



**CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL
ASSOCIATIONS**

**FINANCIAL STATEMENTS
With Independent Auditors' Report**

June 30, 2009 and 2008

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Christian Medical & Dental Society
d/b/a Christian Medical & Dental Associations
Bristol, Tennessee

We have audited the accompanying statements of financial position of Christian Medical & Dental Society d/b/a Christian Medical & Dental Associations as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Medical & Dental Society d/b/a Christian Medical & Dental Associations as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 19 to the financial statements, effective January 1, 2008, the organization adopted Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements*. SFAS 157 has been applied prospectively as of the beginning of the year.

Capin Crouse LLP

Atlanta, Georgia
September 10, 2009

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statements of Financial Position

	June 30,	
	2009	2008
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 981,466	\$ 561,924
Accounts receivable–net	330,102	532,586
Inventory	455,187	410,206
Prepaid expenses and other assets	563,953	483,866
Short-term investments	461,694	403,964
	2,792,402	2,392,546
Assets held in perpetuity and for long-term purposes	2,818,184	3,844,160
Assets held in perpetual trust	3,389,104	4,085,732
Property and equipment–net	6,383,702	6,801,597
	\$ 15,383,392	\$ 17,124,035
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 178,030	\$ 163,505
Accrued expenses	139,751	123,131
Current portion of annuities payable	110,453	106,439
Deferred revenue	1,195,230	1,198,166
	1,623,464	1,591,241
Annuities payable–net of current portion	914,522	940,638
	2,537,986	2,531,879
Net assets:		
Unrestricted	6,300,862	6,965,322
Temporarily restricted	1,869,498	2,290,716
Permanently restricted	4,675,046	5,336,118
	12,845,406	14,592,156
Total Liabilities and Net Assets	\$ 15,383,392	\$ 17,124,035

See notes to financial statements

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statements of Activities

	Year Ended June 30,							
	2009			2008				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
INCOME:								
Support:								
Contributions	\$ 1,991,713	\$ 1,941,443	\$ 38,279	\$ 3,971,435	\$ 1,040,769	\$ 2,485,655	\$ 3,984,163	\$ 7,510,587
Dues—contribution portion	1,837,242	-	-	1,837,242	1,443,917	-	-	1,443,917
Noncash donations:								
Medicines and supplies	1,017,717	-	-	1,017,717	1,854,033	-	-	1,854,033
Securities and property	104,469	-	-	104,469	83,776	80,217	-	163,993
Services	2,078,698	-	-	2,078,698	2,237,752	-	-	2,237,752
Mission trips	1,770,130	-	-	1,770,130	1,605,475	-	-	1,605,475
	<u>8,799,969</u>	<u>1,941,443</u>	<u>38,279</u>	<u>10,779,691</u>	<u>8,265,722</u>	<u>2,565,872</u>	<u>3,984,163</u>	<u>14,815,757</u>
Revenue:								
Conferences and programs	330,064	-	-	330,064	571,037	-	-	571,037
Dues—member benefit portion	315,578	-	-	315,578	403,856	-	-	403,856
Placement service fees	271,100	-	-	271,100	264,925	-	-	264,925
Sales—net of returns and allowances	214,872	-	-	214,872	252,674	-	-	252,674
Investment (loss)	(414,096)	(342,884)	-	(756,980)	(127,634)	-	-	(127,634)
Change in value of annuities	(245,226)	-	-	(245,226)	(142,010)	-	-	(142,010)
Change in value of perpetual trust	-	-	(699,351)	(699,351)	-	-	-	-
Gain on disposal of property	1,623	-	-	1,623	11,000	-	-	11,000
Other income	59,108	-	-	59,108	54,042	-	-	54,042
	<u>533,023</u>	<u>(342,884)</u>	<u>(699,351)</u>	<u>(509,212)</u>	<u>1,287,890</u>	<u>-</u>	<u>-</u>	<u>1,287,890</u>
Total Support and Revenue	<u>9,332,992</u>	<u>1,598,559</u>	<u>(661,072)</u>	<u>10,270,479</u>	<u>9,553,612</u>	<u>2,565,872</u>	<u>3,984,163</u>	<u>16,103,647</u>

(continued)

See notes to financial statements

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statements of Activities
(continued)

	Year Ended June 30,							
	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
RECLASSIFICATIONS:								
Net assets released from:								
Satisfaction of purpose restrictions	1,875,529	(1,875,529)	-	-	2,738,794	(2,738,794)	-	-
Administrative assessments	144,248	(144,248)	-	-	159,355	(159,355)	-	-
Total Reclassifications	2,019,777	(2,019,777)	-	-	2,898,149	(2,898,149)	-	-
EXPENSES:								
Program services:								
Regional field ministries	2,215,878	-	-	2,215,878	2,474,936	-	-	2,474,936
Missions	6,000,387	-	-	6,000,387	6,889,857	-	-	6,889,857
Conferences and seminars	214,667	-	-	214,667	338,260	-	-	338,260
Publications and product sales	317,999	-	-	317,999	355,858	-	-	355,858
Placement service	257,324	-	-	257,324	294,471	-	-	294,471
Public affairs and public policy	375,549	-	-	375,549	259,342	-	-	259,342
Other	155,207	-	-	155,207	170,039	-	-	170,039
	9,537,011	-	-	9,537,011	10,782,763	-	-	10,782,763

(continued)

See notes to financial statements

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statements of Activities
(continued)

	Year Ended June 30,							
	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
EXPENSES, continued:								
Supporting activities:								
Management and general	1,911,120	-	-	1,911,120	2,025,021	-	-	2,025,021
Fund-raising and membership development	819,098	-	-	819,098	697,072	-	-	697,072
	<u>2,730,218</u>	<u>-</u>	<u>-</u>	<u>2,730,218</u>	<u>2,722,093</u>	<u>-</u>	<u>-</u>	<u>2,722,093</u>
Total Expenses	<u>12,267,229</u>	<u>-</u>	<u>-</u>	<u>12,267,229</u>	<u>13,504,856</u>	<u>-</u>	<u>-</u>	<u>13,504,856</u>
Change in Net Assets Before Contribution for Net Assets Reserve	(914,460)	(421,218)	(661,072)	(1,996,750)	(1,053,095)	(332,277)	3,984,163	2,598,791
Contribution for Net Assets Reserve	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(664,460)	(421,218)	(661,072)	(1,746,750)	(1,053,095)	(332,277)	3,984,163	2,598,791
Net Assets, Beginning of Year	<u>6,965,322</u>	<u>2,290,716</u>	<u>5,336,118</u>	<u>14,592,156</u>	<u>8,018,417</u>	<u>2,622,993</u>	<u>1,351,955</u>	<u>11,993,365</u>
Net Assets, End of Year	<u>\$ 6,300,862</u>	<u>\$ 1,869,498</u>	<u>\$ 4,675,046</u>	<u>\$ 12,845,406</u>	<u>\$ 6,965,322</u>	<u>\$ 2,290,716</u>	<u>\$ 5,336,118</u>	<u>\$ 14,592,156</u>

See notes to financial statements

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statements of Cash Flows

	Year Ended June 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,746,750)	\$ 2,598,791
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Donated medicines and supplies	(1,017,717)	(1,854,033)
Noncash contributions of securities and property	(46,997)	(163,993)
Depreciation	446,931	462,588
Net realized and unrealized losses on investments	1,158,905	318,691
Gain on disposition of assets	(1,623)	(11,000)
Actuarial change	(31,093)	(12,674)
Provision for uncollectible contribution receivable	-	18,361
Contributions restricted for long-term investment	(38,279)	(3,984,163)
Assets held in perpetual trust	-	(3,888,713)
Change in value of assets held in perpetual trust	699,351	-
Distributed medicines and supplies	978,329	1,835,474
Changes in operating assets and liabilities:		
Accounts receivable	202,484	(426,469)
Contributions receivable	-	29,018
Inventory	(5,593)	24,116
Prepaid expenses and other assets	(80,087)	140,853
Accounts payable	14,525	(35,374)
Accrued expenses	16,620	(4,745)
Deferred revenue	(2,936)	196,741
	<u>546,070</u>	<u>(4,756,531)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(753,095)	(712,921)
Proceeds from sale of investments	653,047	832,059
Purchases of property and equipment	(27,150)	(64,552)
Proceeds from disposal of assets	6,307	89,818
	<u>(120,891)</u>	<u>144,404</u>

(continued)

See notes to financial statements

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Statements of Cash Flows
(continued)

