

**COMBINED FINANCIAL STATEMENTS**

**CHF INTERNATIONAL,  
RELATED ENTITIES AND COMBINED ENTITY**

**FOR THE YEAR ENDED SEPTEMBER 30, 2008  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2007**

# CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

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**GELMAN, ROSENBERG & FREEDMAN**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
CHF International, Related Entities and Combined Entity  
Silver Spring, Maryland

We have audited the accompanying combined statement of financial position of CHF International, Related Entities and Combined Entity (together "CHF") as of September 30, 2008, and the related combined statements of activities and change in net assets and cash flows for the year then ended. These combined financial statements are the responsibility of CHF's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The prior year summarized comparative information has been derived from CHF's combined financial statements for the year ended September 30, 2007 and, in our report dated January 16, 2008, we expressed an unqualified opinion on those statements.

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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of CHF as of September 30, 2008, and their combined change in net assets and 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 March 2, 2009 on our consideration of CHF International's 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.

*Gelman Rosenberg & Freedman*

March 2, 2009

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

**COMBINED STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2008**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2007**

**ASSETS**

	<u>2008</u>	<u>2007</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 61,703,127	\$ 51,939,896
Investments (Note 3)	774,962	467,020
Loans receivable, net of allowance (Note 4)	85,833,399	65,431,065
Federal grants receivable	1,980,165	-
Non-Federal grants and contracts receivable	2,148,449	1,535,616
Accounts receivable and advances	3,216,998	1,206,657
Prepaid expenses and other assets	2,731,358	1,086,571
Furniture, equipment and leasehold improvements, net (Note 5)	1,167,980	889,157
Security deposits	<u>364,704</u>	<u>238,666</u>
<b>TOTAL ASSETS</b>	<b><u>\$159,921,142</u></b>	<b><u>\$122,794,648</u></b>

**LIABILITIES AND NET ASSETS****LIABILITIES**

Credit lines (Note 6)	\$ 1,604,152	\$ 1,624,924
Notes payable (Note 7)	31,266,942	21,440,461
Accounts payable and accrued expenses	10,591,389	6,320,452
Accrued pension cost	-	375,417
Accrued salaries and benefits	5,024,876	3,836,887
U.S. Government refundable advances	-	2,142,327
Funds held in trust	<u>200,000</u>	<u>200,000</u>
Total liabilities	<u>48,687,359</u>	<u>35,940,468</u>

**NET ASSETS**

Unrestricted:		
CHF International	46,286,776	34,869,603
Related Entities and Combined Entity	<u>15,274,086</u>	<u>12,658,507</u>
Total unrestricted net assets	<u>61,560,862</u>	<u>47,528,110</u>
Temporarily restricted (Note 9):		
Project Funds	41,688,493	32,481,811
Related Entities and Combined Entity	3,199,567	970,483
Loan Capital	<u>4,784,861</u>	<u>5,873,776</u>
Total temporarily restricted net assets	<u>49,672,921</u>	<u>39,326,070</u>
Total net assets	<u>111,233,783</u>	<u>86,854,180</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$159,921,142</u></b>	<b><u>\$122,794,648</u></b>

See accompanying notes to combined financial statements.

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**  
**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2007**

	<b>2008</b>			<b>2007</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>				
Grants and contributions (Notes 11, 12 and 13)	\$ 191,619,737	\$ 154,419,833	\$ 346,039,570	\$ 227,197,049
Contracts (Notes 11 and 12)	4,296,915	-	4,296,915	3,122,141
In-kind contributions	16,323,291	-	16,323,291	12,944,932
Interest and investment income	9,687,838	360,963	10,048,801	6,889,813
Other income	226,457	-	226,457	279,827
Net assets released from restrictions - satisfaction of donor restrictions (Note 9)	<u>146,663,029</u>	<u>(146,663,029)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>368,817,267</u>	<u>8,117,767</u>	<u>376,935,034</u>	<u>250,433,762</u>
<b>EXPENSES</b>				
Technical Assistance	330,435,672	-	330,435,672	201,472,456
Capital Assistance	6,353,683	-	6,353,683	3,669,872
General and Administrative	<u>20,796,195</u>	<u>-</u>	<u>20,796,195</u>	<u>16,423,946</u>
Total expenses	<u>357,585,550</u>	<u>-</u>	<u>357,585,550</u>	<u>221,566,274</u>
Change in net assets before other items	11,231,717	8,117,767	19,349,484	28,867,488
<b>OTHER ITEMS</b>				
Currency gain	185,456	-	185,456	705,881
Net gain from Related Entities and Combined Entity	<u>2,615,579</u>	<u>2,229,084</u>	<u>4,844,663</u>	<u>3,046,936</u>
Change in net assets	14,032,752	10,346,851	24,379,603	32,620,305
Net assets at beginning of year	<u>47,528,110</u>	<u>39,326,070</u>	<u>86,854,180</u>	<u>54,233,875</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 61,560,862</u></b>	<b><u>\$ 49,672,921</u></b>	<b><u>\$ 111,233,783</u></b>	<b><u>\$ 86,854,180</u></b>

## CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

**COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2007**

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 24,379,603	\$ 32,620,305
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Allowance for loan losses	35,877	(1,060,102)
Unrealized loss (gain) on investments	76,653	(16,641)
Depreciation and amortization	285,759	247,171
(Increase) decrease in:		
Federal grants receivable	(1,980,165)	-
Non-Federal grants and contracts receivable	(612,833)	(395,985)
Accounts receivable and advances	(2,010,341)	(613,918)
Prepaid expenses and other assets	(1,644,787)	(2,390)
Security deposits	(126,038)	(59,301)
Increase (decrease) in:		
Accounts payable and accrued expenses	4,270,937	2,843,501
Accrued pension cost	(375,417)	194,537
Accrued salaries and benefits	1,187,989	(383,916)
U.S. Government refundable advances	<u>(2,142,327)</u>	<u>34,110</u>
Net cash provided by operating activities	<u>21,344,910</u>	<u>33,407,371</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net increase in loans receivable	(20,438,210)	(16,247,378)
Purchase of property and equipment	(564,583)	(794,659)
Investment purchases and reinvestments	<u>(384,595)</u>	<u>(21,907)</u>
Net cash used by investing activities	<u>(21,387,388)</u>	<u>(17,063,944)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from credit lines	1,371,488	1,243,003
Repayment on credit lines	(1,392,260)	(528,484)
Proceeds from notes payable	14,937,542	6,612,931
Principal payments on notes payable	<u>(5,111,061)</u>	<u>(1,402,136)</u>
Net cash provided by financing activities	<u>9,805,709</u>	<u>5,925,314</u>
Net increase in cash and cash equivalents	9,763,231	22,268,741
Cash and cash equivalents at beginning of year	<u>51,939,896</u>	<u>29,671,155</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 61,703,127</u></b>	<b><u>\$ 51,939,896</u></b>

See accompanying notes to combined financial statements.

## **CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

### **NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2008**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

##### **Organization -**

CHF International was incorporated as a nonprofit organization under the laws of the State of New Jersey in 1952. CHF International currently provides technical assistance to individuals, international governmental organizations, and private organizations that, in turn, assist their citizens or members in improving their homes and communities. CHF also provides capital assistance which includes making home and community improvement loans to low income individuals in developing countries. CHF International's programs are funded primarily through grants and cooperative agreements with the United States Agency for International Development.

##### **Related entities -**

Since 2003, CHF International has assisted with the establishment of three non-profit entities located in Jordan, Bosnia and Mexico; and three for-profit entities located in Lebanon, Romania and Liberia. All of the entities are legally incorporated within their respective countries; however, CHF International maintains significant control over the entities. All of the entities (except Liberia) were established to manage micro-enterprise loan programs within their respective countries. The entity in Liberia was established as an SME (Small and Medium Enterprise) lending entity.

##### **Combined entity -**

During the fiscal year ended September 30, 2007, CHF International acquired control of the Foundation for the Refugee Education Trust (the Foundation) through a memorandum of understanding between the Board of Directors of both organizations (establishing CHF's control over the Foundation). The Foundation is a non-profit entity located in Geneva, Switzerland and was formed in accordance with Article 87 ff of the Swiss Civil Code. The main objective of the Foundation is to promote education in the broadest sense for refugee and displaced adolescents at post-primary levels.

##### **Basis of presentation -**

The accompanying combined financial statements have been prepared on the accrual basis of accounting and in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations".

All significant intercompany transactions between CHF International, the related entities and the combined entity (together "CHF") have been eliminated in combination.

The accompanying combined financial statements include the world-wide operations of CHF. At September 30, 2008, assets held in foreign countries totaled approximately \$133,000,000.

##### **Income taxes -**

CHF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements. CHF is not a private foundation as described in Section 509(a)(2) of the Internal Revenue Code. CHF is subject to unrelated business income taxes under Section 512 of the Internal Revenue Code.

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

**Income taxes (continued) -**

The related entities located in Jordan, Bosnia and Mexico are registered (in each respective country) as tax-exempt organizations. In addition, the Foundation is registered as a tax-exempt organization in Switzerland. The related entities located in Lebanon, Romania and Liberia are registered as non-exempt organizations (in each respective country) and are subject to tax on any net profit recognized during the fiscal year.

**Furniture, equipment and leasehold improvements -**

Furniture and equipment purchased by CHF with unrestricted funds (and with an acquisition value of \$10,000 or more) are stated at cost and are depreciated on the straight-line basis over their related estimated useful lives, generally three to five years. Furniture and equipment purchased with restricted funds are expensed and charged to the corresponding program. Leasehold improvements are recorded at cost and are amortized over the life of the lease. The cost of software, which has been capitalized, is being amortized over three years.

**Grants and contributions -**

Grants and contributions, other than those received from the U.S. Government, are recognized as revenue in the year notification is received from the donor. Non-U.S. Government grants and contributions, which have donor imposed restrictions, are classified as temporarily restricted revenue in the accompanying Combined Statement of Activities and Change in Net Assets. Grants and contributions are recognized as unrestricted revenue upon either the completion of the programs or by the passage of time in compliance with donor imposed restrictions. Grants and contributions for which donor imposed restrictions have not been met are presented as temporarily restricted net assets in the accompanying combined financial statements.

**Investments -**

Investments are stated at market value with unrealized gains and losses included in investment income. Investments donated to CHF are recorded at market value as of the date of donation.

**Cash equivalents -**

For financial statement purposes, CHF considers money market accounts, certificates of deposit with initial maturity dates of three months or less, and funds invested with local banks in foreign countries (Note 2) to be cash equivalents.

**Foreign currency translation -**

The dollar ("dollars") is the functional currency for CHF's worldwide operations. Transactions in currencies other than U.S. dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the Combined Statement of Financial Position.



## CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

### NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2008

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### In-kind contributions -

In-kind contributions consisted of donated equipment, skilled labor, materials, and cash donations from local donors/municipalities. The value of these contributions are recorded at their fair market value as of the date the donations were provided. Contributions of \$16,323,291, representing the fair value of the use of these goods and services, have been recorded as revenue and expense in the accompanying combined financial statements for the year ended September 30, 2008. CHF also receives additional contributed services and materials (housing materials, supplies and tools) for which an estimate of the fair value is not determinable.

##### In-kind contributions (continued) -

Additionally, CHF's programs are furthered through the contribution of land and buildings. Because the title does not vest with CHF, the value of these items are not reflected in the accompanying combined financial statements as is in accordance with accounting principles generally accepted in the United States of America.

##### Allocation of functional expenses -

The costs of providing program and supporting services have been summarized on a functional basis in the Combined Statement of Activities and Change in Net Assets. Expenses that relate directly to a program or supporting service are charged to that program or supporting service. Certain supporting service expenses have been allocated among the programs benefited based on employee time records and ratios determined by management.

##### Use of 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 the reported amounts of assets and liabilities, 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.

##### Reclassification -

Certain amounts in the prior year combined financial statements have been reclassified to conform to the presentation of the current year's combined financial statements.

#### 2. CONCENTRATION OF CREDIT RISK

At times, CHF maintains cash balances at financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

CHF had approximately \$47,000,000 of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2008. The majority of funds invested in foreign countries is uninsured.

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**3. INVESTMENTS**

Investments at September 30, 2008 consisted of the following:

	<u>Market Value</u>	<u>Cost</u>
Equities and mutual funds	\$ 214,512	\$ 274,056
Government obligations	92,487	89,684
Investment in Pakistani microcredit institution	250,000	250,000
Investment in BOAFO (local microfinance institution in Ghana)	<u>217,963</u>	<u>217,963</u>
	<u><b>\$ 774,962</b></u>	<u><b>\$ 831,703</b></u>

As of September 30, 2008, CHF recorded an unrealized loss on its investments of \$76,653.

**4. LOANS RECEIVABLE AND PROVISION FOR LOAN LOSSES**

Loans receivable include loans made by CHF to financial institutions, who in turn lend these funds to low income individuals or families in foreign countries for a variety of microfinance activities. Loans receivable also include loans made directly by CHF to individuals for similar purposes. These loans, the majority of which are at the prevailing market interest rates ranging between 0.67% and 5.58% per month, mature at various times over the next five years and are disbursed and repaid in either U.S. dollars or the local currency of the respective country.

Loans receivable as of September 30, 2008 consisted of the following:

Loans receivable	\$ 89,077,980
Less: Allowance for bad debts	<u>(3,244,581)</u>
<b>NET LOANS RECEIVABLE</b>	<u><b>\$ 85,833,399</b></u>

The following is a schedule of required principal payments (due CHF) under the aforementioned loans:

<u>Year Ended September 30,</u>	
2009	\$ 59,546,931
2010	15,184,143
2011	12,872,506
2012	1,424,603
2013	<u>49,797</u>
	<u><b>\$ 89,077,980</b></u>

The net bad debt recovery during the year ended September 30, 2008 aggregated \$1,445,555.

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**5. FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

Furniture, equipment and leasehold improvements consisted of the following at September 30, 2008:

Furniture and fixtures	\$ 609,355
Computers and equipment	1,247,584
Leasehold improvements	<u>796,549</u>
	2,653,488
Less: Accumulated depreciation and amortization	<u>(1,485,508)</u>
<b>NET FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS</b>	<b><u>\$ 1,167,980</u></b>

Total depreciation and amortization expense for the year ended September 30, 2008 was \$285,759, of which \$107,836 related to assets of CHF International and the Combined Entity.

**6. CREDIT LINES**

CHF has the following credit lines as of September 30, 2008:

- CHF maintains a \$3,000,000 unsecured line of credit with a local financial institution. Borrowings on the line of credit bear interest at the LIBOR Market Rate plus 2.5% (a total of 5.43% at September 30, 2008). At September 30, 2008, total borrowings aggregated \$1,160,085.
- CHF maintains an unsecured line of credit with a financial institution in Jordan. The total amount of the line of credit is 400,000 Jordanian Dinar (approximately \$565,000). Borrowings on the line of credit bear interest at 8.50%. At September 30, 2008, total borrowings aggregated \$444,067.
- CHF maintains several irrevocable standby letters of credit with a local financial institution. There were no outstanding borrowings on the letters of credit at September 30, 2008.

**7. NOTES PAYABLE**

As of September 30, 2008, CHF has outstanding notes payable aggregating \$31,266,942. The notes are due between October 1, 2009 and September 30, 2014. All notes payable are secured by CHF's loans receivable unless otherwise noted. Following is a list of all notes payable as of September 30, 2008:

**CHF International:**

- On April 23, 2002, CHF obtained a \$500,000 loan from the Overseas Private Investment Corporation (OPIC). The loan bears interest at 7.39% per annum and the principal amount is due in equal consecutive quarterly installments on the fifteenth day of each January, April, July, and October in each year, commencing on January 15, 2005. The loan matures on October 15, 2008. \$ 1,250

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**7. NOTES PAYABLE (Continued)**

