



GLOBAL HEALING

Global Healing

Financial Statements

**For the year ended
December 31, 2018**

With Independent Auditors' Report Thereon

Global Healing

(A California Not-for-Profit Corporation)

About Us

For more than 20 years, Global Healing has worked internationally to improve access to high-quality healthcare in resource-constrained parts of the world. We seek sustainable improvements in patient care with special emphasis on care for children and mothers, including cardiac surgery and transfusion medicine. We have conducted programs in Armenia, Dominica, Georgia, Haiti, Honduras, Moldova, Ukraine and Vietnam.

Our Vision

A world where all children and mothers with life-threatening conditions are cared for by local, skilled healthcare professionals.

Our Mission

Global Healing trains physicians, nurses, and medical laboratory professionals in lower income countries to implement current best practices for improved patient care.

Our Values

1. We work to close the gap in access to healthcare between developed and developing nations.
2. We collaborate with local partners and medical experts to develop and implement our programs.
3. We create sustainable improvements in patient care by empowering local healthcare professionals to know, do, and teach current best practices.
4. We foster strong partnerships and open communication between our medical volunteers and program participants to support learning during and between training sessions.
5. We measure the impact of our programs both on the skills of our trainees and on the quality of care being provided.
6. We undertake only adequately funded and supported projects that can deliver the highest quality outcome to the people we serve.
7. We go above and beyond to avoid bureaucratic waste and ensure that our resources are used efficiently.
8. We recognize all who help us achieve our mission, and we value every contribution of money, time, talent, equipment, supplies, or influence, no matter how small or large.

Board of Directors

Name	Position
James MacPherson, MS	Board Chair
Elan Weiner	Secretary
Sas Mukherjee	Treasurer/CFO
Janis Cruz, MBA, PMP, CHFM	Board Member
Valerie Delva	Board Member
Francesca Lamb	Board Member
Regina Leung	Board Member
David Marinoff, MD	Board Member
Sumita Ray	Board Member
David Shoultz, PhD, MS, MBA	Board Member
Robert Visscher	President

Information

Global Healing

(A California Not-for-Profit Corporation)

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VALERIE REGALIA, CPA
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SUSAN REGALIA, CPA
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Global Healing

We have audited the accompanying financial statements of Global Healing (a California nonprofit organization) which comprise the statement of financial position as of December 31, 2018 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Healing as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Regalia & Associates

Danville, California
June 19, 2019

**Statement of Financial Position
December 31, 2018**

ASSETS

	2018
Current assets:	
Cash and cash equivalents	\$ 39,970
Investments	1,182,362
Grants and pledges receivable	6,250
Loan receivable, short term	100,000
Prepaid expenses and other assets	28,324
Total current assets	1,356,906
Non-current assets:	
Other non-current assets	2,650
Right of use asset - premises	91,464
Loan receivable, long-term	800,000
Total non-current assets	894,114
Total assets	\$ 2,251,020

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued liabilities	\$ 2,652
Accrued payroll liabilities	9,178
Lease payable - current portion	27,529
Total current liabilities	39,359
Noncurrent liabilities:	
Lease payable - noncurrent portion	63,935
Total liabilities	103,294
Net assets:	
Without donor restrictions	2,130,771
With donor restrictions	16,955
Total net assets	2,147,726
Total liabilities and net assets	\$ 2,251,020

**Statement of Activities and Changes in Net Assets
Year Ended December 31, 2018**

<i>Changes in net assets:</i>	Net Assets <i>Without</i> Donor Restrictions	Net Assets <i>With</i> Donor Restrictions	2018
Revenue and support:			
Contributions and grants	\$ 51,540	\$ 10,823	\$ 62,363
Net assets released from restrictions	52,486	(52,486)	-
In-kind contributions	419,326	-	419,326
Interest and dividends	43,532	-	43,532
Realized investment gains	1,938	-	1,938
Unrealized investment losses	(62,974)	-	(62,974)
Total revenue and support	505,848	(41,663)	464,185
Expenses:			
Program expenses	511,590	-	511,590
General and administrative	261,034	-	261,034
Fundraising	17,133	-	17,133
Total expenses	789,757	-	789,757
Decrease in net assets	(283,909)	(41,663)	(325,572)
Net assets at beginning of year	2,414,680	58,618	2,473,298
Net assets at end of year	\$ 2,130,771	\$ 16,955	\$ 2,147,726

