



**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2011**

**with**

**Independent Auditors' Report**

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**INTERNATIONAL CHILDREN'S CARE, INC.**

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## Independent Auditors' Report

To the Board of Trustees  
International Children's Care, Inc.

We have audited the accompanying statement of financial position of International Children's Care, Inc. (ICC) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of ICC's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from ICC's 2010 financial statements and, in our report dated May 10, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ICC as of December 31, 2011, 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.

*Hoffman, Stewart & Schmidt, P.C.*

April 23, 2012

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Financial Position**

<b>December 31, 2011</b> <i>(With Comparative Amounts for 2010)</i>	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 724,872	\$ 439,045
Cash and cash equivalents held on behalf of others	11,707	21,172
Investments <i>(Notes 3 and 16)</i>	6,031	5,650
Pledges receivable <i>(Note 4)</i>	8,630	4,613
Receivable from charitable trust <i>(Notes 5 and 16)</i>	74,939	77,002
Receivable from charitable gift annuities <i>(Notes 6 and 16)</i>	28,657	121,514
Note receivable <i>(Note 7)</i>	24,373	26,690
Other receivables	275	-
Prepaid expenses	28,039	20,273
Property and equipment - net <i>(Note 8)</i>	215,353	229,242
<b>Total assets</b>	<b><u>\$ 1,122,876</u></b>	<b><u>\$ 945,201</u></b>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>		
Accounts payable	\$ 4,341	\$ 11,605
Accrued vacation	55,040	53,327
Funds held on behalf of others	11,707	21,172
Accrued interest <i>(Note 9)</i>	121,509	72,985
Note payable <i>(Note 9)</i>	970,479	970,479
<b>Total liabilities</b>	<b>1,163,076</b>	<b>1,129,568</b>
Commitments <i>(Note 10)</i>		
<b>Net assets (deficit):</b>		
Unrestricted deficit	(808,444)	(956,331)
Temporarily restricted <i>(Note 11)</i>	768,244	771,964
<b>Total net assets deficit</b>	<b><u>(40,200)</u></b>	<b><u>(184,367)</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 1,122,876</u></b>	<b><u>\$ 945,201</u></b>

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

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Activities**

**Year Ended December 31, 2011** *(With Comparative Totals for 2010)*

	Unrestricted	Temporarily Restricted	Total	
			2011	2010
<b>Revenue and support:</b>				
Contributions	\$ 4,125,816	\$ 132,314	\$ 4,258,130	\$ 3,928,596
In-kind contributions	32,185	-	32,185	41,522
Net assets released from restrictions <i>(Note 11)</i>	27,384	(27,384)	-	-
<b>Net revenue and support</b>	<b>4,185,385</b>	<b>104,930</b>	<b>4,290,315</b>	<b>3,970,118</b>
<b>Expenses:</b>				
Program services	3,619,933	-	3,619,933	3,571,808
Management and general	164,955	-	164,955	175,889
Fund-raising	256,263	-	256,263	267,889
<b>Total expenses</b>	<b>4,041,151</b>	<b>-</b>	<b>4,041,151</b>	<b>4,015,586</b>
<b>Income (loss) from operations</b>	<b>144,234</b>	<b>104,930</b>	<b>249,164</b>	<b>(45,468)</b>
<b>Non-operating activities:</b>				
Change in value of receivable from:				
Charitable trust	-	(2,063)	(2,063)	8,611
Charitable gift annuities	-	(106,587)	(106,587)	(18,620)
Interest and dividends	2,935	-	2,935	2,941
Unrealized gain on investments	368	-	368	419
Gain on sale of equipment	350	-	350	-
<b>Total non-operating activities</b>	<b>3,653</b>	<b>(108,650)</b>	<b>(104,997)</b>	<b>(6,649)</b>
<b>Increase (decrease) in net assets</b>	<b>147,887</b>	<b>(3,720)</b>	<b>144,167</b>	<b>(52,117)</b>
Net assets (deficit), beginning of year	(956,331)	771,964	(184,367)	(132,250)
<b>Net assets (deficit), end of year</b>	<b>\$ (808,444)</b>	<b>\$ 768,244</b>	<b>\$ (40,200)</b>	<b>\$ (184,367)</b>

