

**IVUMED, FORMERLY  
INTERNATIONAL VOLUNTEERS IN UROLOGY, INC.  
FINANCIAL REPORT  
MARCH 31, 2008**

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INDEPENDENT ACCOUNTANT'S REPORT

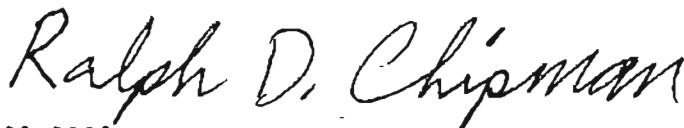
To the Board of Directors  
IVUmed, formerly  
International Volunteers in Urology, Inc.  
757 East South Temple, Suite 110  
Salt Lake City, UT 84102

We have reviewed the accompanying statement of financial position of **IVUmed, formerly International Volunteers in Urology, Inc.** (a non-profit organization) as of March 31, 2008 and the related statements of activities, functional expenses, and cash flows for the year 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



June 09, 2008

**IVUmed, formerly  
International Volunteers in Urology, Inc.  
Statement of Financial Position  
As of March 31, 2008**

ASSETS

Current Assets		
Cash and Cash Equivalents	\$ 156,210	
Inventory	201,352	
Total Current Assets		\$ 357,562
Fixed Assets		
Medical and Office Equipment & Furniture	165,947	
Less: Accumulated Depreciation	(119,823)	
Fixed Assets (net)		46,124
Total Assets		\$ 403,686

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 2,406	
Payroll Liabilities	3,315	
Total Liabilities		\$ 5,721
Net Assets		
Unrestricted	\$ 290,688	
Temporarily Restricted	107,277	
Total Net Assets		\$ 397,965
Total Liabilities and Net Assets		\$ 403,686

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

**IVUmed, formerly  
International Volunteers in Urology, Inc.**  
Statement of Activities  
For the Year  
April 1, 2007 thru March 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue				
Contributions	\$ 314,474	\$ 127,159	\$ -	\$ 441,633
In-kind Donations	242,741	-	-	242,741
Volunteer Services	977,860	-	-	977,860
Benefit Income	63,390	-	-	63,390
Other Misc. Income	-	-	-	-
Interest Income	6,273	-	-	6,273
Net assets released from restrictions	<u>78,725</u>	<u>(78,725)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,683,463</u>	<u>48,434</u>	<u>-</u>	<u>1,731,897</u>
Expenses				
Program Services	1,434,902	-	-	1,434,902
General and Administrative	138,760	-	-	138,760
Development and Fundraising	<u>107,212</u>	<u>-</u>	<u>-</u>	<u>107,212</u>
Total Expenses	<u>1,680,874</u>	<u>-</u>	<u>-</u>	<u>1,680,874</u>
Change in Net Assets	2,589	48,434	-	51,023
Net Assets, Beginning of Period	<u>288,099</u>	<u>58,843</u>	<u>-</u>	<u>346,942</u>
Net Assets, End of Period	<u>\$ 290,688</u>	<u>\$ 107,277</u>	<u>\$ -</u>	<u>\$ 397,965</u>

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

**IVUmed, formerly  
International Volunteers in Urology, Inc.  
Statement of Functional Expenses  
For the Year  
April 1, 2007 thru March 31, 2008**

	Program Services	Supporting Services		TOTAL
		Management and General	Fund- raising	
Salaries and Wages	\$ 99,340	\$ 84,309	\$ 18,062	\$ 201,711
Employee Benefits	12,652	10,738	2,300	25,690
Payroll Taxes	7,720	6,552	1,404	15,676
Total Salaries and Related Expenses	119,712	101,599	21,766	243,077
Overseas & Specific Program Expenses	1,245,763	-	-	1,245,763
Accounting Fees	3,245	2,065	590	5,900
Legal and Professional	-	-	2,833	2,833
Occupancy	10,862	6,912	1,975	19,749
Printing & Publications	660	3,282	22,276	26,218
Conferences, conventions and meetings	744	5,028	18,598	24,370
Interest	1,159	738	211	2,108
Fundraising	114	73	27,864	28,051
Insurance	1,996	1,270	363	3,629
Local Events	186	728	134	1,048
Outside Services	8,697	7,198	5,584	21,479
Office Expenses	13,016	9,110	4,261	26,387
Total Expenses before Depreciation	1,406,154	138,003	106,455	1,650,612
Depreciation	28,748	757	757	30,262
Total Expenses	<u>\$ 1,434,902</u>	<u>\$ 138,760</u>	<u>\$ 107,212</u>	<u>\$ 1,680,874</u>

