

**FAMILY CARE INTERNATIONAL, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2009 AND 2008**

**TCBA WATSON RICE LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

**FAMILY CARE INTERNATIONAL, INC.  
DECEMBER 31, 2009 AND 2008**

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## **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, 2009 and 2008, 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, 2009 and 2008, 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, 2009 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.

New York, New York  
April 16, 2010

**TCBA *Watson Rice* LLP**

**FAMILY CARE INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 889,451	\$ 1,105,069
Receivables from:		
United Nations agencies	109,751	146,881
Foreign governments	23,524	382,915
Foundations and trusts	420,000	283,162
General contributors	5,100	-
Consultancy	39,024	11,771
Other assets	172,260	579,155
Property and equipment (Note 4)	<u>206,574</u>	<u>86,865</u>
<b>Total Assets</b>	<u>\$ 1,865,684</u>	<u>\$ 2,595,818</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b><u>Liabilities</u></b>		
Accounts payable and accrued expenses	\$ 375,083	\$ 223,909
Grants payable (Note 10)	<u>156,501</u>	<u>794,613</u>
Total Liabilities	<u>531,584</u>	<u>1,018,522</u>
<b><u>Net Assets</u></b>		
Unrestricted	-	70,399
Temporarily restricted (Note 7)	<u>1,334,100</u>	<u>1,506,897</u>
Total Net Assets	<u>1,334,100</u>	<u>1,577,296</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,865,684</u>	<u>\$ 2,595,818</u>

See notes to financial statements.

**FAMILY CARE INTERNATIONAL, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009		2008	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
<b>SUPPORT AND REVENUE (Note 9)</b>				
The World Bank - IBRD	\$ -	\$ 100,000	\$ -	\$ 100,000
United Nations agencies	-	2,398,583	-	644,835
Foreign governments	-	581,326	677,496	96,547
Foundations and trusts	10,000	1,354,233	45,000	1,779,074
General contributions	156,772	131,939	101,625	18,175
In-kind Contributions (Note 4)	124,618	-	-	-
Consultancy revenue	-	173,447	27	67,568
Interest and dividend	18,636	8	19,287	17,160
Sale of publications and materials	3,881	28	7,107	522
Miscellaneous	71,689	3,765	28,893	38,374
Total	385,596	4,743,329	879,435	2,762,255
Net assets released from restrictions (Note 8)	4,916,126	(4,916,126)	3,540,114	(3,540,114)
<b>Total Support and Revenue</b>	<b>5,301,722</b>	<b>(172,797)</b>	<b>4,419,549</b>	<b>(777,859)</b>
<b>EXPENSES</b>				
<b>Grants to non-affiliated organizations (Note 11)</b>				
<b>Program Services</b>				
Global Advocacy and Information Sharing	803,581	-	625,292	-
Women Deliver	1,179,950	-	674,709	-
Country Level Technical Assistance	2,115,232	-	1,863,317	-
Total Program Services	4,098,763	-	3,163,318	-
<b>Supporting Services</b>				
Fundraising	131,457	-	223,882	-
Management and general	675,273	-	818,959	-
Total Supporting Services	806,730	-	1,042,841	-
Total Expenses	5,372,121	-	5,100,434	-
Changes in Net Assets	(70,399)	(172,797)	(680,885)	(777,859)
Net Assets, Beginning of Year	70,399	1,506,897	751,284	2,284,756
Net Assets, End of Year	\$ -	\$ 1,334,100	\$ 70,399	\$ 1,506,897

See notes to financial statements.

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

	Program Services				Supporting Services			
	Global Advocacy and Information Sharing	Women Deliver	Country Level Technical Assistance	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total Expenses
Grants/subcontracts	\$ 446,528	\$ 20,100	\$ -	\$ 466,628	\$ -	\$ -	\$ -	\$ 466,628
Program Service Expenses:								
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	803,581	1,179,950	2,115,232	4,098,763	131,457	675,273	806,730	4,905,493
Grand Total	\$ 1,250,109	\$ 1,200,050	\$ 2,115,232	\$ 4,565,391	\$ 131,457	\$ 675,273	\$ 806,730	\$ 5,372,121

See notes to financial statements.