**Statement of Cash Flows
Year Ended December 31, 2018**

	2018
<i>Operating activities:</i>	
Decrease in net assets	\$ (325,572)
Adjustments to reconcile to cash provided by (used for) operating activities:	
Unrealized investment losses	(62,974)
Changes in:	
Grants and pledges receivable	25,440
Prepaid expenses and other assets	6,076
Loan receivable	100,000
Accounts payable and accrued liabilities	(5,342)
Accrued payroll liabilities	2,706
Cash used for operating activities	(259,666)
 <i>Investing activities:</i>	
Net proceeds from sale/reinvestment of investments	261,304
Cash provided by investing activities	261,304
Net increase in cash and cash equivalents	1,638
Cash and cash equivalents at beginning of year	38,332
Cash and cash equivalents at end of year	\$ 39,970
 <i>Additional cash flow information:</i>	
State registration taxes paid	\$ 95
Interest and finance charges paid	\$ -

Global Healing

**Statement of Functional Expenses
Year Ended December 31, 2018**

	General and			
	Program	Admin-	Fund-	Total
	Services	istrative	raising	2018
Bank charges/processing fees	\$ 1,394	\$ 886	\$ 15	\$ 2,295
Donated professional services	-	134,150	4,500	138,650
Education/Conferences	22,989	-	474	23,463
Grant expenses - loan forgiveness	50,000	-	-	50,000
Insurance	3,280	2,475	118	5,873
Investment fees	-	8,835	2,209	11,044
Legal and professional	23,506	10,878	4,122	38,506
Medical programs and equipment	284,433	-	-	284,433
Miscellaneous	1,781	4,413	570	6,764
Occupancy	13,208	15,169	723	29,100
Postage	390	366	177	933
Printing	963	917	77	1,957
Salaries, wages and benefits	75,668	77,983	3,777	157,428
Supplies and office	1,909	2,917	213	5,039
Telephone and internet	3,440	874	42	4,356
Travel, meals and lodging	28,629	1,171	116	29,916
Totals	\$ 511,590	\$ 261,034	\$ 17,133	\$ 789,757

Notes to Financial Statements
December 31, 2018

1. Organization

Global Healing was established in 1994 as a California nonprofit corporation. Global Healing is dedicated to improving access to lifesaving medical care for children and mothers in low-resource countries.

2. Summary of Significant Accounting Policies

Basis of presentation – The financial statements of Global Healing have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP").

Measure of operations – The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Global Healing's ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents – Global Healing's cash and cash equivalents consists of cash on deposit in checking accounts. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Concentrations of credit risk – Financial instruments that potentially subject Global Healing to concentrations of credit risk consist principally of cash and cash equivalents and deposits. Global Healing maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Global Healing manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

To date, Global Healing has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of Global Healing's mission.

Contributions and Loans Receivable – Global Healing records receivables that are expected to be collected within one year at net realizable value. When material, receivables expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

In subsequent years, amortization of the discounts (when applicable) will be included in contribution revenue in the statement of activities. The allowance for uncollectible receivables is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivable are written off when deemed uncollectible.

(continued)

Notes to Financial Statements
December 31, 2018

2. Summary of Significant Accounting Policies (*continued*)

Receivables and Credit Policies – Global Healing determined that no allowance for doubtful uncollectible accounts receivable is needed based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of the organization to periodically assess receivables to determine proper carrying value.

Investments - Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included on the statements of activities and changes in net assets. Global Healing follows the provisions of [ASC 958](#), Fair Value Measurements and Disclosures and has estimated the fair value of its investments using available market information and other valuation methodologies.

Accordingly, the estimates presented are not necessarily indicative of the amounts that Global Healing could realize in a current market exchange. The use of different assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. The estimates are based on pertinent information available to management as of December 31, 2018. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, current estimates of fair value may differ significantly from the statements presented.

Global Healing's investment portfolio consists of a diverse mixture of funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by [ASC 958.320-45](#), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. There were no such funds at December 31, 2018.

Global Healing 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. Although it had no permanently restricted investment funds at December 31, 2018, Global Healing will classify any permanently restricted net assets it receives at the original value of gifts donated to the permanent endowment. The original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment will be posted 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 will be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Global Healing in a manner consistent with the standard of prudence prescribed by SPMIFA.

In-Kind Contributions - In-kind contributions are reflected at the fair value of the contribution received in accordance with [ASC 958.605.30-11](#). The contributions of services, equipment, and other materials are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

(*continued*)

Notes to Financial Statements
December 31, 2018

2. Summary of Significant Accounting Policies (*continued*)

Fair value measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Global Healing groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1

Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2

Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3

Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

Functional Allocation of Expenses - The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (such as salaries and wages, rent and utilities, insurance, and other overhead) have been allocated based on time and effort using Global Healing's payroll allocations. Other expenses (such as professional services and other direct costs) have been allocated in accordance with the specific services received from vendors.