	Year Ended June 30,	
	2009	2008
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term investment	38,279	3,984,163
Proceeds from new annuities	56,000	185,000
Annuity payments and fees	(99,916)	(93,314)
Borrowings on line of credit	100,000	-
Payments on line credit	(100,000)	-
	(5,637)	4,075,849
Net Cash Provided (Used) by Financing Activities		
Net Change in Cash and Cash Equivalents	419,542	(536,278)
Cash and Cash Equivalents, Beginning of Year	561,924	1,098,202
Cash and Cash Equivalents, End of Year	\$ 981,466	\$ 561,924
SUPPLEMENTAL DISCLOSURES:		
Donated services	\$ 2,078,698	\$ 2,237,752
Donated securities and property	\$ 46,997	\$ 163,993
Donated medicines and supplies	\$ 1,017,717	\$ 1,854,033
Noncash donation of perpetual trust	\$ -	\$ 3,888,713

See notes to financial statements

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Notes to Financial Statements

June 30, 2009 and 2008

1. NATURE OF ORGANIZATION:

The Christian Medical & Dental Society d/b/a Christian Medical & Dental Associations (CMDA) is a nonprofit corporation described in Section 501(c)(3) of the Internal Revenue Code (Code) and recognized by the IRS as a publicly supported organization that is not a private foundation as described in Section 509(a)(2) of the Code. As such, it is exempt from federal and state income tax, and contributions by the public are deductible for income tax purposes. CMDA was incorporated April 11, 1946, under the laws of the state of Illinois.

The mission of CMDA is to motivate, educate, and equip Christian physicians and dentists to glorify God. Founded in 1931, CMDA serves as a voice and ministry to and for Christian doctors promoting positions and addressing policies on ethical healthcare issues. Among its many programs, CMDA also conducts overseas and domestic mission projects, coordinates a network of Christian doctors for fellowship and professional growth, sponsors student ministries in medical and dental schools, distributes educational and inspirational resources, holds marriage and family conferences, provides Third World missionary doctors with continuing education, and conducts academic exchange programs overseas. The following is an overview of some of the CMDA programs:

Regional field ministries—CMDA members engage and serve in a variety of activities, including Bible studies, prayer breakfasts, sharing groups, seminars, conferences, and service projects. CMDA has ministry activity on the campuses of nearly all of the medical, osteopathic, and dental schools in the United States. CMDA helps students grow in faith and adopt biblical and ethical standards. Also, graduate doctors across the nation band together for personal spiritual growth and to influence their communities for Christ. At both the campus and community level CMDA regional, area, and local staff assist doctors in realizing their goals by helping them launch community-based CMDA ministries.

Public affairs and public policy—CMDA serves as the collective voice of thousands of Christian doctors on bioethical and other healthcare issues. CMDA promotes a Christian perspective on ethical issues and provides medically reliable and biblically sound guidance on healthcare issues. Many turn to CMDA for help with critical bioethical issues, such as abortion, conscience rights in healthcare, euthanasia and physician-assisted suicide, human trafficking, embryo research, and many others. CMDA experts have testified in Congress and have conducted hundreds of media interviews for national outlets. An extensive website offers valuable information on critical issues related to medical ethics and healthcare. The Washington Bureau of the Christian Medical Association links our members with Congress, the Administration, and policy organizations; presents life-honoring perspectives through the national media; and publishes resources on vital issues.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

1. NATURE OF ORGANIZATION, continued:

Publications and product sales—Life & Health Resources provides educational kits, ethical position papers, books, CDs, DVDs, and logo items. CMDA members receive the quarterly CMDA magazine, Today's Christian Doctor, that provides practical ways for members to integrate Christian faith and values with their professional practice. CMDA provides reviews on legislative and specialty group actions and news developments in bioethical issues, missions reports, and personal and professional resources which are also replicated on the CMDA website. Christian Doctor's Digest is an audio series produced six times a year offering advice and perspectives on issues, such as malpractice, managed care, witnessing in the workplace, bioethics, and more. Prescribe A Resource® is an on-line service that allows members to prescribe pre-screened literature for their patients. The public can also access a list of the same pre-screened literature in a topically indexed format. Items can be obtained directly from CMDA or other resource outlets.

Conferences and seminars—CMDA seeks to encourage, train, and equip Christian doctors and students in their professional lives by providing conferences on evangelism, marriage, singleness, medical ethics, bioethical issues, women in healthcare, family, and more. National conventions and regional seminars allow members to network with colleagues, hear renowned Christian speakers, and discuss professional and spiritual issues. CMDA is approved to offer Category 1 Continuing Medical Education (CME) for physicians as well as Continuing Dental Education (CDE) for dentists. CMDA offers continuing education in medicine and dentistry at home and abroad.

Missions—CMDA's Global Health Outreach (GHO) ministry sends volunteers on short-term medical, dental, and surgical missions into developing countries around the world. GHO combines an evangelistic outreach with desperately needed healthcare to demonstrate the love and the compassion of Christ in a material way. National doctors in needy countries are also invited to join our teams and learn new techniques and information as our doctors and nurses share their knowledge and faith. Our Medical Education International (MEI) program allows medical and dental professionals to use their expertise and share the love of Christ as volunteers on short term trips overseas. They do this by developing relationships, encouraging overseas colleagues, and sharing professional knowledge and faith with national doctors.

Center for Medical Missions—CMDA's Center for Medical Missions (CMM) offers support to its missionary members. Whether through management consulting, training, or recruiting, CMM seeks to equip medical missionaries to succeed in their call to minister to the sick and hurting throughout the world. Additionally, CMM encourages student and resident participation in international healthcare by the provision of international rotation grants and scholarships. Its quarterly newsletter helps keep those preparing for a career in medical missions focused on that goal.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

1. NATURE OF ORGANIZATION, continued:

Other programs—Through the Medical Malpractice Ministry, CMDA offers prayer, counsel, and emotional support to those in this crisis. A Malpractice resource kit includes written materials and audio/visual ads. The CMDA Placement Service specializes in linking practice opportunities and doctors with shared values. Experienced staff use personal encounters and databases to help doctors find practices with a common commitment to professional excellence, corporate vision, and personal character. The CMDA website offers communication opportunities and information on bioethics, domestic and overseas missions opportunities, missionary support programs, classifieds, publications, conferences, news, etc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of CMDA have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, checking, savings, and money market accounts as well as highly liquid investments with maturity dates of less than three months. These accounts may at times exceed federally insured limits. CMDA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

ACCOUNTS RECEIVABLE—NET

Accounts receivable are reported net of any anticipated losses due to uncollectible accounts. CMDA's policy for determining when receivables are past due or delinquent is 30 days after invoicing. Uncollectible accounts are written-off as bad debt when it is determined the amounts are uncollectible. Payments received from nonaccrual receivables are credited to appropriate receivable accounts.

The allowance for doubtful accounts is maintained at a level which, in management's judgment, is adequate to absorb potential losses inherent in the receivable portfolio. The amount of the allowance is based on management's evaluation of the collectibility of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, specific impaired accounts, and economic conditions.

INVENTORY

Inventories are carried at the lower of cost or market. Cost is determined using average cost method.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments in cash, money market funds, mutual funds, all equity securities with readily determinable fair values, and all debt and governmental securities are reported at fair value with gains and losses included in the statements of activities. Other investments are reported at the lower of cost or fair value.

PROPERTY AND EQUIPMENT

Property and equipment are carried at historical cost less accumulated depreciation. CMDA capitalizes all expenditures greater than \$1,500 for assets with expected lives greater than one year. Depreciation is provided over the estimated service lives of the assets, ranging from 3 to 30 years, using the straight-line method.

ASSETS HELD IN PERPETUAL TRUST

Assets held in trust consist of two perpetual trusts held by third party trustees which are time restricted, established as part of estate gifts. Under the first trust, a percentage of the trust income is paid to CMDA annually as unrestricted income. Under the terms of the second trust, part of income earned is allocated for another charity with most of the income directed to CMDA. The trustees have the power to terminate and liquidate the trust, upon which the assets would be distributed entirely to CMDA. In the event of termination, a determination would be made whether any part of the transferred assets should be held and reported as permanently restricted based upon the trust document and trustee's direction.

Based on the communicated donor intent and advice of counsel, income received from the second trust will be allocated to the corporate purposes of CMDA and to benefit ministries to dental students.

The trust consists of investment in equity securities with readily determinable fair values reported at fair value. Other investments and assets, such as property, are reported at the lower of cost or fair value. Trust investments are held under trust agreements administered by the trustees and reported at fair value (See Notes 7 and 12).

