

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2009**



Leaf & Cole, LLP  
*Certified Public Accountants*

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**TABLE OF CONTENTS**

|   | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report                  | 1           |
| Statement of Financial Position               | 2           |
| Statement of Activities                       | 3           |
| Statement of Cash Flows                       | 4           |
| Notes to Financial Statements                 | 5-11        |
| Supplementary Schedule of Functional Expenses | 12          |



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## Independent Auditor's Report

To the Board of Directors  
San Diego County Medical Society Foundation  
5575 Ruffin Road, Suite 250  
San Diego, California 92123

We have audited the accompanying statement of financial position of San Diego County Medical Society Foundation as of September 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from San Diego County Medical Society Foundation's 2008 financial statements and in our report dated April 6, 2009, we expressed an unqualified opinion on those financial statements.

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 San Diego County Medical Society Foundation as of September 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary schedule of functional expenses for the year ended September 30, 2009, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The prior year supplementary schedule of functional expenses summarized comparative information has been derived from San Diego County Medical Society Foundation's 2008 supplementary schedule of functional expenses and in our report dated April 6, 2009, we expressed an unqualified opinion on the supplementary schedule of functional expenses.

Leaf & Cole LLP  
San Diego, California  
December 18, 2009

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2009  
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008)**

**ASSETS**

|  | <u>2009</u>       | <u>2008</u>       |
|--|-------------------|-------------------|
| <b><u>Assets:</u></b> (Notes 1, 2 and 3) |                   |                   |
| Cash and cash equivalents                | \$ 166,254        | \$ 95,189         |
| Investments                              | 504,808           | 689,389           |
| Accounts receivable                      | 53,928            | 19,486            |
| Prepaid expenses                         | -                 | 145               |
| Notes receivable, net                    | 48,411            | 53,681            |
| Equipment, net                           | 630               | 1,893             |
|  | <u>630</u>        | <u>1,893</u>      |
| <b>TOTAL ASSETS</b>                      | <u>\$ 774,031</u> | <u>\$ 859,783</u> |

**LIABILITIES AND NET ASSETS**

|  |                   |                   |
|--|-------------------|-------------------|
| <b><u>Liabilities:</u></b> (Note 1)          |                   |                   |
| Accounts payable and accrued expenses        | \$ 5,921          | \$ 18,616         |
| Deferred grant revenue                       | 312,585           | 357,793           |
| Total Liabilities                            | <u>318,506</u>    | <u>376,409</u>    |
| <b><u>Commitment</u></b> (Note 5)            |                   |                   |
| <b><u>Net Assets:</u></b> (Notes 1, 4 and 6) |                   |                   |
| Unrestricted                                 | 203,699           | 154,801           |
| Temporarily restricted                       | 251,826           | 328,573           |
| Total Net Assets                             | <u>455,525</u>    | <u>483,374</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>      | <u>\$ 774,031</u> | <u>\$ 859,783</u> |

The accompanying notes are an integral part of the financial statements.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008)**

|  | <u>Unrestricted</u>      | Temporarily<br><u>Restricted</u> | Total<br><u>2009</u>     | <u>2008</u>              |
|--|--------------------------|----------------------------------|--------------------------|--------------------------|
| <b><u>Support and Revenues:</u></b>                      |                          |                                  |                          |                          |
| Grants   | \$ 575,837               | \$ -                             | \$ 575,837               | \$ 238,886               |
| Contributions  | 63,769                   | -                                | 63,769                   | 146,509                  |
| Bad debt recovery  | 20,934                   | -                                | 20,934                   | -                        |
| Other income (loss)                                      | (1,089)                  | -                                | (1,089)                  | 1,811                    |
| Membership dues  | -                        | -                                | -                        | 1,000                    |
| Special events   | -                        | -                                | -                        | 1,000                    |
| Investment income (loss)                                 | 6,718                    | (50,872)                         | (44,154)                 | (32,647)                 |
| Net assets released from restrictions                    | 25,875                   | (25,875)                         | -                        | -                        |
| Total Support and Revenues                               | <u>692,044</u>           | <u>(76,747)</u>                  | <u>615,297</u>           | <u>356,559</u>           |
| <b><u>Expenses:</u></b>                                  |                          |                                  |                          |                          |
| <b>Program Services</b>                                  | <u>584,671</u>           | <u>-</u>                         | <u>584,671</u>           | <u>231,652</u>           |
| <b>Supporting Services:</b>                              |                          |                                  |                          |                          |
| Management and general                                   | 50,216                   | -                                | 50,216                   | 42,910                   |
| Fundraising  | 8,258                    | -                                | 8,258                    | 113,546                  |
| Total Supporting Services                                | <u>58,475</u>            | <u>-</u>                         | <u>58,475</u>            | <u>156,456</u>           |
| Total Program and Supporting<br>Services Expenses        | 643,146                  | -                                | 643,146                  | 388,108                  |
| <b>Special Events</b>                                    | <u>-</u>                 | <u>-</u>                         | <u>-</u>                 | <u>8,157</u>             |
| Total Expenses   | <u>643,146</u>           | <u>-</u>                         | <u>643,146</u>           | <u>396,265</u>           |
| Change in Net Assets                                     | 48,898                   | (76,747)                         | (27,849)                 | (39,706)                 |
| Net Assets At Beginning of Year,<br>as Restated (Note 6) | <u>154,801</u>           | <u>328,573</u>                   | <u>483,374</u>           | <u>523,080</u>           |
| <b>NET ASSETS AT END OF YEAR</b>                         | <u><u>\$ 203,699</u></u> | <u><u>\$ 251,826</u></u>         | <u><u>\$ 455,525</u></u> | <u><u>\$ 483,374</u></u> |