(*continued*)

Notes to Financial Statements
December 31, 2018

2. Summary of Significant Accounting Policies *(continued)*

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, but it has opted not to do so as of December 31, 2018.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Revenue and Revenue Recognition - Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. When applicable, revenue earned under a contractual arrangement (an "exchange transaction") is recognized when earned and therefore measured as services are provided.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

(continued)

Notes to Financial Statements
December 31, 2018

2. Summary of Significant Accounting Policies (*continued*)

Income Taxes – Global Healing is organized as California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. Global Healing is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Global Healing is not required to file an Exempt Organization Business Income Tax Return (Form 990-T) because it had no unrelated business taxable income for the year ended December 31, 2018.

Global Healing has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that Global Healing continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

Recent and Relevant Accounting Pronouncements – The following pronouncements became effective for fiscal years beginning subsequent to December 15, 2017:

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Global Healing has adjusted the presentation of these statements accordingly.

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842) Accounting for Leases*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by *ASU No. 2018-01, ASU No. 2018-10*, and *ASU No. 2018-11*. This new pronouncement is effective for fiscal years beginning after December 15, 2019, but Global Healing has elected early implementation.

The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statements of financial position for all leases with a term longer than 12 months. Leases are required to be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statements of activities and changes in net assets.

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of June 19, 2019 (the date of the Independent Auditors' Report), Global Healing management has made this evaluation and has determined that Global Healing has the ability to continue as a going concern.

Notes to Financial Statements
December 31, 2018

3. Cash and Cash Equivalents

Cash and cash equivalents of \$39,970 at December 31, 2018 includes all funds in financial institution accounts with maturity dates of three months or less. Global Healing attempts to limit its credit risk associated with cash balances by utilizing financial institutions that are well capitalized and highly rated.

4. Investments

Investments consist principally of deposits, securities, corporate stocks, mutual funds, and corporate bonds. Cost basis and fair value of investments are summarized as follows at December 31, 2018:

	Cost Basis	Fair Value
Money Market funds	\$ 137,124	\$ 137,124
Fixed income	-	-
Securities and corporate stocks	443,456	483,197
Mutual funds	556,018	547,947
Exchange-traded and alternatives	16,064	14,094
Totals	\$ 1,152,662	\$ 1,182,362

Net investment income (interest and dividends) derived from investments amounted to \$43,532 for the year ended December 31, 2018. During the year ended December 31, 2018, net unrealized losses amounted to \$62,974. Net realized gains amounted to \$1,938 for the year ended December 31, 2018. All investments are classified as level 1 assets.

5. Grants and Pledges Receivable

Grants and pledges receivable of \$6,250 at December 31, 2018 are expected to be collected entirely within the subsequent fiscal year.

Global Healing uses the direct write-off method with regards to receivables deemed uncollectible. During the year ended December 31, 2018 Global Healing recognized no bad debts. Management has evaluated the receivables as of December 31, 2018 and determined that such amounts are fully collectible based on the financial strength of the donors involved. Grants and pledges receivable are classified as level 2 assets.

6. Prepaid expenses and other assets

Prepaid expenses and other current assets of \$28,324 at December 31, 2018 primarily consist of expenditures related to hospital education and other programs, all of which benefit the subsequent fiscal years.

Notes to Financial Statements
December 31, 2018

7. Loan Receivable

On March 2, 2013, Global Healing loaned \$1,000,000 to the Jo-Ann Medical Center, a modern pediatric cardiac diagnosis, surgery, and treatment center located in Tbilisi, Georgia. On February 23, 2018, Global Healing signed an Amended and Restated Loan and Security Agreement with Jo-Ann Medical Center pursuant to the existing loan agreement. Global Healing agreed to extend the maturity date to March 11, 2028, and waive any accrued and unpaid interest owed, as well as any future interest incurred. Additionally, Global Healing has agreed that upon each annual principal payment of \$50,000 by Jo-Ann Medical Center, Global Healing shall reduce the principal balance by an equal amount of \$50,000 through debt forgiveness. These future loan reductions will be classified as charitable program expenses.

At December 31, 2018, the value of the loan receivable is \$900,000. During the year ended December 31, 2018, Global Healing received \$50,000 in principal payments from Jo-Ann Medical Center, and forgave \$50,000. The present value of the loan receivable at December 31, 2018 is \$840,483. The discount to present value is not reflected in the loan's balance in the Financial Statements because including it would artificially lower the total assets and liabilities. The loan receivable is classified as a level 2 asset.