NET ASSETS

The financial statements report amounts by classification of net assets:

- *Unrestricted net assets* are currently available for purposes under the direction of the board, designated by the board for specific use, or resources invested in property and equipment and held as annuity reserves.
- *Temporarily restricted net assets* are contributed with donor stipulations for specific operating purposes or programs, time restrictions, or not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interests have ceased.
- *Permanently restricted net assets* are contributed with donor restrictions that the principal remains in perpetuity and only the income be available as unrestricted or temporarily restricted as per endowment agreements.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to CMDA.

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

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

Donated goods (including securities, property, and equipment) are recorded at fair value at the date of the gift. Donated airtime is received as a result of public service announcements (PSAs), ranging from 30 to 60 seconds, that are distributed to radio stations concerning current ethical and medical issues. PSAs are now being distributed via an FTP site to radio stations. For the 2009 fiscal year, 9 PSAs were produced specifically for the state of Washington which could be accessed via the FTP site. Notice was sent to 44 Washington stations. It is not known how many stations aired the PSAs. Because of the uncertainty of airings and lack of reportable information, it is not practicable to measure the value of this contribution. Accordingly, no value has been recognized for donated airtime.

Donated medicines and medical supplies are recorded as inventory and contribution revenue at their estimated wholesale value at the date of donation, taking into consideration inventory condition and utility for use. All donated inventory is received from private organizations and is considered to be unrestricted support unless the inventory explicitly contains donor restrictions. CMDA only records the value of donated inventory in which they were either the original recipient of the gift, were involved in partnership with another organization for distribution internationally, or used in CMDA's programs.

When CMDA receives donated inventories with geographic restrictions or other specific designations, these contributions are recognized as temporarily restricted. Donor restrictions are satisfied and donated inventory is released from restriction and reclassified as unrestricted when the donated product has been shipped.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

Contributed services are recognized for those services that improve or enhance property and equipment (as contributions and increases to the basis of property and equipment) or for those services that require specialized skills (as contributions and expenses). In connection with medical and dental projects overseas, CMDA receives donated skilled services that are recognized as support and expense. The services are valued based on current salary rates as determined by various medical profession compensation surveys.

MEMBERSHIP DUES

Regular membership dues are recognized in the membership year to which they apply, except for prior period dues which are recognized in the period received. The portion considered a contribution is recognized as unrestricted support when received. The portion considered to be in exchange for member benefits is recognized as revenue ratably during the membership period. The unexpired portion is reported as deferred revenue.

Lifetime membership dues, prior to 1994, were solicited, treated as contributions, and reported as permanently restricted endowment. Subsequent to 1994, lifetime membership dues include an exchange component as well as a contribution component. The portion considered to be a contribution is recognized as unrestricted board designated funds in the year received and held for investment purposes as designated net assets in the lifetime membership fund. The portion considered to be an exchange for member benefits is recognized as revenue ratably over the average actuarial life of lifetime members and is held for investment purposes as designated net assets in the lifetime membership fund. A transfer is typically made annually from the lifetime membership fund to the general fund as CMDA's board directs.

PLACEMENT SERVICE FEES

CMDA defers revenue associated with its placement activity (i.e., recruiting service) to the point when the sales contingency has been met. In order to appropriately match the expenses associated with this service, CMDA developed an estimate of its related costs and recorded a prepaid expense to be amortized against the placement revenue.

EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of CMDA have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Any CMDA activities that include joint costs are allocated 100% to fund-raising.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

3. ACCOUNTS RECEIVABLE—NET:

Accounts receivable consist of:

	June 30,	
	2009	2008
Mission trips receivable	\$ 265,189	\$ 249,632
Estate receivable	50,999	213,166
Other	26,437	92,989
Less allowance for doubtful accounts	(12,523)	(23,201)
	\$ 330,102	\$ 532,586

4. INVENTORY:

Inventory consists of:

	June 30,	
	2009	2008
Books	\$ 82,261	\$ 76,255
Promotional material	30,956	29,484
Videos	11,528	14,194
Medicines and supplies	329,662	290,273
Other	780	-
	\$ 455,187	\$ 410,206

5. PREPAID EXPENSES AND OTHER ASSETS:

Prepaid expenses and other assets consist of:

	June 30,	
	2009	2008
Deferred placement costs	\$ 79,515	\$ 104,160
Employee/program advances	120,821	74,247
Prepaid medical group mission trips	213,405	216,872
Prepaid insurance	52,162	48,532
Prepaid conference expenses	21,237	19,550
Other	76,813	20,505
	\$ 563,953	\$ 483,866

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

6. INVESTMENTS:

Investments consist of:

	June 30,	
	2009	2008
Cash and money market funds	\$ 339,525	\$ 187,747
Government securities	30,830	111,936
Corporate bonds	99,774	169,276
International bonds	7,339	-
Market equities securities	634,172	877,523
Mutual funds:		
Equity	1,281,697	1,788,732
Fixed Income	749,426	1,110,112
Real property	135,170	-
Accrued interest and dividends	1,944	2,799
	\$ 3,279,878	\$ 4,248,125
Short-term investments	\$ 461,694	\$ 403,964
Assets held in perpetuity and for long-term purposes	2,818,184	3,844,160
	\$ 3,279,878	\$ 4,248,124

Assets held in perpetuity and for long-term purposes consist of endowed balances, amounts held for future annuity payments beyond the current year, and assets designated by the board for long-term purposes.

Investment loss consists of:

	Year Ended June 30,	
	2009	2008
Interest and dividends	\$ 150,535	\$ 175,791
Distributions from perpetual trust	35,463	15,536
Realized and unrealized losses on investments—net	(942,978)	(318,961)
	\$ (756,980)	\$ (127,634)

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

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7. ASSETS HELD IN PERPETUAL TRUSTS:

Assets held in perpetual trust consists of:

	Year Ended June 30,	
	2009	2008
Cash and cash equivalents	\$ 690,352	\$ 652,038
Government securities	149,862	171,294
Corporate bonds	455,461	455,085
Market equities securities	1,383,450	1,994,316
Mutual funds:		
Equity	263,142	384,082
Fixed Income	265,855	257,261
Real Property	227,833	227,128
Accrued interest and dividends	1,990	2,495
	3,437,945	4,143,699
Amount attributed to other beneficiary	(48,841)	(57,967)
	\$ 3,389,104	\$ 4,085,732

Change in value of assets held in trust consist of:

Change in value	\$ (699,351)	\$ -
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8. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consist of:

	June 30,	
	2009	2008
Land	\$ 324,359	\$ 324,359
Buildings	6,902,661	6,902,661
Computer systems	1,576,818	1,567,093
Automobiles	418,162	420,944
Furniture and equipment	776,234	779,214
Construction in process	5,078	5,078
	10,003,312	9,999,349
Less accumulated depreciation	(3,619,610)	(3,197,752)
	\$ 6,383,702	\$ 6,801,597

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

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8. PROPERTY AND EQUIPMENT-**NET**, continued:

Depreciation charged to various program services and supporting activities for the years ended June 30, 2009 and 2008, was \$446,931 and \$462,588, respectively.

9. ANNUITIES PAYABLE:

CMDA has established a gift annuity plan whereby donors may contribute assets to the organization in exchange for the right to receive a stated dollar annual return during their lifetimes. This transaction provides for a portion of the gift annuity to be considered a charitable contribution for income tax purposes.

The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as contribution income in the annuity fund at the date of the gift.

The annuity liability is revalued annually based upon actuarially computed present values using the discount rate at the inception of the agreement. Any resulting actuarial gain or loss is recorded as change in value of annuities.

Change in value of annuities consist of:

	Year Ended June 30,	
	2009	2008
Interest and dividends	\$ 38,605	\$ 56,907
Net realized and unrealized loss on investments	(203,721)	(105,158)
Annuity payments	(99,916)	(93,314)
Fees	(11,287)	(13,119)
Actuarial change	31,093	12,674
	\$ (245,226)	\$ (142,010)

10. DEFERRED REVENUE:

Deferred revenue consists of:

	June 30,	
	2009	2008
Unexpired dues	\$ 296,785	\$ 375,861
Deferred placement income	132,525	173,600
Deferred project fees	765,920	648,705
	\$ 1,195,230	\$ 1,198,166

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Notes to Financial Statements

June 30, 2009 and 2008

11. LINE OF CREDIT:

CMDA has an unsecured \$500,000 line of credit with First Tennessee Bank for operations. The interest rate is 90 day LIBOR +2.25 percentage points (effective rate of 2.91% at June 30, 2009). The line of credit is subject to certain covenants with the bank that requires CMDA to maintain total net assets of at least \$2,000,000. The line of credit matures on September 19, 2009, and is renewable. The balance as of the year ended June 30, 2009, was zero.