**FAMILY CARE INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2008**

	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	\$ 891,775	\$ 2,500	\$ -	\$ 894,275	\$ -	\$ -	\$ -	\$ 894,275
Program Service Expenses:								
Salaries and employee benefits	458,652	439,968	425,405	1,324,025	146,674	495,661	642,335	1,966,360
Travel and per diem expenses	24,465	73,396	137,222	235,083	6,197	9,501	15,698	250,781
Printed and audiovisual materials	50,024	61,242	88,288	199,554	-	-	-	199,554
Telecommunications	5,749	4,968	37,169	47,886	122	5,614	5,736	53,622
Postage and shipping	8,013	3,702	17,623	29,338	2,046	442	2,488	31,826
Professional services	35,780	69,426	623,334	728,540	68,087	41,354	109,441	837,981
Field equipment	-	-	14,248	14,248	-	-	-	14,248
Medical and health supplies	-	-	954	954	-	-	-	954
Rent and office expenses	31,034	10,501	108,629	150,164	470	265,341	265,811	415,975
Meeting and workshop expenses	11,540	8,920	405,386	425,846	226	-	226	426,072
Other expenses	35	2,586	5,059	7,680	60	1,046	1,106	8,786
Subtotal	625,292	674,709	1,863,317	3,163,318	223,882	818,959	1,042,841	4,206,159
Grand Total	\$ 1,517,067	\$ 677,209	\$ 1,863,317	\$ 4,057,593	\$ 223,882	\$ 818,959	\$ 1,042,841	\$ 5,100,434

See notes to financial statements.

**FAMILY CARE INTERNATIONAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Changes in net assets	\$ (243,196)	\$ (1,458,744)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	46,306	20,761
(Increase) Decrease in receivables	227,330	442,593
(Increase) Decrease in other assets	406,895	(158,998)
Increase (Decrease) in liabilities	<u>(486,938)</u>	<u>(1,013,506)</u>
Total adjustments	<u>193,593</u>	<u>(709,150)</u>
<b>Net cash used in operating activities</b>	<u>(49,603)</u>	<u>(2,167,894)</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Additions to property and equipment	<u>(166,015)</u>	<u>-</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(215,618)	(2,167,894)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,105,069</u>	<u>3,272,963</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 889,451</u>	<u>\$ 1,105,069</u>

See notes to financial statements.

**FAMILY CARE INTERNATIONAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**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 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 and the Caribbean (“LAC”), and programmatic activities in nine more. 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 strategies and model programs.

Integral to both these strategies is the production of quality and comprehensive advocacy and education materials that reinforce programmatic efforts.

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, governments, private foundations and trusts, consultancy revenues (generally via sub-contracts), general contributions, and investment income. 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 2009 are described 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. FCI also seeks to persuade global and national leaders to recognize the centrality of reproductive health in achieving the Millennium Development Goals (MDGs). Specific areas of activity in 2009 included:

**1. *Advocating globally and nationally***

FCI worked globally and nationally, through collaborative initiatives and international partnerships, to promote and mobilize progressive international and national policies, political leadership, and financial investment to meet the targets of MDG 5 (*Improve maternal health*). In particular, FCI strengthened alliances between advocates for maternal, newborn, and child health (MNCH) and those supporting reproductive health, and sought to ensure a unified voice among key stakeholders. Advocacy efforts focused on increasing political commitment to and funding for an integrated approach to MNCH and reproductive health, and on promoting progressive US leadership. FCI also worked to create linkages with other health sectors and advocacy communities, including the HIV and AIDS community. FCI developed and disseminated a range of research, policy, and advocacy materials that convey the social, human rights, and economic arguments for greater commitment to and investment in fulfilling the promise of MDG 5.

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

In 2009, FCI's participation was expanded and strengthened in a range of international initiatives and partnerships that focus on global health; on the maternal, newborn, and child health continuum of care; and on maternal and reproductive health. These initiatives and partnerships, often funded by donor governments or international agencies, have significant power to influence policy, raise funds, and promote funding allocations.

