income taxes in the accompanying financial statements. There was no unrelated business income for the 15-Month period ended March 31, 2005.

***Cash and Cash Equivalents*** - Cash and cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000.

***Functional Allocation of Expenses*** - The costs of providing the various programs and 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 benefitted.

***Inventories*** - Inventories are stated at discounted hospital catalog prices. Inventory consists of medical supplies and equipment used to provide urological care.

**Note 2**      **COMPREHENSIVE INCOME**

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," requires that total comprehensive income be reported in the financial statements. The Organization has no instances of comprehensive income to report.

**Note 3** LEASE AGREEMENT

The Organization entered into an Addendum to Office Space Lease for a Period of three-years on May 9, 2005. The addendum calls for monthly lease payments of \$1,146.44 for the first 12 months, \$1,180.07 for the next 12 months, and \$1,215.68 for the final twelve months.

Future Minimum Payments:

Fiscal Year Ended March 31, 2006	\$13,757
Fiscal Year Ended March 31, 2007	14,161
Fiscal Year Ended March 31, 2008	<u>14,588</u>
	<u>\$42,506</u>

**Note 4** PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31, 2005:

Office Furniture and Equipment	\$ 91,741
Medical Equipment	<u>214,188</u>
	305,929
Accumulated Depreciation	<u>102,246</u>
Total Property and Equipment	\$ <u>203,683</u>

**Note 5** TEMPORARILY RESTRICTED NET ASSETS

As of March 31, 2005 there is a total of \$176,446 in temporarily restricted net assets to be used for the following purposes:

Haiti	\$ 12,500
Honduras	777
India	65,991
Keith Kay	7,964
Mongolia	9,000
Vietnam	2,643
Women's Conference	8,617
Gates	15,327
Resident Scholar	38,377
RN Fund	550
DeVries	8,500
Cuba	<u>6,200</u>
Total temporarily restricted net assets	<u>\$176,446</u>