



CARE FOR LIFE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009



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**Mansperger
Patterson
& McMullin, PLC**
CERTIFIED PUBLIC ACCOUNTANTS

Jeffrey C. McMullin
James A. Wraith
Bradley W. Enos
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Russell K. Kimberlin
Stephen G. Hale
LaDawn Setser

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

CARE FOR LIFE, INC.
Gilbert, Arizona

We have audited the accompanying statement of financial position - modified cash basis of Care For Life, Inc. as of December 31, 2009, and the related statement of activities - modified cash basis and statement of cash flows - modified cash basis 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.

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.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which are a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of Care For Life, Inc. as of December 31, 2009, and its activities and cash flows for the year then ended on the basis of accounting described above.

Mansperger Patterson & McMullin, PLC
by Bradley W. Enos

Tempe, Arizona
June 29, 2010

CARE FOR LIFE
STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2009

CURRENT ASSETS

Cash and cash equivalents	\$ <u>197,978</u>
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PROPERTY AND EQUIPMENT

Computers, equipment and furniture	44,373
Building and Land	131,567
Vehicles	<u>109,494</u>

	285,435
Less: accumulated depreciation	<u>(148,684)</u>

Total property and equipment	<u>136,751</u>
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	\$ <u><u>334,729</u></u>
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CURRENT LIABILITIES

Accrued expenses (credit cards, payroll taxes)	\$ <u>1,546</u>
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NET ASSETS

Unrestricted	232,255
Temporarily restricted	<u>100,928</u>
	333,183

	\$ <u><u>334,729</u></u>
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The Accompanying Notes are an Integral Part
of These Financial Statements.

CARE FOR LIFE
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

NET ASSETS:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT			
Contributions	\$ 498,452	\$ -	\$ 498,452
Grants	-	29,310	29,310
Special events, net program income	7,007	-	7,007
Interest income and other income	25,092	-	25,092
Gain on sale of investment	4,028	-	4,028
Net assets released from restrictions	<u>59,663</u>	<u>(59,663)</u>	<u>-</u>
Total support	<u>594,242</u>	<u>(30,353)</u>	<u>563,889</u>
EXPENSES			
Program services	361,730	-	361,730
Management and general	241,033	-	241,033
Fundraising	<u>22,676</u>	<u>-</u>	<u>22,676</u>
Total expense	625,439	-	625,439
INCREASE IN NET ASSETS	(31,197)	(30,353)	(61,550)
Net assets, beginning of year	<u>263,452</u>	<u>131,281</u>	<u>394,733</u>
NET ASSETS, END OF YEAR	\$ <u><u>232,255</u></u>	\$ <u><u>100,928</u></u>	\$ <u><u>333,183</u></u>

The Accompanying Notes are an Integral Part
of These Financial Statements.

CARE FOR LIFE
STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (61,550)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Gain on sale of investment	(4,028)
Depreciation	23,782
Increase (decrease) in:	
Accrued expense	<u>(464)</u>

NET CASH USED BY OPERATING ACTIVITIES	<u>(42,260)</u>
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CASH FLOWS FROM INVESTMENT ACTIVITIES

Cash received on sale of investments	<u>195,000</u>
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NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>195,000</u>
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INCREASE IN CASH	152,740
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Cash, beginning of year	<u>45,238</u>
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CASH, END OF YEAR	<u><u>\$ 197,978</u></u>
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The Accompanying Notes are an Integral Part
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CARE FOR LIFE
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>FUNDRAISING</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
Advertising & promotion	\$ -	\$ -	\$ 73	\$ 73
Auto	-	24,409	-	24,409
Banking/Finance	-	35	6,257	6,292
Celebration day awards	-	43,491	-	43,491
Charitable funding	-	17,601	525	18,126
Depreciation	-	23,782	-	23,782
Fun run	2,329	-	-	2,329
Insurance	-	-	11,335	11,335
Marketing	13,333	-	-	13,333
Meals & groceries	-	2,480	1,996	4,476
Miscellaneous	-	12,381	10,112	22,493
Payroll expenses	-	96,620	187,932	284,552
Postage and delivery	429	27	394	850
Printing and reproduction	3,998	1	10,991	14,990
Program Cost - Interns/Volunteers	-	58,029	-	58,029
Repair (building & equipment)	-	-	3,805	3,805
Software	2,587	-	-	2,587
Supplies	-	53,547	5,988	59,535
Travel	-	12,379	-	12,379
Utilities	-	16,948	1,625	18,573
Total expenses	\$ <u>22,676</u>	\$ <u>361,730</u>	\$ <u>241,033</u>	\$ <u>625,439</u>

The Accompanying Notes are an Integral Part
of These Financial Statements.