The accompanying notes are an integral part of the financial statements.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008)**

|  | <u>2009</u>       | <u>2008</u>      |
|--|-------------------|------------------|
| <b><u>Cash Flows From Operating Activities:</u></b>  |                   |                  |
| Change in net assets   | \$ (27,849)       | \$ (39,706)      |
| <b>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:</b> |                   |                  |
| Depreciation   | 1,263             | 1,263            |
| Realized and unrealized losses on investments  | 44,581            | 36,684           |
| <b>(Increase) Decrease in:</b>   |                   |                  |
| Accounts receivable  | (34,442)          | (19,246)         |
| Prepaid expenses   | 145               | (145)            |
| Notes receivable, net  | 5,270             | 2,275            |
| <b>Increase (Decrease) in:</b>   |                   |                  |
| Accounts payable and accrued expenses  | (12,695)          | 2,112            |
| Deferred grant revenue   | (45,208)          | 262,599          |
| Net Cash (Used in) Provided by Operating Activities  | <u>(68,935)</u>   | <u>245,836</u>   |
| <br><b><u>Cash Flows From Investing Activities:</u></b>  |                   |                  |
| Investments, net   | <u>140,000</u>    | <u>(158,521)</u> |
| Net Cash Provided by (Used in) Investing Activities  | <u>140,000</u>    | <u>(158,521)</u> |
| <br>Change in Cash and Cash Equivalents  | 71,065            | 87,315           |
| <br>Cash and Cash Equivalents, Beginning of Year   | <u>95,189</u>     | <u>7,874</u>     |
| <br><b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>  | <u>\$ 166,254</u> | <u>\$ 95,189</u> |

The accompanying notes are an integral part of the financial statements.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009  
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008)**

**Note 1 - Organization and Significant Accounting Policies:**

**Organization**

The San Diego County Medical Society Foundation (the "Foundation") is a California Nonprofit Organization. The Foundation's mission is to build a healthier San Diego by addressing unmet healthcare needs for all patients and physicians through education, innovation, and service.

The Foundation's programs consist of the following five initiatives:

**Access to Care**

The Foundation is in support of local organizations that provide direct care to the neediest of our community. By recruiting physicians who wish to donate their services, helping to connect the needy to low-cost specialty care, or providing direct financial support to these organizations, the Foundation is committed to playing an active role in solving this community-wide problem.

**Medical Student Support**

By expanding the original mission of the organization, the Foundation will continue to provide low-interest student loans to medical students. Additional support to the students includes:

- Project mini-grants for student-lead programs at the UCSD student-run street clinics.
- Expanded support of Student Legislative Day, where students participate with physicians from around California learning about legislative impact on healthcare policy and interacting with legislators in Sacramento.

These programs are developed to sensitize students to the needs of the San Diego community and to promote physician retention in San Diego after graduation and residency.

**Retired Physicians Society**

The Foundation is convening retired physicians living in the San Diego community who are interested in continuing to use their talents and skills in a voluntary capacity. At quarterly meetings, members have an opportunity to network with a variety of community organizations that would value and utilize their knowledge and wisdom. They will learn about current issues in medical practice and current public policy concerns facing our community. The goal is to provide opportunities for retired physicians to connect with, become involved with, participant in, and offer leadership to organizations that serve the healthcare needs of the underserved in our community.

