

Buie, Norman & Co., P.A.



**CERTIFIED
PUBLIC
ACCOUNTANTS**

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Member AICPA, NCACPA

November 7, 2006

Board of Directors
Curamericas
Raleigh, North Carolina

In planning and performing our audit of the financial statements of Curamericas for the year ended September 30, 2006, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated November 7, 2006 on the financial statements of Curamericas.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Credit card documentation

We noted several credit card charges for which receipts or other documentation were not attached to the credit card statement. Each credit card charge should be accompanied by a receipt or other documentation of disbursement. Further, for business meals, documentation should include the business purpose and a list of individuals present.

Personnel files

We noted that personnel files do not include documentation of the employee's salary. We recommend that a sheet be included in the personnel file that shows the employee's salary history to include date of change and the new salary. Entries on this sheet should be approved by the appropriate authorizing authority.

Segregation of Duties in the Area of Accounting

The size of the Organization's staff limits the extent of segregation of duties in the area of accounting. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of an accounting transaction. We recommend that the Board of Directors be continually involved in the financial affairs of the organization to provide oversight and independent review functions.

Thank you for the opportunity to present these comments. If there are any questions or if we can help you with implementing any of the aforementioned suggestions, please contact us.

Sincerely,

Buie, Norman & Company, P.A.
Certified Public Accountants

CURAMERICAS
RALEIGH, NORTH CAROLINA

INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year ended September 30, 2006

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Curamericas

We have audited the accompanying statement of financial position of Curamericas (a not-for-profit organization) as of September 30, 2006, and the related statements of activities, functional expenses, 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 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 Curamericas as of September 30, 2006, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2006 on our consideration of Curamericas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules as listed in the table of contents are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not required parts 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.

Information for the year ended September 30, 2005 is presented for comparative purposes only and was extracted from the financial statements presented by net asset class for that year, on which an unqualified opinion dated January 10, 2006 was expressed.

BUIE, NORMAN & COMPANY, P.A.
Certified Public Accountants

November 7, 2006

CURAMERICAS
STATEMENT OF FINANCIAL POSITION
September 30, 2006
(With comparative totals at September 30, 2005)

	2006	2005
<u>ASSETS</u>		
Current assets:		
Cash	\$ 69,198	\$ 34,563
Sales tax receivable	2,118	-
Accounts receivable other	588	-
Prepaid expenses	3,550	2,236
Total current assets	75,454	36,799
Property and equipment:		
Furniture and equipment	53,446	64,761
Leasehold improvements	-	22,110
	53,446	86,871
Less: accumulated depreciation	38,848	50,663
Net property and equipment	14,598	36,208
Investments, at fair value	32,881	31,450
Total assets	\$ 122,933	\$ 104,457
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 7,032	\$ 17,632
Accrued wages and benefits	5,281	9,382
Payroll taxes withheld and accrued	2,983	5,463
Current portion of long term debt	65,250	-
Total current liabilities	80,546	32,477
Long-term debt	-	100,000
Net assets:		
Unrestricted	(35,049)	(75,343)
Temporarily restricted	51,979	21,866
Permanently restricted	25,457	25,457
Total net assets	42,387	(28,020)
Total liabilities and net assets	\$ 122,933	\$ 104,457

See accompanying notes to financial statements.

CURAMERICAS
STATEMENT OF ACTIVITIES
Year ended September 30, 2006
(With comparative totals for the Year ended September 30, 2005)

	2006			Total	2005 Total
	Unrestricted	Temporarily restricted	Permanently restricted		
<u>SUPPORT AND REVENUE</u>					
Donations	\$ 330,540	\$ 314,726	\$ -	\$ 645,266	\$ 477,036
Federal grants	520,770	-	-	520,770	590,644
Other grants	-	-	-	-	53,542
Services and materials	322,359	-	-	322,359	639,669
Interest income	1,418	-	-	1,418	866
Capital gains	127	-	-	127	-
Other income	555	-	-	555	675
Net assets released from restrictions	284,613	(284,613)	-	-	-
Total support and revenue	<u>1,460,382</u>	<u>30,113</u>	<u>-</u>	<u>1,490,495</u>	<u>1,762,432</u>
<u>EXPENSES</u>					
Program services	1,171,110	-	-	1,171,110	1,561,759
Supporting services:					
Management and general	214,600	-	-	214,600	244,585
Fundraising	34,378	-	-	34,378	29,334
Total expenses	<u>1,420,088</u>	<u>-</u>	<u>-</u>	<u>1,420,088</u>	<u>1,835,678</u>
Change in net assets	40,294	30,113	-	70,407	(73,246)
Net assets:					
Beginning of year	<u>(75,343)</u>	<u>21,866</u>	<u>25,457</u>	<u>(28,020)</u>	<u>45,226</u>
End of year	<u>\$ (35,049)</u>	<u>\$ 51,979</u>	<u>\$ 25,457</u>	<u>\$ 42,387</u>	<u>\$ (28,020)</u>

See accompanying notes to financial statements.