CARE FOR LIFE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POICIES AND NATURE OF OPERATIONS

History & Purpose

Care For Life, Inc. (Organization), a nonprofit organization, began operations in Arizona and in Mozambique, Africa in 2001. The Organization's focus of work are the people of Mozambique and its mission is to alleviate suffering, foster self-reliance, and instill hope in the people of Mozambique.

Foreign Currency Translation

The functional currencies of the Organization are the local currencies which is the Metecal. The financial statements of the Organization have been translated into U.S. dollars in accordance with FASB ASC 830, *Foreign Currency Matters*, which establishes a framework for foreign currency matters. All assets have been translated at exchange rates in effect at the balance sheet date. Income statement activity with respect to the foreign operations are converted at the average rate for the year.

Basis of Accounting

The accompanying financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The modified cash basis recognizes revenues when received and expenses when paid, with the exception that certain assets, such as furniture, equipment and buildings, have been capitalized and a provision for accumulated depreciation and amortization has been made.

Financial Statement Presentation

The Organization adopted FASB ASC 958, *Financial Statements of Not-for-Profit Organizations*, which requires the Organization 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.

CARE FOR LIFE, INC.
NOTES TO THE FINANCIAL STATEMENTS, (CONTINUED)
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POICIES AND NATURE OF OPERATIONS (CONTINUED)

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 statement of activities as net assets released from restriction.

Income Taxes

The Organization is a not-for profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for federal or state income taxes.

Property and Equipment

Generally, property and equipment acquisitions in excess of \$1,000 are capitalized. Property and equipment are recorded at cost and depreciation is provided for by using the straight-line method over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Computers, equipment & furniture	5-7 Years
Vehicles	5 Years
Buildings	39.5 Years

Depreciation expense for the year ended December 31, 2009 was \$23,782.

Cash and Cash Equivalents

The Organization considers all short-term highly liquid instruments, which are readily convertible to cash with maturities of three months or less to be cash equivalents.

Functional Expenses

The Organization allocates expenses on a functional basis among three categories: program services, management and general and fundraising. Expenses are allocated directly to the program or support service benefited.

CARE FOR LIFE, INC.
NOTES TO THE FINANCIAL STATEMENTS, (CONTINUED)
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POICIES AND NATURE OF OPERATIONS (CONTINUED)

Investments

Investments in equity securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investments income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or use) in the reporting period in which the income and gains are recognized.

Subsequent Event

Management has evaluated subsequent events through June 29, 2010, the date the financial statements were available to be issued.

NOTE 2 - USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or support and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - DONATED SERVICES

The Organization receives a significant amount of donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the statement of activities because of the criteria for recognition have not been satisfied.

NOTE 4 - INVESTMENT

The Organization received donations of land located in Arizona in 2007 and 2008. These donations of land were sold during 2009 for \$195,000.

NOTE 5 - RESTRICTIONS ON NET ASSETS

The Organization has been awarded a grant from the Mozambique Government and Health Alliance International for implementation of the Family Preservation Program, printing and distribution of educational materials and training of Mid-wives for its citizens and home based care. This grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred.

CARE FOR LIFE, INC.
NOTES TO THE FINANCIAL STATEMENTS, (CONTINUED)
DECEMBER 31, 2009

NOTE 5 - RESTRICTIONS ON NET ASSETS (CONTINUED)

Temporarily restricted net assets as of December 31, 2009:

	<u>2009</u>
Beginning Balance as of December 31, 2008	131,281
Grants – Building of homes, implementation of the Family Preservation Program, distribution of educational materials, and Mid-wives training	29,310
Expenses	<u>(59,663)</u>
Temporarily Restricted Net Assets	<u><u>100,928</u></u>

NOTE 6 – MAJOR DONORS

A major donor is any donor providing donations greater than 10% of total unrestricted support. During the year ended December 31, 2009 the Organization received donations from two major donors totaling \$337,000 which represents approximately 67% of unrestricted support.