12. NET ASSETS:

Net assets consist of:

	June 30,	
	2009	2008
Unrestricted :		
Undesignated	\$ (466,461)	\$ (340,329)
Designated:		
State required annuity reserve	153,746	157,061
Lifetime memberships	226,189	335,874
Employee scholarships	3,686	11,119
	229,875	346,993
Total designated	383,621	504,054
Equity in property and equipment	6,383,702	6,801,597
	6,300,862	6,965,322
Temporarily restricted:		
Scholarships and other endowments	503,233	977,156
Missions restricted projects	570,249	525,599
Area directors	226,853	292,707
Society endowment fund	216,981	3,105
Continuing medical and dental education commission	122,199	132,057
Other purpose restrictions	229,983	360,092
	1,869,498	2,290,716

(continued)

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Notes to Financial Statements

June 30, 2009 and 2008

12. NET ASSETS, continued:

Net assets consist of, continued:

	June 30,	
	2009	2008
Permanently restricted:		
Endowments:		
Risser fund	275,794	275,794
Westra fund	240,349	212,070
Founders fund	115,219	105,219
CMDA endowment fund	46,343	46,343
Owen fund	24,809	24,809
Gilson fund	14,111	14,111
Perpetual trust (see Notes 2 and 7)	3,389,104	4,088,455
Brewser Brown Fund	40,000	40,000
Martins medical mission award	18,321	18,321
Tami Fisk Fund	50,000	50,000
Lifetime membership fund endowment	460,996	460,996
	4,675,046	5,336,118
	\$ 12,845,406	\$ 14,592,156

13. EMPLOYEE BENEFITS:

PENSION PLAN—SAFE HARBOR 401(K)

CMDA operates a defined contribution 401(k) safe harbor pension plan covering substantially all salaried employees. Annual employer contributions to the plan are equal to 8% of the employee compensation. Prior to November 1, 2005, CMDA operated a money purchase pension plan with employer contributions to the plan equal to 8% of the employee compensation. Contributions for the years ended June 30, 2009 and 2008, were \$211,711 and \$229,629, respectively.

401(K) SALARY DEFERRAL

CMDA offers a 401(k) salary deferral plan for employees replacing the prior 403(b) tax sheltered annuity plan; both plans are a voluntary salary reduction plan. Employees may contribute to the plan by way of a salary reduction agreement with a maximum total contribution to a participant's account based upon the current provisions of the Code.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

13. EMPLOYEE BENEFITS, continued:

MEDICAL PLAN

CMDA offers medical benefits to all qualified full-time employees and their dependents. On February 1, 2005, CMDA entered into a High Deductible Health Plan (Plan) coupled with a Health Savings Account (HSA). Under the Plan, employees pay the deductible with funds from the HSA. CMDA funds the HSA at 70% of the annual deductible amount. The employees may contribute the remainder of the annual allowed amount to the HSA, if they choose. The Plan pays 100% of the employee's covered charges after the deductible has been met with a maximum out-of-pocket amount. At June 30, 2009, there were 40 employees covered by the Plan. As of June 30, 2009 and 2008, CMDA paid medical premiums of \$258,861 and \$324,059, respectively, and HSA contributions of \$137,81 and \$162,878, respectively. Employee contributions to HSAs totaled \$73,349 and \$67,729 for the years ended June 30, 2009 and 2008, respectively. On January 1, 2009, employees began paying a portion of their health insurance premiums. For the six months ending June 30, 2009 the amount was \$12,008.

DENTAL PLAN

CMDA provides dental benefits under a self-insured plan to all full-time employees and their dependents. Under the plan, active employees generally pay a deductible, and the plan pays the remainder of all covered charges. CMDA is liable for claims up to an aggregate annual maximum of \$500 for each employee and their covered dependents.

Total dental claims paid for the years ended June 30, 2009 and 2008, were \$25,477 and \$30,869, respectively. There were no outstanding liabilities for unpaid claims as of June 30, 2009 and 2008.

14. FUND-RAISING AND MEMBERSHIP DEVELOPMENT EXPENSES:

Fund-raising and membership development expenses consist of:

	Year Ended June 30,	
	2009	2008
Fund-raising	\$ 526,356	\$ 375,243
Membership development	292,742	321,829
	\$ 819,098	\$ 697,072

CHRISTIAN MEDICAL & DENTAL SOCIETY
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June 30, 2009 and 2008

15. CHAPTER OPERATIONS:

Local chapters and ministry groups are organized under the CMDA structure, which requires compliance with the CMDA constitution and that all officers of the local ministry group or chapter be CMDA members. Local ministry and chapter constitutions are provided for each. The chapters are covered under a CMDA group exemption and are included in the CMDA annual information return, as required. Based on unaudited annual reports provided by local ministry groups and chapters to CMDA, these groups reported the following for the years then ended June 30, 2009 and 2008:

	June 30,	
	2009	2008
Number of local chapters	234	227
Reported chapter income	\$ 26,655	\$ 48,351
Reported chapter expenses	\$ 24,043	\$ 37,920
Reported chapter cash-on-hand	\$ 10,275	\$ 16,198

16. RELATED PARTY TRANSACTIONS:

During the year ended June 30, 2002, a former board and then audit committee member established a Family Foundation (Foundation) that is organized as a supporting organization under Section 509(a)(3) of the Code to CMDA and other 501(c)(3) publicly supported charities. CMDA is identified as the primary supported organization. CMDA has the power to appoint one of three directors. The current appointee is the executive director of CMDA. There were no resources held by the Foundation for the benefit of CMDA; although, future gifts may result.

CMDA owns a rental house which it rents to the chief financial officer at fair market value of \$8,400 per year. CMDA's legal counsel who serves as a member of the audit committee during the years ended June 30, 2009 and 2008, was paid \$3,140 and \$9,889, respectively, for legal services.

CMDA has established the Steury Scholarship program to encourage medical students to get involved in medical missions. First or second year medical students can apply. It is a 4-year medical school scholarship up to \$25,000 per year or up to \$100,000 total. Applicants are required to have been accepted by a mission organization to serve overseas after they finish residency. For the fiscal year 2007 the recipient of the four-year scholarship was the son of a board member. His selection was done by the independent members of the scholarship committee based on the usual criteria.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

17. COMMITMENTS:

As part of its ministry, CMDA holds conferences and events for potential donors to learn more about its mission and the needs of CMDA. As of June 30, 2009, CMDA has entered into commitments approximating \$19,000 for these events scheduled through 2010.

18. DONOR CONCENTRATION:

Approximately 64% of the donated inventory received by CMDA for the years ended June 30, 2009 and 2008, was provided by one donor. The organizational implications of this concentration are recognized by management and the board.

19. FAIR VALUE MEASUREMENTS:

The following disclosure of estimated fair value of financial instruments as of June 30, 2009, is made in accordance with the requirements of SFAS No.157, *Fair Value Measurements*. The estimated fair value amounts have been determined by CMDA using available market information and valuation methodologies as noted below.

	Fair Value Measurements at Reporting Date Using			
	June 30, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments:				
Money Market funds	\$ 341,287	\$ 341,287	\$ -	\$ -
U.S. government obligations	\$ 30,830	\$ -	\$ 30,830	\$ -
U.S. corporate bonds	\$ 99,774	\$ -	\$ 99,774	\$ -
International bonds	\$ 7,339	\$ -	\$ 7,339	\$ -
Mutual funds	\$ 2,024,989	\$ 2,024,989	\$ -	\$ -
Stocks	\$ 634,172	\$ 634,172	\$ -	\$ -
Alternative investments:				
Private REIT	\$ 135,170	\$ -	\$ -	\$ 135,170
Assets held in perpetual trusts:				
Money Market funds	\$ 692,342	\$ -	\$ 692,342	\$ -
U.S. government obligations	\$ 149,862	\$ -	\$ 149,862	\$ -
U.S. corporate bonds	\$ 455,461	\$ -	\$ 455,461	\$ -
Mutual funds	\$ 528,997	\$ -	\$ 528,997	\$ -
Stocks	\$ 1,383,450	\$ -	\$ 1,383,450	\$ -
Real property	\$ 227,833	\$ -	\$ -	\$ 227,833

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

19. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	REIT	Real Property
Beginning balance	\$ -	\$ 227,128
Purchase of investment	143,000	-
Total gains or losses (realized/unrealized) included in changes in net assets	(7,830)	705
Ending balance	\$ 135,170	\$ 227,833

The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating the change in unrealized gains or losses to assets still held at the reporting date.

