

FAMILY CARE INTERNATIONAL, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2010 AND 2009

**TCBA WATSON RICE LLP
CERTIFIED PUBLIC ACCOUNTANTS**

**FAMILY CARE INTERNATIONAL, INC.
DECEMBER 31, 2010 AND 2009**

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report.....	1
Financial Statements	
Statements of Financial Position.....	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7
Supplementary Information	
Financial Highlights.....	25



5 Penn Plaza
New York, New York 10001
www.tcbawatsonrice.com

Telephone: 212.447.7300
Facsimile: 212.683.6031
tcbawatsonrice@tcbawatsonrice.com

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Family Care International, Inc.

We have audited the accompanying statements of financial position of Family Care International, Inc. as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Family Care International, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide 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 Family Care International, Inc. as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial highlights - schedule of activities and changes in net assets of Family Care International, Inc. for the year ended December 31, 2010 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

TCBA Watson Rice LLP

New York, New York
August 8, 2011

**FAMILY CARE INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash (Notes 2 and 3)	\$ 933,620	\$ 889,451
Investments (Notes 4 and 5)	8,405	-
Receivables from:		
United Nations agencies	272,985	109,751
Foreign governments	917,981	23,524
Foundations and trusts	1,037,371	420,000
General contributors	-	5,100
Consultancy	53,000	39,024
Other assets	376,393	172,260
Property and equipment (Note 6)	<u>169,662</u>	<u>206,574</u>
Total Assets	<u>\$ 3,769,417</u>	<u>\$ 1,865,684</u>
LIABILITIES AND NET ASSETS		
<u>Liabilities</u>		
Accounts payable and accrued expenses	\$ 273,467	\$ 375,083
Grants payable (Note 12)	<u>74,592</u>	<u>156,501</u>
Total Liabilities	<u>348,059</u>	<u>531,584</u>
<u>Net Assets</u>		
Temporarily restricted (Note 9)	<u>3,421,358</u>	<u>1,334,100</u>
Total Liabilities and Net Assets	<u>\$ 3,769,417</u>	<u>\$ 1,865,684</u>

See notes to financial statements.

FAMILY CARE INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE (Note 11)						
The World Bank - IBRD	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ 100,000
United Nations agencies	-	1,871,041	1,871,041	-	2,398,583	2,398,583
Foreign governments	900,590	1,211,432	2,112,022	-	581,326	581,326
Foundations and trusts	72,000	2,792,663	2,864,663	10,000	1,354,233	1,364,233
General contributions	56,459	67,748	124,207	156,772	131,939	288,711
In-kind contributions (Notes 4 and 12)	8,405	-	8,405	124,618	-	124,618
Consultancy revenue	155,988	154,066	310,054	-	173,447	173,447
Interest and dividend	1,605	2	1,607	18,636	8	18,644
Sale of publications and materials	4,395	4	4,399	3,881	28	3,909
Miscellaneous	48,052	1,135	49,187	71,689	3,765	75,454
Total	<u>1,247,494</u>	<u>6,198,091</u>	<u>7,445,585</u>	<u>385,596</u>	<u>4,743,329</u>	<u>5,128,925</u>
Net assets released from restrictions (Note 10)	<u>3,490,341</u>	<u>(3,490,341)</u>	<u>-</u>	<u>4,916,126</u>	<u>(4,916,126)</u>	<u>-</u>
Total Support and Revenue	<u>4,737,835</u>	<u>2,707,750</u>	<u>7,445,585</u>	<u>5,301,722</u>	<u>(172,797)</u>	<u>5,128,925</u>
EXPENSES						
Grants to non-affiliated organizations (Note 13)	<u>488,036</u>	<u>-</u>	<u>488,036</u>	<u>466,628</u>	<u>-</u>	<u>466,628</u>
Program Services						
Global Advocacy and Information Sharing	1,354,120	-	1,354,120	803,581	-	803,581
Country Level Technical Assistance	1,919,940	-	1,919,940	2,115,232	-	2,115,232
Women Deliver	-	-	-	1,179,950	-	1,179,950
Total Program Services	<u>3,274,060</u>	<u>-</u>	<u>3,274,060</u>	<u>4,098,763</u>	<u>-</u>	<u>4,098,763</u>
Supporting Services						
Fundraising	143,997	-	143,997	131,457	-	131,457
Management and general	831,742	-	831,742	675,273	-	675,273
Total Supporting Services	<u>975,739</u>	<u>-</u>	<u>975,739</u>	<u>806,730</u>	<u>-</u>	<u>806,730</u>
Total Expenses	<u>4,737,835</u>	<u>-</u>	<u>4,737,835</u>	<u>5,372,121</u>	<u>-</u>	<u>5,372,121</u>
Changes in Net Assets	-	2,707,750	2,707,750	(70,399)	(172,797)	(243,196)
Net Assets, Beginning of Year	-	1,334,100	1,334,100	70,399	1,506,897	1,577,296
Transfer to Women Deliver, Inc. (Note 14)	-	(620,492)	(620,492)	-	-	-
Net Assets, End of Year	<u>\$ -</u>	<u>\$ 3,421,358</u>	<u>\$ 3,421,358</u>	<u>\$ -</u>	<u>\$ 1,334,100</u>	<u>\$ 1,334,100</u>

See notes to financial statements.

