

NOMADIC KENYAN CHILDREN'S  
EDUCATIONAL FUND, INC.

Financial Statements

For the Years Ended  
December 31, 2009  
and 2008

## TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Auditors	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5-10
Supplemental Information	
Schedules of Functional Expenses	12-13

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**REPORT OF INDEPENDENT AUDITORS**

To the Board of Directors of  
Nomadic Kenyan Children's Fund, Inc.

We have audited the accompanying statement of financial position of the Nomadic Kenyan Children's Fund, Inc. (a non-profit organization) as of December 31, 2009 and 2008, and the related statements of activities and cash flows 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. 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 NKCEF 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 generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules on pages 12 and 13 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

May 19, 2010

NOMADIC KENYAN CHILDREN'S  
EDUCATIONAL FUND, INC.  
Statements of Financial Position  
Years Ended December 31, 2009 and 2008

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	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 354,995	\$ 209,898
Investments	1,149	25,426
Accrued interest	-	580
Pledges receivable, net of allowance account of \$833 and \$625	<u>82,487</u>	<u>63,850</u>
TOTAL CURRENT ASSETS	\$ <u>438,631</u>	\$ <u>299,754</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 129,049	\$ 819
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	239,287	239,460
Temporarily restricted	<u>70,295</u>	<u>59,475</u>
TOTAL NET ASSETS	<u>309,582</u>	<u>298,935</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>438,631</u>	\$ <u>299,754</u>

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See accompanying notes and accountants' report.

NOMADIC KENYAN CHILDREN'S EDUCATIONAL FUND, INC.  
Statement of Activities  
Years Ended December 31, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenues						
Contributions	\$ 96,120	\$ 52,720	\$ 148,840	\$ 94,134	\$ 15,573	\$ 109,707
Indirect contributions	24,067	-	24,067	24,614	-	24,614
Contributions - in kind	2,366	-	2,366	254	-	254
Donated services	177,973	-	177,973	1,827	-	1,827
Investment income	424	-	424	6,955	-	6,955
Other income	183	-	183	700	-	700
Temporarily restricted net assets released from restriction	<u>41,900</u>	<u>(41,900)</u>	<u>-</u>	<u>49,950</u>	<u>(49,950)</u>	<u>-</u>
Total Revenues	<u>343,033</u>	<u>10,820</u>	<u>353,853</u>	<u>178,434</u>	<u>(34,377)</u>	<u>144,057</u>
Expenses						
Program services	153,004	-	153,004	178,303	-	178,303
General and administrative	186,663	-	186,663	7,287	-	7,287
Fund-raising	<u>3,539</u>	<u>-</u>	<u>3,539</u>	<u>684</u>	<u>-</u>	<u>684</u>
Total Expenses	<u>343,206</u>	<u>-</u>	<u>343,206</u>	<u>186,274</u>	<u>-</u>	<u>186,274</u>
Change in Net Assets	(173)	10,820	10,647	(7,840)	(34,377)	(42,217)
Net Assets at Beginning of Year	<u>239,460</u>	<u>59,475</u>	<u>298,935</u>	<u>247,300</u>	<u>93,852</u>	<u>341,152</u>
Net Assets at End of Year	<u>\$ 239,287</u>	<u>\$ 70,295</u>	<u>\$ 309,582</u>	<u>\$ 239,460</u>	<u>\$ 59,475</u>	<u>\$ 298,935</u>

See accompanying notes and accountants' report.

NOMADIC KENYAN CHILDREN'S  
EDUCATIONAL FUND, INC.  
Statements of Cash Flows  
Years Ended December 31, 2009 and 2008

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	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 10,647	\$ (42,217)
Adjustment to reconcile change in net assets to net cash provided by operating activities-		
Unrealized gain/loss	438	(263)
Decrease (increase) in:		
Pledges receivable	(18,637)	62,110
Accrued interest	580	40
Increase (decrease) in:		
Accounts payable	128,230	(74,445)
Accrued expenses	<u>-</u>	<u>(185)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>121,258</u>	<u>(54,960)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of securities	(1,161)	-
Proceeds from redemption of securities	<u>25,000</u>	<u>60,000</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>23,839</u>	<u>60,000</u>
<b>NET INCREASE IN CASH</b>	145,097	5,040
<b>CASH, BEGINNING OF YEAR</b>	<u>209,898</u>	<u>204,858</u>
<b>CASH, END OF YEAR</b>	<u>\$ 354,995</u>	<u>\$ 209,898</u>

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See accompanying notes and accountants' report.

