

GLOBAL HEALING

(A California Not-For-Profit Corporation)

FINANCIAL STATEMENTS

DECEMBER 31, 2009

Global Healing

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The Board of Directors
Global Healing

We have reviewed the accompanying statement of financial position of Global Healing (a California not-for-profit corporation) as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Global Healing.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

San Leandro, California
August 27, 2010

Bailey & Utley
Certified Public Accountants

GLOBAL HEALING

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2009

ASSETS

CURRENT ASSETS:

Cash	\$ 961,023
Bank notes (Note 3)	2,693,672
Equities (Note 3)	802,353
Mutual Funds (Note 3)	550,277
Interest receivable	16,364
Prepaid expenses	<u>5,000</u>

TOTAL ASSETS \$5,028,689

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ <u>891</u>
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TOTAL LIABILITIES \$ 891

NET ASSETS:

Unrestricted	\$5,027,798
Temporarily restricted	0
Permanently restricted	<u>0</u>

TOTAL NET ASSETS \$5,027,798

TOTAL LIABILITIES AND NET ASSETS \$5,028,689

See notes to financial statements.

GLOBAL HEALING
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Donations	\$ 74,165	\$ 0	\$ 74,165
Donated services (Note 2)	791,100	0	791,100
Donated goods	9,879	0	9,879
Interest and dividend income	144,609	0	144,609
Unrealized gains/(losses)	332,204	0	332,204
Realized gains/(losses)	<u>(76,046)</u>	<u>0</u>	<u>(76,046)</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$1,275,911</u>	<u>\$ 0</u>	<u>\$1,275,911</u>
EXPENSES:			
Program services	\$1,367,472	\$ 0	\$1,367,472
Management and general	104,872	0	104,872
Fundraising	<u>4,230</u>	<u>0</u>	<u>4,230</u>
TOTAL EXPENSES	<u>\$1,476,574</u>	<u>\$ 0</u>	<u>\$1,476,574</u>
CHANGES IN NET ASSETS	(\$ 200,663)	\$ 0	(\$ 200,663)
NET ASSETS, January 1, 2009	<u>5,228,461</u>	<u>0</u>	<u>5,228,461</u>
NET ASSETS, December 31, 2009	<u>\$5,027,798</u>	<u>\$ 0</u>	<u>\$5,027,798</u>

See notes to financial statements.

GLOBAL HEALING

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2009

	Program Services	Management and General	Fundraising	Total Expenses
Printing	\$ 840	\$ 2,707	\$ 0	\$ 3,547
Bank fees	0	1,243	0	1,243
Postage	3,630	0	0	3,630
Educational campaign	33,317	0	0	33,317
Grant expense	225,000	0	0	225,000
Medical equipment and supplies	74,516	0	0	74,516
Meals and entertainment	10,318	868	0	11,186
Medical supplies donated	9,879	0	0	9,879
Computer equipment	3,552	0	0	3,552
Donated services (Note 1)	791,100	0	0	791,100
Supplies	2,288	0	0	2,288
Telephone	3,983	1,857	0	5,840
Office expense	0	5,192	4,230	9,422
Salaries	51,980	17,326	0	69,306
Payroll taxes	4,160	1,387	0	5,547
Rent	8,403	2,783	0	11,186
Investment fees	0	14,989	0	14,989
Consulting fees	11,250	43,475	0	54,725
Medical evacuation insurance	4,709	0	0	4,709
Audit fee	0	5,025	0	5,025
Travel	102,314	151	0	102,465
Insurance	0	6,214	0	6,214
Taxi and shuttle fees	16,912	215	0	17,127
Advertising	1,500	0	0	1,500
Miscellaneous	7,821	1,440	0	9,261
TOTAL EXPENSES	\$1,367,472	\$104,872	\$4,230	\$1,476,574

See notes to financial statements.

GLOBAL HEALING
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (Exhibit B)		(\$ 200,663)
Adjustments to reconcile change in net assets to cash used by operating activities:		
Decrease in:		
Interest receivable	\$14,385	
Prepaid expenses	2,001	
(Decrease) in:		
Accounts payable	(9,717)	<u>6,669</u>
NET CASH USED BY OPERATING ACTIVITIES		(\$ 193,994)
CASH AND CASH EQUIVALENTS, January 1, 2009		<u>5,201,319</u>
CASH AND CASH EQUIVALENTS, December 31, 2009		<u>\$5,007,325</u>

See notes to financial statements.

GLOBAL HEALING

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009

Note 1. NATURE OF ACTIVITIES:

Global Healing ("the Organization") is a nonprofit organization established to accomplish health care reform, through education, in areas of the world where modern health care is not available. This objective is achieved by working directly with local government officials, health care providers, educators, businesses, public institutions, and private citizens and putting processes in place that promote self-sufficiency.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Donated services:

The services of volunteers are an indispensable part of the Organization's program. A value for the services of specialized volunteers is included in the financial statements in agreement with guidelines established by the American Institute of Certified Public Accountants. Approximately 8,924 hours were donated by these volunteers during the year ended December 31, 2009.

Functional expenses:

Expenses that apply to more than one functional category have been allocated between program, management and general, and fund-raising based on the time spent on these functions by specific employees as estimated by management. The remaining costs are charged directly to the appropriate functional category.

Support, revenue and expenses:

The accompanying financial statements have been prepared in accordance with the standards set forth in Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements for Not-for-Profit Organizations* and the guidelines set forth in the industry audit and accounting guide "Not-For-Profit Organizations" issued by the American Institute of Certified Public Accountants. Contributions of cash and other assets are classified as one of the following three categories: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Taxation:

The Organization has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements.

GLOBAL HEALING

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2009

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents:

For financial statement purposes, the Organization considers all highly liquid investments with an original maturity date of three months or less from date of purchase to be cash equivalents.

Concentration of credit risk:

The Organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2009, the Organization's uninsured cash balances totaled \$654,940.

Note 3. INVESTMENTS:

The cost and fair values of investments at December 31, 2009, are as follows:

	<u>Fair Value</u>	<u>Cost</u>
Bank notes	\$2,693,672	\$2,682,000
Equities	802,353	831,074
Mutual funds	<u>550,277</u>	<u>609,618</u>
Totals	<u>\$4,046,302</u>	<u>\$4,122,692</u>

The fair value of above investments were determined using quoted prices in active markets.