REIT	Real Property
\$ (7,830)	\$ 705

Gains and losses (realized and unrealized) related to the beneficial interest in trusts are included in the investment income.

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Notes to Financial Statements

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19. FAIR VALUE MEASUREMENTS, continued:

Methods and assumptions used by CMDA in estimating fair values are as follows:

Money Market funds—The fair value of cash and cash equivalents approximate the carrying value due to their short-term nature.

Bonds—The fair value of the financial instruments is based on yields currently available on comparable securities with similar credit ratings.

Mutual funds, and stocks—The fair values of these financial instruments are based on quoted market prices or dealer quotes.

Private (REIT)—The fair values of this financial instruments is based on the estimated fair value as reported by the fund manager.

Perpetual trust held by others—The fair value of beneficial interest in trusts is estimated as the fair value of the underlined trust assets, based upon the CMDA's proportionate share of the trust's assets as represented by the fund manager.

During the year ended June 30, 2009, CMDA also adopted the provisions of Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). SFAS 159 permits entities to choose to measure financial instruments and certain other items at fair value as of a specified reporting date. As of June 30, 2009, CMDA has not identified any items for adjustment.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

20. ENDOWMENTS:

CMDA's endowment consists of thirteen individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of CMDA has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, CMDA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by CMDA in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Endowment net asset composition by type of fund as of June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted funds	\$ (164,316)	\$ 595,608	\$ 1,279,941
Board-designated funds	764,110	-	-
	\$ 599,794	\$ 595,608	\$ 1,279,941

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Notes to Financial Statements

June 30, 2009 and 2008

20. ENDOWMENTS, continued:

Changes in endowment net assets for year ended June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 647,452	\$ 1,323,847	\$ 1,247,662
Investment return:			
Investment income	57,842	71,615	-
Net losses (realized and unrealized)	(506,459)	(414,498)	-
Total investment return	(448,617)	(342,884)	-
Contributions	554,924	15,836	37,000
Amounts appropriated for expenditure	(153,965)	(401,191)	(4,721)
	(47,658)	(728,239)	32,279
Endowment net asset, end of year	\$ 599,794	\$ 595,608	\$ 1,279,941

Endowment net asset composition by type of fund as of June 30, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Donor-restricted funds	\$ (13,422)	\$ 1,323,847	\$ 1,247,662
Board-designated funds	660,874	-	-
	\$ 647,452	\$ 1,323,847	\$ 1,247,662

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Notes to Financial Statements

June 30, 2009 and 2008

20. ENDOWMENTS, continued:

Changes in endowment net assets for year ended June 30, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 875,524	\$ 1,800,774	\$ 1,154,936
Investment return:			
Investment income	85,092	123,850	-
Net losses (realized and unrealized)	(182,609)	(289,660)	-
Total investment return	(97,517)	(165,810)	-
Contributions	15,068	100,906	92,726
Amounts appropriated for expenditure	(145,623)	(412,023)	-
	(228,072)	(476,927)	92,726
Endowment net asset, end of year	\$ 647,452	\$ 1,323,847	\$ 1,247,662
		Year Ended December 31,	
		2009	2008
Permanently restricted net assets:			
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulations or by SPMIFA.		\$ 1,279,941	\$ 1,247,662
Total endowment funds classified as permanently restricted net assets		\$ 1,279,941	\$ 1,247,662
Temporarily restricted net assets:			
The portion of perpetual endowment funds subject to a time restriction under SPMIFA:			
With purpose restrictions		\$ 595,608	\$ 1,323,847
Total endowment funds classified as temporarily restricted net assets		\$ 595,608	\$ 1,323,847

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

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20. ENDOWMENTS, continued:

Funds with Deficiencies—From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires CMDA to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$164,316 and \$13,422 as of June 30, 2009 and 2008, respectively. These deficiencies resulted from unfavorable market fluctuations.

Return Objectives and Risk Parameters—CMDA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that CMDA must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce an inflation adjusted income stream to grow the corpus above the inflation rate. CMDA expects its endowment funds, over time, to provide an average rate of return of approximately 10% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, CMDA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CMDA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Related to Spending Policy—CMDA's donor-restricted endowments are used to fund participation in short-term mission trips, fund the Global Health Outreach department of CMDA, and to provide Steury Fund medical school scholarships for future missionaries. Information for the various grants and scholarships is posted on the CMDA website and in various CMDA literature. Those interested in the short-term mission grants go through an application process and awards are given based on available earnings or, in the case of underwater endowments, a specified amount by the donor. Since the Steury Scholarships is a true scholarship, the applicants go through an extensive application process, and a four-year scholarship is granted to a recipient each year. The Lifetime Fund consists of lifetime dues receipts, earnings, and gains and losses. This fund is under board direction and \$100 for each current lifetime member is transferred to operations each year. In addition the Board, at its discretion, appropriates funds for transfers to operations and for other objectives. Several endowments are not permanently restricted and will eventually be depleted. Accordingly, over the long-term, CMDA expects the current spending policy to allow certain endowments to grow at an annually and solicits real growth through new gifts.

CHRISTIAN MEDICAL & DENTAL SOCIETY
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Notes to Financial Statements

June 30, 2009 and 2008

21. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

22. NEW ACCOUNTING PRONOUNCEMENTS:

In December 2008, the Financial Accounting Standards Board issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation 48 (Interpretation 48), *Accounting for Uncertainty in Income Taxes*, to its annual financial statements for fiscal years beginning after December 15, 2008. CMDA has elected to defer the application of Interpretation 48 for the year ending June 30, 2009. CMDA evaluates its uncertain tax positions using the provisions of FASB Statement 5, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. CMDA is currently evaluating the impact of this pronouncement on its future financial reporting.

Effective July 1, 2008, CMDA adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). SFAS 157 has been applied prospectively as of the beginning of the year. SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Management has not identified any assets or liabilities measured at fair value.

During the year ended June 30, 2009, CMDA also adopted the provisions of Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). SFAS 159 permits entities to choose to measure financial instruments and certain other items at fair value as of a specified reporting date. As of June 30, 2009, the Ministry has not identified any items for adjustment.

Recently issued FASB Statement 164, *Not-for-Profit Entities: Mergers and Acquisitions* (SFAS 164), provides guidance on accounting for acquisitions by not-for-profit entities and for mergers of not-for-profit entities. SFAS 164 is effective for mergers on or after December 15, 2009. It is effective for acquisitions on or after the beginning of annual periods beginning on or after December 15, 2009. Application of the SFAS's provisions to mergers or acquisitions before those dates is prohibited.

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June 30, 2009 and 2008

22. NEW ACCOUNTING PRONOUNCEMENTS, continued:

The FASB Accounting Standards Codification™ (Codification or ASC) became the single source of authoritative non-SEC U.S. GAAP for nongovernmental entities with the issuance of FASB Statement 168, *The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles – replacement of FASB Statement No. 162* (SFAS 168). SFAS 168 modified the hierarchy of GAAP into two levels, authoritative and nonauthoritative. Following SFAS 168, the FASB will not issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts. Instead, the FASB will issue Accounting Standards Updates, which will serve only to update the Codification. SFAS 168, including the Codification, is effective for financial statements of annual periods ending after September 15, 2009.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

Board of Trustees
Christian Medical & Dental Society
d/b/a Christian Medical & Dental Associations
Bristol, Tennessee

Our report on our audits of the basic financial statements of Christian Medical & Dental Society d/b/a Christian Medical & Dental Associations for the years ended June 30, 2009 and 2008, appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on the following pages is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Capin Crouse LLP

Atlanta, Georgia
September 10, 2009

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Schedule of Functional Expenses
(All Funds)

Year Ended June 30, 2009
(With comparative totals for the year ended June 30, 2008)