**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**

FCI's ability and agility in working with these partners help to ensure that: 1) maternal and reproductive health remain high on the international development agenda; 2) civil society organizations are represented and their voices heard; and 3) more controversial topics—including postabortion care, emergency contraception, and adolescent sexuality—are not ignored.

Key partnerships, coalitions and consortia in which FCI played an important role in 2009 included:

- **The Partnership for Maternal, Newborn & Child Health (PMNCH):** FCI serves as co-chair of the 23-member Board in this global partnership, taking a lead role in key policy and strategic decision-making, and is co-lead partner for global, regional, and national advocacy. In this capacity, FCI and its PMNCH partners advocated for the health system investments needed to achieve MDG 4 (*Reduce child mortality*) and MDG 5 (*Improve maternal health*); identified channels for funding of maternal, newborn, and child health and innovative ways to increase financial resources; and developed and implemented advocacy strategies and messages targeting high level actors and national policy-makers.
- **Countdown to 2015:** FCI is a member of the Countdown to 2015 Coordinating Committee, and co-chairs the advocacy working group, with the PMNCH Secretariat serving as the other co-chair. FCI works collaboratively with partners from across the MNCH continuum to review the monitoring of 22 health indicators in 68 countries; develop Countdown's overarching messages and communications tools; identify audiences for high-level global, regional, and national advocacy; and plan the 2010 Countdown report and 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**

- **Women Deliver:** FCI served as host of the Women Deliver initiative (and lead organizer of the first Women Deliver conference in 2007); in 2009 Women Deliver moved ahead with the process of becoming an independent nonprofit organization with its own Board of Directors, staff, and 501(c)3 status. During 2009, Women Deliver began intensive planning for the 2nd Women Deliver conference, which will take place in Washington, D.C. in June 2010 and is expected to be a key advocacy moment and a major global event. FCI and Women Deliver continue to collaborate very closely, with FCI serving as a member of Women Deliver’s Advisory Group and FCI providing institutional and administrative support to Women Deliver.
- **ICPD at 15:** In 2009, FCI served on the steering committee for the global conference “Global Partners in Action: NGO Forum on Sexual and Reproductive Health and Development,” held in Berlin in September. FCI played an integral role in selecting scholarship participants, shaping the agenda, and developing outcome documents, including the *Call to Action* and the *Strategic Options for NGOs*.
- **International Initiative on Maternal Mortality and Human Rights (IIMMHR):** FCI helped launch this groundbreaking initiative which highlights maternal mortality as a violation of human rights. FCI is a member of the Steering Committee, and also of the Communications and Institutional Development and Advocacy sub-committees. FCI and other IIMMHR members influence policies and programs, support advocates, and share information on maternal mortality and human rights. During 2009, IIMMHR successfully advocated for the United Nations Human Rights Council to adopt a historic resolution, co-sponsored by more than 70 governments, recognizing maternal mortality as a human rights issue.

**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**

**International Consortium on Emergency Contraception (ICEC):**

FCI has served as the host for ICEC since 2005. In 2009, ICEC convened a successful annual meeting, bringing together more than 100 advocates and researchers from all over the world to discuss emerging issues. ICEC also launched a new working group to bring together reproductive right lawyers and advocates to respond to legal attacks on access to emergency contraception (EC), primarily in Latin America. The ICEC Coordinator also presented on EC issues at the Global Family Planning conference held in Kampala in November 2009, and authored a commentary in a peer-reviewed journal addressing the need for renewed commitment to EC on the part of donors and others. The ICEC website provided frequent updates on the availability of EC and other educational resources for policymakers and health providers.

- **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. Under FCI's leadership, the Consortium is restructuring and reassessing its mandate, specifically focusing on expanding its membership, examining the programmatic and service delivery implications of new technologies for postabortion care, and exploring the question of whether the Consortium should expand to address safe induced abortion care alongside postabortion care.
- **Regional and national networks:** FCI is an active member of several high-level regional networks in the Latin America and Caribbean (LAC) region. As a founding and Executive Committee member of the Regional Task Force for Maternal Mortality Reduction in Latin America and the Caribbean, FCI works to strengthen reproductive and maternal health partnerships and knowledge-sharing throughout the region; as a regional partner in the Andean Plan to Reduce Unwanted Teenage and Adolescent Pregnancy, FCI is assisting Ministries of

**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***

Health in six Andean countries to systematize best practices for teenage pregnancy prevention.