FAMILY CARE INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010

	Program Services			Supporting Services			Total Expenses
	Global Advocacy and Information Sharing	Country Level Technical Assistance	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Grants/subcontracts	\$ -	\$ 488,036	\$ 488,036	\$ -	\$ -	\$ -	\$ 488,036
Salaries and employee benefits	911,716	828,381	1,740,097	143,708	441,016	584,724	2,324,821
Travel and per diem expenses	151,396	144,916	296,312	-	1,164	1,164	297,476
Printed and audiovisual materials	17,137	58,915	76,052	-	-	-	76,052
Telecommunications	19,586	40,778	60,364	20	1,389	1,409	61,773
Postage and shipping	4,603	16,550	21,153	-	-	-	21,153
Professional services	128,128	129,133	257,261	-	27,756	27,756	285,017
Field equipment	-	24,105	24,105	-	-	-	24,105
Medical and health supplies	-	468	468	-	-	-	468
Rent and office expenses	53,786	128,989	182,775	269	360,315	360,584	543,359
Meeting and workshop expenses	66,198	544,294	610,492	-	-	-	610,492
Other expenses	1,570	3,411	4,981	-	102	102	5,083
Subtotal	<u>1,354,120</u>	<u>1,919,940</u>	<u>3,274,060</u>	<u>143,997</u>	<u>831,742</u>	<u>975,739</u>	<u>4,249,799</u>
Grand Total	<u>\$ 1,354,120</u>	<u>\$ 2,407,976</u>	<u>\$ 3,762,096</u>	<u>\$ 143,997</u>	<u>\$ 831,742</u>	<u>\$ 975,739</u>	<u>\$ 4,737,835</u>

See notes to financial statements.

FAMILY CARE INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009

	Program Services				Supporting Services			Total Expenses
	Global Advocacy and Information Sharing	Women Deliver	Country Level Technical Assistance	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Grants/subcontracts	\$ 446,528	\$ 20,100	\$ -	\$ 466,628	\$ -	\$ -	\$ -	\$ 466,628
Salaries and employee benefits	584,834	497,989	751,898	1,834,721	124,739	337,609	462,348	2,297,069
Travel and per diem expenses	69,224	202,251	212,077	483,552	3,654	6,232	9,886	493,438
Printed and audiovisual materials	20,887	43,603	135,417	199,907	-	-	-	199,907
Telecommunications	5,320	12,172	42,207	59,699	126	1,046	1,172	60,871
Postage and shipping	8,964	2,044	35,218	46,226	491	1,076	1,567	47,793
Professional services	64,367	210,281	352,096	626,744	2,010	25,621	27,631	654,375
Field equipment	-	-	21,917	21,917	-	-	-	21,917
Medical and health supplies	-	-	222	222	-	-	-	222
Rent and office expenses	21,306	6,163	145,507	172,976	437	260,447	260,884	433,860
Meeting and workshop expenses	28,300	185,220	400,710	614,230	-	-	-	614,230
Other expenses	379	20,227	17,963	38,569	-	43,242	43,242	81,811
Subtotal	<u>803,581</u>	<u>1,179,950</u>	<u>2,115,232</u>	<u>4,098,763</u>	<u>131,457</u>	<u>675,273</u>	<u>806,730</u>	<u>4,905,493</u>
Grand Total	<u>\$ 1,250,109</u>	<u>\$ 1,200,050</u>	<u>\$ 2,115,232</u>	<u>\$ 4,565,391</u>	<u>\$ 131,457</u>	<u>\$ 675,273</u>	<u>\$ 806,730</u>	<u>\$ 5,372,121</u>

See notes to financial statements.

**FAMILY CARE INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<u>Cash Flows From Operating Activities:</u>		
Changes in net assets	\$ 2,707,750	\$ (243,196)
Transfer to Women Deliver, Inc.	<u>(620,492)</u>	<u>-</u>
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	53,504	46,306
In-kind contributions	(8,405)	(124,618)
(Increase) Decrease in receivables	(1,683,938)	227,330
(Increase) Decrease in other assets	(204,133)	406,895
Decrease in liabilities	<u>(183,525)</u>	<u>(486,938)</u>
Total adjustments	<u>(2,026,497)</u>	<u>68,975</u>
Net cash provided by (used in) operating activities	<u>60,761</u>	<u>(174,221)</u>
<u>Cash Flows From Investing Activities:</u>		
Additions to property and equipment	<u>(16,592)</u>	<u>(41,397)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	44,169	(215,618)
Cash and Cash Equivalents, Beginning of Year	<u>889,451</u>	<u>1,105,069</u>
Cash and Cash Equivalents, End of Year	<u>\$ 933,620</u>	<u>\$ 889,451</u>

See notes to financial statements.

**FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES

Family Care International, Inc. (“FCI”) is a not-for-profit organization founded in June 1986. FCI is dedicated to making pregnancy and childbirth safer around the world by:

- Ensuring access to quality maternal and newborn health care;
- Helping women and girls to prevent and manage unintended pregnancy;
- Promoting the sexual and reproductive health (“SRH”) and rights of young people and other underserved groups; and
- Reducing the spread of HIV, especially among women and young people.

Based in New York, FCI has field offices in five countries in Africa and Latin America, programmatic activities in seven more, and programs and publications whose impact spans the world. FCI advances its work by:

- *Strengthening national and international commitment and resources* for people-centered policies and programs, and encouraging action through the exchange of information and experience;
- *Building the capacity of partners in Africa, Latin America, and the Caribbean* to design, implement, and evaluate national and community-based strategies and model programs.

One of FCI’s distinguishing characteristics is that the organization works both at the global level, collaborating with UN agencies, bilateral donors, and international colleagues, and regionally, nationally and sub-nationally, supporting and strengthening the work of government and civil society partners to promote investment in proven strategies and design and evaluate innovative program approaches.

FCI’s revenue comes from intergovernmental organizations such as the United Nations Population Fund (“UNFPA”) and the World Bank; from governments, private foundations, and trusts; and from consultancy income (generally via sub-contracts), and general contributions. Programs and supporting services are funded by a combination of restricted project grants and unrestricted funds, which are allocated by FCI in response to organizational priorities.

FCI’s activities for 2010 are summarized on the following pages.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –
CONTINUED

A. Strengthening National and International Commitments

FCI seeks to enlist, strengthen, and sustain political commitment to and financial investment in maternal health and related areas. FCI also works to persuade global and national leaders to recognize the centrality of reproductive health in achieving the Millennium Development Goals (“MDGs”), and to move toward integrating financial resources and programmatic efforts on maternal, newborn, and child health (“MNCH”) with resources and programs devoted to HIV/AIDS.

1. *Advocating globally and nationally*

In 2010, FCI worked to persuade global and national leaders to substantially increase political commitment and financial investment for maternal and reproductive health programs, and to make the case for better integration of MNCH with the HIV/AIDS response. Selected highlights over the year include:

- **Teaming up with the UN Secretary-General to launch the *Global Strategy for Women’s and Children’s Health*:** FCI worked closely with the Secretary-General’s office, and with a broad range of governments and other partners, in developing the *Global Strategy for Women’s and Children’s Health*, an unprecedented, progressive plan to save the lives of 16 million women, newborns, and children in the world’s poorest countries. At the launch event, entitled *Every Woman, Every Child*, governments, donors, NGOs, and other stakeholders made pledges totaling \$40 billion for improved maternal and child health programs and services. FCI played a key role in developing and building support for the Global Strategy, coordinated the participation of NGOs and civil society, and is centrally involved in the follow-up, ensuring that governments and other key stakeholders are held accountable for fulfilling their commitments and for translating those commitments into concrete results.
- **Building bridges between the maternal, newborn, and child health and HIV/AIDS advocacy communities:** FCI worked to strengthen the engagement of the Global Fund to Fight AIDS, Tuberculosis and Malaria in MNCH. FCI has been at the heart of discussions on integration of funding and services — co-authoring (with prominent AIDS activists) articles in the highly-respected medical journal *The Lancet*; presenting to the Global Fund board; and advocating for integration at the International AIDS Conference 2010 and numerous other venues.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –
CONTINUED

A. Strengthening National and International Commitments – Continued

2. *Promoting maternal and reproductive health through partnerships and networking*

FCI plays a key role in bringing together advocates, policymakers, health care professionals, and funders from the MNCH community and allied sectors (reproductive health, AIDS, tuberculosis, malaria, neglected tropical diseases, etc.) to develop common solutions to global health challenges. FCI's experience, ability, and agility in working in global health partnerships puts the organization in a unique position to ensure that Millennium Development Goal ("MDG") 5 — *Improve maternal health* — and its targets, including reproductive health, remain high on the international development agenda.

Key partnerships, coalitions and consortia in which FCI played an important role in 2010 included:

- **The Partnership for Maternal, Newborn & Child Health ("PMNCH"):** Established in 2005, PMNCH is a global health partnership that joins the maternal, newborn, and child health (MNCH) communities under the "continuum of care" banner. FCI served as co-chair of the 23-member Board of PMNCH from its inception through the end of 2010, and has been a core member of a number of PMNCH working groups. FCI co-leads PMNCH's advocacy activities, working during 2010 to ensure that MNCH was prioritized at the G8 and G20 summits and at the UN General Assembly's MDG Summit, and to ensure the success of the UN Secretary-General's Global Strategy for Women and Children's Health.
- **Countdown to 2015:** Composed of a range of academic, civil society, government and multi-lateral partners, Countdown to 2015 tracks progress on 22 health indicators in 68 developing countries, providing data to support effective global and national advocacy for political, financial, and policy commitment to MNCH. FCI is a member of the Countdown Coordinating Committee and co-chairs the Communications and Events sub-committee. During 2010, FCI played a key role in producing Countdown's "Decade Report" (covering the years 2000-2010), developing its key advocacy messages, and coordinating Countdown's international conference.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –
CONTINUED

