

WORLD MEDICAL RELIEF, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2012

BOISVENU & COMPANY, P.C.
Certified Public Accountants
Bingham Farms, Michigan

WORLD MEDICAL RELIEF, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
World Medical Relief, Inc.

We have audited the accompanying financial statements of World Medical Relief, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Organization's December 31, 2011 financial statements and, in our report dated June 28, 2012, we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Medical Relief, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Boisvenu & Company, P.C.

July 30, 2013

WORLD MEDICAL RELIEF, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012, WITH COMPARATIVE TOTALS FOR 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2012	2011
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 1,096,290	\$ 12,638	\$ -	\$ 1,108,928	\$ 151,790
Pledges and accounts receivable-net	208,409	79,892	-	288,301	69,782
Prepaid expenses	7,041	-	-	7,041	5,063
Total Current Assets	1,311,740	92,530	-	1,404,270	226,635
Non-current Assets					
Investments	50,000	-	-	50,000	-
Beneficial interest	1,289	-	10,000	11,289	10,515
Medical equipment supplies	2,602,452	-	-	2,602,452	2,007,362
Property and equipment - net	35,241	-	-	35,241	40,846
Total Non-current Assets	2,688,982	-	10,000	2,698,982	2,058,723
TOTAL ASSETS	\$ 4,000,722	\$ 92,530	\$ 10,000	\$ 4,103,252	\$ 2,285,358
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable	\$ 35,362	\$ -	\$ -	\$ 35,362	\$ 6,266
Accrued expenses	53,913	-	-	53,913	54,247
Deferred revenue	184,777	-	-	184,777	92,922
Refundable advances	56,000	-	-	56,000	20,000
Line of credit	6,000	-	-	6,000	12,700
Total Liabilities	336,052	-	-	336,052	186,135
Net Assets					
Unrestricted	3,664,670	-	-	3,664,670	2,016,824
Temporarily restricted	-	92,530	-	92,530	72,399
Permanently restricted	-	-	10,000	10,000	10,000
Total Net Assets	3,664,670	92,530	10,000	3,767,200	2,099,223
TOTAL LIABILITIES AND NET ASSETS	\$ 4,000,722	\$ 92,530	\$ 10,000	\$ 4,103,252	\$ 2,285,358

See accompanying notes to financial statements.

WORLD MEDICAL RELIEF, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2012, WITH COMPARATIVE TOTALS FOR 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2012	Total 2011
PUBLIC SUPPORT AND REVENUE					
Public Support					
United Way allocations	\$ 19,309	\$ -	\$ -	\$ 19,309	\$ 40,309
Contributions					
Donated medical equipment, prescription drugs and supplies	26,350,711	-	-	26,350,711	19,920,790
Donated services	109,732	-	-	109,732	117,269
General contributions	1,188,278	186,697	-	1,374,975	263,562
Irene M. Auberlin Foundation	72,000	-	-	72,000	63,000
Special events - net	41,577	-	-	41,577	36,842
	27,781,607	186,697	-	27,968,304	20,441,772
Net assets released from restrictions	166,566	(166,566)	-	-	-
Total Public Support	27,948,173	20,131	-	27,968,304	20,441,772
Revenue					
Handling service charge	443,946	-	-	443,946	384,950
Prescription service charge	187,261	-	-	187,261	184,506
Investment income and other	11,573	-	-	11,573	10,416
Durable medical equipment service	10,673	-	-	10,673	11,449
Total Revenue	653,453	-	-	653,453	591,321
TOTAL PUBLIC SUPPORT AND REVENUE	28,601,626	20,131	-	28,621,757	21,033,093
EXPENSES					
Program services	27,338,830	-	-	27,338,830	20,794,293
Management and general	120,201	-	-	120,201	118,353
Fund raising	89,589	-	-	89,589	86,442
TOTAL EXPENSES	27,548,620	-	-	27,548,620	20,999,088
CHANGE IN NET ASSETS	1,053,006	20,131	-	1,073,137	34,005
OTHER CHANGES IN NET ASSETS					
Adjustment to medical equipment supplies	594,840	-	-	594,840	773,409
INCREASE IN NET ASSETS	1,647,846	20,131	-	1,667,977	807,414
NET ASSETS, beginning of year	2,016,824	72,399	10,000	2,099,223	1,291,809
NET ASSETS, end of year	\$ 3,664,670	\$ 92,530	\$ 10,000	\$ 3,767,200	\$ 2,099,223

See accompanying notes to financial statements.