	Program Services							Supporting Activities					Total Expenses	2008 Total Expenses
	Regional Field Ministries	Missions	Conferences and Seminars	Publications and Product Sales	Placement Service	Public Affairs and Public Policy	Other Programs	Total Program Services	Management and General	Membership Development	Fund-raising	Total Supporting Activities		
Compensation	\$ 1,363,004	\$ 440,612	\$ 40,194	\$ 98,689	\$ 116,731	\$ 167,444	\$ 10,072	\$ 2,236,746	\$ 916,346	\$ 129,856	\$ 124,272	\$ 1,170,474	\$ 3,407,220	\$ 3,664,443
Employee benefits	272,176	109,385	10,102	13,977	54,982	59,295	829	520,746	305,377	57,597	52,388	415,362	936,108	1,041,500
Office expense	63,189	178,616	35,077	2,702	8,631	3,715	2,434	294,364	94,796	15,084	3,866	113,746	408,110	410,737
Travel	82,056	40,219	2,984	503	1,293	10,842	4,146	142,043	17,416	341	10,712	28,469	170,512	226,464
Professional expense	7,769	4,286	2,152	2,311	-	58,906	-	75,424	240,051	312	50,385	290,748	366,172	249,949
Conferences	215,830	371,907	80,547	2,182	1,843	2,380	34,979	709,668	20,265	11,278	40,338	71,881	781,549	542,114
Occupancy	2,912	7,868	-	111	-	13	-	10,904	33,589	-	-	33,589	44,493	41,887
Donated services	-	2,043,698	-	-	-	-	-	2,043,698	-	-	-	-	2,043,698	2,202,752
Donated medicines	-	1,017,717	-	-	-	-	-	1,017,717	-	-	-	-	1,017,717	1,854,033
Depreciation	131,049	131,379	19,071	24,927	21,952	20,194	2,257	350,829	95,509	-	593	96,102	446,931	462,588
Project costs	1,917	924,138	-	-	-	-	-	926,055	-	-	-	-	926,055	1,117,486
Participant transportation fees	11,785	490,744	-	-	-	-	-	502,529	-	-	-	-	502,529	585,223
Communications	23,711	28,862	2,280	2,821	3,520	5,550	653	67,397	19,697	1,925	1,608	23,230	90,627	84,944
Production and promotion	19,053	89,881	22,127	113,409	48,342	46,694	29,497	369,003	1,848	76,319	235,552	313,719	682,722	490,924
Cost of sales	685	(1,578)	-	56,367	-	-	-	55,474	25	-	-	25	55,499	95,517
Fees and licenses	1,109	842	88	-	30	504	150	2,723	11,946	30	5,640	17,616	20,339	21,436
Bad debt expense	-	-	-	-	-	-	-	-	8,367	-	-	8,367	8,367	18,361
Taxes	-	-	-	-	-	-	-	-	(39)	-	-	(39)	(39)	879
Miscellaneous	19,633	121,811	45	-	-	12	70,190	211,691	145,927	-	1,002	146,929	358,620	393,619
Total Expenses														
June 30, 2009	<u>\$ 2,215,878</u>	<u>\$ 6,000,387</u>	<u>\$ 214,667</u>	<u>\$ 317,999</u>	<u>\$ 257,324</u>	<u>\$ 375,549</u>	<u>\$ 155,207</u>	<u>\$ 9,537,011</u>	<u>\$ 1,911,120</u>	<u>\$ 292,742</u>	<u>\$ 526,356</u>	<u>\$ 2,730,218</u>	<u>\$ 12,267,229</u>	
Total Expenses														
June 30, 2008	<u>\$ 2,474,936</u>	<u>\$ 6,889,857</u>	<u>\$ 338,260</u>	<u>\$ 355,858</u>	<u>\$ 294,471</u>	<u>\$ 259,342</u>	<u>\$ 170,039</u>	<u>\$ 10,782,763</u>	<u>\$ 2,025,021</u>	<u>\$ 321,829</u>	<u>\$ 375,243</u>	<u>\$ 2,722,093</u>		<u>\$ 13,504,856</u>

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Schedule of Functional Expenses
(All Funds)

Year Ended June 30, 2008
(With comparative totals for the year ended June 30, 2007)

	Program Services							Supporting Activities					2007 Total Expenses	
	Regional Field Ministries	Missions	Conferences and Seminars	Publications and Product Sales	Placement and Service	Public Affairs and Public Policy	Other Programs	Total Program Services	Management and General	Membership Development	Fund- raising	Total Supporting Activities		
Compensation	\$ 1,478,465	\$ 439,136	\$ 40,254	\$ 102,679	\$ 144,771	\$ 161,619	\$ 17,960	\$ 2,384,884	\$ 952,588	\$ 148,951	\$ 178,020	\$ 1,279,559	\$ 3,664,443	\$ 3,368,691
Employee benefits	320,204	109,823	11,032	21,942	70,608	56,261	888	590,758	313,592	79,861	57,289	450,742	1,041,500	964,863
Office expense	71,228	39,532	37,587	3,072	6,780	2,535	4,351	165,085	228,162	13,750	3,740	245,652	410,737	459,634
Travel	109,872	46,705	4,048	1,183	2,287	7,449	3,581	175,125	29,404	1,429	20,506	51,339	226,464	235,939
Professional														
expense	14,302	5,589	9,574	3,425	-	421	14,781	48,092	178,837	495	22,525	201,857	249,949	183,234
Conferences	257,540	42,993	165,712	2,042	1,783	2,178	38,311	510,559	17,788	5,256	8,511	31,555	542,114	662,051
Occupancy	1,309	8,377	-	120	-	20	-	9,826	32,061	-	-	32,061	41,887	48,764
Donated services	-	2,202,752	-	-	-	-	-	2,202,752	-	-	-	-	2,202,752	2,479,917
Donated medicines	-	1,854,033	-	-	-	-	-	1,854,033	-	-	-	-	1,854,033	706,604
Depreciation	135,640	135,982	19,739	25,800	22,721	20,902	2,336	363,120	98,854	-	614	99,468	462,588	416,338
Project costs	4,753	1,112,125	-	608	-	-	-	1,117,486	-	-	-	-	1,117,486	976,172
Participant														
transportation fees	1,251	583,972	-	-	-	-	-	585,223	-	-	-	-	585,223	621,070
Communications	25,088	19,185	3,356	2,954	4,147	4,097	910	59,737	20,013	2,604	2,590	25,207	84,944	80,364
Production and														
promotion	39,336	76,038	43,512	121,842	41,344	3,565	13,993	339,630	8,390	69,453	73,451	151,294	490,924	374,668
Cost of sales	-	25,326	-	70,191	-	-	-	95,517	-	-	-	-	95,517	125,114
Fees and licenses	1,486	1,138	96	-	30	404	125	3,279	12,512	30	5,615	18,157	21,436	22,502
Bad debt expense	-	(200)	-	-	-	-	-	(200)	18,561	-	-	18,561	18,361	180,565
Taxes	-	-	-	-	-	-	-	-	879	-	-	879	879	99
Miscellaneous	14,462	187,351	3,350	-	-	(109)	72,803	277,857	113,380	-	2,382	115,762	393,619	500,390
Total Expenses														
June 30, 2008	<u>\$ 2,474,936</u>	<u>\$ 6,889,857</u>	<u>\$ 338,260</u>	<u>\$ 355,858</u>	<u>\$ 294,471</u>	<u>\$ 259,342</u>	<u>\$ 170,039</u>	<u>\$ 10,782,763</u>	<u>\$ 2,025,021</u>	<u>\$ 321,829</u>	<u>\$ 375,243</u>	<u>\$ 2,722,093</u>	<u>\$ 13,504,856</u>	
Total Expenses														
June 30, 2007	<u>\$ 2,293,450</u>	<u>\$ 6,121,176</u>	<u>\$ 268,186</u>	<u>\$ 344,999</u>	<u>\$ 329,762</u>	<u>\$ 258,213</u>	<u>\$ 165,589</u>	<u>\$ 9,781,375</u>	<u>\$ 2,045,758</u>	<u>\$ 318,579</u>	<u>\$ 261,267</u>	<u>\$ 2,625,604</u>		<u>\$ 12,406,979</u>

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statement of Financial Position—By Fund