**CHF International (continued):**

- On January 10, 2003, CHF received \$500,000 from the Overseas Private Investment Corporation (OPIC). The loan bears interest at 5.88% per annum and the principal amount is due in equal consecutive quarterly installments on the fifteenth day of each January, April, July, and October in each year, commencing January 15, 2006. The loan matures on October 29, 2009. \$ 156,250
- On April 21, 2003, CHF received \$1,000,000 from the Overseas Private Investment Corporation (OPIC). The loan bears interest at 5.59% per annum and the principal amount is due in equal consecutive quarterly installments on the fifteenth day of each January, April, July, and October in each year, commencing January 15, 2006. The loan matures on October 29, 2009. 312,500
- On August 22, 2003, CHF received \$1,000,000 from the Overseas Private Investment Corporation (OPIC). The loan bears interest at 6.23% per annum and the principal amount is due in equal consecutive quarterly installments on the fifteenth day of each January, April, July, and October in each year, commencing January 15, 2006. The loan matures on October 29, 2009. 312,500
- On November 17, 2003, CHF obtained a \$500,000 loan from the Overseas Private Investment Corporation (OPIC). The loan bears interest at 6.00% per annum and the principal amount is due in equal consecutive quarterly installments on the 15th day of each January, April, July and October in each year, commencing January 15, 2005. The loan matures on October 15, 2008. 1,250
- On August 8, 2006, CHF obtained a \$2,500,000 loan from the Overseas Private Investment Corporation (OPIC). The loan bears interest at 7.09% per annum and the principal amount is due in equal consecutive quarterly installments on the 15th day of each January, April, July and October in each year, commencing August 15, 2011. The loan matures on July 15, 2014. 2,500,000
- As a part of its agreement with SIDA, CHF received 1,500,000 Euros of loan capital for the purpose of microcredit lending in Bosnia. The loan is non-interest bearing and is due on demand until December 31, 2008, when the full obligation is to be released by SIDA. 2,107,919
- On December 10, 2004, CHF obtained a loan in the amount of \$1,000,000 from Oikocredit for the purpose of providing microcredit loans in Romania. The loan is repayable in six equal semi-annual installments beginning in the 30th month of the loan. The loan bears interest of 7.50% on the unpaid principal balance. The loan matures on December 10, 2009. 499,999

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**7. NOTES PAYABLE (Continued)**

**CHF International (continued):**

- On April 5, 2007, CHF entered into a loan agreement with BlueOrchard Finance which provided 2,000,000 Euros of loan capital for the purpose of providing microcredit loans in Romania. The loan bears interest of Euribor (3.53% at the time of the first interest payment) plus 4%, and is due in full on April 14, 2009.

\$ 2,876,757
- On June 29, 2007, CHF entered into a loan agreement with the Calvert Social Investment Foundation which provided \$1,000,000 of loan capital for the purpose of providing microcredit loans in Romania. The loan bears interest of 4.50% and is due semi-annually in arrears. The note is due in full on June 30, 2011.

1,500,000
- On October 17, 2008, CHF entered into a loan agreement with Programa Oportunidades Rurales Ministerio de Agricultura y Desarrollo Rural which provided 3,325,000,000 Colombian Pesos of loan capital for the purpose of providing microcredit loans in Colombia. The loan bears interest of 3% per annum and is due in full on October 17, 2012.

1,529,003

**Related Entities:**

- During November 2002, CHF (through its related entity in Romania) obtained a loan from the National Agency for Development of Mining Areas (NAD) in Romania. The loan is non-interest bearing and is payable in monthly installments beginning in August 2007. The loan matures on December 31, 2012.

1,053,853
- During November 2002, CHF (through its related entity in Romania) obtained a second loan from the National Agency for Development of Mining Areas (NAD) in Romania. The loan is non-interest bearing and is payable in monthly installments beginning in August 2007. The loan matures on July 1, 2010.

1,076,629
- On April 23, 2004, CHF (through its related entity in Romania) and Ministry of Public Finance of Romania (MOPF) entered into a loan agreement to provide micro-credit loans to beneficiaries in the Western plain agro-region (Campia de Vest) in Romania. On February 1st and August 1st of each year, CHF shall pay interest on the outstanding amount of principal (equal to the six-month USD-denominated LIBOR Base Rate plus 0.9%), any penalties on late payments of interest and principal, a commitment charge on the unwithdrawn amount of principal equal to the commitment charge due from the MOPF to the Bank. Additionally, a front-end fee equal to one percent on the withdrawn amount of principal will be due at the date of each withdrawal. Repayment of the withdrawn amount of principal will begin after the closing date of the Project, and will be made in equal semi-annual installments on February 1st and August 1st over 48 months.

681,653

# CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

## NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2008

### 7. NOTES PAYABLE (Continued)

#### Related Entities (continued):

- On April 23, 2004, CHF (through its related entity in Romania) and Ministry of Public Finance of Romania (MOPF) entered into a loan agreement to provide micro-credit loans to beneficiaries in certain rural areas of in Romania. On February 1st and August 1st of each year, CHF shall pay interest on the outstanding amount of principal (equal to the six-month USD-denominated LIBOR Base Rate plus 0.9%), any penalties on late payments of interest and principal, a commitment charge on the unwithdrawn amount of principal equal to the commitment charge due from the MOPF to the Bank. Additionally, a front-end fee equal to one percent on the withdrawn amount of principal will be due at the date of each withdrawal. Repayment of the withdrawn amount of principal will begin after the closing date of the Project, and will be made in equal semi-annual installments on February 1st and August 1st over 48 months.