**3. *Developing advocacy materials to promote sexual and reproductive health and rights (SRHR) and maternal health***

FCI compiles and distills technical information on global commitments and emerging SRHR and maternal health issues, producing and disseminating a range of high-quality, evidence-based advocacy materials. In 2009:

- FCI worked closely with a range of partners to develop and launch the *Consensus for Maternal, Newborn and Child Health* at “Healthy Women, Healthy Children: Investing in Our Common Future” an event held at the United Nations on 23 September 2009, organized by the High-Level Task Force on Innovative Financing for Health Systems and PMNCH.
- With support from the Bill and Melinda Gates Foundation, FCI and Gynuity Health Projects evaluated the use of the drug misoprostol as a therapy to prevent and treat postpartum hemorrhage (PPH). During 2009, FCI produced the following documents:
  - Two pocket cards outlining key results and implications of the PPH treatment trials and prevention trials.
  - One-page fact sheets on blood measurement and fever describing clinical results and research.
  - Country fact sheets for each of the project countries highlighting key indicators on health and development.

**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. *Developing advocacy materials to promote SRHR and maternal health –  
Continued***

- A manual for mid-level health care providers, developed in partnership with the Aga Khan University in Karachi, Pakistan, for use by health care workers based in the Aga Khan Health Services in Chitral, Pakistan.
- As a member of the Regional Task Force for Maternal Mortality Reduction in Latin America and the Caribbean, FCI developed numerous resources and tools, including a new website for the Regional Task Force and a regional e-bulletin on maternal mortality reduction. FCI also developed advocacy briefs, published with Ministry of Health endorsements, for national networks in Bolivia and Ecuador.
- FCI and the United Nations Population Fund (UNFPA) created an advocacy publication and interactive CD-ROM toolkit—*Living Testimony: Obstetric Fistula and Inequities in Maternal Health*—to bring greater attention to the problem of obstetric fistula and to highlight specific actions for reducing its prevalence. The *Living Testimony* CD-ROM toolkit is designed for advocates, policy makers, and program managers. The Toolkit is in the final stages of production and FCI and UNFPA plan to launch it during the Women Deliver conference in June 2010.

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

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES  
– CONTINUED**

**B. Building Capacity in Africa and Latin America and the Caribbean**

In 2009, FCI provided technical assistance to strengthen the capacity of local non-governmental organizations and government agencies in Latin America, the Caribbean, and Africa, including:

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

The need to accelerate progress on maternal health has helped foster a new consensus on priority health interventions for improving maternal survival: access to family planning and other reproductive health services; skilled care before, during and after childbirth; emergency obstetric care when complications arise; and postnatal care after delivery. FCI's research has shown, however, that offering services does not mean women will actually use them. FCI has developed a multi-country initiative that focuses on addressing a range of barriers that contribute to low use of skilled maternal and reproductive health care by strengthening community leadership and engagement in strategies to improve maternal survival.

During 2009, while developing plans for broader programmatic initiatives in this important area, FCI conducted the following activities:

- ***Trained community leaders:*** In Kenya and Tanzania, FCI supported training workshops for community leaders to strengthen their capacity to play a leadership role in promoting the use of skilled maternity care. These leaders are an important link between communities and health facilities and are key partners in improving maternal health care. As part of the workshops, community leaders developed action plans to help women and their families prepare in advance for delivery; ensure male involvement in planning and decision-making; deliver at a health facility; and go for postpartum checkups.
- ***Used community mobilization strategies to combat obstetric fistula in Burkina Faso:*** In 2009, FCI and UNFPA worked with local organizations in Burkina Faso to prevent fistula in four districts of the Sahel region. Drawing on FCI's community mobilization experience and strategies, FCI:

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

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –  
CONTINUED**

**B. Building Capacity in Africa and Latin America and the Caribbean –  
Continued**

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

- Strengthened the capacity of four local organizations to identify fistula survivors, help them access care and reintegrate into society; The four organizations received ongoing support and monitoring as they implemented the action plans they established with FCI;
- Trained 1,000 community outreach agents to implement maternal health behavior change campaigns in the region;
- Worked with community leaders to gain their support for skilled care attendance at delivery.