June 30, 2009

	CMDS General Fund	Facilities Fund	Medicines and Supplies Fund	Lifetime Memberships Fund	Annuity Fund	Endowment Fund	Missions and Other Restricted Funds	Total
ASSETS:								
Current assets:								
Cash and cash equivalents	\$ 981,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 981,466
Accounts receivable—net	278,510	-	-	-	593	-	50,999	330,102
Inventory	125,525	-	329,662	-	-	-	-	455,187
Prepaid expenses and other assets	542,935	-	-	-	-	-	21,018	563,953
Short-term investments	48,334	-	-	92,000	110,453	116,052	94,855	461,694
Due (to) from other funds	(522,185)	(698,930)	50	-	-	25	1,221,040	-
	<u>1,454,585</u>	<u>(698,930)</u>	<u>329,712</u>	<u>92,000</u>	<u>111,046</u>	<u>116,077</u>	<u>1,387,912</u>	<u>2,792,402</u>
Assets held in perpetuity and for long-term purposes	-	-	-	739,382	832,885	784,945	460,972	2,818,184
Assets held in perpetual trust	-	-	-	-	-	-	3,389,104	3,389,104
Property and equipment—net	470,499	5,442,534	-	-	-	-	470,669	6,383,702
	<u>\$ 1,925,084</u>	<u>\$ 4,743,604</u>	<u>\$ 329,712</u>	<u>\$ 831,382</u>	<u>\$ 943,931</u>	<u>\$ 901,022</u>	<u>\$ 5,708,657</u>	<u>\$ 15,383,392</u>
Total Assets								

(continued)

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statement of Financial Position–By Fund
(continued)

June 30, 2009

	CMDS General Fund	Facilities Fund	Medicines and Supplies Fund	Lifetime Memberships Fund	Annuity Fund	Endowment Fund	Missions and Other Restricted Funds	Total
LIABILITIES AND NET ASSETS:								
Current liabilities:								
Accounts payable	\$ 178,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,030
Accrued expenses	139,751	-	-	-	-	-	-	139,751
Current portion of annuities payable	-	-	-	-	110,453	-	-	110,453
Deferred revenue	1,050,159	-	-	144,197	-	-	874	1,195,230
	<u>1,367,940</u>	<u>-</u>	<u>-</u>	<u>144,197</u>	<u>110,453</u>	<u>-</u>	<u>874</u>	<u>1,623,464</u>
Annuities payable–net of current portion	-	-	-	-	914,522	-	-	914,522
Total liabilities	<u>1,367,940</u>	<u>-</u>	<u>-</u>	<u>144,197</u>	<u>1,024,975</u>	<u>-</u>	<u>874</u>	<u>2,537,986</u>
Net assets:								
Unrestricted:								
Undesignated	86,644	(698,930)	329,712	-	(234,790)	-	50,902	(466,462)
Designated	-	-	-	226,189	153,746	-	3,686	383,621
Equity in property and equipment	470,500	5,442,534	-	-	-	-	470,669	6,383,703
	<u>557,144</u>	<u>4,743,604</u>	<u>329,712</u>	<u>226,189</u>	<u>(81,044)</u>	<u>-</u>	<u>525,257</u>	<u>6,300,862</u>
Temporarily restricted	-	-	-	-	-	82,076	1,787,422	1,869,498
Permanently restricted	-	-	-	460,996	-	818,946	3,395,104	4,675,046
Total net assets	<u>557,144</u>	<u>4,743,604</u>	<u>329,712</u>	<u>687,185</u>	<u>(81,044)</u>	<u>901,022</u>	<u>5,707,783</u>	<u>12,845,406</u>
Total Liabilities and Net Assets	<u>\$ 1,925,084</u>	<u>\$ 4,743,604</u>	<u>\$ 329,712</u>	<u>\$ 831,382</u>	<u>\$ 943,931</u>	<u>\$ 901,022</u>	<u>\$ 5,708,657</u>	<u>\$ 15,383,392</u>

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statement of Financial Position—By Fund

June 30, 2008

	CMDS General Fund	Facilities Fund	Medicines and Supplies Fund	Lifetime Memberships Fund	Annuity Fund	Endowment Fund	Missions and Other Restricted Funds	Total
ASSETS:								
Current assets:								
Cash and cash equivalents	\$ 561,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 561,924
Accounts receivable—net	374,696	-	-	-	11,354	-	146,536	532,586
Inventory	119,932	-	290,274	-	-	-	-	410,206
Prepaid expenses and other assets	459,855	-	-	-	-	-	24,011	483,866
Short-term investments	45,933	-	-	87,000	106,439	28,052	136,540	403,964
Due (to) from other funds	(596,189)	(698,930)	50	-	(1)	50,001	1,245,069	-
	<u>966,151</u>	<u>(698,930)</u>	<u>290,324</u>	<u>87,000</u>	<u>117,792</u>	<u>78,053</u>	<u>1,552,156</u>	<u>2,392,546</u>
Assets held in perpetuity and for long-term purposes	-	-	-	793,222	1,190,799	779,200	1,080,939	3,844,160
Assets held in perpetual trust	-	-	-	-	-	-	4,085,732	4,085,732
Property and equipment—net	513,683	5,709,501	-	-	-	-	578,413	6,801,597
Total Assets	<u><u>\$ 1,479,834</u></u>	<u><u>\$ 5,010,571</u></u>	<u><u>\$ 290,324</u></u>	<u><u>\$ 880,222</u></u>	<u><u>\$ 1,308,591</u></u>	<u><u>\$ 857,253</u></u>	<u><u>\$ 7,297,240</u></u>	<u><u>\$ 17,124,035</u></u>

(continued)

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statement of Financial Position–By Fund
(continued)

June 30, 2008

	CMDS General Fund	Facilities Fund	Medicines and Supplies Fund	Lifetime Memberships Fund	Annuity Fund	Endowment Fund	Missions and Other Restricted Funds	Total
LIABILITIES AND NET ASSETS:								
Current liabilities:								
Accounts payable	\$ 156,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,304	\$ 163,505
Accrued expenses	123,131	-	-	-	-	-	-	123,131
Current portion of annuities payable	-	-	-	-	106,439	-	-	106,439
Deferred revenue	1,024,885	-	-	173,281	-	-	-	1,198,166
	<u>1,304,217</u>	<u>-</u>	<u>-</u>	<u>173,281</u>	<u>106,439</u>	<u>-</u>	<u>7,304</u>	<u>1,591,241</u>
Annuities payable–net of current portion	-	-	-	-	940,638	-	-	940,638
Total liabilities	<u><u>1,304,217</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>173,281</u></u>	<u><u>1,047,077</u></u>	<u><u>-</u></u>	<u><u>7,304</u></u>	<u><u>2,531,879</u></u>
Net assets:								
Unrestricted:								
Undesignated	(338,066)	(698,930)	290,324	245,945	104,453	(4,721)	400,995	-
Designated	-	-	-	-	157,061	-	6,665	163,726
Equity in property and equipment	513,683	5,709,501	-	-	-	-	578,412	6,801,596
	<u>175,617</u>	<u>5,010,571</u>	<u>290,324</u>	<u>245,945</u>	<u>261,514</u>	<u>(4,721)</u>	<u>986,072</u>	<u>6,965,322</u>
Temporarily restricted	-	-	-	-	-	75,307	2,215,409	2,290,716
Permanently restricted	-	-	-	460,996	-	786,667	4,088,455	5,336,118
Total net assets	<u><u>175,617</u></u>	<u><u>5,010,571</u></u>	<u><u>290,324</u></u>	<u><u>706,941</u></u>	<u><u>261,514</u></u>	<u><u>857,253</u></u>	<u><u>7,289,936</u></u>	<u><u>14,592,156</u></u>
Total Liabilities and Net Assets	<u><u>\$ 1,479,834</u></u>	<u><u>\$ 5,010,571</u></u>	<u><u>\$ 290,324</u></u>	<u><u>\$ 880,222</u></u>	<u><u>\$ 1,308,591</u></u>	<u><u>\$ 857,253</u></u>	<u><u>\$ 7,297,240</u></u>	<u><u>\$ 17,124,035</u></u>

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statement of Activities—By Fund

