CHILDSPRING INTERNATIONAL, INC.
AUDITED FINANCIAL STATEMENTS
AND AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

CHILDSPRING INTERNATIONAL, INC.
AUDITED FINANCIAL STATEMENTS
For the Year Ended December 31, 2014

Table of Contents	**Page**

INDEPENDENT AUDITOR'S REPORT

To the Board and Management
Childspring International, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of Childspring International, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, statement of functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Childspring International, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Goldman & Company CPA's PC

Goldman & Company CPAs PC
Marietta, Georgia
December 21, 2015

goldman & COMPANY, CPAs
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Childspring International, Inc.
Statement of Financial Position
At December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Current Assets			
Cash and cash equivalents	$ 16,494	$ 48,759	$ 65,253
Investments	75,270	-	75,270
Prepaid Expenses	5,659	-	5,659
Total Current Assets	97,423	48,759	146,182
Property and Equipment			
Computer Software	1,525	-	1,525
Furnishings and equipment	25,287	-	25,287
Website Development	5,270	-	5,270
Less accumulated depreciation and amortization	(22,649)	-	(22,649)
Total Property and Equipment	9,433	-	9,433
Total Assets	**$ 106,856**	**$ 48,759**	**$ 155,615**

Liabilities and Net Assets

	Unrestricted	Temporarily Restricted	Total
Current Liabilities			
Deferred Revenue	$ 6,713	-	$ 6,713
Total Current Liabilities	6,713	-	6,713
Total Liabilities	6,713	-	6,713
Net Assets	100,143	48,759	148,902
Total Liabilities and Net Assets	**$ 106,856**	**$ 48,759**	**$ 155,615**

Childspring International, Inc.
Statement of Activities
For The Year Ended
December 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORTS			
Contributions and Gifts	$ 138,582	$ 67,262	$ 205,844
Non-cash contributions-Domestic	-	308,432	308,432
Interest & Dividend Income	1,202	-	1,202
Gain/Loss on Investments	288	-	288
Unrealized Gain/Loss	8,118	-	8,118
Special Events	175,845	-	175,845
Net Assets Released from Restriction (Expiration of time & purpose)	395,160	(395,160)	-
TOTAL REVENUE	719,195	(19,466)	699,729
EXPENSES:			
Program Services	506,576	-	506,576
General & Administrative	86,337	-	86,337
Fund Raising Expense	136,167	-	136,167
TOTAL EXPENSES	729,080	-	729,080
Change in net assets	(9,885)	(19,466)	(29,351)
Net Assets at beginning of year	$ 110,028	$ 68,225	$ 178,253
Net Assets, end of year	**$ 100,143**	**$ 48,759**	**$ 148,902**

Childspring International, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2014

	Program Services	General & Administrative	Fundraising Expense	Total
Personnel Expenses	$ 115,847	$ 37,125	$ 28,616	$ 181,588
Bank Charges	1,719	1,254	139	3,112
Depreciation	1,098	1,098	-	2,196
Dues & Subscriptions	-	1,510	-	1,510
Equipment and Computer	150	50	50	250
Fundraising Events	-	-	76,748	76,748
Insurance	-	2,730	-	2,730
Marketing	-	7,375	7,375	14,750
Medical Treatment for children-in U.S.	192,854	-	-	192,854
Medical Treatment for children-Int.	73,917	-	-	73,917
Miscellaneous	4,779	779	736	6,293
Occupancy Expense	88,088	13,728	12,584	114,400
Office Expense	3,980	2,890	2,890	9,760
Payroll Taxes	8,101	2,596	2,001	12,698
Postage & printing	-	5,028	5,028	10,056
Professional Fees	-	9,900	-	9,900
Scholarships	16,043	-	-	16,043
Telephone	-	275	-	275
Total Expenses	**$ 506,576**	**$ 86,337**	**$ 136,167**	**$ 729,080**

Childspring International, Inc.
Statement of Cash Flows
For The Year Ended
December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	$	(29,351)
Adjustments to reconcile Increase in Net Assets to Net Cash used by Operating Activities:		
Depreciation		2,196
Unrealized Gain on Investments		(9,895)
Decrease in Prepaid Expense		1,069
Decrease in Deferred Revenue		(7,700)
Increase in Accounts Payable		6,712
Net cash used by operating activities		(36,969)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments		18,175
Purchases of Investments		(17,887)
Purchase of Equipment		(9,785)
Net Cash Used by Investing		(9,497)
Net cash decrease for period		(46,466)
Cash at beginning of period		**111,719**
Cash at end of period	**$**	**65,253**
Interest Paid	**$**	**-**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Childspring International, Inc. ("Childspring") is a not-for-profit organization that provides free medical services worldwide to children in need through a network of volunteers. Childspring also provides material aid to nutrition centers and other organizations benefiting children by identifying and shipping surplus medical supplies, medical equipment and general supplies. Childspring works to heal children by education and by training host nation medical professionals to enhance their medical proficiency. Medical services are provided both inside and outside the United States. Childspring is supported through the assistance and contributions of medical professionals, interested individuals, churches and businesses.