8. Right of Use Asset and Leases

Global Healing leases its corporate office facility under a multi-year lease expiring March 31, 2019. Global Healing is responsible for its share of utilities and common area maintenance expenses. On March 1, 2019, Global Healing entered a new single-year lease for a new office space. The lease expires February 29, 2020. Management intends to extend the lease for 2 additional years.

In accordance with [ASU 2016-02, Leases](#), Global Healing is required to reflect the present value of future operating lease payments (discounted at an appropriate borrowing rate) as a "Right of Use" asset and a corresponding lease liability. Accordingly, Global Healing has recorded a total lease liability in the amount of \$91,464 for its office (split between current amount of \$27,529 and noncurrent amount of \$63,935) and a corresponding right of use asset for the premises in the amount of \$91,464. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of December 31, 2018 was 4.0%. Total rent expense for the year ended December 31, 2018 amounted to \$29,100 and is reflected on the Statement of Functional Expenses.

Future minimum lease payments as of December 31, 2018 are as follows: Year ending December 31, 2019: \$30,381; Year ending December 31, 2020: \$31,552; and Year ending December 31, 2021: \$32,499.

Notes to Financial Statements
December 31, 2018

9. Liquidity

Global Healing regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. Global Healing has various sources of liquidity at its disposal, including cash and cash equivalents, access to potential lines of credit (if necessary), and other sources (including the future collection of receivables).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Global Healing considers all expenditures related to its ongoing activities of promoting healthier lives and preventing disease among underserved populations as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, Global Healing operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of Global Healing's cash and shows positive cash generated by operations for year ended December 31, 2018.

The following table shows the total financial assets held by Global Healing and the amounts of those financial assets readily available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 39,970
Grants and pledges receivables	6,250
Loan receivable, short term – cash portion	50,000
Less: amounts not available to be used within one year:	
Net assets with donor restrictions for programs	<u>(16,955)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 79,265</u>

Global Healing receives a substantial amount of support by way of restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, Global Healing must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

As part of Global Healing's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Global Healing's goal is generally to maintain financial assets to meet 90 days of operating expenses.

Notes to Financial Statements
December 31, 2018

10. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of *ASC 710.25, Compensated Absences*. Under *ASC 710.25*, Global Healing is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability on the statements of financial position based on hourly rates in effect at the end of the fiscal year. Accrued payroll liabilities amounted to \$9,178 at December 31, 2018.

11. In-Kind Contributions

During the year ended December 31, 2018, Global Healing was the recipient of a substantial amount of in-kind contributions (principally services from medical professionals, medical equipment, and related supplies in connection with its worldwide medical advocacy programs). In accordance with *ASC 958.605.30*, Global Healing has determined that the estimated values of these goods and services amounted to \$419,326 for the year ended December 31, 2018. This amount has been reflected as In-kind contributions on the Statement of Activities and Changes in Net Assets.

12. Pension Plan

Global Healing offers eligible employees the opportunity to participate in a salary reduction retirement plan which is qualified under Internal Revenue Code Section 403(b). The company, in its sole discretion, may make non-elective contributions on employees' behalf. Employees must meet certain eligibility criteria in order to receive contributions. Employer contributions for the year ended December 31, 2018 amounted to \$5,126. Distributions from the 403(b) plan can only be made pursuant to all applicable laws and regulations.

13. Commitments and Contingencies

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and future funding agreements, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate Global Healing to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond Global Healing's control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management personnel, including executive officers of the organization, and (d) Financial risks associated with funds on deposit in accounts at financial institutions. Certain of the grants and contracts (including current and prior costs) are subject to adjustment upon review and final acceptance by the granting agency. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements.

Notes to Financial Statements
December 31, 2018

14. Net Assets

Net Assets Without Donor Restrictions

Net Assets Without Donor Restrictions (previously unrestricted net assets) of \$2,130,771 represents the cumulative retained surplus of Global Healing from its inception through December 31, 2018.

Net Assets With Donor Restrictions

Net Assets With Donor Restrictions (previously temporarily restricted net assets) at December 31, 2018 are summarized as follows:

Vietnam	\$	3,287
Roatan		7,104
Haiti		6,564
Total net assets without donor restrictions	\$	<u>16,955</u>

During the year ended December 31, 2018, contributions to and releases of net assets without donor restrictions amounted to \$10,823 and \$52,486, respectively.

15. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, Global Healing has evaluated subsequent events through June 19, 2019, the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which need to be disclosed.