**2. *Sharing the Skilled Care Initiative (SCI) model***

FCI's Skilled Care Initiative (2000-2007) developed and tested strategies for improving maternity services and increasing skilled attendance in low resource settings in Burkina Faso, Kenya, and Tanzania. To disseminate and build on the SCI findings, FCI conducted the following activities in 2009:

- ***Developed scientific articles on results from the Skilled Care Initiative:*** An article on the costs of delivery care, *Out-of-pocket Costs for Facility-Based Maternity Care in Three African Countries*, was published by the journal, *Health Policy and Planning*, and a second article, *Improving Poor Women's Access to Maternity Care: Findings from a Primary Care Intervention in Burkina Faso* was published by *Social Science & Medicine*.
- ***Disseminated programmatic and evaluation tools:*** An array of training curricula, job aids, and tools addressing quality assurance,

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

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES – CONTINUED**

**B. Building Capacity in Africa and Latin America and the Caribbean – Continued**

**2. *Sharing the Skilled Care Initiative (SCI) model – Continued***

health service management, community participation, and monitoring and evaluation related to skilled maternity care were developed through the Skilled Care Initiative, and are frequently downloaded from the FCI website.

- ***Supported national and district-level health planners in the design and implementation of skilled attendance strategies:*** FCI worked with partners to ensure that Tanzania’s national policies and norms authorize skilled care cadres to perform essential life-saving obstetric procedures; updated training materials; and worked with district health officials to ensure that skilled care strategies were included in their 2009-2010 budgets.

**3. *Developing more supportive policy and program environments***

During 2009, FCI’s other maternal health programs included the following:

- ***Conducted research and shared findings on the 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, which is crucial to ensuring that women actually use available services. FCI helped launch a Regional Expert Group on Intercultural Care to define and gain agreement on a series of basic indicators for monitoring the “cultural responsiveness” of maternal health services. FCI has completed an extensive review of national maternal health norms and protocols in Bolivia, Ecuador, and Peru to assess the extent to which these norms reflect an intercultural approach. The Ministries of Health in these countries are now leading workshops to share findings from the review and to generate 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 in Africa and Latin America and the Caribbean –  
Continued**

**3. *Developing more supportive policy and program environments –  
Continued***

- ***Partnered with the Ministry of Health in Burkina Faso:*** After being selected as a core strategic partner to the Ministry of Health in Burkina Faso on maternal, newborn, and reproductive health, FCI worked with local authorities and grassroots organizations in the Sahel region of the country to reinforce their institutional capacity in project planning, financial management, and monitoring and evaluation. FCI is working with these groups to enhance their knowledge in maternal, newborn, and reproductive health and HIV issues; 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.
- ***Expanded the knowledge base in Latin America:*** FCI produced a Spanish-language compendium of selected articles from The Lancet’s Sexual and Reproductive Health Series, Maternal Survival Series, and Women Deliver special issue for professional audiences in Latin America and the Caribbean. The articles in the compendium address the most pressing issues in the region; reflect the perspectives and solutions proposed by recognized experts in the field; and propose mechanisms to help governments access the technical, financial and human resources necessary to implement effective strategies in these areas.
- ***Amplified the voice of under-represented and marginalized groups in Bolivia, Ecuador and Peru:*** Based on the results of needs assessment conducted the previous year, FCI worked with the Continental Network of Indigenous Women to build the capacity of indigenous women leaders in three Andean countries to advocate for improved maternal health and gender equity. FCI also developed advocacy materials to raise awareness around women’s rights to maternal health services as guaranteed under the new constitutions of Ecuador and Bolivia. As a result of these efforts, the first national network of

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

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES  
– CONTINUED**

**B. Building Capacity in Africa and Latin America and the Caribbean –  
Continued**

**3. *Developing more supportive policy and program environments –  
Continued***

indigenous women in Ecuador was legally constituted and the network launched its political agenda, which emphasizes maternal health and rights. In Bolivia, the Ministry of Health invited indigenous networks to participate, for the first time ever, in the review of its national safe motherhood and sexual and reproductive health draft plans.