WORLD MEDICAL RELIEF, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2012, WITH COMPARATIVE TOTALS FOR 2011

	Program Services		Supporting Services		Total	
	Local	International	Management and General	Fund Raising	2012	2011
Salaries	\$ 252,589	\$ 151,654	\$ 76,133	\$ 51,618	\$ 531,994	\$ 520,901
Payroll taxes	19,262	11,565	5,806	3,936	40,569	39,919
Employee benefits	37,606	22,579	11,335	7,685	79,205	72,640
Contract labor	892	13,008	-	-	13,900	10,028
Donated services	-	109,732	-	-	109,732	117,269
Donated medical equipment supplies	4,471,462	21,879,249	-	-	26,350,711	19,920,790
Purchases	66,080	15,342	-	-	81,422	69,910
Insurance	16,827	6,472	1,294	1,294	25,887	25,088
Office supplies and expenses	8,644	672	7,315	9,813	26,444	17,027
Program supplies	11,528	3,815	-	-	15,343	17,138
Dues, licenses and permits	2,705	610	1,685	356	5,356	4,081
Outside services	7,507	4,507	2,263	1,534	15,811	15,147
Utilities	22,644	22,644	2,516	2,516	50,320	58,422
Maintenance	66,728	66,728	7,414	7,414	148,284	53,518
Vehicle	3,139	7,323	-	-	10,462	10,441
Telephone	6,184	1,427	951	951	9,513	7,981
Postage and delivery	19,585	2,150	717	1,433	23,885	22,431
Training and conferences	33	725	1,542	1,039	3,339	3,410
Bad debt	-	-	-	-	-	500
Interest	-	-	838	-	838	1,515
Total Functional Expenses						
Before Depreciation	5,013,415	22,320,202	119,809	89,589	27,543,015	20,988,156
Depreciation	4,372	841	392	-	5,605	10,932
Total Functional Expenses	<u>\$ 5,017,787</u>	<u>\$ 22,321,043</u>	<u>\$ 120,201</u>	<u>\$ 89,589</u>	<u>\$ 27,548,620</u>	<u>\$ 20,999,088</u>

See accompanying notes to financial statements.

WORLD MEDICAL RELIEF, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2012, WITH COMPARATIVE TOTALS FOR 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,667,977	\$ 807,414
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	5,605	10,932
Donated investment	(50,000)	-
Net (gain) loss on endowment fund	(774)	366
Change in donated medical equipment supplies	(594,840)	(773,409)
(Increase) decrease in operating assets		
Pledges and accounts receivable	(218,519)	37,760
Prepaid expenses	(1,978)	(186)
Inventory	(250)	(484)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	28,762	(25,285)
Deferred revenue	91,855	11,275
Refundable advances	36,000	20,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	963,838	88,383
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(12,500)
NET CASH USED BY INVESTING ACTIVITIES	-	(12,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit	(6,700)	(6,515)
NET CASH USED BY FINANCING ACTIVITIES	(6,700)	(6,515)
NET INCREASE IN CASH	957,138	69,368
CASH AND CASH EQUIVALENTS, beginning of year	151,790	82,422
CASH AND CASH EQUIVALENTS, end of year	\$ 1,108,928	\$ 151,790
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 838	\$ 1,515

See accompanying notes to financial statements.

WORLD MEDICAL RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

World Medical Relief, Inc. (the Organization) is a Michigan nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation.

The Organization was established for the purpose of obtaining contributions of medical and dental supplies, equipment, and prescription drugs for distribution to individuals, clinics, and hospitals throughout the world for the benefit of indigent persons. Most of these contributions consist of numerous and varying gifts in-kind.

The Organization's program and supporting services are as follows:

Program Services

International Program – The Organization ships medical supplies, equipment, and prescription drugs throughout the world for the benefit of indigent persons.

Local Programs – Local programs consist of the following:

- Affordable Prescription Program – The prescription program provides monthly prescription drugs to needy area citizens.
- Medical Supply Service – The medical supply service provides diapers and blue pads to the metropolitan Detroit community.
- Durable Medical Equipment Service – The durable medical equipment service assists individuals of all ages who are financially unable to obtain medical equipment including canes, walkers, and hospital beds.
- Other Services – New blankets and hygiene kits are provided to the local area homeless, domestic violence victims, and runaway shelter programs.

Management and General

This includes the functions necessary to maintain an adequate working environment, provide proper administrative support of the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Organization (continued)

Fund Raising

This provides the structure necessary to encourage and secure support from individuals, foundations and government agencies.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements*. Under ASC 958-205, 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.