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

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Functional Expenses**

**Year Ended December 31, 2011** *(With Comparative Totals for 2010)*

	Program Services	Management and General	Fund- raising	Total	
				2011	2010
Grants and allocations	\$ 2,702,057	\$ -	\$ -	\$ 2,702,057	\$ 2,622,662
Salaries and wages	629,295	80,869	74,981	785,145	802,547
Payroll taxes	53,043	6,816	6,320	66,179	69,237
Employee benefits	101,702	13,069	12,118	126,889	119,694
Professional fees	-	12,500	8,440	20,940	21,416
Supplies	9,872	1,269	1,176	12,317	16,748
Telephone	6,373	819	759	7,951	8,681
Postage and shipping	14,428	3,607	6,012	24,047	33,092
Occupancy	6,043	3,406	6,085	15,534	17,820
Equipment rental and maintenance	6,851	3,863	3,863	14,577	15,008
Printing and publications	31,389	7,847	13,079	52,315	56,632
Travel	4,896	630	584	6,110	4,395
Conferences and meetings	407	51	48	506	159
Interest	22,806	12,859	12,859	48,524	49,313
Depreciation	7,579	4,273	4,273	16,125	16,090
Foreign development <i>(Note 14)</i>	-	-	92,589	92,589	95,297
Other	23,192	13,077	13,077	49,346	66,795
	<b><u>\$ 3,619,933</u></b>	<b><u>\$ 164,955</u></b>	<b><u>\$ 256,263</u></b>	<b><u>\$ 4,041,151</u></b>	<b><u>\$ 4,015,586</u></b>

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

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Cash Flows**

<b>Year Ended December 31, 2011</b> <i>(With Comparative Totals for 2010)</i>	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities:</b>		
Cash receipts:		
Contributions	\$ 4,240,383	\$ 3,925,523
Interest and dividends	2,935	2,941
Cash paid:		
Grantees, suppliers and employees	(3,957,909)	(3,919,914)
Interest	-	(790)
<b>Net cash provided by operating activities</b>	<b>285,409</b>	<b>7,760</b>
<b>Cash flows from investing activities:</b>		
Purchases of equipment	(2,236)	(2,800)
Reinvestment of interest and dividends	(13)	-
Proceeds from sale of equipment	350	-
Payments received on note receivable	2,317	2,139
<b>Net cash provided (used) by investing activities</b>	<b>418</b>	<b>(661)</b>
<b>Net increase in cash and cash equivalents</b>	<b>285,827</b>	<b>7,099</b>
Cash and cash equivalents, beginning of year	439,045	431,946
<b>Cash and cash equivalents, end of year</b>	<b>\$ 724,872</b>	<b>\$ 439,045</b>

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

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Statement of Cash Flows - Continued**

<b>Year Ended December 31, 2011</b> <i>(With Comparative Totals for 2010)</i>	<b>2011</b>	<b>2010</b>
<b>Reconciliation of increase (decrease) in net assets to net cash provided by operating activities:</b>		
Increase (decrease) in net assets	\$ 144,167	\$ (52,117)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	16,125	16,090
Change in value of receivable from:		
Charitable trust	2,063	(8,611)
Charitable gift annuities	106,587	18,620
Gain on sale of equipment	(350)	-
Donation of investments	-	(4,281)
Donation of charitable gift annuities	(13,730)	(4,747)
Unrealized gain on investments	(368)	(419)
Change in operating assets and liabilities:		
Pledges receivable	(4,017)	5,955
Other receivables	(275)	10,019
Prepaid expenses	(7,766)	(12,391)
Accounts payable	(7,264)	(19,233)
Accrued vacation	1,713	10,351
Accrued interest	48,524	48,524
<b>Net cash provided by operating activities</b>	<b><u>\$ 285,409</u></b>	<b><u>\$ 7,760</u></b>

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



# INTERNATIONAL CHILDREN'S CARE, INC.

## Notes to Financial Statements

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### 1. Significant Accounting Policies

**Nature of Activities** - International Children's Care, Inc. (ICC) is a private relief and development organization. ICC was established for the specific purpose of giving high quality care for needy children. ICC supports orphanages and schools in foreign countries. Presently, ICC's involvement is most prevalent in the following countries:

Guatemala	Thailand
Mexico	Philippines
Romania	Zambia
Dominican Republic	Congo
Colombia	Nicaragua
India	El Salvador
Cambodia	

ICC receives substantially all of its revenue from contributions. Fund-raising efforts take place in the United States and abroad.