CURAMERICAS
STATEMENT OF FUNCTIONAL EXPENSES
Year ended September 30, 2006
(With comparative totals for the Year ended September 30, 2005)

	Program Services	Supporting Services		Total Expenses	
		Management and General Services	Fundraising	2006	2005
Bank and payroll fees	\$ -	\$ 6,557	\$ -	\$ 6,557	\$ 4,680
Board expense	-	1,018	-	1,018	909
CBIO Core project	-	-	-	-	55,880
Depreciation	-	8,709	-	8,709	9,961
Donated services	125,835	-	-	125,835	263,557
Donated supplies	196,524	-	-	196,524	375,304
Employee benefits	15,615	4,462	2,231	22,308	18,825
Insurance	1,064	3,193	-	4,257	4,694
Interest	-	7,047	-	7,047	7,178
Lease	-	3,505	-	3,505	3,267
Licenses	-	1,460	-	1,460	2,001
Loss on disposal of assets	-	17,125	-	17,125	2,088
Office	-	17,795	-	17,795	14,954
Overseas program costs	556,993	-	-	556,993	550,289
Payroll taxes	14,314	4,090	2,045	20,449	20,815
Penalties	-	-	-	-	2,342
Postage	2,878	4,318	-	7,196	5,162
Printing	1,252	9,395	1,879	12,526	8,919
Professional fees	4,375	19,515	-	23,890	39,874
Rent	-	27,933	-	27,933	30,025
Repairs	-	1,446	-	1,446	1,098
Retirement	6,917	1,976	988	9,881	6,781
Telephone and internet	2,716	8,148	-	10,864	8,425
Training	-	871	-	871	216
Travel	8,270	8,271	-	16,541	7,165
Utilities	-	3,297	-	3,297	3,008
Work team expense	43,715	-	-	43,715	147,236
Wages	190,642	54,469	27,235	272,346	241,025
	<u>\$ 1,171,110</u>	<u>\$ 214,600</u>	<u>\$ 34,378</u>	<u>\$ 1,420,088</u>	<u>\$ 1,835,678</u>

See accompanying notes to financial statements.

CURAMERICAS
STATEMENT OF CASH FLOWS
Year ended September 30, 2006
(With comparative totals for the Year ended September 30, 2005)

	2006	2005
Cash flows from operating activities:		
Changes in net assets	\$ 70,407	\$ (73,246)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Loss on disposal of fixed assets	17,125	2,088
Depreciation	8,709	9,961
(Increase) decrease in:		
Accounts receivable	(588)	-
Sales tax receivable	(2,118)	203
Prepaid expenses	(1,314)	194
Increase (decrease) in:		
Accounts payable	(10,600)	(1,133)
Accrued wages and benefits	(4,101)	(17,119)
Payroll taxes withheld and accrued	(2,480)	(72,601)
Net cash provided by (used in) operating activities	75,040	(151,653)
Cash flows from investing activities:		
Proceeds from disposal of investments	325	-
Purchase of investments	(1,431)	(773)
Capital expenditures	(4,549)	(2,183)
Net cash used in investing activities	(5,655)	(2,956)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	1,250	100,000
Repayment of long-term debt	(36,000)	-
Net cash provided by (used in) financing activities	(34,750)	100,000
Net increase (decrease) in cash and cash equivalents	34,635	(54,609)
Cash and cash equivalents:		
Beginning of year	34,563	89,172
End of year	\$ 69,198	\$ 34,563

See accompanying notes to financial statements.

CURAMERICAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 1 – ORGANIZATIONAL STRUCTURE AND PURPOSE

Curamericas (the Organization) is a not-for-profit corporation that works to alleviate suffering by improving the health education and access to care for families and communities living in dire human need. With a special focus on women of reproductive age and their children, Curamericas teaches women how to detect and treat the symptoms of illness that, if untreated, will decrease their own survival and that of their children.

A portion of the Organization's activities is conducted through Latin and South American not-for-profit institutions. These institutions are legally separate entities working cooperatively to promote health programs. For financial reporting purposes, these institutions are considered to be subrecipients of federal funds. The financial statements of these institutions are not combined with Curamericas' financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Curamericas is presented to assist in understanding its financial statements. The financial statements and notes are representations of Curamericas' management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

Curamericas' financial statements are prepared on the accrual basis of accounting, recognizing revenues when earned and expenses when incurred. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires within 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.