**Significant Accounting Policies**

**Method of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting, which is in accordance with U.S. generally accepted accounting principles and, accordingly, reflect all significant receivables, payables, and other liabilities.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008)**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Method of Accounting (Continued)**

In June 2009, the Financial Accounting Standards Board (FASB) Accounting Standards Codification (Codification) was issued. The Codification is the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. The Codification is effective for financials statements issued for interim and annual periods ending after September 15, 2009. The implementation of this standard did not have a material impact on the financial position and results of operations.

**Financial Statement Presentation**

The financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Estimates**

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

**Risks and Uncertainties**

The Foundation invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

**Fair Value Measurements**

Effective October 1, 2008, the Foundation adopted the fair value standards for financial assets and liabilities that are required to be measured at fair value on a recurring basis. The Fair Value Measurement standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified with Level 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). These standards do not change existing guidance as to whether or not an instrument is carried at fair value. As of October 1, 2008, the Foundation determined that the implementation of these standards did not have a significant impact on the financial assets and liabilities in the financial statements.



**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008)**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Fair Value Measurements (Continued)**

The Foundation's statement of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments - Investments held at Dunham Trust Company are considered Level 2 assets and are reported at fair value based on the fair value of the underlying assets in the funds as reported by the fund manager, Dunham Trust Company, since these funds are valued monthly by the fund manager and are not traded in an active market.

**Accounts Receivable**

Management believes that all accounts receivable were fully collectible; therefore, no allowance for doubtful accounts was recorded as of September 30, 2009 and 2008.

**Equipment**

Equipment is recorded at cost. Donations of equipment are recorded as support at their estimated fair value. 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 and contributions of cash that must be used to acquire equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment totaled \$3,786, net of accumulated depreciation of \$3,156 and \$1,893 at September 30, 2009 and 2008, respectively. Equipment and software are depreciated using the straight-line method over the estimated useful asset lives as follows:

|                    |         |
|--------------------|---------|
| Computer equipment | 3 years |
|--------------------|---------|

Depreciation aggregated \$1,263 and \$1,263 for the years ended September 30, 2009 and 2008, respectively.

Maintenance, repairs and minor renewals are charged to operations as incurred. Upon sale or disposition of equipment, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings.

**Compensated Absences**

Accumulated unpaid vacation totaling \$5,921 and \$1,125 at September 30, 2009 and 2008, respectively is accrued when incurred and included in accounts payable and accrued expenses.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008)**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Revenue Recognition**

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Foundation that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Grant Revenue**

Grant revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant or contract. A receivable is recorded when revenue earned under a grant or contract exceeds the cash received. Deferred grant revenue is recorded when cash received under a grant or contract exceeds the revenue earned. Deferred grant revenue totaled \$312,585 and \$357,793 at September 30, 2009 and 2008, respectively.

**Allocated Expenses**

Expenses by function have been allocated amount program and supporting services classifications on the basis of internal records and estimates made by the Foundation's management.

**Donated Services, Rent, Telephone and Other Support Services**

The Foundation received contributed personnel services, rent, telephone and other support services totaling \$39,135 and \$56,940, which have been reflected in the financial statements as unrestricted contributions revenue and supporting services and fundraising expenses for the years ended September 30, 2009 and 2008, respectively.

**Income Tax Status**

The Foundation is a nonprofit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Foundation is not a private foundation.

The Foundation uses a loss contingencies approach for evaluating uncertain tax positions and continually evaluates changes in tax law and new authoritative rulings.

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008)**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Concentration of Credit Risk**

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

**Comparative Totals for September 30, 2008**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended September 30, 2008, from which the summarized information was derived.

**Subsequent Events**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 18, 2009, the date the financial statements were available to be issued.

**Note 2 - Investments:**

Investments are stated at fair value. The Foundation's investments totaling \$504,808 and \$689,389 at September 30, 2009 and 2008, respectively are held by Dunham Trust Company in a variety of pooled investment funds and mutual funds.

