

# Sustainable Cambodia, Inc.

## Financial Statements and Independent Accountants' Compilation Report

December 31, 2010 and 2009

### CONTENTS

<b>Independent Accountants' Compilation Report</b>	1
<b>Financial Statements:</b>	
Statements of Assets, Liabilities and Net Assets – Modified Cash Basis	2
Statement of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis – 2010	3
Statement of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis – 2009	4
Statement of Functional Expenses – Modified Cash Basis – 2010	5-6
Statement of Functional Expenses – Modified Cash Basis – 2009	7-8
Notes to Financial Statements	9-11

# Kattell and Company, P.L.

*Serving the Nonprofit Community*

---

808-B NW 16<sup>th</sup> Avenue Gainesville, Florida 32601 TEL: 352-395-6565 FAX: 352-395-6636 www.kattell.com

Board of Directors  
Sustainable Cambodia, Inc.  
Gainesville, Florida

We have compiled the accompanying statements of assets, liabilities and net assets – modified cash basis of Sustainable Cambodia, Inc. (the Corporation) as of December 31, 2010, and the related statements of revenues, expenses and changes in net assets – modified cash basis, and functional expenses – modified cash basis, for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are presented in accordance with the modified cash basis of accounting.

We previously audited the statements of assets, liabilities and net assets – modified cash basis of Sustainable Cambodia, Inc. (the Corporation) for the year ended December 31, 2009, and the related statements of revenues, expenses and changes in net assets – modified cash basis, and functional expenses – modified cash basis for the year then ended. Our report dated August 23, 2010, issued an unqualified opinion and we have not performed any audit procedures since that date.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without an undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

*Kattell and Company, P.L.*

November 29, 2011  
Gainesville, Florida

*“Not everything that counts can be counted, and not everything that can be counted counts.”*

- Albert Einstein

**Statements of Assets, Liabilities and Net Assets -  
Modified Cash Basis  
December 31, 2010 and 2009  
Sustainable Cambodia, Inc.**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Cash – USA:		
Checking	\$ 63,685	\$ 32,709
Cash – Cambodia:		
Checking	187,039	131,703
Savings	4,947	762
Property and Equipment:		
Equipment	12,625	2,581
Vehicles and Other Assets	22,796	11,988
Leasehold Improvements	10,997	--
Less: Accumulated Depreciation	<u>(12,354)</u>	<u>(7,289)</u>
Net Property and Equipment	34,064	7,280
Other Asset	<u>4,000</u>	<u>3,300</u>
<b>Total Assets</b>	<b><u>\$ 293,735</u></b>	<b><u>\$ 175,754</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities	\$ 200	\$ --
Net Assets:		
Unrestricted:		
Invested in Fixed Assets	34,064	7,280
Other	<u>38,968</u>	<u>28,582</u>
Total Unrestricted	73,032	35,862
Temporarily Restricted	<u>220,503</u>	<u>139,892</u>
Total Net Assets	<u>293,535</u>	<u>175,754</u>
<b>Total Net Assets and Liabilities</b>	<b><u>\$ 293,735</u></b>	<b><u>\$ 175,754</u></b>

See accompanying notes and accountants' report.