\$ 317,572
- During June 2006, CHF (through its related entity in Bosnia) entered into a loan agreement with a local organization in Bosnia. The total amount of the loan (250,000 Euros) bears interest of 5% per annum (payable quarterly) and is due in full on May 15, 2009.

284,079
- On September 18, 2006, CHF (through its related entity in Jordan) entered into a loan agreement with a local financial institution in Jordan. The total amount of the loan (1,000,000 Jordanian Dinar) bears interest of 7.75% per annum and is repayable over a 36-month period (due February 28, 2010).

666,981
- On December 18, 2006, CHF (through its related entity in Jordan) entered into secured loan agreement (collateralized with two vehicles) with a local financial institution in Jordan. The loan bears interest of 5.50% per annum and is due on December 31, 2011.

32,169
- On March 12, 2007, CHF (through its related entity in Jordan) entered into a loan agreement with a local financial institution in Jordan. The loan bears interest of 8.25% per annum and is due on February 11, 2011.

1,021,532
- On August 26, 2007, CHF (through its related entity in Jordan) entered into a loan agreement with a local financial institution in Jordan. The loan bears interest of 9.25% per annum and is due on August 21, 2010.

1,041,183
- On September 10, 2007, CHF (through its related entity in Romania) entered into a 2,250,000 Euro loan agreement with the European Bank for Reconstruction and Development (which provided 750,000 Euros of loan capital during the year) for the purpose of providing microcredit loans in Romania. The loan bears interest at the Euribor rate of 4.75% (at the time of drawdown) plus 4.55%, with the first interest payments due on April 9, 2009. Principal payments are due in four equal semi-annual installments beginning on October 9, 2009. The loan is due on October 9, 2010.

3,209,156

# CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

## NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2008

### 7. NOTES PAYABLE (Continued)

#### Related Entities (continued):

- On December 11, 2007, CHF (through its related entity in Bosnia) entered into a loan agreement with 'SPARK' for the purpose of establishing a credit facility in Zenica, Bosnia. The loan does not stipulate a fixed rate of interest and is due in full on December 10, 2010.

\$ 143,495
- On December 26, 2007, CHF (through its related entity in Bosnia) received a 970,260 KM (Bosnian Convertible Marks) loan from a local bank in Bosnia. The loan bears interest of 7.35% per annual and is due in full on December 26, 2008.

711,856
- On June 17, 2008, CHF (through its related entity in Bosnia) received a KM 620,000 loan from a local bank in Bosnia. The loan bears interest of 8.60% per annual and is due in full on September 15, 2011.

454,879
- On August 1, 2008, CHF (through its related entity in Jordan) received a loan from a local bank in Jordan for the purpose of furthering its lending activities. The loan bears interest of 8.25% and is due in full on July 1, 2009.

9,777
- On September 5, 2008, CHF (through its related entity in Jordan) received a loan from a local bank in Jordan for the purpose of furthering its lending activities. The loan bears interest of 10% and is due in full on September 5, 2011.

424,553
- On September 23, 2008, CHF (through its related entity in Jordan) received a loan (for its activities in Jordan) from a Swiss organization (Symbiotics) for the purpose of furthering its lending activities. The loan bears interest of 8.5% and is due in full on September 26, 2009.

1,400,000
- On December 5, 2007, CHF (through its related entity in Jordan) received two loans (150,000 Jordanian Dinar and 300,000 Jordanian Dinar) from the Development and Employment Fund (in Jordan) for the purpose of furthering its lending activities. The loans bears interest of 7% and are repayable over 36 equal monthly installments (the first of which was paid on June 30, 2008).

627,745
- On April 13, 2008, CHF (through its related entity in Jordan) received a loan in the amount of 1,000,000 Jordanian Dinar from a local bank (in Jordan) for the purpose of furthering its lending activities. The loan bears interest of 8.15% and is repayable over 30 equal monthly installments of JD 33,333 (the first of which will be paid on April 30, 2009). The loan matures on September 30, 2011.

1,412,429
- On July 3, 2008, CHF (through its related entity in Jordan) entered into a 500,000 Jordanian Dinar revolving loan agreement with a local bank (in Jordan) for the purpose of furthering its lending activities. The loan bears interest of 9.25% and is due on January 3, 2010.

621,092

# CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

## NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2008

### 7. NOTES PAYABLE (Continued)

#### Related Entities (continued):

- On December 28, 2007, CHF (through its related entity in Liberia) obtained a loan from the Overseas Private Investment Corporation (OPIC) for the purpose of financing its activities in Liberia. The loan bears interest at 6.06% per annum and is due on June 15, 2022. \$ 1,669,377
  - On June 24, 2008, CHF (through its related entity in Romania) obtained a loan of Euro 1,000,000 from the Ecumenical Development Cooperative Society for the purpose of furthering its lending activities in Romania. The loan bears interest of 7.80% and is repayable in eight semi-annual equal installments starting in January 2010. The loan matures on July 1, 2013. 1,454,206
  - During the fiscal year ended September 30, 2008, CHF (through its related entity in Jordan) entered into a loan with a local bank in Jordan for the purpose of furthering its lending activities. The loan bears interest of 9.25% and is due on September 30, 2009. 1,155,298
- \$ 31,266,942**

The following is a schedule of required principal payments due under the aforementioned loans:

#### Year Ended September 30,

2009	\$ 9,667,778
2010	6,775,583
2011	7,516,434
2012	1,998,774
2013	2,805,663
2014	<u>2,502,710</u>
	<b><u>\$ 31,266,942</u></b>

### 8. RETIREMENT PLANS

#### Defined contribution plan -

CHF sponsors a defined contribution plan (profit-sharing plan) that covers all current employees who have completed one year of service. Contributions to the plan are discretionary and are determined each year by CHF. The plan has a four-year graduated vesting schedule.