Property and Equipment

Property and equipment are stated at historical cost at the date of acquisition. Donated assets are recorded at fair market value at the date of donation. Depreciation is computed using the straight line method over the estimated useful life of the asset. Repairs and maintenance are expensed as incurred and betterments and improvements are capitalized. Management has elected to expense property and equipment forwarded to foreign locations rather than to capitalize and depreciate these assets over their estimated useful lives. Since it is unlikely that these assets could be economically returned for other uses, their costs are reflected as a part of the program expenditures in the year incurred.

Accounts Receivable

All accounts receivable are reviewed regularly. Any considered doubtful as to collection are written off directly.

Investments

The Organization carries investments in marketable securities at their determinable fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Curamericas

We have audited the financial statements of Curamericas as of and for the year ended September 30, 2006, and have issued our report thereon dated November 7, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Curamericas's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and other Matters

As part of obtaining reasonable assurance about whether Curamericas's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Curamericas in a separate letter dated November 7, 2006.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Buie, Norman & Company, P.A.
Certified Public Accountants

November 7, 2006

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Curamericas

Compliance

We have audited the compliance of Curamericas with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. Curamericas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Curamericas's management. Our responsibility is to express an opinion on Curamericas's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Curamericas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Curamericas's compliance with those requirements.

In our opinion Curamericas complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

The management of Curamericas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Curamericas's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Buie, Norman & Company, P.A.

Buie, Norman & Company, P.A.
Certified Public Accountants

November 7, 2006

CURAMERICAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2006

SUMMARY OF AUDIT RESULTS

The auditors' report expresses an unqualified opinion on the financial statements of Curamericas.

No reportable conditions relating to the audit of the financial statements are reported.

No instances of noncompliance material to the financial statements of Curamericas were disclosed during the audit.

No reportable conditions relating to the audit of the major federal program are reported.

The auditors' report expresses an unqualified opinion on compliance for the major program of Curamericas.

The audit disclosed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

The program identified and tested as a major program is:

Agency	Title	Grant
US Agency for International Development Child Survival 18	General grant	N/A

The threshold used to distinguish between Type A and Type B programs was \$300,000.

FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings disclosed by the audit of the financial statements.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AND STATE AWARD PROGRAMS AUDIT

There are no findings and questioned costs that are required to be reported under Section 510(a) of OMB Circular A-133.

CURAMERICAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Curamericas presents its cash flow statements using the indirect method. For purposes of cash flow presentation, the organization considers demand deposits with financial institutions to be cash equivalents.

Income Taxes

Curamericas files Form 990, *Return of Organization Exempt from Income Tax*. The organization is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code (IRC). Therefore, no provision for income taxes is made in the accompanying financial statements. In addition, the Internal Revenue Service has determined that Curamericas is not a "private foundation" within the meaning of §509(a) of the IRC. There was no unrelated business income during the fiscal year.

Estimates

The presentation 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 the reported accounts 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.

Functional Allocation

Curamericas allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Financial Statement Presentation

The organization employs Statement of Financial Accounting Standards (SFAS) Number 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS Number 117, the organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. In addition, the organization presents a statement of cash flows. Temporarily restricted net assets at September 30, 2006 and 2005 were \$51,979 and \$21,866 respectively. Permanently restricted net assets at September 30, 2006 and 2005 were \$25,457.

Contributions

Curamericas also employs SFAS Number 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS Number 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. During the year ended September 30, 2006, donors contributed \$314,726 temporarily restricted for specific use in overseas locations and for support of work teams in these locations. \$284,613 of these funds had been used for the purposes intended by the end of the fiscal year.

CURAMERICAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2006

NOTE 3 – CREDIT CONCENTRATION

Curamericas is required by SFAS Number 105, *Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk*, to disclose significant concentrations of credit risk regardless of the degree of risk. The Organization maintains bank deposits in one bank located in Raleigh, North Carolina. Accounts are secured by the Federal Deposit Insurance Corporation up to \$100,000. At September 30, 2006, bank deposits totaled \$121,559, \$21,559 of which was uninsured.

NOTE 4 – INVESTMENTS

Investments consist of money market funds and a mutual fund. They are stated at estimated fair value at September 30, 2006.

	Fair Value	Cost basis
Money market funds	\$ 32,721	\$ 32,721
Putnam growth	160	119
Total	\$ 32,881	\$ 32,840

NOTE 5 – LONG-TERM DEBT

Long-term debt at September 30, 2006 consisted of a line of credit with Bank of America with an outstanding balance of \$65,250. On November 28, 2005, the Organization renegotiated the creditline for the sum of \$125,000. Interest on the balance is charged at the prime rate. The creditline is secured by personal guarantees from the Organization's directors. Payments of interest only are due monthly with the entire balance of the loan due on November 28, 2006. Therefore, the entire amount has been included on the statement of financial position as current maturities.