**Statement of Revenues, Expenses and Changes in Net Assets -  
Modified Cash Basis**

**For the Year Ended December 31, 2010  
Sustainable Cambodia, Inc.**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support</u>			
Contributions:			
Child Sponsorships	\$ 41,200	\$ --	\$ 41,200
University Scholarships	--	22,323	22,323
Village Sustainability	29,074	--	29,074
Board of Directors	42,300	--	42,300
Sustaining Sponsors	15,000	--	15,000
Other General Fund Contributions	9,954	6,489	16,443
Grants:			
Grants for Education	--	104,815	104,815
Grants for Village Sustainability	--	260,988	260,988
Net Assets Released from Restrictions	<u>314,004</u>	<u>(314,004)</u>	<u>--</u>
<b>Total Support</b>	<b>451,532</b>	<b>80,611</b>	<b>532,143</b>
<u>Revenues</u>			
Program Revenues – Crops	23,777	--	23,777
Program Revenues – Other	18,099	--	18,099
Interest Income	<u>657</u>	<u>--</u>	<u>657</u>
<b>Total Revenues</b>	<b><u>42,533</u></b>	<b><u>--</u></b>	<b><u>42,533</u></b>
<b>Total Support and Revenues</b>	<b>494,065</b>	<b>80,611</b>	<b>574,676</b>
<u>Expenses</u>			
Program Services:			
Community Healthcare	22,662	--	22,662
Education	193,024	--	193,024
Village Sustainability:			
Agricultural & Economic Development	122,228	--	122,228
Wells, Water & Sanitation	107,339	--	107,339
Supporting Activities:			
Management and General	9,541	--	9,541
Fundraising	<u>2,101</u>	<u>--</u>	<u>2,101</u>
<b>Total Expenses</b>	<b><u>456,895</u></b>	<b><u>--</u></b>	<b><u>456,895</u></b>
<b>Change in Net Assets</b>	<b>37,170</b>	<b>80,611</b>	<b>117,781</b>
<b>Net Assets, January 1, 2010</b>	<b><u>35,862</u></b>	<b><u>139,892</u></b>	<b><u>175,754</u></b>
<b>Net Assets, December 31, 2010</b>	<b><u>\$ 73,032</u></b>	<b><u>\$ 220,503</u></b>	<b><u>\$ 293,535</u></b>

See accompanying notes and accountants' report.

**Statement of Revenues, Expenses and Changes in Net Assets -  
Modified Cash Basis  
For the Year Ended December 31, 2009  
Sustainable Cambodia, Inc.**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<u>Support</u>			
Contributions:			
Child Sponsorships and Scholarships	\$ 48,178	\$ --	\$ 48,178
Village Sustainability	33,362	5,137	38,499
Board of Directors	40,950	--	40,950
Other General Fund Contributions	29,272	30,153	59,425
Grants:			
Non-Profit Grantors	--	136,753	136,753
Individuals and Foundations	--	37,991	37,991
Net Assets Released from Restrictions	<u>179,881</u>	<u>(179,881)</u>	<u>--</u>
Total Support	331,643	30,153	361,796
<u>Revenues</u>			
Program Revenues	16,108	--	16,108
Interest Income	<u>869</u>	<u>--</u>	<u>869</u>
Total Revenues	<u>16,977</u>	<u>--</u>	<u>16,977</u>
<b>Total Support and Revenues</b>	<b>348,620</b>	<b>30,153</b>	<b>378,773</b>
<u>Expenses</u>			
Program Services:			
Community Healthcare	20,478	--	20,478
Education	129,644	--	129,644
Village Sustainability:			
Agricultural Development	86,341	--	86,341
Economic Development	47,746	--	47,746
Wells, Water & Sanitation	45,477	--	45,477
Supporting Activities:			
Management and General	1,971	--	1,971
Fundraising	<u>2,231</u>	<u>--</u>	<u>2,231</u>
<b>Total Expenses</b>	<b>333,888</b>	<b>--</b>	<b>333,888</b>
<b>Change in Net Assets</b>	<b>14,732</b>	<b>30,153</b>	<b>44,885</b>
<b>Net Assets, January 1, 2009</b>	<b>21,130</b>	<b>109,739</b>	<b>130,869</b>
<b>Net Assets, December 31, 2009</b>	<b><u>\$ 35,862</u></b>	<b><u>\$ 139,892</u></b>	<b><u>\$ 175,754</u></b>

See accompanying notes and accountants' report.