#### Deferred compensation plan -

CHF also has a deferred compensation plan for certain key staff. Amounts contributed are vested immediately.

During the year ended September 30, 2008, total retirement plan expense was approximately \$1,419,377.



# CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

## NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2008

### 9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist primarily of cash and cash equivalents and loans receivable, net of allowance for bad debts, received from governmental agencies, corporations and private foundations, for which donor imposed restrictions have not been met. All temporarily restricted net assets at September 30, 2008 are to provide support for CHF's programs.

Following is a summary of temporarily restricted net assets at September 30, 2008:

<b>Project Funds:</b>	
Bolivia	\$ 51
Colombia	33,243,281
Ghana	392,983
Honduras	2,262,621
Indonesia	1,895,237
India	1,438,885
Iraq	102,464
Kenya	85,578
Liberia	99,550
Mexico	40,019
Mongolia	1,278,622
North Sudan	233,254
Pakistan	250,000
Palestine	113,728
Peru	30,456
Trinidad	7,384
Various headquarters projects	<u>214,380</u>
<b>Project Funds Total</b>	<b><u>\$ 41,688,493</u></b>
<b>Related Entity (Romania) and Combined Entity</b>	<b><u>\$ 3,199,567</u></b>
<b>Loan Capital:</b>	
Colombia	\$ 3,120,067
Iraq	50,000
Mexico	400,000
Mongolia	378,032
Palestine	<u>836,762</u>
<b>Loan Capital Total</b>	<b><u>\$ 4,784,861</u></b>

During the year ended September 30, 2008, temporarily restricted net assets of \$146,663,029 were released from restrictions by incurring programmatic expenses and by the passage of time, both satisfying CHF's donor imposed restrictions. Following is a summary of net assets released from restrictions by program and country for the year ended September 30, 2008:

<b>Loan Capital:</b>	
Iraq (Louis Berger)	\$ 3,500,000
Palestine (SMART)	<u>1,200,000</u>
<b>Loan Capital subtotal</b>	<b><u>4,700,000</u></b>

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**9. TEMPORARILY RESTRICTED NET ASSETS (Continued)**

**Project Funds:**

Afghanistan	\$ 426,465
Bolivia	4,949
Bosnia	1,095
Colombia	115,842,082
Ethiopia	391,407
Ghana	726,862
Honduras	3,774,493
Indonesia	13,037,038
Jordan	39,494
India	991,436
Iraq	1,875,258
Kenya	380,586
Lebanon	43,323
Liberia	1,323,732
Mexico	231,437
North Sudan	867,023
Palestine	1,721,924
Peru	229,423
South Sudan	305
Trinidad	29,184
Various headquarters projects	<u>25,513</u>

Project Funds subtotal 141,963,029

**TOTAL NET ASSETS RELEASED FROM RESTRICTIONS \$ 146,663,029**

**10. COMMITMENTS**

On February 20, 2004, CHF entered into a 129-month lease agreement for office space. The lease commenced on July 1, 2004 and includes a 2.5% annual lease payment escalation. The lease agreement also stipulates that CHF will be obligated to pay its proportionate share of the building's operating expenses and real estate taxes.

CHF is also obligated under several non-cancelable leases for office equipment and vehicles. The following is a schedule of future minimum payments required under these non-cancelable operating leases as of September 30, 2008:

**Year Ended September 30,**

2009	\$ 833,180
2010	848,170
2011	865,127
2012	887,744
2013	910,953
2014 and Thereafter	<u>1,710,836</u>
	<b><u>\$ 6,056,010</u></b>

## **CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

### **NOTES TO COMBINED FINANCIAL STATEMENTS SEPTEMBER 30, 2008**

#### **10. COMMITMENTS (Continued)**

Total rent expense under long-term lease commitments for the year ended September 30, 2008 was approximately \$865,000.

CHF also leases office space in numerous foreign countries under short-term lease agreements. Total rent expense under short-term lease agreements for the year ended September 30, 2008 was approximately \$3,100,000.

#### **11. CONTINGENCIES**

United States Government Funding -

CHF receives grants, cooperative agreements and contracts from various agencies of the United States government. Such awards are subject to audit under the provisions of OMB Circular A-133. The ultimate determination of amounts received under these awards is based upon the allowance of costs reported to and accepted by the United States government as a result of the audits. Audits in accordance with the provisions of OMB Circular A-133 have been completed for all required fiscal years through 2008. Until such audits have been accepted by the United States government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

Foreign operations -

CHF provides capital assistance, technical assistance, and training in numerous third world countries through its field offices in each of those countries. CHF also maintains cash accounts as well as loan portfolios in some of those countries. The future results of those programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate.

As of September 30, 2008, CHF had cash, property and equipment and loans receivable in various countries in the Middle East, Eastern Europe, Africa, Asia and Central and South America totaling approximately \$133,000,000, which represents approximately 83% of CHF's total assets as of September 30, 2008.

#### **12. ECONOMIC DEPENDENCY**

Approximately 56% of CHF's revenue and support (excluding in-kind contributions) for the year ended September 30, 2008 was derived from grants and contracts awarded directly by the United States Federal government or from pass-through entities. CHF has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew agreements or withholding of funds) would adversely affect CHF's ability to finance ongoing operations.