- ***Engaged civil society in Kenya in improving maternal survival as a human rights issue:*** In partnership with the International Initiative for Maternal Mortality and Human Rights, FCI developed a set of tools to engage health staff and community leaders in Kenya in exploring human rights dimensions of maternal health and identified priority actions needed to ensure these rights. These tools were reviewed and approved by key members of the Ministry of Health, as well as other key human rights stakeholders at the national level.

FCI used these materials to train health facility staff, management committee members, and community leaders. Participants explored the various levels at which the right to maternal health can be compromised; and identified ways to protect and ensure women’s right to maternal health within the health facility and at the community level. Participants developed action plans to establish protective and accountability measures and to mobilize communities around women’s right to maternal health. More than two-thirds of the measures identified in the action plans were put in place, and community educators reached over 6,000 people with information on the human rights obligations related to maternal health.

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

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –  
CONTINUED**

**B. Building Capacity in Africa and Latin America and the Caribbean –  
Continued**

**4. *Improving adolescent sexual and reproductive health***

FCI advocates for improving young people's access to sexual and reproductive health information and services, and works with partners on concrete initiatives to introduce and improve SRH services for young people and promote youth participation. In 2009, FCI:

- ***Identified best practices in adolescent pregnancy prevention:*** As a regional partner in the Andean Plan to Reduce Unwanted Teenage and Adolescent Pregnancy, FCI worked with Ministries of Health, technical agencies, and youth-serving partners in Ecuador, Bolivia, Peru, Chile, Venezuela, and Colombia to identify, document, and scale up best programs and practices for preventing teen pregnancy. A web-based information tool is being developed to target program officers, decision makers and other stakeholders in the field, and to communicate with a broad audience that includes youth networks.
- ***Targeted out-of-school youth in Mali:*** In response to local requests and 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 a program that focuses on improving the sexual and reproductive health of young Malians who work in the informal sector. Originally developed for youth in the capital, Bamako, the program was adapted for implementation in the port city of Mopti. The curriculum integrates comprehensive information on adolescent sexual and reproductive health with skills-building exercises in communication, negotiation, and assertiveness. The program also worked with influential adults in the community, including religious leaders and employers, to improve their communication with young workers, raise their awareness of sexual and reproductive health issues, and mobilize their support for this work.

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

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –  
CONTINUED**

**B. Building Capacity in Africa and Latin America and the Caribbean –  
Continued**

**4. *Improving adolescent sexual and reproductive health – Continued***

- ***Launched comprehensive strategies for improving adolescent health and reducing risky behavior:*** In response to requests from partners, FCI is developing a curriculum to help parents in French-speaking West Africa talk with their teenagers about sexual and reproductive health issues. FCI completed a comprehensive assessment to determine the specific information needs of these parents, and is preparing to draft the curriculum.
- ***Addressed young people’s needs for SRH information and life skills:*** In 2009 FCI produced and launched a Swahili version of *You, Your Life, Your Dreams (YYLYD)*—one of FCI’s ground-breaking set of adolescent education materials—to make its information and messages accessible to young people in Kenya, Tanzania, and other parts of East Africa. In addition, in collaboration with colleagues in Suriname, FCI completed a Dutch-language version of *YYLYD*, which is being used widely in the Caribbean to reach teens in remote schools with information about their sexual and reproductive health and rights. FCI also revised the content of the French version of *YYLYD* to incorporate new SRH-related information. *YYLYD*’s accompanying video was translated into Peulh, a language spoken in many West African countries, and versions in Peuhl and French were produced in CD-ROM format in response to requests from regional partners.

**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.

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

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES – CONTINUED**

**B. Building Capacity in Africa and Latin America and the Caribbean – Continued**

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

- ***Conducted HIV-prevention awareness raising and education in Bolivia:*** Since 2005, FCI has been supporting indigenous networks and organizations in the Bolivian Lowlands to reduce HIV risks and combat stigma through awareness-raising and education. In 2009, FCI implemented similar 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 Knowledge, Attitudes and Practices 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 HIV prevention.