**Statement of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2010**  
**Sustainable Cambodia, Inc.**

<b>Program Services</b>					
	<b>Community Sustainability</b>				<b>Total Program Services</b>
	Community Healthcare	Education	Agricultural & Economic Development	Wells, Water & Sanitation	
Accounting /Grant Audit Fees	\$ --	\$ --	\$ 582	\$ 424	\$ 1,006
Banking/Wire/Online Donation Fees	64	551	380	275	1,270
Buildings Rent	338	6,592	1,986	1,434	10,350
Buildings Repair & Maintenance	43	3,258	254	183	3,738
Buildings Utilities	286	4,466	1,683	1,215	7,650
Communication/Internet/Web Hosting	301	2,567	1,773	1,281	5,922
Computer System	33	1,831	197	142	2,203
Depreciation	253	2,178	1,520	1,114	5,065
Equipment	33	3,740	764	554	5,091
Meetings	111	944	712	514	2,281
Office Supplies	56	1,769	327	236	2,388
Postage/Shipping	--	70	--	--	70
Programs:					
Agricultural Farm Association Training	--	--	5,011	--	5,011
Beekeeping	--	--	550	--	550
Community Workshops/Training/Self-Help	2,180	--	7,375	--	9,555
Community Ponds & Family Fish Ponds	--	--	3,640	--	3,640
Disaster Relief and Other Needs	--	--	1,981	1,435	3,416
Home Gardens/Fruit Trees/Seeds	--	--	10,004	--	10,004
Infrastructure/Roads/Solar Panels	--	--	3,519	--	3,519
Agricultural Cash Crop Loans	--	--	19,000	--	19,000
MicroLoans	--	--	1,429	--	1,429
Pass-On Animals/Fishponds	--	--	3,278	--	3,278
Rainwater Harvesting	--	--	11,084	--	11,084
Rice Banks	--	--	1,763	--	1,763
Vocational Training	--	--	496	--	496
Wells/Water/Sanitation	--	--	--	67,469	67,469
Programs: Education					
Community Primary Schools	--	8,355	--	--	8,355
Educational Supplies	--	8,701	--	--	8,701
Educational Assistance – CDIC	721	2,962	--	--	3,683
Literacy/Mobile Library/Workshops	--	1,762	--	--	1,762
Preschool Bldgs /Materials/Salaries	--	7,436	--	--	7,436
Sewing/Crafts/Other Trade Items	--	4,450	--	--	4,450
Student Special Activities/Occasions	--	3,735	--	--	3,735
Student Clothing/Bikes	--	7,719	--	--	7,719
Student Scholarships	--	30,724	--	--	30,724
Programs: Healthcare and Nutrition					
Preschool Nutrition Food Supplement	13,019	--	--	--	13,019
Health Supplies: Mosquito Nets/etc.	1,256	--	--	--	1,256
Project Monitoring/M&E/Data	--	510	731	530	1,771
Printing, Publication& Job Announcements	104	886	612	442	2,044
Registration Fees	8	65	45	33	151
Staff Salaries	3,136	60,590	33,866	24,509	122,101
Staff Salaries – Kravanh School	--	17,813	--	--	17,813
Staff Capacity Building	159	3,147	1,586	1,147	6,039
Staff Health Insurance	45	383	264	191	883
Transportation/Gas/Repairs	251	3,563	4,259	3,085	11,158
Travel	45	387	267	193	892
Volunteer Coordinator/Program	220	1,870	1,290	933	4,313
<b>Totals</b>	<b>\$ 22,662</b>	<b>\$ 193,024</b>	<b>\$ 122,228</b>	<b>\$ 107,339</b>	<b>\$ 445,253</b>

See accompanying notes and accountants' report.

<b>Supporting Activities</b>			
	Management and General	Fundraising	Total Expenses
Accounting /Grant Audit Fees	7,500	--	8,506
Banking/Wire/Online Donation Fees	422	1,783	3,475
Buildings Rent	--	--	10,350
Buildings Repair & Maintenance	--	--	3,738
Buildings Utilities	--	--	7,650
Communication/Internet/Web Hosting	360	--	6,282
Computer System	--	--	2,203
Depreciation	--	--	5,065
Equipment	--	--	5,091
Meetings	--	--	2,281
Office Supplies	104	--	2,492
Postage/Shipping	534	--	604
<b>Programs:</b>			
Agricultural Farm Association Training	--	--	5,011
Beekeeping	--	--	550
Community Workshops/Training/Self-Help	--	--	9,555
Community Ponds & Family Fish Ponds	--	--	3,640
Disaster Relief and Other Needs	--	--	3,416
Home Gardens/Fruit Trees/Seeds	--	--	10,004
Infrastructure/Roads/Solar Panels	--	--	3,519
Agricultural Cash Crop Loans	--	--	19,000
MicroLoans	--	--	1,429
Pass-On Animals/Fishponds	--	--	3,278
Rainwater Harvesting	--	--	11,084
Rice Banks	--	--	1,763
Vocational Training	--	--	496
Wells/Water/Sanitation	--	--	67,469
<b>Programs: Education</b>			
Community Primary Schools	--	--	8,355
Educational Supplies	--	--	8,701
Educational Assistance – CDIC	--	--	3,683
Literacy/Mobile Library/Workshops	--	--	1,762
Preschool Bldgs /Materials/Salaries	--	--	7,436
Sewing/Crafts/Other Trade Items	--	--	4,450
Student Special Activities/Occasions	--	--	3,735
Student Clothing/Bikes	--	--	7,719
Student Scholarships	--	--	30,724
<b>Programs: Healthcare and Nutrition</b>			
Preschool Nutrition Food Supplement	--	--	13,019
Health Supplies: Mosquito Nets/etc.	--	--	1,256
Project Monitoring/M&E/Data	--	--	1,771
Printing, Publication& Job Announcements	258	318	2,620
Registration Fees	--	--	151
Staff Salaries	--	--	122,101
Staff Salaries – Kravanh School	--	--	17,813
Staff Capacity Building	--	--	6,039
Staff Health Insurance	363	--	1,246
Transportation/Gas/Repairs	--	--	11,158
Travel	--	--	892
Volunteer Coordinator/Program	--	--	4,313
<b>Totals</b>	<b>\$ 9,541</b>	<b>\$ 2,101</b>	<b>456,895</b>