Basis of Accounting

The financial statements of Childspring have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates and assumptions that affect the reported revenue, expenses and the assets and liabilities as of the financial statement date. On an ongoing basis, the organization's management evaluates the estimates and assumptions based on historical experience and various other factors. The organization's management believes that the estimate and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted Net Assets

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily Restricted Net Assets

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's contributions are classified in this class if the donor limited their use. When restriction is satisfied, either by using the resources in the manner specified or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Permanently Restricted Net Assets

Permanently restricted net assets are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The organization has no permanently restricted net assets as of December 31, 2014.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, Childspring considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Childspring carries investments in marketable securities with readily determinable fair values in the statement of financial position at fair value. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Property and Equipment

Childspring follows the practice of capitalizing all expenditures in excess of $1,000 for property and equipment which are recorded at cost, or at estimated fair market value, if received by contribution.

Depreciation and amortization is calculated over the estimated useful lives of 5 to 7 years of the respective assets using the straight-line method. Depreciation and amortization expense for the year ended December 31, 2014 was $2,196.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. 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.

Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose of the restriction, and are reported in the statement of activities as net assets released from restrictions.

Donations in Kind

Donated Assets:
Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation, if the value of the asset meets the organizations capitalization policy.

Contributed Services:
Childspring receives donated services from many unpaid volunteers in carrying out its ministry. Contributed services have been recognized for such volunteer work under accounting principles generally accepted in the United States of America. GAAP allows recognition of contributed services only if (*a*) the services create or enhance nonfinancial assets or (*b*) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. These amounts are recorded as non-cash contributions-domestic on the Statement of Activities and detailed on note 3.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Tax Status

Childspring is exempt from federal income taxes under Internal Revenue Code §501(c)(3). Childspring is also exempt from state income taxes, although, it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Childspring had no unrelated income for the year ended December 31, 2014. The tax years ending 2011, 2012, and 2013 are still open to audit for federal tax purposes. The Organization follows the provisions of uncertain tax positions as addressed in FASB Accounting Standards Codification 740-10-65-1. Under that guidance, the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires change. The Organization recognizes accrued interest related to uncertain tax positions in interest expense and penalties in operating expenses. Management believes there were no uncertain tax positions at December 31, 2014.

Fair Value Measurements

The organization reports its fair value measures using a three-level hierarchy that uses the inputs used to prioritize fair value. This hierarchy, established by GAAP, requires that entities maximize the use observable inputs and minimize the use unobservable inputs when measuring fair value. The three levels used to measure fair values are as follows:

Level 1. Quoted prices for identical assets and liabilities in active markets to which the organization has access at the measurement date.

Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

NOTE 1 — NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Level 3. Unobservable inputs for the asset or liability, Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The primary uses of fair value measures in the organization's financial Statements are:

- Initial measurements of non cash gifts including gifts of non-cash assets and
- Unconditional promises to give.
- Recurring measurement of short term investments (note 4).

NOTE 2 - CONCENTRATION OF CREDIT RISK

Childspring maintains cash balances in checking, savings, and money market accounts which are insured by the Federal Deposit Insurance Corporation up to a combined total of $250,000 per institution. Childspring believes the financial institutions are high quality and monitors the soundness of these institutions, and believes the exposure to be minimal. They routinely transfer to other institutions in order to remain in compliance under these guidelines.

NOTE 3 – NON CASH CONTRIBUTIONS

Non-cash contributions, which include treatment costs for 4 children in the United States during 2014, consist of:

Professional medical, hospitals and services	$	134,730
Office space and equipment usage		114,500
Travel expenses and Hosting		49,502
Other donated services		9,700
	$	308,432

Non-cash contributions for children treated outside of the United States are not clearly measurable and are therefore not recorded. For the year ended December 31, 2014, 294 children in 5 countries were treated by Childspring. The cost of treating these children outside of the United States has been estimated at:

	(Estimates – Not Recorded)
Professional medical, hospitals and services	$ 1,119,270

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Childspring's assets and liabilities are recorded at fair value are valued using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, The hierarchy defines three levels of inputs giving the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The following table sets forth by level with the fair value hierarchy as described in Note 1, Childspring's assets measured at fair value on a recurring basis as of December 31, 2014.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	Level 1	Level 2	Level 3
Mutual Funds:			
Money Market	$ 9,545	-	-
Equities	65,725	-	-
Total	$ 75,270	-	-

NOTE 5- BOARD DESIGNATED

The investments listed on the Statement of Financial Position are Board designated unrestricted net assets. They consist of funds managed by the Board to provide contingency funding when needed. The funds investments include money market and mutual funds, and are recorded at fair value (Note 4). Trust fund gains or losses are recorded in the statement of activities as un-restricted. The balance in the investment account is $75,270 at December 31, 2014.

NOTE 6 - RELATED PARTY TRANSACTIONS

Office facilities are donated by a Church. The Church is responsible for all occupancy costs including budgeted usage of printing, postage and copying equipment. The costs associated with occupancy were $114,400 for the year ended December 31, 2014 and those costs are included in Childspring's expenses and non-cash contributions in the statement of activities.

NOTE 7- RETIREMENT PLAN

Childspring sponsors a 403(b) defined contribution plan administered by Mutual of America Life Insurance Company. The Plan covers all qualified employees. Employees deferred compensation into the plan in 2014; however, Childspring did not make any contributions to the Plan for the year ended December 31, 2014.

NOTE 8- SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through July 17, 2015, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.