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

**IVUmed, formerly  
International Volunteers in Urology, Inc.**  
Statement of Cash Flows  
For the Year  
April 1, 2007 thru March 31, 2008

Cash Flows from Operating Activities	
Change in Net Assets	\$ 51,023
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation Expense	30,262
Increase in Equipment	(31,673)
Changes in current assets and liabilities:	
(Increase) Decrease in inventory	(97,038)
Increase (Decrease) in accounts payable	<u>2,380</u>
Total operating adjustments	<u>(96,069)</u>
Net cash from Operating Activities	(45,046)
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>(45,046)</u>
Cash and Equivalents at Beginning of Period	<u>201,256</u>
Cash and Equivalents at End of Period	<u><u>\$ 156,210</u></u>

Supplemental Cash Flow Information:

**During the period ended March 31, 2008, non-cash contributions of inventory and equipment of \$242,741, and 5,780 hours or \$954,700 of medical volunteer services were received. In addition, 1,544 hours or \$23,160 of non-medical services were contributed to IVU.**

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

**IVUMED, FORMERLY  
INTERNATIONAL VOLUNTEERS IN UROLOGY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2008**

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

This summary of significant accounting policies of IVUmed, formerly International Volunteers in Urology, Inc. (the Corporation) is presented to assist in understanding the Corporation'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*** - IVUmed, formerly International Volunteers in Urology, Inc. is a non-profit corporation, originally incorporated under the laws of the State of Georgia in November 1995. The Corporation relocated to Salt Lake City, Utah during the year ended December 31, 2000 and was registered in the State of Utah, Department of Commerce, Division of Corporations & Commercial Code on April 28, 2006. The Corporation is committed to making quality urological and other health care available to people worldwide. In fulfilling this mission, the Corporation provides medical and surgical education to physicians and nurses and treatment to suffering men, women and children, while providing much needed surgical service. The Corporation derives its revenue from donations (cash and non-cash) from the general public.

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

***Basis of Presentation*** - The Corporation has adopted Statements of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS 117, the Corporation 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.

The Corporation 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. Accordingly, 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 Corporation 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 Corporation received a significant amount of donated services, \$954,700 from unpaid medical volunteers who assisted in providing medical care and training, and \$23,160 of other non-medical services. These amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 has 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 Corporation 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 calculated over the estimated useful lives of the assets. The estimated useful lives of the furniture and medical equipment range between three and seven years. Depreciation expense for the period ended March 31, 2008 was \$30,262.

***Income Taxes*** - The Corporation 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 period ended March 31, 2008.

***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 surgical 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 Corporation has no instances of comprehensive income to report.

**Note 3** LEASE AGREEMENT

The Corporation entered into a Third Addendum to the Addendum to Office Space Lease for a period of six-months on April 10, 2008. This third addendum calls for monthly lease payments of \$1,561.15 through September 30, 2008.

Future Minimum Payments:

Total Future Minimum Payments  
through September 30, 2008           \$ 9,367

**Note 4** PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of March 31, 2008:

Office Furniture and Equipment	\$ 92,684
Medical Equipment	<u>73,263</u>
	165,947
Accumulated Depreciation	<u>119,823</u>
Total Property and Equipment	\$ <u>46,124</u>

**Note 5** TEMPORARILY RESTRICTED NET ASSETS

As of March 31, 2008 there is a total of \$107,277 in temporarily restricted net assets to be used for the following purposes:

Various Contributors for Resident Scholars	\$ 34,550
Chrouser for Development Program	13,397
Kaye for Development Program	6,319
Budlani for Development Program	<u>53,011</u>
Total temporarily restricted net assets	\$ <u>107,277</u>

**Note 6** NET CASH FROM OPERATING ACTIVITIES

Although Net Assets increased by \$51,023 there was a Net Decrease in Cash and Cash Equivalents of \$45,046. This is due primarily to increases in inventory.