See accompanying notes and accountants' report.

**Statement of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2009**  
**Sustainable Cambodia, Inc.**

**Program Services**

	<b>Community Sustainability</b>						<b>Total Program Services</b>
	Community Healthcare	Education	Agricultural Development	Economic Development	Wells, Water & Sanitation		
Accounting	\$ --	\$ --	\$ --	\$ -	\$ --	\$ --	
Banking/Wire/Online Donation Fees	194	194	194	194	194	970	
Buildings Rent	114	1,734	114	664	114	2,740	
Buildings Repair & Maintenance	20	6,238	20	20	20	6,318	
Buildings Utilities	572	2,326	572	572	572	4,614	
Communication/Internet/Web Hosting	825	825	825	825	827	4,127	
Computer System	648	648	648	648	649	3,241	
Depreciation	523	525	525	525	525	2,623	
Equipment	41	695	41	1,080	41	1,898	
Meetings	148	148	148	148	147	739	
Miscellaneous	233	3,188	233	233	233	4,120	
Office Supplies	157	157	157	157	157	785	
Postage/Shipping	--	--	--	--	--	--	
<b>Programs:</b>							
Agricultural	--	--	7,071	5,272	--	12,343	
Beekeeping	--	--	138	--	--	138	
Community Workshops/Training	1,479	265	9,290	--	--	11,034	
Community Ponds	--	--	4,944	4,944	4,945	14,833	
Disaster Relief and Other Needs	--	--	--	--	--	--	
Home Gardens/Fruit Trees/Seeds	--	--	5,290	--	--	5,290	
Infrastructure/Roads/Solar Panels	--	--	1,550	2,514	1,550	5,614	
Healthcare & Nutrition	--	--	--	--	--	--	
MicroLoans	--	--	--	6,739	--	6,739	
Pass-On Animals/Fishponds	--	--	38,346	--	--	38,346	
Rainwater Harvesting	--	--	--	--	2,052	2,052	
Rice Banks	--	--	--	2,620	--	2,620	
Vocational Training	--	--	--	--	--	--	
Wells/Water/Sanitation	--	--	--	--	15,618	15,618	
<b>Programs: Education</b>							
Community Primary Schools	--	200	--	--	--	200	
Educational Supplies	--	5,153	--	--	--	5,153	
Educational Outreach and Other	--	3,000	--	--	--	3,000	
Literacy/Mobile Library/Workshops	--	5,659	--	--	--	5,659	
Preschool Bldgs/Materials/Salaries	--	7,247	--	--	--	7,247	
Sewing/Crafts/Other Trade Items	--	50	--	--	--	50	
Student Special Activities/Occasions	--	2,773	--	--	--	2,773	
Student Clothing/Bikes	--	3,473	--	--	--	3,473	
Student Scholarships	--	17,211	--	--	--	17,211	
<b>Programs: Healthcare and Nutrition</b>							
Preschool Nutrition Food Supplement	5,745	--	--	--	--	5,745	
Health Supplies: Mosquito Nets/etc.	1,319	--	--	--	--	1,319	
Project Monitoring/M&E/Data	694	1,532	694	694	2,313	5,927	
Printing & Publication	233	233	233	233	233	1,165	
Registration Fees	91	91	91	91	89	453	
Staff Salaries	6,074	44,229	13,832	13,832	13,832	91,799	
Staff Salaries – Kravanh School	--	18,100	--	--	--	18,100	
Staff Capacity Building	553	1,787	553	553	553	3,999	
Taxes	--	--	--	--	--	--	
Transportation/Gas/Repairs	287	1,435	304	4,691	287	7,004	
Travel	49	49	49	49	49	245	
Volunteer Coordinator/Program	479	479	479	479	477	2,393	
<b>Totals</b>	<b>\$ 20,478</b>	<b>\$129,644</b>	<b>\$ 86,341</b>	<b>\$47,746</b>	<b>\$ 45,477</b>	<b>\$ 329,719</b>	