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended September 30:

|  | 2009                |                                   |              |             |
|--|---------------------|-----------------------------------|--------------|-------------|
|  | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u> | <u>2008</u> |
| Interest and dividend income                                     | \$ 427              | \$ -                              | \$ 427       | \$ 4,037    |
| Net realized and unrealized gains<br>and (losses) in investments | 6,291               | (50,872)                          | (44,581)     | (36,684)    |
| Investment Income (Loss)   | \$ 6,718            | \$ (50,872)                       | \$ (44,154)  | \$ (32,647) |

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008)**

**Note 3 - Notes Receivable:**

Notes receivable to medical students for student loans bear interest at 4% to 7%. Interest begins accruing from the first to occur (i) date of graduation with a degree in medicine, or an advanced graduate degree in the medical field or (ii) date the borrower ceases to be a full-time medical student (“cessation date”). Payment of principal and interest are deferred for up to twelve (12) months from graduation date or six (6) months after borrower’s cessation date.

Notes receivable consist of the following at September 30:

|                                   | <u>2009</u>      | <u>2008</u>      |
|-----------------------------------|------------------|------------------|
| Principal                         | \$ 53,083        | \$ 74,484        |
| Interest receivable               | 1,097            | 5,900            |
| Less: Allowance for uncollectible | <u>(5,769)</u>   | <u>(26,703)</u>  |
| Notes Receivable, Net             | <u>\$ 48,411</u> | <u>\$ 53,681</u> |

Management has established an allowance for uncollectible notes receivable based on historical experience and management’s evaluation of outstanding notes receivable. The allowance for uncollectible notes receivable totaled \$5,769 and \$26,703 at September 30, 2009 and 2008, respectively.

**Note 4 - Temporarily Restricted Net Assets:**

Temporarily restricted net assets consist of the following at September 30:

|   | <u>2009</u>       | <u>2008</u>       |
|---|-------------------|-------------------|
| Asthma education                        | \$ 4,000          | \$ 9,500          |
| Project Access                          | 9,640             | 13,640            |
| Website                                 | -                 | 16,375            |
| Simon/Hertzka                           | 63,705            | 75,181            |
| Amper                                   | <u>174,481</u>    | <u>213,877</u>    |
| Total Temporarily Restricted Net Assets | <u>\$ 251,826</u> | <u>\$ 328,573</u> |

Net assets in the amount of \$25,875 were released from donor restrictions for the year ended September 30, 2009, by incurring expenses satisfying the purpose or time restrictions specified by donors.

**Note 5 – Operating Lease Commitment:**

The Foundation reimburses the San Diego County Medical Society (the “Society”) for rent for shared space according to the agreement on shared costs. Rent expense consists of the following at September 30:

|                       | <u>2009</u>      | <u>2008</u>      |
|-----------------------|------------------|------------------|
| Rent paid             | \$ 17,300        | \$ 1,200         |
| Rent received in-kind | <u>15,235</u>    | <u>25,020</u>    |
|                       | <u>\$ 32,535</u> | <u>\$ 26,220</u> |

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2008)**

**Note 6 - Restatement:**

Certain adjustments resulting in a reclassification in net assets at September 30, 2007 and September 30, 2008, were made during the current year which resulted in a restatement of previously reported amounts as follows:

|                                   | <u>September 30, 2007</u><br><u>As Previously Reported</u> | <u>Adjustment</u> | <u>September 30, 2007</u><br><u>As Restated</u> |
|-----------------------------------|--|-------------------|---|
| Statement of Financial Position:  |  |                   |   |
| Unrestricted net assets           | \$ 523,080   | \$ (318,956)      | \$ 204,124                                      |
| Temporarily restricted net assets | <u>-</u>   | <u>318,956</u>    | <u>318,956</u>                                  |
| Total Net Assets                  | <u>\$ 523,080</u>  | <u>\$ -</u>       | <u>\$ 523,080</u>                               |
|                                   |  |                   |   |
|                                   | <u>September 30, 2008</u><br><u>As Previously Reported</u> | <u>Adjustment</u> | <u>September 30, 2008</u><br><u>As Restated</u> |
| Statement of Financial Position:  |  |                   |   |
| Unrestricted net assets           | \$ 443,859   | \$ (289,058)      | \$ 154,801                                      |
| Temporarily restricted net assets | <u>39,515</u>  | <u>289,058</u>    | <u>328,573</u>                                  |
| Total Net Assets                  | <u>\$ 483,374</u>  | <u>\$ -</u>       | <u>\$ 483,374</u>                               |
| Statement of Activities:          |  |                   |   |
| Investment loss:                  |  |                   |   |
| Unrestricted                      | \$ (32,647)  | \$ 29,898         | \$ (2,749)                                      |
| Temporarily restricted            | <u>-</u>   | <u>(29,898)</u>   | <u>(29,898)</u>                                 |
| Total Investment Loss             | <u>\$ (32,647)</u>   | <u>\$ -</u>       | <u>\$ (32,647)</u>                              |
| Change in Net Assets:             |  |                   |   |
| Unrestricted net assets           | \$ (79,221)  | \$ 29,898         | \$ (49,323)                                     |
| Temporarily restricted net assets | <u>39,515</u>  | <u>(29,898)</u>   | <u>9,617</u>                                    |
| Total Change in Net Assets        | <u>\$ (39,706)</u>   | <u>\$ -</u>       | <u>\$ (39,706)</u>                              |