AMERICAN ORGANIZATION OF HEALTH PHYSICS  
Notes to Financial Statements  
August 31, 2009 and 2008

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**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Organization - The Nomadic Kenyan Children's Educational Fund, Inc. is a nonprofit organization established in 2001 for the primary purpose of funding the education of nomadic Kenyan high school students. The Organization also helps prepare selected primary school students for high school.

Program Services - The primary program services provided by the Organization are identifying qualified Nomadic Kenyan students in order to provide funding to enable them to attend high school and improve their quality of life. Also the Organization is promoting public awareness of the needs of disadvantaged nomadic Kenyan children.

A summary of the Organization's accounting policies follows:

Basis of Accounting - It is the policy of the Organization to prepare its financial statements on the accrual basis of accounting. Under this method, income is recognized when earned rather than when received, and expenses are recognized when incurred rather than when paid.

Financial Statement Presentation - The Organization has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Unrestricted net assets - This classification is used to record all assets that are not required to be reported as either temporarily or permanently restricted. This category is used to record activity, which has not been restricted by a donor or funding source.

Temporarily restricted net assets - This classification is used to record contributions that have been specifically restricted in some manner by the donor. Typically, these restrictions relate to a time period for which the contribution has been designated or for a special purpose or project for which the donor has provided funding.

Permanently restricted net assets - This classification, including contributions that the donor has indicated, must be preserved and remain intact. As of December 31, 2009 and 2008, there are no permanently restricted net assets.

See accountants' review report.

AMERICAN ORGANIZATION OF HEALTH PHYSICS  
Notes to Financial Statements  
August 31, 2009 and 2008

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**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(continued)**

Recognition of Donor Restricted Contributions - Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable - As of December 31, 2009 and 2008, pledges receivable consisted of unconditional promises to give as follows:

	<u>2009</u>	<u>2008</u>
Gross promises to give	\$ 83,320	\$ 64,475
Discount	<u>-</u>	<u>-</u>
Promises after discount	83,320	64,475
Allowance discount	<u>(833)</u>	<u>(625)</u>
Net promises	\$ <u>82,487</u>	\$ <u>63,850</u>

Investments - Investments with readily determinable fair values are reflected at fair market value. To adjust the carrying value of these investments, the change in fair market value is charged or credited to current operations.

Income Tax Status - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that the Association is not a private foundation within the meaning of Section 509(a) of the Code.

Donated Services - Legal services provided to the organization at no charge have been reflected in the financial statements as donated services. The Organization pays for most services requiring specific expertise. However, there are individuals who volunteer their time and perform a variety of tasks that assist the organization, for which there is no estimate available as to the value of those services.

See accountants' review report.

NOMADIC KENYAN CHILDREN'S  
EDUCATIONAL FUND, INC.  
Notes to Financial Statements  
December 31, 2009 and 2008

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**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(continued)**

Use of estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

**2. INVESTMENTS**

Investments, classified as current assets, at December 31, 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Stocks	\$ 1,149	\$ -
Certificates of deposit	<u>-</u>	<u>25,426</u>
Total fair market value	\$ <u>1,149</u>	\$ <u>25,426</u>
Original cost	\$ <u>1,161</u>	\$ <u>25,000</u>

Investment income for the years ended December 31, 2009 and 2008 consists of the following:

	<u>2009</u>	<u>2008</u>
Net realized gains on sale of securities	\$ -	\$ -
Net unrealized holding gains	<u>-</u>	<u>263</u>
	-	263
Net realized losses on sale of securities	-	(87)
Net unrealized holding losses	<u>(438)</u>	<u>-</u>
	(438)	(87)
Dividend and interest income	<u>862</u>	<u>6,779</u>
	\$ <u>424</u>	\$ <u>6,955</u>