See accompanying notes and accountants' report.



<b>Supporting Activities</b>			
	Management and General	Fundraising	Total Expenses
Accounting	\$ --	\$ --	\$ --
Banking/Wire/Online Donation Fees	782	1,632	3,384
Buildings Rent	--	--	2,740
Buildings Repair & Maintenance	--	--	6,318
Buildings Utilities	--	--	4,614
Communication/Internet/Web Hosting	210	--	4,337
Computer System	--	--	3,241
Depreciation	--	--	2,623
Equipment	--	--	1,898
Meetings	--	--	739
Miscellaneous	30	--	4,150
Office Supplies	80	--	865
Postage/Shipping	406	--	406
Programs:			
Agricultural	--	--	12,343
Beekeeping	--	--	138
Community Workshops/Training	--	--	11,034
Community Ponds	--	--	14,833
Disaster Relief and Other Needs	--	--	--
Home Gardens/Fruit Trees/Seeds	--	--	5,290
Infrastructure/Roads/Solar Panels	--	--	5,614
Healthcare & Nutrition	--	--	--
MicroLoans	--	--	6,739
Pass-On Animals/Fishponds	--	--	38,346
Rainwater Harvesting	--	--	2,052
Rice Banks	--	--	2,620
Vocational Training	--	--	--
Wells/Water/Sanitation	--	--	15,618
Programs: Education			
Community Primary Schools	--	--	200
Educational Supplies	--	--	5,153
Educational Outreach and Other	--	--	3,000
Literacy/Mobile Library/Workshops	--	--	5,659
Preschool Bldgs /Materials/Salaries	--	--	7,247
Sewing/Crafts/Other Trade Items	--	--	50
Student Special Activities/Occasions	--	--	2,773
Student Clothing/Bikes	--	--	3,473
Student Scholarships	--	--	17,211
Programs: Healthcare and Nutrition			
Preschool Nutrition Food Supplement	--	--	5,745
Health Supplies: Mosquito Nets/etc.	--	--	1,319
Project Monitoring/M&E/Data	--	--	5,927
Printing & Publication	102	599	1,866
Registration Fees	361	--	814
Staff Salaries	--	--	91,799
Staff Salaries – Kravanh School	--	--	18,100
Staff Capacity Building	--	--	3,999
Taxes	--	--	--
Transportation/Gas/Repairs	--	--	7,006
Travel	--	--	245
Volunteer Coordinator/Program	--	--	2,393
<b>Totals</b>	<b>\$ 1,971</b>	<b>\$ 2,231</b>	<b>\$ 333,888</b>

See accompanying notes and accountants' report.

**Notes to the Financial Statements**  
**December 31, 2010 and 2009**  
**Sustainable Cambodia, Inc.**

**NOTE 1 – Summary of Significant Accounting Policies**

Entity

Sustainable Cambodia, Inc. (the Corporation) is a nonprofit corporation organized under the Florida Not-For-Profit Corporation Act. The Corporation is operated to help certain Cambodian villages become self-sustaining communities where people want to live; with healthy water and facilities, good food, health care and education for the residents; where there is environmental and social responsibility, and employment that allows them to sustain and continually improve their quality of life.