NOTE 6 – RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at September 30, 2006:

Maternal Health Guatemala	\$ 366
CSRA - Bolivia	51,613
Total	\$ 51,979

Permanently restricted net assets consist of endowment fund assets to be held indefinitely. Based on the donor's instructions, Curamericas' directors have discretion in the use of all income earned from endowment assets.

CURAMERICAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 7 – GRANTS

Grants received during the year ended September 30, 2006 were as follows:

US AID CS 18 - Guatemala	\$ 257,403
US AID CS 18 - Bolivia	<u>263,367</u>
	<u>\$ 520,770</u>

NOTE 8 – IN-KIND CONTRIBUTIONS

Donated services consist of specialized services by medical personnel. These services would ordinarily be purchased by the Organization. They are recorded at the fair value of the service on the date of donation. The value of the donated services given during the year ended September 30, 2006 was \$125,835. This amount is reflected as revenue within the services and materials income and expense as donated services in the accompanying financial statements.

Goods donated consist of medical supplies for use in Curamericas' programs. They are recorded at the fair value of the item on the date of donation. The value of the donated goods during the year ended September 30, 2006 was \$196,524. This amount is reflected as revenue within the services and materials income and expense as donated supplies in the accompanying financial statements.

NOTE 9 – LEASE COMMITMENTS

The Organization leases certain equipment and office space for its operations. Total lease and rental payments for the year ended September 30, 2006 totaled \$31,438. The occupancy lease agreement expired June 30, 2006. The Organization moved its operation at that time with a new lease of \$1,775 per month. Assuming that Curamericas maintains its current lease arrangements, minimum lease payments for the next five years will be as follows:

<u>Year ending September 30,</u>	
2007	\$ 24,805
2008	24,805
2009	24,805
2010	24,805
2011	<u>24,805</u>
	<u>\$ 124,025</u>

CURAMERICAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 10 - RETIREMENT BENEFIT PLAN

Curamericas maintains a profit sharing pension plan. The plan invites exempt employees to participate and contribute to a 401(k) fund that is administered by a third party. Curamericas matches employee contributions up to a maximum of 4% of gross salary. Employer contributions for 2006 and 2005 were \$9,881 and \$6,781 respectively.

NOTE 11 - COMPENSATED ABSENCES

Employees must be full-time, permanent employees to accrue leave. Accrued leave available at September 30, 2006 and 2005 was \$5,281 and \$8,056 respectively and is included in accrued wages and benefits in the current liabilities section of the statement of financial position.

NOTE 12 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest amounted to 7,047 and \$7,178 during the years ended September 30, 2006 and 2005 respectively.

CURAMERICAS
SCHEDULE OF COMPUTATION OF INDIRECT COST RATE
Year ended September 30, 2006

	Total	Exclusion/ Unallowable Expenses	Direct Costs	Indirect Cost Pool
Bank and payroll fees	\$ 6,557	\$ -	\$ -	\$ 6,557
Board expense	1,018	-	-	1,018
Depreciation	8,709	-	-	8,709
Donated services	125,835	-	125,835	-
Donated supplies	196,524	-	196,524	-
Employee benefits	22,308	2,231	15,615	4,462
Insurance	4,257	-	1,064	3,193
Interest	7,047	-	-	7,047
Lease	3,505	-	-	3,505
Licenses	1,460	-	-	1,460
Loss on disposal of assets	17,125	-	-	17,125
Office	17,795	-	-	17,795
Overseas program costs	556,993	-	556,993	-
Payroll taxes	20,449	2,045	14,314	4,090
Penalties	-	-	-	-
Postage	7,196	-	2,878	4,318
Printing	12,526	1,879	1,252	9,395
Professional fees	23,890	-	4,375	19,515
Rent	27,933	-	-	27,933
Repairs	1,446	-	-	1,446
Retirement	9,881	988	6,917	1,976
Telephone and internet	10,864	-	2,716	8,148
Training	871	-	-	871
Travel	16,541	-	8,270	8,271
Utilities	3,297	-	-	3,297
Work team expense	43,715	-	43,715	-
Wages	272,346	27,235	190,642	54,469
	<u>\$ 1,420,088</u>	<u>\$ 34,378</u>	<u>\$ 1,171,110</u>	<u>\$ 214,600</u>

$$\frac{\text{Indirect Costs}}{\text{Total adjusted expenses - Indirect costs}} = \frac{214,600}{1,097,729 - 214,600} = 24\%$$

CURAMERICAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2006

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>Federal Awards:</u>		
US Agency for International Development Child Survival 18-Guatemala	98.001	\$ 257,403
US Agency for International Development Child Survival 18-Bolivia	98.001	<u>263,367</u>
Total Federal expenditures		<u>\$ 520,770</u>