NOMADIC KENYAN CHILDREN'S  
EDUCATIONAL FUND, INC.  
Notes to Financial Statements  
December 31, 2009 and 2008

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### 3. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

- Level 1    Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2    Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3    Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOMADIC KENYAN CHILDREN'S  
EDUCATIONAL FUND, INC.  
Notes to Financial Statements  
December 31, 2009 and 2008

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**3. FAIR VALUE MEASUREMENTS (continued)**

Following is a description of the valuation methodologies used for assets measured at fair value.

*Common stocks, corporate bonds and U.S. government securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the net asset value ('NAV') of shares held by the Organization at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2009 and 2008:

	Assets at Fair Value as of December 31, 2009					Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ <u>1,149</u>	\$ -	\$ -	\$ <u>1,149</u>	\$ -	\$ <u>25,426</u>	\$ -	\$ <u>25,426</u>	
Total assets at fair value	\$ <u>1,149</u>	\$ -	\$ -	\$ <u>1,149</u>	\$ -	\$ <u>25,426</u>	\$ -	\$ <u>25,426</u>	

**4. EXPENSE ALLOCATION**

Management and general expenses are allocated to programs on the basis of their functional purpose.

**5. CONTINGENCIES**

The Organization has approximately 264 students that it is funding for terms of from one to six years. Expenses under these agreements for 2009 and 2008 were \$151,396 and \$173,680, respectively. Students must maintain certain grades to continue receiving funding. Due to the uncertainty of the performance of the students, it is at least reasonably possible that estimates of the remaining liabilities will change. Estimates of the remaining liabilities under these agreements are \$60,000.

NOMADIC KENYAN CHILDREN'S  
EDUCATIONAL FUND, INC.  
Notes to Financial Statements  
December 31, 2009 and 2008

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**6. SUBSEQUENT EVENTS**

Management is unaware of any subsequent events that would affect the financial statement through May 19, 2010.

SUPPLEMENTAL INFORMATION

NOMADIC KENYAN CHILDREN'S EDUCATIONAL FUND, INC.  
Schedule of Functional Expenses  
Year Ended December 31, 2009

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	<u>PROGRAM SERVICE</u>			
	<u>Scholarship Program</u>	<u>General and Administrative</u>	<u>Fund-Raising</u>	<u>Total</u>
Audit and accounting	\$ -	\$ 5,837	\$ -	\$ 5,837
Bad debt expense	-	208	-	208
Contributed services	-	177,973	-	177,973
Evaluation expense	1,568	-	-	1,568
Fund-raising expense	-	-	2,389	2,389
Legal	-	1,758	-	1,758
Office	-	212	996	1,208
Postage	40	250	154	444
Printing	-	74	-	74
Scholarships	151,396	-	-	151,396
Taxes and licenses	-	231	-	231
Telephone	<u>-</u>	<u>120</u>	<u>-</u>	<u>120</u>
Total expenses	\$ <u>153,004</u>	\$ <u>186,663</u>	\$ <u>3,539</u>	\$ <u>343,206</u>

NOMADIC KENYAN CHILDREN'S EDUCATIONAL FUND, INC.  
Schedule of Functional Expenses  
Year Ended December 31, 2008

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	<u>PROGRAM SERVICE</u>			
	<u>Scholarship Program</u>	<u>General and Administrative</u>	<u>Fund-Raising</u>	<u>Total</u>
Audit	\$ -	\$ 3,354	\$ -	\$ 3,354
Bad debt expense	-	(698)	-	(698)
Contributed services	-	1,827	-	1,827
Evaluation expense	2,060	-	-	2,060
Office	299	2,315	413	3,027
Postage	1,625	240	271	2,136
Printing	639	-	-	639
Scholarships	173,680	-	-	173,680
Taxes and licenses	-	235	-	235
Telephone	-	14	-	14
Total expenses	\$ <u>178,303</u>	\$ <u>7,287</u>	\$ <u>684</u>	\$ <u>186,274</u>