A. Strengthening National and International Commitments – Continued

2. *Promoting maternal and reproductive health through partnerships and networking* – Continued

- **Round 10 MDG 4-5-6 Working Group and the 70% Success Coalition:** This informal working group was launched in early 2010 to identify linkages between MDGs 4, 5, and 6, and played a critical role in identifying key messages and interventions for the integration of the health MDGs.
- **The Global Fund to Fight AIDS, Tuberculosis, and Malaria (“GFATM”):** FCI plays an informal role, working with the GFATM Secretariat and with NGO representatives on the Board to explore linkages between HIV/AIDS, TB and malaria and reproductive, maternal, newborn, and child health. FCI presented at the April 2010 and participated in December 2010 GFATM board meetings on these linkages. The board subsequently adopted two “decision points” aimed at creating new opportunities for integration of maternal and child health components into GFATM funding.
- **The Global Health Initiative (“GHI”) Coalition:** FCI is a founding member of the GHI Coalition, an alliance of more than 20 civil society groups spanning the spectrum of global health issues. This coalition supports a strong and effective implementation of the US government’s Global Health Initiative and speaks out forcefully against proposed cuts to the foreign affairs and global health budgets. Through regular briefings with members of the Administration and Congress, FCI and its GHI Coalition partners advocate for increased investments, integration of services, and greater civil society participation in US global health policy and programs. Late in 2010, FCI was elected to serve as the Coalition’s Secretariat.
- **Regional Task Force for the Reduction of Maternal Mortality:** In the Latin America and Caribbean region, FCI is a founding and executive committee member of this task force, and currently acts as its Secretariat. During 2010, FCI developed numerous resources and tools, maintained the Task Force website, and issued regional e-bulletins on maternal mortality reduction. FCI also adapted and produced *Focus on Five*, a series of fact sheets on maternal mortality originally developed in 2009 by FCI on behalf of Women Deliver, in Spanish for use in the Latin America region.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –
CONTINUED

A. Strengthening National and International Commitments – Continued

2. *Promoting maternal and reproductive health through partnerships and networking* – Continued

- **Andean Plan to Reduce Teenage Pregnancy:** As a strategic regional partner in the *Plan Andino*, FCI provided ongoing support to regional and national youth networks which resulted in the creation of five national Youth Advisory Groups with a mandate to promote implementation of the regional plan with governmental partners. FCI also created and maintains the Plan’s website, which facilitates access to evidenced-based information on teen pregnancy prevention developed by civil society partners and by Ministries of Health in six Andean countries.
- **International Consortium for Emergency Contraception (“ICEC”):** FCI has served as the host for ICEC since 2005. In 2010, ICEC convened a successful annual meeting, bringing together more than 100 advocates and researchers from all over the world to discuss emerging issues around emergency contraception (“EC”). ICEC’s work during 2010 included responding to legal attacks on access to EC in Latin America and organizing a meeting in Peru with the Latin American Consortium for EC and UNFPA.
- **Postabortion Care (“PAC”) Consortium:** In 2008 FCI became chair organization of the PAC Consortium, a network of global organizations focused on strengthening the elements of postabortion care in national health systems. In 2010, FCI also began the process of transitioning the consortium to a new host organization; FCI’s term as host is scheduled to end in June 2011.

In addition, FCI played an important steering role in a number of international conferences, including:

- **Women Deliver:** Launched at a conference in London in October 2007, for which FCI served as the organizing partner, Women Deliver is a global advocacy initiative focused principally on MDG 5. At the beginning of 2010, Women Deliver transitioned from an FCI program into a fully-independent non-profit organization. FCI coordinated the development of all maternal and child health sessions at Women Deliver’s 2010 conference held in Washington, DC in June 2010. FCI is also a member of the Women Deliver Advisory Board.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –
CONTINUED

A. Strengthening National and International Commitments – Continued

2. *Promoting maternal and reproductive health through partnerships and networking* – Continued

- **Global Maternal Health Conference:** The Global Maternal Health Conference, held in September 2010, convened approximately 500 experts and allies for a global technical and programmatic meeting focused exclusively on maternal health. FCI was a member of the 25-member steering committee that developed the conference agenda.
- **LAC Regional Maternal Health Conference:** In May 2010, the Regional Task Force convened a meeting of 100 high-level women leaders from twelve LAC countries in Lima, Peru, to raise regional attention to the issue of maternal mortality.