**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 and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used in the financial statements for, among other things, the valuation of receivables from a charitable trust and gift annuities, the calculation of depreciation expense, and the functional allocation of certain expenses.

**Cash Equivalents** - ICC considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. ICC maintains its cash balances in various financial institutions in Vancouver, Washington.

**Investments** - Investments are stated at fair value as determined by quoted market prices or other relevant measures.

**Property and Equipment and Depreciation** - Property and equipment is recorded at cost at date of purchase or estimated market value at date of donation. Small equipment purchases of \$1,000 or less are charged to expense. Depreciation of property and equipment has been computed using the straight-line method over the following estimated useful lives:

Building	40 years
Furniture and fixtures	5 - 10 years
Equipment	3 - 10 years

**Funds Held on Behalf of Others** - Funds held on behalf of others represents agency funds over which ICC does not have variance power.

# INTERNATIONAL CHILDREN'S CARE, INC.

## Notes to Financial Statements - Continued

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### 1. Significant Accounting Policies - Continued

**Financial Instruments with Concentrations of Credit Risk** - Financial instruments that potentially subject ICC to concentrations of credit risk consist primarily of cash equivalents. At December 31, 2011 and 2010, and occasionally during the year, cash and cash equivalents include bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurable limits.

**Net Assets** - The accompanying financial statements have been prepared to focus on ICC as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of ICC's net assets in two classes, unrestricted and temporarily restricted, as follows:

*Unrestricted net assets* represent net assets not subject to donor-imposed stipulations.

*Temporarily restricted net assets* represent net assets subject to donor-imposed stipulations that may or will be met by actions of ICC and/or the passage of time.

**Pledges Receivable** - Pledges receivable that are collectible in one year or less are recorded at estimated net realizable value. Pledges receivable that are collectible in more than one year are recorded at the present value of estimated future cash flows.

**Revenue Recognition** - Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

ICC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

ICC reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, ICC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Temporarily restricted contributions are classified as unrestricted where the restriction is met in the same fiscal year the contribution is received.

## INTERNATIONAL CHILDREN'S CARE, INC.

### Notes to Financial Statements - Continued

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#### 1. Significant Accounting Policies - Continued

**In-Kind Contributions** - ICC recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Donated services have not been reflected in the accompanying financial statements since the appropriate criteria for recording these services have not been met. Nevertheless, a substantial number of volunteers have donated significant amounts of their time to ICC's program services and its fund-raising campaigns.

In-kind contributions of equipment and other materials are recorded where there is an objective basis upon which to value these contributions. In-kind contributions recognized are items that ICC will use for administrative or program purposes, and which ICC would otherwise need to purchase to meet its needs. During the years ended December 31, 2011 and 2010, ICC recognized in-kind contributions of \$32,185 and \$41,522, respectively, consisting mostly of donated supplies for ICC programs.

**Income Taxes** - Income taxes are not provided for in the financial statements since ICC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. ICC is not classified as a private foundation.

Accounting principles generally accepted in the United States of America prescribe a recognition threshold and a measurement process for accounting for uncertain tax positions, and also provide guidance on various related matters such as interest, penalties, and required disclosures. Management believes ICC does not have any uncertain tax positions. ICC files informational returns. Generally, these returns are subject to examination by Federal or state tax authorities for a period of three years from the filing of the return. As such, the returns for the 2008, 2009, and 2010 tax years are currently subject to examination. Interest or penalties assessed by taxing authorities, if any, would be included with management and general expenses.

**Pension Plan** - ICC has a 403(b) pension plan for all eligible employees.

**Advertising** - Advertising costs are charged to expense as incurred. Advertising and promotional expense for the years ended December 31, 2011 and 2010, totaled \$10,342 and \$18,595, respectively.

**Functional Allocation of Expenses** - Costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

# INTERNATIONAL CHILDREN'S CARE, INC.

## Notes to Financial Statements - Continued

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### 2. Program and Supporting Services

**Summarized Financial Information for 2010** - The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ICC's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

**Reclassifications** - Certain reclassifications have been made to the 2010 information to conform with the 2011 presentation.