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**13. FUTURE COMMITMENTS FROM THE U.S. GOVERNMENT**

CHF receives a significant amount of its funding from various agencies of the United States Government. As of September 30, 2008, CHF has received commitments from these agencies for future years totaling approximately \$311,000,000, of which the agencies have obligated approximately \$78,000,000. Such amounts have not been included in the accompanying combined financial statements.

**14. SUPPLEMENTAL INFORMATION ON CASH FLOWS**

The Combined Statement of Cash Flows classifies changes in cash according to operating, investing and financing activities.

The following is supplementary information relating to the Combined Statement of Cash Flows:

<b>Interest Paid</b>	<b>\$ <u>253,681</u></b>
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**GELMAN, ROSENBERG & FREEDMAN**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT ON  
SUPPLEMENTAL FINANCIAL INFORMATION**

To the Board of Directors  
CHF International, Related Entities and Combined Entity  
Silver Spring, Maryland

Our report on our audit of the basic combined financial statements of CHF International, Related Entities and Combined Entity as of September 30, 2008 appears on page 2. The audit was made for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The information contained in Schedules 1 through 3 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 basic financial statements.

*Gelman Rosenberg & Freedman*

March 2, 2009

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

**CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY**  
**SCHEDULE OF FUNCTIONAL EXPENSES WITHOUT RELATED ENTITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Technical Assistance</u>	<u>Capital Assistance</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Salaries and wages	\$ 8,617,063	\$ 319,942	\$ 7,726,718	\$ 16,663,723
Fringe benefits	2,558,137	94,981	2,493,821	5,146,939
Local salaries and fringe	19,554,542	2,701,403	845,067	23,101,012
Other allowances	1,871,255	141,995	183,915	2,197,165
Printing and production	198,786	10,923	223,209	432,918
Professional fees	753,168	224,505	1,016,639	1,994,312
Occupancy	2,563,494	371,193	1,039,027	3,973,714
Security costs	2,971,489	425,768	-	3,397,257
Insurance	720,208	167,638	(42,088)	845,758
Depreciation and amortization	-	-	107,836	107,836
Telecommunications	1,405,542	155,455	330,674	1,891,671
Travel	4,042,910	260,252	1,912,103	6,215,265
Consulting fees	2,438,129	55,260	2,195,480	4,688,869
Postage and delivery	197,445	15,235	69,840	282,520
Repairs and maintenance	477,940	40,795	453,244	971,979
Supplies	1,860,944	136,397	147,959	2,145,300
Dues, subscriptions and publications	159,358	11,327	161,809	332,494
Conferences	236,745	4,909	400,374	642,028
In-kind skilled labor	2,820,617	-	233,980	3,054,597
In-kind equipment and materials	13,267,016	1,678	-	13,268,694
Interest expense	122,784	59,043	12,543	194,370
Equipment purchase and rental	1,087,168	113,409	502,480	1,703,057
Foreign exchange loss	1,953,656	353,561	361	2,307,578
Temporary help	269,510	206	224,530	494,246
Contracts	46,194,095	27,717	-	46,221,812
Assistance awards	183,372,810	-	-	183,372,810
Vehicle purchase and expense	1,452,360	3,385	-	1,455,745
Office operating expense	684,248	47,486	99,991	831,725
Participant training	1,167,605	5,079	-	1,172,684
Staff training and development	320,616	5,056	52,863	378,535
Construction expense and materials	27,530,985	-	-	27,530,985
Bad debt expense (recovery)	(1,858,055)	383,477	29,023	(1,445,555)
Grants/projects	966,383	-	53,155	1,019,538
Other	456,719	215,608	321,642	993,969
<b>TOTAL</b>	<b><u>\$ 330,435,672</u></b>	<b><u>\$ 6,353,683</u></b>	<b><u>\$ 20,796,195</u></b>	<b><u>\$357,585,550</u></b>

## CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

COMBINING SCHEDULE OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2008

	CHF	Related Entities							Combined		
	International	Bosnia	Jordan	Lebanon	Mexico	Romania	Liberia	Subtotal	Entity	Eliminations	TOTAL
ASSETS											
Cash and cash equivalents	\$ 54,696,856	\$ 27,284	\$ 769,699	\$1,847,586	\$ 174,992	\$ 2,144,081	\$ 638,132	\$ 60,298,630	\$1,404,497	\$ -	\$ 61,703,127
Investments	2,612,338	-	-	-	-	-	-	2,612,338	-	(1,837,376)	774,962
Loans receivable, net of allowance	42,255,737	8,630,168	15,789,556	889,767	847,413	16,191,763	1,228,995	85,833,399	-	-	85,833,399
Federal grants and contracts receivable	1,980,165	-	-	-	-	-	-	1,980,165	-	-	1,980,165
Nonfederal grants and contracts receivable	1,105,993	-	-	-	-	-	-	1,105,993	1,042,456	-	2,148,449
Accounts receivable and advances	2,965,731	5,337	20,488	66,107	93,262	66,073	-	3,216,998	-	-	3,216,998
Intercompany receivables	16,774,971	-	2,071	-	-	-	-	16,777,042	-	(16,777,042)	-
Prepaid expenses and other assets	2,032,466	2,775	66,013	-	-	-	69,746	2,171,000	560,358	-	2,731,358
Furniture, equipment and leasehold improvements, net	368,763	131,627	204,607	213,292	104,345	48,912	80,724	1,152,270	15,710	-	1,167,980
Security deposits	235,283	121,053	5,076	-	3,292	-	-	364,704	-	-	364,704
TOTAL ASSETS	\$ 125,028,303	\$8,918,244	\$16,857,510	\$3,016,752	\$ 1,223,304	\$18,450,829	\$2,017,597	\$175,512,539	\$3,023,021	\$(18,614,418)	\$159,921,142
LIABILITIES AND NET ASSETS											
Credit lines	\$ 1,160,085	\$ -	\$ 444,067	\$ -	\$ -	\$ -	\$ -	\$ 1,604,152	\$ -	\$ -	\$ 1,604,152
Notes payable	11,797,428	1,594,258	8,412,760	-	-	7,793,119	1,669,377	31,266,942	-	-	31,266,942
Accounts payable and accrued expenses	9,958,456	28,731	17,672	90,979	264,719	63,065	34,374	10,457,996	133,393	-	10,591,389
Intercompany payables	5,074,348	2,426,799	-	951,184	572,257	8,395,787	-	17,420,375	-	(17,420,375)	-
Accrued salaries and benefits	4,809,404	20,252	-	131,093	-	-	-	4,960,749	64,127	-	5,024,876
Funds held in trust	200,000	-	-	-	-	-	-	200,000	-	-	200,000
Total liabilities	32,999,721	4,070,040	8,874,499	1,173,256	836,976	16,251,971	1,703,751	65,910,214	197,520	(17,420,375)	48,687,359
NET ASSETS											
Unrestricted	45,555,228	4,848,204	7,983,011	1,843,496	386,328	1,745,825	313,846	62,675,938	78,967	(1,194,043)	61,560,862
Temporarily restricted	46,473,354	-	-	-	-	453,033	-	46,926,387	2,746,534	-	49,672,921
Total net assets	92,028,582	4,848,204	7,983,011	1,843,496	386,328	2,198,858	313,846	109,602,325	2,825,501	(1,194,043)	111,233,783
TOTAL LIABILITIES AND NET ASSETS	\$ 125,028,303	\$8,918,244	\$16,857,510	\$3,016,752	\$ 1,223,304	\$18,450,829	\$2,017,597	\$175,512,539	\$3,023,021	\$(18,614,418)	\$159,921,142

## CHF INTERNATIONAL, RELATED ENTITIES AND COMBINED ENTITY

COMBINING SCHEDULE OF CHANGE IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	CHF International	Bosnia	Jordan	Lebanon	Related Entities			Subtotal	Combined Entity	Eliminations	TOTAL
					Mexico	Romania	Liberia				
<b>UNRESTRICTED:</b>											
Beginning of year net assets	\$ 34,869,603	\$ 4,285,922	\$ 6,790,851	\$ 1,451,827	\$ 367,536	\$ 2,084,129	\$ (193,921)	\$ 49,655,947	\$ (112,021)	\$ (2,015,816)	\$ 47,528,110
Paid-in capital	-	-	-	247,974	77,459	-	904,251	1,229,684	-	(1,229,684)	-
Change in net assets	10,685,625	562,282	1,192,160	143,695	(58,667)	(338,304)	(396,484)	11,790,307	190,988	2,051,457	14,032,752
<b>END OF YEAR NET ASSETS</b>	<b>\$ 45,555,228</b>	<b>\$ 4,848,204</b>	<b>\$ 7,983,011</b>	<b>\$ 1,843,496</b>	<b>\$ 386,328</b>	<b>\$ 1,745,825</b>	<b>\$ 313,846</b>	<b>\$ 62,675,938</b>	<b>\$ 78,967</b>	<b>\$ (1,194,043)</b>	<b>\$ 61,560,862</b>
<b>TEMPORARILY RESTRICTED:</b>											
Beginning of year net assets	\$ 38,355,587	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,355,587	\$ 970,483	\$ -	\$ 39,326,070
Change in net assets	8,117,767	-	-	-	-	453,033	-	8,570,800	1,776,051	-	10,346,851
<b>END OF YEAR NET ASSETS</b>	<b>\$ 46,473,354</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 453,033</b>	<b>\$ -</b>	<b>\$ 46,926,387</b>	<b>\$ 2,746,534</b>	<b>\$ -</b>	<b>\$ 49,672,921</b>
<b>TOTAL:</b>											
Beginning of year net assets	\$ 73,225,190	\$ 4,285,922	\$ 6,790,851	\$ 1,451,827	\$ 367,536	\$ 2,084,129	\$ (193,921)	\$ 88,011,534	\$ 858,462	\$ (2,015,816)	\$ 86,854,180
Paid-in capital	-	-	-	247,974	77,459	-	904,251	1,229,684	-	(1,229,684)	-
Change in net assets	18,803,392	562,282	1,192,160	143,695	(58,667)	114,729	(396,484)	20,361,107	1,967,039	2,051,457	24,379,603
<b>END OF YEAR NET ASSETS</b>	<b>\$ 92,028,582</b>	<b>\$ 4,848,204</b>	<b>\$ 7,983,011</b>	<b>\$ 1,843,496</b>	<b>\$ 386,328</b>	<b>\$ 2,198,858</b>	<b>\$ 313,846</b>	<b>\$ 109,602,325</b>	<b>\$ 2,825,501</b>	<b>\$ (1,194,043)</b>	<b>\$ 111,233,783</b>