Unrestricted Net Assets - net assets that are not subject to "donor-imposed" time or purpose restrictions.

Temporarily Restricted Net Assets - net assets subject to "donor-imposed" restrictions that may or will be met by actions of the Organization and/or the passage of time. Restrictions that expire with the passage of time or can be removed by accomplishing certain requirements are classified as temporarily restricted net assets.

Permanently Restricted Net Assets - net assets subject to "donor-imposed" restrictions that they be maintained in perpetuity. Restrictions that require an asset be invested and only allow the income to be used are classified as permanently restricted net assets.

Earnings, gains and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 of revenues and expenses during the reported period. Actual results could differ from those estimates.

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

The Organization determines its allowance for doubtful accounts based on prior years' experience and management's analysis of possible bad debts. Accounts receivable is stated net of an allowance for doubtful accounts.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

Medical Equipment Supplies

The Organization's medical equipment supplies consist primarily of donated medical and dental supplies, equipment, and prescription drugs. Management values medical equipment supplies on hand based on distributions in the subsequent months. The Organization values donated medical and dental supplies and equipment at fair value. Prescription drugs are valued at cost when purchased or estimated retail value when donated.

Property and Equipment

Property and equipment is carried at cost or, if donated, at fair market value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of five to thirteen years. The Organization's policy is to capitalize acquisitions of \$500 or more. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue and Support

Revenue from governmental grant awards under expense reimbursement programs is recognized in the period during which the related expenses are incurred. In cases where expenses are incurred in advance of receiving the grant, revenue and grants receivable are recorded in the period during which the expenses are incurred. In cases where grants are received in advance of incurring the expenses, deferred revenue is recorded in the period during which the advance is received and recognized as income when the related expenses are incurred.

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

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 restrictions.

The Organization reports gifts of equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Functional Classification of Expenses

Direct expenses which can be clearly defined as incurred for a specific program are charged to that program. Indirect expenses are allocated to program and supporting services based on time and use analysis by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Organization accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these standards, the Organization recognizes tax positions only to the extent that the Organization believes it is “more likely than not” that its tax positions will be sustained upon IRS examination. The Organization believes that it has no uncertain tax positions for the year ended December 31, 2012.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization’s financial condition, change in net assets, or cash flows. Accordingly, the Organization has not recorded any reserves or related accruals for interest and penalties for uncertain tax positions at December 31, 2012.

The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2005.

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Disclosure

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, accounts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

2. FAIR VALUE MEASUREMENTS

Various inputs may be used in determining the fair value of the Organization's assets and liabilities measured on a recurring basis. These inputs are market-based measurements based on and determined by the assumptions that market participants would use in pricing an asset or a liability and are summarized into three levels:

Level (1): Inputs to the valuation methodology are quoted prices for identical assets in active markets.

Level (2): Inputs to the valuation methodology include quoted prices for similar assets in active markets, and inputs that are observable for the asset, either directly or indirectly.

Level (3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the Organization's own assumptions in determining the fair value of an asset or a liability).

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about projections market participants would use in developing a price that would be received to sell an asset or paid to transfer a liability based on the best information available in the circumstances. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

2. FAIR VALUE MEASUREMENTS (continued)

The following table summarizes the Organization's inputs used to determine their values on December 31, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in perpetual endowment	\$ -	\$ 11,289	\$ -
Medical equipment supplies	-	-	2,602,452
Partnership interest	-	-	50,000
	<u>\$ -</u>	<u>\$ 11,289</u>	<u>\$ 2,652,452</u>

The following table summarizes the change in the fair values for Level 3 assets for the year ended December 31, 2012:

	<u>Medical Equipment Supplies</u>	<u>Partnership Interest</u>
Balance at December 31, 2011	\$ 2,007,362	\$ -
Change in inventory	595,090	-
Donated Partnership	-	50,000
Balance at December 31, 2012	<u>\$ 2,602,452</u>	<u>\$ 50,000</u>