**SAN DIEGO COUNTY MEDICAL SOCIETY FOUNDATION  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2008)**

|   | Supporting Services |                    |                                   |  | 2009<br><u>Total</u> | 2008<br><u>Total</u> |
|---|---------------------|--------------------|-----------------------------------|--|----------------------|----------------------|
|   | <u>Program</u>      | <u>Fundraising</u> | <u>Management<br/>and General</u> | <u>Total<br/>Supporting<br/>Services</u> |                      |                      |
| <b><u>Personnel Costs:</u></b>                            |                     |                    |                                   |  |                      |                      |
| Salaries  | \$ 231,704          | \$ 6,473           | \$ 6,473                          | \$ 12,946                                | \$ 244,650           | \$ 128,099           |
| Employee benefits and payroll tax                         | 44,937              | 1,255              | 1,255                             | 2,510                                    | 47,447               | 31,987               |
| Total Personnel Costs                                     | <u>276,641</u>      | <u>7,728</u>       | <u>7,728</u>                      | <u>15,456</u>                            | <u>292,097</u>       | <u>160,086</u>       |
| <b><u>Other Expenses:</u></b>                             |                     |                    |                                   |  |                      |                      |
| Outside services and consulting                           | 106,435             | -                  | 6,262                             | 6,262                                    | 112,697              | 129,983              |
| Medical services  | 53,884              | -                  | -                                 | -  | 53,884               | -                    |
| Webhost   | 35,636              | -                  | -                                 | -  | 35,636               | 2,110                |
| Office expenses   | 27,224              | -                  | 8,149                             | 8,149                                    | 35,373               | 16,242               |
| Occupancy   | 25,310              | -                  | 7,511                             | 7,511                                    | 32,821               | 26,220               |
| Technology  | 12,672              | -                  | 985                               | 985                                      | 13,657               | 1,400                |
| Supplies  | 11,617              | -                  | 1,604                             | 1,604                                    | 13,221               | 24,817               |
| Meetings and conferences                                  | 7,729               | -                  | 2,832                             | 2,832                                    | 10,561               | 1,817                |
| Grants/scholarships                                       | 9,450               | -                  | -                                 | -  | 9,450                | 3,850                |
| Employee training and other                               | 5,836               | -                  | 2,558                             | 2,558                                    | 8,394                | -                    |
| Travel  | 7,507               | -                  | 186                               | 186                                      | 7,693                | 4,524                |
| Professional fees   | 420                 | -                  | 6,630                             | 6,630                                    | 7,050                | 7,079                |
| Dues and subscriptions                                    | 500                 | 530                | 3,104                             | 3,634                                    | 4,134                | 2,019                |
| Printing  | 1,445               | -                  | 914                               | 914                                      | 2,359                | 1,727                |
| Postage   | 646                 | -                  | 1,165                             | 1,165                                    | 1,811                | 1,133                |
| Depreciation  | 1,263               | -                  | -                                 | -  | 1,263                | 1,263                |
| Miscellaneous   | 370                 | -                  | 30                                | 30                                       | 400                  | 2,185                |
| Recruitment   | 87                  | -                  | 296                               | 296                                      | 383                  | 323                  |
| Insurance   | -                   | -                  | 262                               | 262                                      | 262                  | -                    |
| Repairs and maintenance                                   | -                   | -                  | -                                 | -  | -                    | 1,330                |
| Total Other Expenses                                      | <u>308,031</u>      | <u>530</u>         | <u>42,488</u>                     | <u>43,018</u>                            | <u>351,049</u>       | <u>228,022</u>       |
| <b>TOTAL PROGRAM AND SUPPORTING<br/>SERVICES EXPENSES</b> | <u>\$ 584,672</u>   | <u>\$ 8,258</u>    | <u>\$ 50,216</u>                  | <u>\$ 58,474</u>                         | <u>\$ 643,146</u>    | <u>\$ 388,108</u>    |