Tax Exempt Status

The Corporation is exempt from income taxes according to provisions of Section 501(c)(3) of the Internal Revenue Code. The Corporation has not earned any unrelated business taxable income; therefore, no provision for federal income taxes is reported. In addition, the Corporation has been classified by the Internal Revenue Service as an organization that is a not private foundation and qualifies for the charitable contribution deduction. The Corporation holds no uncertain tax positions and, therefore, has no policy for evaluating them. The Corporation's Form 990, *Return of Organization Exempt from Income Taxes*, is subject to examination by the IRS, generally for 4 years after the date filed.

Basis of Accounting

The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recognized only when cash is received and expenses are recognized only when cash is disbursed. The Corporation modifies the cash basis by:

- Recording as an asset any cash payments for equipment and vehicles and depreciating the assets over their useful lives.
- Recording any security deposits as an asset.
- Recording cash loans as a liability.

Financial Statements Presented

The Corporation considers itself a voluntary health and welfare organization and has presented a statement of functional expenses – modified cash basis.

Accounting for Net Assets

The Corporation's net assets, the excess of assets over liabilities, are reported in three mutually exclusive classes:

*Permanently Restricted* - Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which do not expire by passage of time or can not be fulfilled by actions of the Corporation. The Corporation had no permanently restricted net assets during the year.

*Temporarily Restricted* - Those net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which expire by passage of time or are fulfilled by actions of the Corporation.

*Unrestricted* - Those net assets that are neither permanently or temporarily restricted.

The Corporation 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."

**Notes to the Financial Statements**  
**December 31, 2010 and 2009**  
**Sustainable Cambodia, Inc.**

**NOTE 1 – Summary of Significant Accounting Policies (concluded)**

Property and Equipment

Property and equipment over \$500 are valued at cost if purchased, or estimated fair value at the date of donation. Equipment consists of office technology and motor scooters, and is depreciated using the straight-line method over the estimated useful life of five years.

Leasehold Improvements are additions, alterations, remodeling, or renovations to the school, community development offices, and administrative offices located in Pursat, Cambodia, and are depreciated using the straight-line method over the term of the lease, which is five years and one month.

Expense Allocation

Expenses are allocated to the various functional categories based on the purpose achieved by each expenditure. The Corporation does not employ non-resident Cambodians, therefore all payroll expenses for employees are assigned to a specific program. Rent and utilities of the administrative offices and administrative personnel in Gainesville, Florida, are in-kind donations and are not recognized under the modified cash basis of accounting.

**NOTE 2 – Concentration of Credit Risk**

Cash balances in the U.S. banks do not exceed the FDIC insured limits.

**NOTE 3 – Equipment and Vehicles**

All fixed assets are located in Pursat, Cambodia.

**NOTE 4 – Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following programs:

	<u>2011</u>	<u>2010</u>
Education	\$ 55,191	\$ 8,618
Water	11,064	10,588
Community Development/Villages Sustainability	147,368	87,737
Health	6,880	32,949
<b>Total</b>	<b><u>\$ 220,503</u></b>	<b><u>\$ 139,892</u></b>

**NOTE 5 – Leases**

In June, 2009, the Corporation entered into a lease agreement for the school, community development office, and administrative offices located in Pursat, Cambodia. The term of the lease is for sixty-one (61) months at a rate of \$550 per month; however, the last six months of the final year have been prepaid. Future lease obligations are as follows:

2012	\$ 6,600
2013	6,600
2014	<u>3,300</u>
<b>Total</b>	<b><u>\$ 16,500</u></b>

The Corporation's administrative office space in Gainesville, Florida is an in-kind donation by a separate company founded by a board member.

**Notes to the Financial Statements**  
**December 31, 2010 and 2009**  
**Sustainable Cambodia, Inc.**

**NOTE 6 – MicroLoans Issued**

MicroLoans provide funding for Cambodian communities to make small business loans to their members. The recipients are expected to repay the loans with interest to their own Village Microloan Committees that oversee and provide the next sequence of loans. The loans are not repaid to the Organization. The Organization expenses these loans when they are made under the modified cash basis of accounting.

Cash Crop Loans are also provided to families who repay the principal loans to the Organization. These repaid funds are then available for the next sequence of loans. The repaid loans are reported as program income for the Organization when received. Interest repayments are retained by the village committees for future use in the villages.

**NOTE 7 – Subsequent Events**

The Organization has evaluated events and transactions for potential recognition or disclosure through November 29, 2011, which is the date the financial statements were available to be issued.