
**Berkeley Community Health Project
dba Berkeley Free Clinic**

Financial Statements

June 30, 2009

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

**Berkeley Community Health Project
dba Berkeley Free Clinic**

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Certified Public Accountants

Dedicated to Nonprofit Organizations

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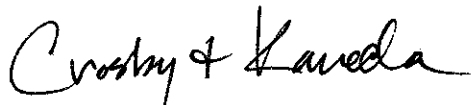
Independent Auditors' Report

Board of Directors
Berkeley Community Health Project
dba Berkeley Free Clinic
Berkeley, California

We have audited the accompanying statement of financial position of Berkeley Community Health Project (a nonprofit California corporation) as of June 30, 2009, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Berkeley Community Health Project as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountants
Oakland, California
January 26, 2010

**Berkeley Community Health Project
dba Berkeley Free Clinic**

**Statement of Financial Position
June 30, 2009**

Assets

Current Assets	
Cash and cash equivalents	\$ 185,925
Accounts receivable	25,459
Investments (Note 4)	<u>236,323</u>
Total Current Assets	<u>447,707</u>
 Property and equipment, net (Note 3)	 <u>24,448</u>
 Total Assets	 <u><u>\$ 472,155</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts payable and accrued expenses	\$ 12,943
Total Liabilities	<u>12,943</u>
 Contingencies (Note 5)	
 Net Assets	
Unrestricted	455,612
Permanently restricted (Note 6)	<u>3,600</u>
 Total Net Assets	 <u>459,212</u>
 Total Liabilities and Net Assets	 <u><u>\$ 472,155</u></u>

See Notes to the Financial Statements

**Berkeley Community Health Project
dba Berkeley Free Clinic**

**Statement of Activities
Year Ended June 30, 2009**

	Unrestricted	Permanently Restricted	Total
Support and Revenue			
Support			
Government contracts	\$ 129,465	\$	\$ 129,465
Foundation and community grants	65,224		65,224
Contributions	92,168		92,168
In-kind contributions (Note 7)	642,290		642,290
Total Support	<u>929,147</u>	<u>-</u>	<u>929,147</u>
Revenue			
Interest and dividends	11,759		11,759
Unrealized loss	(7,687)		(7,687)
Realized loss	(61,927)		(61,927)
Total Revenue	<u>(57,855)</u>	<u>-</u>	<u>(57,855)</u>
Total Support and Revenue	<u>871,292</u>	<u>-</u>	<u>871,292</u>
Expenses			
Program	861,661		861,661
General and administrative	66,797		66,797
Fundraising	36,188		36,188
Total Expenses	<u>964,646</u>	<u>-</u>	<u>964,646</u>
Change in Net Assets	(93,354)	-	(93,354)
Net Assets, beginning of year	<u>548,966</u>	<u>3,600</u>	<u>552,566</u>
Net Assets, end of year	<u>\$ 455,612</u>	<u>\$ 3,600</u>	<u>\$ 459,212</u>

See Notes to the Financial Statements

**Berkeley Community Health Project
dba Berkeley Free Clinic**

**Statement of Cash Flows
Year Ended June 30, 2009**

Cash flows from operating activities:

Change in net assets	\$ (93,354)
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:	
Depreciation	6,417
Realized loss on investments	61,927
Unrealized loss on investments	7,687
Change in assets and liabilities:	
Accounts receivable	63,574
Accounts payable and accrued expenses	<u>(8,816)</u>
Net cash provided by operating activities	<u>37,435</u>

Cash flows from investing activities:

Purchases of investments	(28,132)
Proceeds from the sale of investments	50,610
Purchase of equipment	<u>(3,852)</u>
Net cash provided by investing activities	<u>18,626</u>

Net change in cash and cash equivalents	<u>56,061</u>
Cash and cash equivalents, beginning of year	<u>129,864</u>
Cash and cash equivalents, end of year	<u>\$ 185,925</u>