3. *Building the Evidence Base*

In working for progress on maternal and reproductive health, it is critical that advocates' recommendations be firmly grounded in the best available evidence. Policy makers are most likely to take concerted action when they believe that the scale of the problem is clearly understood, that cost estimates are accurate, that new policies will be efficacious, and that recommended health interventions have been proven to actually work. FCI's activities in 2010 to build the evidence base include the following:

- **Research study in Kenya: "A Price Too High to Bear":** This study in Kenya, launched in 2010, will help quantify the social and economic costs of poor maternal health outcomes for families and communities, highlighting the importance of maternal health to the health and well-being of newborns and children, as well as to households. Findings from the study will serve as a catalyst for increased investment in interventions to ensure maternal survival.
- **Evidence review: Interconnections between maternal and neonatal health:** During 2010, FCI worked with researchers from the Aga Khan University to compile and review studies on the linkages between maternal and newborn health. FCI will draft an Executive Summary of the full research report, and refine the advocacy messages promoting investment in and implementation of health interventions beneficial to women and newborns.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –
CONTINUED

A. Strengthening National and International Commitments – Continued

3. *Building the Evidence Base – Continued*

- **Desk review: Building Demand for Sexual and Reproductive Health Services:** Denial, fear, stigma, discrimination, social and cultural barriers, and high costs all have the potential to limit demand for SRH services. Efforts to increase utilization of services — through individual, family, and community mobilization; education; and behavior change communication — are often poorly documented and little known. During 2010, FCI completed a desk review to identify best strategies for improving SRH demand, and provided recommendations to help international organizations coordinate and advance efforts to increase demand and improve SRH outcomes.
- **Misoprostol for post-partum hemorrhage (PPH):** In a multi-year project (2010-2014), FCI is working in partnership with Gynuity Health Projects to evaluate and promote the use of the drug misoprostol to prevent and treat PPH. FCI is working to build consensus around clinical and policy approaches, develop a harmonized communications strategy, and influence policy change to promote wider understanding, use, and acceptance of misoprostol for PPH in developing country settings.
- **Best practices tools for preventing teen pregnancy in South America:** FCI partnered with UMEA University in Sweden to conduct research on the impact of youth-friendly services and gender roles on teenage pregnancy in Ecuador and Bolivia. In partnership with Ministries of Health, the UN, and youth-serving organizations in Ecuador, Bolivia, Peru, Chile, Venezuela, and Colombia, FCI also developed a methodology to enable youth SRH programs to assess the extent to which their programs can be considered best practices and to revise their programming strategies accordingly.

B. Building Capacity at the National and Community Levels

FCI works to build local partners' capacity to develop and deliver high-quality, rights-based, sustainable maternal and reproductive health services; to mobilize communities to demand and increase utilization of those services; and to increase knowledge and awareness about sexual and reproductive health and rights, with a focus on marginalized and disadvantaged groups. In 2010, specific areas of activity in Latin America, the Caribbean, and Africa included:

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES – CONTINUED

B. Building Capacity at the National and Community Levels – Continued

1. *Engaging communities in efforts to improve maternal health*

In many places in the developing world, health care is of poor quality, or service providers are insensitive to the cultures and human rights of their patients, or social and cultural barriers keep women away from clinics, or the health system simply doesn't reach certain segments of the population. FCI's community programs engage traditional leaders, grassroots and community-based organizations, and hard-to-reach young people as full partners, rather than as mere client populations or targets for informational campaigns.

- **Working with communities in Kenya to increase both the demand for and quality of essential maternal health services:** In 2010, FCI sent an evaluation team to its intervention sites in Eastern Kenya to assess the sustainability and long-term impact of the organization's activities on women's care-seeking behavior, the quality of local health services, and on the effectiveness of community-level structures for monitoring local health facilities. The team's final evaluation report will be shared with the Kenyan Ministry of Health both nationally and locally, as well as with other partners, in order to help shape the development and scaling up of future community mobilization programs.
- **Using community mobilization strategies to combat obstetric fistula in the Sahel region of Burkina Faso:** FCI is working to address the three key dimensions of obstetric fistula — prevention, treatment, and reintegration of survivors — in four districts of the poor and remote Sahel region of Burkina Faso. In working to prevent fistula, a common and devastating childbirth injury that occurs as a result of prolonged or obstructed labor, FCI trained more than 100 community outreach agents in 2010 to encourage women to give birth in facilities with skilled staff; worked to gain community leaders' support for skilled care attendance at delivery; and helped residents of hundreds of rural villages — most of which lack even basic health clinics — to develop emergency plans so that women with obstetric complications can get the lifesaving care they need. FCI also taught grassroots community-based organizations to identify obstetric fistula survivors and help them access care; provided surgical treatment for obstetric fistula to more than 70 women; and helped community-based partners provide social, financial, and educational support for their effective reintegration into society.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES – CONTINUED

B. Building Capacity at the National and Community Levels – Continued

2. *Empowering civil society to hold governments accountable*

FCI works to build local partners' capacity to hold government ministries accountable, and empowers them to advocate for their communities' health care needs. FCI's activities in 2010 included:

- **Building coalitions in Kenya:** FCI helped develop and hosted *Women Alive*, a Kenyan civil society coalition focused on increasing national momentum to improve maternal and reproductive health services.
- **Helping civil society partners in South America to advocate for the health care needs of their communities:** In Bolivia, Ecuador, and Peru, FCI worked with the Continental Network of Indigenous Women to build indigenous women leaders' advocacy skills and raise awareness around women's constitutionally-guaranteed right to maternal health services. As a result, new women leaders have emerged; maternal and reproductive health have become an integral part of the agendas of indigenous women's organizations; and more women are in key positions of power to directly influence legislation, particularly in Bolivia. The women leaders have requested that FCI expand this work to include Honduras and Mexico and to promote more synergy with the Southern Cone.
- **Building knowledge on maternal and reproductive health:** As a core strategic partner of the Ministry of Health in Burkina Faso on maternal, newborn and reproductive health, FCI worked with local authorities and ten grassroots organizations in the Sahel region to enhance their knowledge in maternal, newborn, and reproductive health, infectious diseases including HIV/AIDS, and nutrition; improve the implementation of their maternal and reproductive health training and behavior change programs; and advocate more effectively with local political leaders for improved maternal health care services. The program reached approximately 100,000 people (68% were women) in 247 villages with urgent maternal and reproductive health services and information.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES – CONTINUED

B. Building Capacity at the National and Community Levels – Continued

2. *Empowering civil society to hold governments accountable – Continued*

- *Expanding a rights-based approach for youth in Argentina and Peru:* In 2010, FCI provided technical assistance to youth networks in Argentina and Peru to test and launch an advocacy curriculum (originally developed by FCI for use in the Dominican Republic) to foster the involvement of youth in policy development and advocacy for rights-based SRH laws at the local level.

3. *Developing enabling policy and program environments*

During 2010, FCI's efforts to build supportive, culturally-sensitive policy and program environments for improving maternal and reproductive health included the following:

- **Promoting adolescents' rights in Mali: adopting better policies and fulfilling commitments:** In several West African countries, including Mali, international and regional conventions affirming the sexual and reproductive rights of young people have not been effectively translated into concrete action at the national and local levels. In 2010, FCI-Mali reviewed the Malian government's compliance with international and regional conventions promoting the sexual and reproductive rights of young people. FCI will then work with local partners to develop a user-friendly advocacy toolkit to present relevant international and regional sexual and reproductive health conventions, explore their integration into Malian laws and policies, and identify existing youth-friendly policies that have not yet been translated into concrete programs, so that local partners can advocate for their implementation.
- **Conducting research and sharing findings on cultural factors that affect women's maternal and reproductive health:** In the Andean and Central American regions, there is not yet a consensus on basic standards for the provision of culturally-sensitive maternity care that is crucial to ensuring that women actually use available services. In addition to an extensive regional review of maternal health norms and protocols in Bolivia, Ecuador, and Peru to assess how effective they were at meeting the needs of indigenous women, FCI, together with UNFPA and the three countries' Ministries of Health, organized a regional technical consultation in Quito, Ecuador, which resulted in specific recommendations to promote or revise these norms.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –
CONTINUED

B. Building Capacity at the National and Community Levels – Continued

4. *Improving adolescent sexual and reproductive health*

FCI works to improve young people's sexual and reproductive health, collaborating with local partners and focusing especially on youth from rural and indigenous communities. Over the past year, FCI's activities included the following:

- **Reaching youth in the informal sector of Mali:** In partnership with the Interarts Foundation (a Spanish NGO) and the Association des Enfants et Jeunes Travailleurs/AEJT (the largest association of youth workers in Mali), FCI expanded its peer education program with youth apprentice workers in Mopti, a major port and commercial center and a prime destination for young Malians with little education or skills. In 2010, peer educators trained by FCI shared critically important information on family planning and reproductive health with over 2,000 out-of-school youth through meetings, home visits, counseling sessions and video presentations, and distributed over 2,000 condoms. They also expanded the impact of the program to young people in rural villages along the Niger River.
- **Developing a curriculum on adolescent sexual and reproductive health for parents in West Africa:** In 2010, FCI finalized a curriculum to help parents talk with their teenagers about family planning and reproductive health. This French-language curriculum has generated strong support from UN agencies and civil society throughout Mali, and was endorsed by the Director of the National Health Authority in Mali in July 2010. Additionally, FCI tailored the curriculum to address the cultural context of Burkina Faso, and translated it for printing and distribution in Fulani (the dominant local language in Mali) and Arabic.
- **Addressing young people's needs for SRH information and life skills in Senegal:** Through partnership with the Academy for Educational Development, 6,000 copies of FCI's handbook *You, Your Life, Your Dreams* — one component of FCI's ground-breaking set of adolescent education materials — were printed and disseminated in 120 middle schools in six regions of Senegal.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES – CONTINUED

B. Building Capacity at the National and Community Levels – Continued

5. *Advocating for HIV and AIDS prevention and treatment*

FCI advocates for policies and programs that offer all people, including adolescents, information and services to prevent and treat HIV and other sexually transmitted infections; builds the capacity of local organizations that offer sexual and reproductive health services and education to young people and women; and develops educational and training materials that address HIV/AIDS and help people gain the skills and the information they need to protect themselves. Activities in 2010 included:

- **Conducting HIV-prevention awareness-raising and education in Bolivia and Ecuador:** In 2010, FCI implemented HIV-prevention strategies among indigenous groups in Ecuador, identifying national policies that include (or exclude) culturally-sensitive approaches to HIV-prevention campaigns and policies. FCI also conducted a study to document the lack of HIV awareness among indigenous communities, advocated with the Ministry of Health and other partners for more inclusive HIV-prevention policies, and worked at the community level to train health promoters on the prevention of HIV and gender-based violence.
- **Training peer educators in HIV-prevention efforts in Mali:** In 2010 FCI conducted peer-based HIV-prevention education in Bamako, Mali reaching 10,433 sex workers, female street vendors and domestic workers. During the six-month training program, FCI distributed more than 8,000 male and female condoms.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of FCI are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of FCI and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of FCI and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of FCI.

Currently, FCI has no unrestricted net assets.

Investments

Investments are carried at fair value.

Property and Equipment

Property and equipment are recorded at cost. Depreciation has been provided on the straight line method over 5-10 years, the estimated useful lives of the assets, or the life of the lease, whichever is shorter. Upon sale or retirement of depreciable properties, the related costs and accumulated depreciation are removed from the accounts and any resultant gain or loss is reflected in the financial statements.

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, FCI reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. FCI reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation.

Income Taxes

FCI is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Contributions are generally recorded when notification of a gift is received. Contributions restricted by the donor or grantor for specific purposes or projects are recorded as revenues in the period granted at face value. Contributions received in securities or properties are recorded at fair value at the date of the gift.

Functional Allocation of Expenses

The costs of the various programs and other activities have been summarized on a functional basis in the statement of functional expenses.

3. CASH

Cash consists of the following:

	<u>2010</u>	<u>2009</u>
Petty cash	\$ 1,200	\$ 1,200
Citibank - interest-bearing checking accounts	20,026	20,004
TD Bank - checking account	912,394	265,546
HSBC (UK) - checking account	-	67,264
Citibank - checking account Women Deliver	-	520,140
Citibank - merchant account Women Deliver	-	15,297
Total	<u>\$ 933,620</u>	<u>\$ 889,451</u>

FCI currently maintains its cash in two financial institutions. The checking accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

4. INVESTMENTS

Investments at December 31, 2010 consist of the following:

	<u>Cost</u>	<u>Fair Value</u>
Stocks	<u>\$ 8,405</u>	<u>\$ 8,405</u>

There was no net appreciation in fair value of investments in 2010.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

4. INVESTMENTS – CONTINUED

In 2010, FCI received donated stocks securities in the amount of \$8,405. The fair values of these donations were included as in-kind contributions in the statements of activities and as investments in the statements of financial position. The stocks securities were subsequently sold and converted to cash in March 2011.

5. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2010 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Stocks	\$ 8,405	\$ 8,405

Fair values for investments in stocks are determined by reference to quoted market prices and other relevant information generated by market transactions.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2010</u>	<u>2009</u>
Furniture	\$ 10,343	\$ 10,343
Telephone equipment	13,187	13,187
Computer hardware and software	201,313	201,313
Leasehold improvements	284,612	284,612
Office vehicles	16,592	-
Subtotal	526,047	509,455
Less: Accumulated depreciation	(356,385)	(302,881)
Net Property and Equipment	<u>\$ 169,662</u>	<u>\$ 206,574</u>

In 2009, FCI received donated computer software in the amount of \$124,618. The fair values of these donations were included as in-kind contributions in the statements of activities and capitalized as assets under computer hardware and software.

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

7. PENSION PLAN

FCI has a defined contribution pension plan covering substantially all employees. FCI contributes an amount equal to 8% of participating employees' compensation. Eligible employees choosing to participate in the plan are required to contribute a minimum of 2% of their compensation up to the maximum allowed based on IRS Code 403(b). Pension expenses for the years ended December 31, 2010 and 2009 were \$85,135 and \$25,005, respectively.

8. LEASE COMMITMENT

As of December 31, 2010, FCI's lease commitment relating to office space is as follows:

<u>December 31,</u>	<u>Amount</u>
2011	\$ 232,611
2012	233,581
2013	<u>138,610</u>
Total	<u>\$ 604,802</u>

This commitment represents base rent and does not include FCI's pro-rata share of increases in property taxes, maintenance and other operating costs.

Rental expenses for the years ended December 31, 2010 and 2009, including FCI's pro-rata share of increases in property taxes, maintenance and other operating costs, were \$206,123 and \$206,662, respectively.