**Program Services** - ICC supports the operations of orphanages and schools in several foreign countries, including providing financial support for the day-to-day operations of the orphanages and schools, acquiring land and buildings for new orphanages, and arranging adoptions of children in the orphanages.

**Management and General** - Management and general activities include business management, recordkeeping, budgeting, financing, and related administrative activities. These services provide the necessary developmental, organizational, and management support for the effective operation of programs.

**Fund-Raising** - Fund-raising activities include conducting fund-raising campaigns, preparing and distributing fund-raising materials, and conducting other activities involving soliciting contributions from individuals, foundations, and others.

### 3. Investments

Investments consist of the following at December 31:

	<b>2011</b>	<b>2010</b>
Money market fund	\$ 936	\$ 925
Equity securities	366	353
Municipal bond	4,729	4,372
	<u>\$ 6,031</u>	<u>\$ 5,650</u>

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

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**4. Pledges Receivable**

Unconditional pledges are expected to be collected within the following at December 31:

	<b>2011</b>	<b>2010</b>
Less than one year	\$ 2,773	\$ 2,100
One to five years	5,857	2,513
	<u>\$ 8,630</u>	<u>\$ 4,613</u>

Pledges receivable due in more than one year have not been discounted to present value as management determined the amount was not material to the financial statements as a whole.

**5. Receivable from Charitable Trust**

ICC has a remainder interest in a charitable remainder unitrust. The terms of the trust provide ICC with a percentage of the trust value upon the death of two lifetime beneficiaries. ICC's interest has been recorded at the present value of the estimated fair value of assets to be received in the future.

**6. Receivable from Charitable Gift Annuities**

ICC has a beneficial interest in 18 charitable gift annuities. The annuities are being administered by North Pacific Union Conference Association of the Seventh-day Adventists and Western Adventist Foundation. The annuities have been recorded at their estimated present value, based on the terms of each specific annuity.

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

**7. Note Receivable**

	<b>2011</b>	<b>2010</b>
Note receivable from a corporation, payable in monthly installments of \$364, including interest at 8 percent per annum. Due May, 2013. The note is secured by property.	<u>\$ 24,373</u>	<u>\$ 26,690</u>

Future principal maturities on the above note at December 31, 2011, are as follows:

<b>Years Ending December 31,</b>		<b>Amount</b>
2012		\$ 2,317
2013		<u>22,056</u>
		<u><u>\$ 24,373</u></u>

**8. Property and Equipment**

Property and equipment consists of the following at December 31:

	<b>2011</b>	<b>2010</b>
Land	\$ 95,000	\$ 95,000
Buildings	388,257	388,257
Furniture and fixtures	14,189	14,424
Equipment	<u>131,173</u>	<u>136,868</u>
	628,619	634,549
Less accumulated depreciation	<u>(413,266)</u>	<u>(405,307)</u>
	<u><u>\$ 215,353</u></u>	<u><u>\$ 229,242</u></u>

INTERNATIONAL CHILDREN'S CARE, INC.

Notes to Financial Statements - Continued

9. Note Payable

	2011	2010
Note payable to Columbia Ventures Corporation bearing interest at 5 percent per annum. Principal and accrued interest due June, 2013. The note is secured by property of ICC, which has a carrying value of \$210,129.	<u>\$ 970,479</u>	<u>\$ 970,479</u>

At December 31, 2011 and 2010, accrued interest on the above note payable totaled \$121,509 and \$72,985, respectively.

10. Commitments and Rent Expense

ICC leases certain equipment under operating leases expiring March, 2017. Rent expense for 2011 and 2010, was \$19,427 and \$17,873, respectively.