Year Ended June 30, 2009

	CMDS General Fund	Facilities Fund	Medicines and Supplies Fund	Lifetime Memberships Fund	Annuity Fund	Endowment Fund	Missions and Other Restricted Funds	Total
INCOME:								
Support:								
Contributions	\$ 3,018,535	\$ -	\$ -	\$ -	\$ 1,010	\$ 41,169	\$ 910,721	\$ 3,971,435
Dues—contribution portion	1,600,933	-	-	294,684	-	-	(58,375)	1,837,242
Noncash donations:								
Medicines and supplies	-	-	1,017,717	-	-	-	-	1,017,717
Securities and property	56,332	-	-	-	-	-	48,137	104,469
Services	35,000	-	2,043,698	-	-	-	-	2,078,698
Mission trips	1,687,460	-	-	-	-	-	82,670	1,770,130
	<u>6,398,260</u>	<u>-</u>	<u>3,061,415</u>	<u>294,684</u>	<u>1,010</u>	<u>41,169</u>	<u>983,153</u>	<u>10,779,691</u>
Revenue:								
Conferences and programs	229,449	-	-	-	-	-	100,615	330,064
Dues—member benefit portion	315,578	-	-	-	-	-	-	315,578
Placement service fees	270,991	-	-	-	-	-	109	271,100
Sales—net of returns and allowances	212,138	-	-	-	-	-	2,734	214,872
Investment (loss)	(8,554)	-	-	(288,650)	-	(232,662)	(227,114)	(756,980)
Change in value of annuities	-	-	-	-	(245,226)	-	-	(245,226)
Change in value of perpetual trust	-	-	-	-	-	-	(699,351)	(699,351)
Gain on disposal of property	1,623	-	-	-	-	-	-	1,623
Other income	99,034	-	-	-	-	-	(39,926)	59,108
Transfers	30,351	42,203	-	5,820	(98,342)	255,025	(235,057)	-
	<u>1,150,610</u>	<u>42,203</u>	<u>-</u>	<u>(282,830)</u>	<u>(343,568)</u>	<u>22,363</u>	<u>(1,097,990)</u>	<u>(509,212)</u>
Total Support and Revenue	<u>7,548,870</u>	<u>42,203</u>	<u>3,061,415</u>	<u>11,854</u>	<u>(342,558)</u>	<u>63,532</u>	<u>(114,837)</u>	<u>10,270,479</u>

(continued)

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statement of Activities—By Fund
(continued)

Year Ended June 30, 2009

	CMDS General Fund	Facilities Fund	Medicines and Supplies Fund	Lifetime Memberships Fund	Annuity Fund	Endowment Fund	Missions and Other Restricted Funds	Total
EXPENSES:								
Program services:								
Regional field ministries	1,725,722	115,270	-	-	-	-	374,886	2,215,878
Missions	2,172,210	118,455	3,022,027	-	-	-	687,695	6,000,387
Conferences and seminars	152,771	19,071	-	-	-	-	42,825	214,667
Publications and product sales	290,474	27,311	-	-	-	-	214	317,999
Placement service	246,121	11,203	-	-	-	-	-	257,324
Public affairs and public policy	250,118	15,600	-	-	-	-	109,831	375,549
Other	-	2,260	-	31,610	-	16,978	104,359	155,207
	<u>4,837,416</u>	<u>309,170</u>	<u>3,022,027</u>	<u>31,610</u>	<u>-</u>	<u>16,978</u>	<u>1,319,810</u>	<u>9,537,011</u>
Supporting activities:								
Management and general	1,761,825	-	-	-	-	2,629	146,659	1,911,113
Fund-raising and membership development	818,095	-	-	-	-	156	847	819,098
	<u>2,579,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,785</u>	<u>147,506</u>	<u>2,730,211</u>
Total Expenses	<u>7,417,336</u>	<u>309,170</u>	<u>3,022,027</u>	<u>31,610</u>	<u>-</u>	<u>19,763</u>	<u>1,467,316</u>	<u>12,267,222</u>
Change in Net Assets Before Contribution for Net Assets Reserve	131,534	(266,967)	39,388	(19,756)	(342,558)	43,769	(1,582,153)	(1,996,743)
Contribution for Net Assets Reserve	250,000	-	-	-	-	-	-	250,000
Change in Net Assets	381,534	(266,967)	39,388	(19,756)	(342,558)	43,769	(1,582,153)	(1,746,743)
Net Assets, Beginning of Year	175,610	5,010,571	290,324	706,941	261,514	857,253	7,289,936	14,592,149
Net Assets, End of Year	<u>\$ 557,144</u>	<u>\$ 4,743,604</u>	<u>\$ 329,712</u>	<u>\$ 687,185</u>	<u>\$ (81,044)</u>	<u>\$ 901,022</u>	<u>\$ 5,707,783</u>	<u>\$ 12,845,406</u>

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statement of Activities—By Fund

Year Ended June 30, 2008

	CMDS General Fund	Facilities Fund	Medicines and Supplies Fund	Lifetime Memberships Fund	Annuity Fund	Endowment Fund	Missions and Other Restricted Funds	Total
INCOME:								
Support:								
Contributions	\$ 2,497,847	\$ -	\$ -	\$ -	\$ 52,612	\$ 91,507	\$ 4,868,621	\$ 7,510,587
Dues—contribution portion	1,482,831	-	-	15,069	-	-	(53,983)	1,443,917
Noncash donations:								
Medicines and supplies	-	-	1,854,033	-	-	-	-	1,854,033
Securities and property	91,711	-	-	-	5,081	-	67,201	163,993
Services	35,000	-	2,202,752	-	-	-	-	2,237,752
Mission trips	1,605,475	-	-	-	-	-	-	1,605,475
	<u>5,712,864</u>	<u>-</u>	<u>4,056,785</u>	<u>15,069</u>	<u>57,693</u>	<u>91,507</u>	<u>4,881,839</u>	<u>14,815,757</u>
Revenue:								
Conferences and programs	463,406	-	-	-	-	-	107,631	571,037
Dues—member benefit portion	403,856	-	-	-	-	-	-	403,856
Placement service fees	264,925	-	-	-	-	-	-	264,925
Sales—net of returns and allowance	248,560	-	50	-	-	-	4,064	252,674
Investment gain (loss)	5,754	-	-	(105,550)	-	(58,057)	30,219	(127,634)
Change in value of annuities	-	-	-	-	(142,010)	-	-	(142,010)
Gain on disposal of property	11,000	-	-	-	-	-	-	11,000
Other income	118,043	-	-	-	-	-	(64,001)	54,042
Transfers	535,173	1	-	(315,472)	207,464	(28,982)	(398,184)	-
	<u>2,050,717</u>	<u>1</u>	<u>50</u>	<u>(421,022)</u>	<u>65,454</u>	<u>(87,039)</u>	<u>(320,271)</u>	<u>1,287,890</u>
Total Support and Revenue	<u>7,763,581</u>	<u>1</u>	<u>4,056,835</u>	<u>(405,953)</u>	<u>123,147</u>	<u>4,468</u>	<u>4,561,568</u>	<u>16,103,647</u>

(continued)

CHRISTIAN MEDICAL & DENTAL SOCIETY
d/b/a CHRISTIAN MEDICAL & DENTAL ASSOCIATIONS

Statement of Activities—By Fund
(continued)

Year Ended June 30, 2008

	CMDS General Fund	Facilities Fund	Medicines and Supplies Fund	Lifetime Memberships Fund	Annuity Fund	Endowment Fund	Missions and Other Restricted Funds	Total
EXPENSES:								
Program services:								
Regional field ministries	1,889,713	89,250	-	-	-	-	495,973	2,474,936
Missions	2,206,530	106,246	4,038,226	-	-	-	538,855	6,889,857
Conferences and seminars	259,547	16,407	-	-	-	-	62,306	338,260
Publications and product sales	334,069	21,441	-	-	-	-	348	355,858
Placement service	275,583	18,888	-	-	-	-	-	294,471
Public affairs and public policy	244,893	14,449	-	-	-	-	-	259,342
Other	-	15,109	-	16,162	-	23,990	114,778	170,039
	<u>5,210,335</u>	<u>281,790</u>	<u>4,038,226</u>	<u>16,162</u>	<u>-</u>	<u>23,990</u>	<u>1,212,260</u>	<u>10,782,763</u>
Supporting activities:								
Management and general	1,938,853	-	-	-	-	102	86,062	2,025,017
Fund-raising and membership development	694,687	-	-	-	-	202	2,183	697,072
	<u>2,633,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>304</u>	<u>88,245</u>	<u>2,722,089</u>
Total Expenses	<u>7,843,875</u>	<u>281,790</u>	<u>4,038,226</u>	<u>16,162</u>	<u>-</u>	<u>24,294</u>	<u>1,300,505</u>	<u>13,504,852</u>
Change in Net Assets	(80,294)	(281,789)	18,609	(422,115)	123,147	(19,826)	3,261,063	2,598,795
Net Assets, Beginning of Year	255,911	5,292,360	271,715	1,129,056	138,367	877,079	4,028,873	11,993,361
Net Assets, End of Year	<u>\$ 175,617</u>	<u>\$ 5,010,571</u>	<u>\$ 290,324</u>	<u>\$ 706,941</u>	<u>\$ 261,514</u>	<u>\$ 857,253</u>	<u>\$ 7,289,936</u>	<u>\$ 14,592,156</u>