9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent contributions and revenues received and unexpended from the following donors:

	<u>2010</u>	<u>2009</u>
United Nations agencies	\$ 3,765	\$ 136,982
Foreign governments	751,463	533,619
Foundations and trusts	2,539,556	509,810
General contributors	74,222	34,887
Consultancy	52,352	33,902
The World Bank - IBRD	<u>-</u>	<u>84,900</u>
Total	<u>\$ 3,421,358</u>	<u>\$ 1,334,100</u>

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

10. NET ASSETS RELEASED FROM RESTRICTIONS

Temporarily restricted net assets were released from temporary donor restrictions by incurring expenses satisfying the restricted purpose as follows:

	<u>2010</u>	<u>2009</u>
Global Advocacy and Information Sharing	\$ 1,443,571	\$ 963,829
Country Level Technical Assistance	2,046,770	2,537,045
Women Deliver	-	1,415,252
Total	<u>\$ 3,490,341</u>	<u>\$ 4,916,126</u>

11. SUPPORT FROM FIELD OFFICES

In 2010 and 2009, the following grants were received directly by FCI's field offices:

	<u>2010</u>	<u>2009</u>
DFID - Kenya	\$ 800,800	\$ -
Ministry of Health - Burkina Faso	324,450	38,940
Interarts Foundation - Youth in the Informal Sector - Mali	296,623	66,110
UNFPA - Burkina Faso	255,372	-
Interarts - Improving SRH - Ecuador	130,973	39,086
UNFPA- Bolivia	115,018	28,296
ANESVAD - Building Bridges Bolivia	78,881	-
CIDA - Bolivia	76,010	-
IBIS Dinamarca - HIV Indegenous Study Bolivia	48,000	-
UNFPA - Mali	31,423	-
PAHO - Relevamiento de Informacion de Salud de Jovenes Indigenous	10,172	10,900
WPF - Tanzania	-	106,734
Interarts - Improving SRH - Bolivia	-	62,680
Global Fund - Mali	-	24,387
Center for Reproductive Rights - International Initiative on Maternal Mortality and Human Rights	-	20,638
Inter-American Development Bank RG-K1057 ASRH-LAC	-	14,400
Constella Group ACCESS - Burkina Faso	-	5,541
Total	<u>\$ 2,167,722</u>	<u>\$ 417,712</u>

FAMILY CARE INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

12. GRANTS PAYABLE

In 2009, FCI received a one-year grant of \$991,569 from the United Nations Population Funds (“UNFPA”) in support of the Latin and Central America Program. Grants payable as of December 31, 2009 represents unrecognized revenue portion of the payment amounts received from UNFPA.

In 2010, FCI received grants from United Nations Foundation in support of the U. S. Global Health Initiative Advocacy program for the period January 1, 2011 to December 31, 2011. The amount of \$70,000 received was included as grants payable as of December 31, 2010.

Grants payable for the years ended December 31, 2010 and 2009 were \$74,592 and \$156,501, respectively.

13. GRANTS TO NON-AFFILIATED ORGANIZATIONS

In 2010 and 2009, pass-through grants to other organizations are as follows:

	<u>2010</u>	<u>2009</u>
Various local organizations in Burkina Faso through the Ministry of Health Project	\$ 263,739	\$ -
Various local organizations in Burkina Faso through the UNFPA Fistula Project	145,096	-
International Center for Research of Women	67,597	-
Kenya Medical Research Institute	11,604	-
Gynuity Health Projects	-	349,028
Youth Coalition	-	97,500
Inter-American Parliamentary Group	-	20,100
Total	<u>\$ 488,036</u>	<u>\$ 466,628</u>

14. TRANSFER TO WOMEN DELIVER, INC.

At the beginning of 2010, FCI transferred to Women Deliver a portion of its net assets amounting to \$620,492 as part of Women Deliver, Inc.’s transition process from being an FCI program into becoming a fully-independent non-profit organization.

15. EVALUATION OF SUBSEQUENT EVENTS

FCI has evaluated subsequent events through August 8, 2011, the date the financial statements were available to be issued.

**SUPPLEMENTARY
INFORMATION**

FAMILY CARE INTERNATIONAL, INC.
FINANCIAL HIGHLIGHTS -
SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2010

Net Assets, Beginning of Year	\$ <u>1,334,100</u>
Transfer to Women Deliver, Inc.	(620,492)
Add: Support and Revenue	
The World Bank - IBRD	100,000
United Nations agencies	1,871,041
Foreign governments	2,112,022
Foundations and trusts	2,864,663
General contributions	124,207
In-kind Contributions	8,405
Consultancy revenue	310,054
Interest and dividend	1,607
Sale of publications and materials	4,399
Miscellaneous	49,187
Total Revenues	<u>7,445,585</u>
Total Funds Available	<u>8,159,193</u>
Less: Expenses	
Grants	
Grants to Non-Affiliated Organizations	488,036
Program services	
Global Advocacy and Information Sharing	1,354,120
Country Level Technical Assistance	1,919,940
	<u>3,274,060</u>
Supporting services	
Fundraising	143,997
Management and general	831,742
	<u>975,739</u>
Total Expenses	<u>4,737,835</u>
Net Assets, End of Year	<u>\$ 3,421,358</u>
Comprised of:	
Cash and cash equivalents	\$ 933,620
Investments	8,405
Receivables from donors	2,281,337
Other assets	376,393
Property and equipment	169,662
Liabilities	<u>(348,059)</u>
Total	<u>\$ 3,421,358</u>