Future minimum lease payments are as follows:

Years Ending December 31,	Amount
2012	\$ 17,004
2013	17,004
2014	17,004
2015	14,691
2016	7,752
Thereafter	<u>1,938</u>
	<u>\$ 75,393</u>

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

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**11. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following at December 31:

	<b>2011</b>	<b>2010</b>
Disaster Relief	\$ 13,613	\$ 13,613
Cambodia Project	19,298	19,808
Congo Project	30,512	34,706
Development projects	7,319	4,454
Dominican Project	15,272	15,271
El Salvador	218,177	136,762
Guatemala ICAP Project	-	2,436
Guatemala Los Pinos Project	180,193	196,475
Hungary Project	5,500	5,500
India Project	39,635	1,620
Mexico Project	99,814	110,144
Myanmar	2,173	5,068
Nicaragua Project	17,512	17,822
Philippine Project	1,000	4,856
Romania Project	6,000	-
Thailand Project	-	300
Future periods	112,226	203,129
	<u>\$ 768,244</u>	<u>\$ 771,964</u>

During 2011, net assets totaling \$27,384 were released from donor restrictions by the occurrence of specific events and the passage of time.



**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

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**12. Joint Costs of Activities Including a Fund-Raising Appeal**

ICC conducts campaigns to distribute information about orphaned children in foreign countries and to appeal for funds. Joint costs, consisting of postage and shipping and printing, and publication costs, were allocated as follows:

	<b>2011</b>	<b>2010</b>
Program services	\$ 45,817	\$ 53,834
Management and general	11,454	13,459
Fund-raising	<u>19,091</u>	<u>22,431</u>
	<u>\$ 76,362</u>	<u>\$ 89,724</u>

**13. Tax-Deferred Annuity Plan**

ICC has a tax-deferred annuity plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code. The Plan is available to all full-time employees of ICC who may make contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code. ICC made discretionary contributions to the Plan totaling \$12,769 and \$12,074 in 2011 and 2010, respectively.

**14. Foreign Development**

ICC works to establish charitable organizations in foreign countries that will support the projects ICC supports. These organizations are formed as separate legal entities and have their own Boards of Directors. Although it is under no legal obligation to do so, ICC incurs certain costs to cultivate these relationships and periodically agrees to pay certain costs to encourage the development of these organizations in other countries. ICC classifies these costs as "foreign development."

**15. Concentrations**

For the years ended December 31, 2011 and 2010, ICC received approximately 14 and 16 percent, respectively, of its total support from two fund-raising agencies located in Europe.

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

**16. Fair Value Measurements**

Accounting standards pertaining to fair value measurements establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. ICC uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ICC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value, and Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The three levels of the fair value hierarchy are described as follows:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that ICC has the ability to access.

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs, other than quoted prices, that are observable for the asset.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

The following table sets forth by level, within the fair value hierarchy, ICC's assets measured at fair value on a recurring basis as of December 31, 2011:

	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Other Observable Inputs (Level 2)</b>	<b>Unobservable Inputs (Level 3)</b>	<b>Total</b>
Money market fund and equity securities	\$ 1,302	\$ -	\$ -	\$ 1,302
Municipal bond	-	4,729	-	4,729
Receivable from charitable trust	-	-	74,939	74,939
Receivable from charitable gift annuities	-	-	28,657	28,657
	<u>\$ 1,302</u>	<u>\$ 4,729</u>	<u>\$ 103,596</u>	<u>\$ 109,627</u>

**INTERNATIONAL CHILDREN'S CARE, INC.**

**Notes to Financial Statements - Continued**

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**16. Fair Value Measurements - Continued**

Fair value for the municipal bond is based on quoted prices of securities with similar characteristics, yield curves, and other relevant economic measures.

Fair value for both the receivable from a charitable trust and receivable from charitable gift annuities is based on the present value of future cash receipts. The present value of future cash receipts is based on the market value of the underlying assets less the estimated present value of future payments to beneficiaries. Both inputs are provided by the trustees of the trust and charitable gift annuities and not observable to ICC.

A summary of changes in ICC's Level 3 assets for the year ended December 31, 2011, is as follows:

	<b>Receivable from Charitable Trust</b>	<b>Receivable from Charitable Gift Annuities</b>	<b>Total</b>
Balance, beginning of year	\$ 77,002	\$ 121,514	\$ 198,516
Change in value	(2,063)	(106,587)	(108,650)
Donation	-	13,730	13,730
	<u>\$ 74,939</u>	<u>\$ 28,657</u>	<u>\$ 103,596</u>

**17. Subsequent Events**

Management has evaluated subsequent events through April 23, 2012, the date the financial statements were available for issue.