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

3. ENDOWMENT FUND

The Organization entered into an agreement with the Community Foundation for Southeast Michigan (CFSEM) to establish an endowment fund. The fund was created with the proceeds from an unrestricted contribution of \$10,000 that the Organization had received. In accordance with FASB ASC 958-605-25-24, *Transfer of Assets to a Non-Profit or Charitable Trust That Raises or Holds Contributions for Others*, this portion of the fund, known as the reciprocal portion, has been recorded as an asset on the books of the Organization, even though CFSEM may have variance power over the asset. In addition to the reciprocal transfer made by the Organization, third party donors have also made contributions to the fund for the benefit of the Organization. CFSEM maintains explicit variance power over any third party gifts and the earnings thereon. As a result, in accordance with FASB ASC 958, this amount is not recorded as an asset of the Organization. Fund investments are determined by the trustee of CFSEM and earnings are available for distribution to the Organization for operations at the discretion of CFSEM. The market value of the contributed portion of the fund (contributions from third party donors plus net earnings) has been calculated by CFSEM and is shown below as amount allocable to the contributed amount of the fund. As of December 31, 2012, the endowment fund's balance is as follows:

	Amount allocable to the reciprocal transfer amount	Amount allocable to the contributed amount of the fund	Total
Market value at December 31, 2011	\$ 10,515	\$ 668	\$ 11,183
Contributions	-	-	-
Change in investment	1,404	90	1,494
Grant funds distributed	(525)	(11)	(536)
Fees	(105)	(4)	(109)
Market value at December 31, 2012	<u>\$ 11,289</u>	<u>\$ 743</u>	<u>\$ 12,032</u>

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

4. PROPERTY AND EQUIPMENT

At December 31, 2012, property and equipment consists of the following:

	Beginning Balance	Additions	Dispositions	Ending Balance
Building and improvements	\$ 981,711	\$ -	\$ -	\$ 981,711
Machinery and equipment	99,289	-	-	99,289
Vehicles	29,747	-	-	29,747
	<u>\$ 1,110,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,110,747</u>
Less accumulated depreciation				<u>1,075,506</u>
				<u>\$ 35,241</u>

5. LEASE COMMITMENTS

The Organization leases office equipment under lease agreements expiring through 2016.

Future minimum lease payments are as follows for the years ending December 31:

2013	\$ 6,096
2014	6,096
2015	6,096
2016	<u>132</u>
	<u>\$ 18,420</u>

6. LINE OF CREDIT

The Organization has a \$25,000 line of credit. Borrowings under this line of credit bear interest at 2.25% over the bank's prime rate (total rate of 8.75% at December 31, 2012) and are due on demand. Borrowings are secured by the receivables of the Organization.

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

7. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2012, temporarily restricted net assets are available for the following:

Prescription assistance	\$ 79,892
Provide blankets	6,969
Donor Development and Planned Giving Program	5,093
Third floor staff	538
Hygiene kits	<u>38</u>
	<u>\$ 92,530</u>

8. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of donor-restricted assets (endowments) of which only the income can be spent. Unrealized gains and losses are recorded as unrestricted income.

9. DONATED SERVICES

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In 2012, the Organization received approximately 3,370 hours of volunteer professional services valued at approximately \$109,700.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The Organization received approximately 14,450 hours of nonprofessional volunteer time in 2012, with an estimated value of \$320,000.

10. FOUNDATION

In 1988, as the result of a bequest from an estate, the Organization established the Irene M. Auberlin Foundation (the Foundation). The Foundation provides distributions and grants to tax-exempt, nonprofit organizations that supply medical and dental supplies, equipment, and drugs for the benefit of indigent persons or for other such charitable and educational purposes as the Foundation's Board of Trustees shall deem proper. The Foundation's Board of Trustees are members of the Organization's Executive Committee. Distributions received from the Foundation of \$72,000 are reported as public support in the statement of activities. The unaudited total assets and total net assets of the Foundation were approximately \$945,000, respectively, as of December 31, 2012.

WORLD MEDICAL RELIEF, INC.

NOTES TO FINANCIAL STATEMENTS

11. SPECIAL EVENTS

Revenue from special events was \$59,575 with related expenses of \$17,998 for the year ended December 31, 2012.

12. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year are as follows:

Purpose restriction accomplished	
Affordable Prescription Program	\$ 107,106
Hygiene kits	19,018
Blankets	14,624
Third floor staff	14,462
Donor Development and Planned Giving Program	4,907
Marketing project	5,000
Other	<u>1,449</u>
	<u>\$ 166,566</u>

13. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in two financial institutions in Michigan. The balances for interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At December 31, 2012, the balances are fully insured.

The Organization also maintains cash balances in money market funds, which are not insured by the FDIC. At December 31, 2012, the uninsured money market funds total approximately \$1,012,500.

14. COMPARATIVE FINANCIAL 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 ended December 31, 2011 from which the summarized information was derived.

WORLD MEDICAL RELIEF, INC.
NOTES TO FINANCIAL STATEMENTS

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 30, 2013, the date the financial statements were available to be issued.