***Trained peer educators in HIV-prevention efforts in Mali:*** With support from The Global Fund to Fight AIDS, Tuberculosis and Malaria, and in collaboration with a group of local NGOs working on reproductive health, FCI conducted peer-based HIV-prevention education with sex workers, female street vendors, and domestic workers in Bamako, Mali. Through a three-day training course, FCI prepared 113 participants to become peer educators in HIV-prevention; they in turn organized 1,222 HIV-prevention outreach sessions and 664 individual counseling sessions.

**C. Strengthening the Organization**

In 2008, as part of institution-wide efforts to strengthen organizational effectiveness, FCI's Board voted to increase its membership to a maximum of nine directors. In 2009, two new directors were appointed.

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

**1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES –  
CONTINUED**

**C. Strengthening the Organization – Continued**

FCI reviewed its strategic framework, and honed its priorities for the 2010-2012 time frame. During 2009, FCI began implementing these priorities, including the following:

- strengthening links between global, regional, and national programs and activities;
- increasing our communications, fundraising, and financial management capacity;
- supporting the evolution of Women Deliver into an independent organization;
- deepening the impact and raising the profile of FCI's global advocacy work; and
- expanding the depth and breadth of our community engagement strategies in the field.

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

**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.

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

**Cash and Cash Equivalents**

Cash and cash equivalents consist of money market accounts and any debt instruments purchased with a maturity of three (3) months or less. Interest income is recognized as earned.

**Property and Equipment and Depreciation**

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.

**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. 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 AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

	<u>2009</u>	<u>2008</u>
Petty cash	\$ 1,200	\$ 1,200
Citibank interest-bearing checking accounts	20,004	216,252
TD Bank - checking account	265,546	693,773
HSBC (UK) - checking account	67,264	68,017
Merrill Lynch - institutional account	-	125,827
Citibank - checking account Women Deliver	520,140	-
Citibank - merchant account Women Deliver	15,297	-
Total	<u>\$ 889,451</u>	<u>\$ 1,105,069</u>

FCI maintains its cash and cash equivalents in four financial institutions. The checking accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Institutional account is fully covered under the Securities Investor Protection Corporation (SPIC) protection and excess-SPIC protection obtained by Merrill Lynch.

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

**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2009</u>	<u>2008</u>
Furniture	\$ 10,343	\$ 10,343
Telephone equipment	13,187	13,187
Computer hardware and software	201,313	35,298
Leasehold improvements	284,612	284,612
Subtotal	509,455	343,440
Less: Accumulated depreciation	(302,881)	(256,575)
Net Property and Equipment	<u>\$ 206,574</u>	<u>\$ 86,865</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 under computer hardware and software.

**5. 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, 2009 and 2008 were \$25,005 and \$84,623, respectively.

**6. LEASE COMMITMENT**

As of December 31, 2009, FCI's lease commitment relating to office space is as follows:

<u>December 31,</u>	<u>Amount</u>
2010	\$ 224,339
2011	232,611
2012	233,581
2013	138,610
Total	<u>\$ 829,141</u>

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

**6. LEASE COMMITMENT – CONTINUED**

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, 2009 and 2008, including FCI's pro-rata share of increases in property taxes, maintenance and other operating costs, were \$206,662 and \$194,071, respectively.

**7. TEMPORARILY RESTRICTED NET ASSETS**

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

	<u>2009</u>	<u>2008</u>
United Nations agencies	\$ 136,982	\$ 310,309
Foreign governments	533,619	73,478
Foundations and trusts	509,810	952,794
General contributors	34,887	91,999
Consultancy	33,902	78,317
The World Bank - IBRD	84,900	-
Total	<u>\$ 1,334,100</u>	<u>\$ 1,506,897</u>

**8. 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>2009</u>	<u>2008</u>
Global Advocacy and Information Sharing	\$ 963,829	\$ 1,680,715
Women Deliver	1,415,252	349,121
Country Level Technical Assistance	2,537,045	1,510,278
Total	<u>\$ 4,916,126</u>	<u>\$ 3,540,114</u>