See Notes to the Financial Statements

**Berkeley Community Health Project
dba Berkeley Free Clinic**

**Statement of Functional Expenses
Year Ended June 30, 2009**

	Program				Total Program	Management and General	Fundraising	Total
	Medical Dental and GMHC	IRC/PCC	HPS	Hep-Tev				
Salaries	\$ 49,685	\$ 10,338	\$ 11,014	\$ 6,289	\$ 77,326	\$ 13,546	\$ 1,430	\$ 92,302
Payroll taxes	5,055	1,068	1,138	650	7,911	1,400	227	9,537
	<u>54,740</u>	<u>11,406</u>	<u>12,152</u>	<u>6,939</u>	<u>85,237</u>	<u>14,946</u>	<u>1,657</u>	<u>101,839</u>
Fee for service					-	4,996	-	4,996
Advertising and promotion	350	50	25	25	450	-	-	450
Supplies	43,292	4,755	10,865	10,865	69,777	2,003	1,900	73,680
Telephone	1,921	9,860	640	640	13,061	1,500	640	15,201
Postage					-	306	3,476	3,782
Equipment rental and maintenance	1,961	1,309	654	654	4,577	654	654	5,885
Bank fees					-	1,061	-	1,061
Copy/Printing	1,079	184	41		1,304	-	5,173	6,477
Information technology			255		255	1,122	-	1,377
Occupancy	20,552	13,699	6,850	6,850	47,951	6,850	6,850	61,651
Travel, meals, and entertainment	471	226	301	113	1,111	930	116	2,157
Conferences, conventions, meetings	1,661		205		1,866	-	-	1,866
Depreciation					-	6,417	-	6,417
Insurance	6,414	4,276	2,138	2,138	14,966	2,441	-	17,407
Dues, licenses, service fees					-	3,909	-	3,909
Lab services	4,225			9,975	14,200	-	-	14,200
In Kind Services	279,876	161,150	89,418	30,570	561,014	13,102	9,166	583,282
In Kind Rent	19,668	13,112	6,556	6,556	45,892	6,560	6,556	59,008
Total Expenses	<u>\$ 436,210</u>	<u>\$ 220,027</u>	<u>\$ 130,100</u>	<u>\$ 75,325</u>	<u>\$ 861,661</u>	<u>\$ 66,797</u>	<u>\$ 36,188</u>	<u>\$ 964,645</u>

See Notes to the Financial Statements

BERKELEY COMMUNITY HEALTH PROJECT

DBA BERKELEY FREE CLINIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1: NATURE OF ACTIVITIES

Berkeley Community Health Project (BCHP, The Organization), also doing business as the Berkeley Free Clinic, is a California nonprofit public benefit corporation committed to providing medical, dental, counseling, information and referral services to all individuals free of charge. BCHP's activities are primarily supported by government contracts and public contributions.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no temporarily restricted net assets as of June 30, 2009.

Revenue Recognition

The Organization recognizes public contract revenue in the period when the service has been provided. The Foundation recognizes grants and donor contributions upon the earlier of receipt or when an agreement has been executed. Contributions without donor-imposed restrictions are reported as unrestricted support. Contributions with donor-imposed restrictions are reported as either temporarily restricted or permanently restricted support, depending upon the type of restriction.

Donated materials and equipment are recorded as contributions at their estimated value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d).

Donated Services

Contributions of services are recognized at fair market value when received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

BERKELEY COMMUNITY HEALTH PROJECT

DBA BERKELEY FREE CLINIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

The fair values of financial instruments represent the quoted market prices for similar assets or liabilities in active markets.

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2009:

Furniture and equipment	\$ 89,736
Leasehold improvements	108,060
less accumulated depreciation	<u>(173,348)</u>
Total	<u>\$ 24,448</u>

NOTE 4: INVESTMENTS

The Organization's investments at June 30, 2009 consist of mutual funds invested in equities and fixed income instruments.

NOTE 5: CONTINGENCIES

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The

BERKELEY COMMUNITY HEALTH PROJECT

DBA BERKELEY FREE CLINIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 6: PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets were permanently restricted by donors to establish an endowment fund.

NOTE 7: IN-KIND CONTRIBUTIONS

In kind rent

The Organization recognizes the difference between the occupancy costs associated with renting the facilities in Berkeley, California and the fair market value of similar facilities as donated rent.

Donated services

Contributions of services are recognized at fair market value when received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

During the year ended June 30, 2009, the value of in kind rent and donated professional services was as follows:

Rent	\$ 59,008
Professional Services	<u>583,282</u>
Total	<u>\$ 642,290</u>

Volunteer services

The Organization relied on services provided by 250 volunteers who each receive a minimum of six months of training in delivering medical protocol services, peer counseling, laboratory testing, and/or social service support assistance. Without these services, the Organization could not implement its mission. During the year ended June 30, 2009, the Organization valued these services at \$583,282.