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

**9. SUPPORTS FROM FIELD OFFICES**

In 2009 and 2008, the following grants were received directly by FCI's field offices:

	<u>2009</u>	<u>2008</u>
WPF - Tanzania	\$ 106,734	\$ 174,730
Interarts - Improving SRH - Ecuador	39,086	48,982
Center for Reproductive Rights - Int'l Initiative on MM & HR	20,638	20,000
Interarts - Improving SRH - Bolivia	62,680	16,483
Global Fund - Mali	24,387	15,071
Constella Group ACCESS - Burkina Faso	5,541	3,430
UNFPA- Bolivia	28,296	-
PAHO - Relevamiento de Informacion de Salud de Jovenes Indigenous	10,900	-
Interarts Foundation - Youth in the Informal Sector - Mali	66,110	-
Ministry of Health - Burkina Faso	38,940	-
Inter-American Development Bank RG-K1057 ASRH-LAC	14,400	-
UNFPA - Burkina Faso	-	222,831
Bristol-Myers Squibb Foundation - Mali	-	116,179
European Union - Making Motherhood Safer Machakos & Mwingi - MOH Kenya	-	54,802
Fondation de France	-	18,066
American Jewish World Services - Bolivia	-	14,345
Norway Rainbow Foundation - Bolivia	-	11,178
Enfants du Monde - Burkina Faso	-	3,853
Total	<u>\$ 417,712</u>	<u>\$ 719,950</u>

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

**10. GRANTS PAYABLE**

In August 2003, FCI received a four-year grant of \$5,711,105 from the Bill and Melinda Gates Foundation in support of the project “Misoprostol for Post Partum Hemorrhage”. In October 2007, Bill and Melinda Gates Foundation awarded FCI another supplemental grant in the amount of \$826,778. This supplemental grant increased the grant award from the original \$5,711,105 to \$6,537,883. 2008 grants payable represents unrecognized revenue portion of the payment amounts received for this grant.

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. 2009 Grants payable represents unrecognized revenue portion of the payment amounts received from UNFPA.

Grants payable for the years ended December 31, 2009 and 2008 were \$156,501 and \$794,613, respectively.

**11. GRANTS TO NON-AFFILIATED ORGANIZATIONS**

In 2009 and 2008, pass-through grants to other organizations are as follows:

	<u>2009</u>	<u>2008</u>
Gynuity Health Projects	\$ 349,028	\$ 843,025
Youth Coalition	97,500	51,250
Inter-American Parliamentary Group	<u>20,100</u>	<u>-</u>
Total	<u>\$ 466,628</u>	<u>\$ 894,275</u>

**SUPPLEMENTARY  
INFORMATION**

**FAMILY CARE INTERNATIONAL, INC.**  
**FINANCIAL HIGHLIGHTS -**  
**SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2009**

<b>Net Assets, Beginning of Year</b>	<u>\$ 1,577,296</u>
Add: Support and Revenue	
The World Bank - IBRD	100,000
United Nations agencies	2,398,583
Foreign governments	581,326
Foundations and trusts	1,364,233
General contributions	288,711
Consultancy revenue	173,447
Interest and dividend	18,644
Sale of publications and materials	3,909
Miscellaneous	<u>200,072</u>
Total Revenues	<u>5,128,925</u>
Total Funds Available	<u>6,706,221</u>
Less: Expenses	
Grants	
Grants to Non-Affiliated Organizations	466,628
Program services	
Global Advocacy and Information Sharing	803,581
Women Deliver	1,179,950
Country Level Technical Assistance	<u>2,115,232</u>
	<u>4,098,763</u>
Supporting services	
Fundraising	131,457
Management and general	<u>675,273</u>
	<u>806,730</u>
Total Expenses	<u>5,372,121</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 1,334,100</u></u>
<b>Comprised of:</b>	
Cash and cash equivalents	\$ 889,451
Receivables from donors	597,399
Other assets	172,260
Property and equipment	206,574
Liabilities	<u>(531,584)</u>
Total	<u><u>\$ 1,334,100</u></u>