CURAMERICAS GLOBAL, INC.

RALEIGH, NORTH CAROLINA

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

Year ended September 30, 2008

BUIE, NORMAN & COMPANY, P.A.

Certified Public Accountants

Fayetteville, N.C.

CURAMERICAS GLOBAL, INC.

RALEIGH, NORTH CAROLINA

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

Year ended September 30, 2008

TABLE OF CONTENTS

Buie, Norman & Co., P.A.

2294 McGill Drive
Post Office Box 87047
Fayetteville, NC 28304-7047
www.buienorman.com

John G. Buie, Jr., CPA
Robert D. Norman, CPA
Larry L. Bass, Jr., CPA

Tel: (910) 484-0145
Fax: (910) 485-4524

Member AICPA, NCACPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Curamericas Global, Inc.

We have audited the accompanying statement of financial position of Curamericas Global, Inc. (a not-for-profit organization) as of September 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on the 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Curamericas Global, Inc. as of September 30, 2008, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended September 30, 2007, on which an unqualified opinion dated January 10, 2008, was expressed.

Buie, Norman & Company, PA

BUIE, NORMAN & COMPANY, P.A.
Certified Public Accountants

January 30, 2009

CURAMERICAS GLOBAL, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2008

(With comparative totals at September 30, 2007)

	2008	2007
ASSETS		
Current assets:		
Cash	$ 22,792	$ 61,595
Sales tax receivable	83	359
Accounts receivable other	-	435
Prepaid expenses	5,325	3,550
Total current assets	28,200	65,939
Property and equipment:		
Furniture and equipment	58,628	57,869
	58,628	57,869
Less: accumulated depreciation	48,912	43,834
Net property and equipment	9,716	14,035
Investments, at fair value	33,896	37,177
Total assets	$ 71,812	$ 117,151
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 9,293	$ 22,003
Accrued wages and benefits	4,209	8,652
Total current liabilities	13,502	30,655
Long-term debt	149,600	10,000
Net assets:		
Unrestricted	(127,350)	(4,440)
Temporarily restricted	8,103	52,979
Permanently restricted	27,957	27,957
Total net assets	(91,290)	76,496
Total liabilities and net assets	$ 71,812	$ 117,151

See accompanying notes to financial statements.

CURAMERICAS GLOBAL, INC.

STATEMENT OF ACTIVITIES

Year ended September 30, 2008

(With comparative totals for the Year ended September 30, 2007)

	2008				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	2007 Total
SUPPORT AND REVENUE					
Donations	$ 373,095	$ 239,828	$ -	$ 612,923	$ 631,193
Federal grants	-	-	-	-	555,913
Services and materials	29,532	-	-	29,532	195,340
Interest and dividend income	2,615	-	-	2,615	1,992
Other income	-	-	-	-	36
Net assets released from restrictions	284,704	(284,704)	-	-	-
Total support and revenue	689,946	(44,876)	-	645,070	1,384,474
EXPENSES					
Program services	571,185	-	-	571,185	1,121,496
Supporting services:					
Management and general	196,051	-	-	196,051	192,927
Fundraising	39,882	-	-	39,882	35,942
Total expenses	807,118	-	-	807,118	1,350,365
Market value gain (loss)	(5,738)	-	-	(5,738)	-
Change in net assets	(122,910)	(44,876)	-	(167,786)	34,109
Net assets:					
Beginning of year	(4,440)	52,979	27,957	76,496	42,387
End of year	$ (127,350)	$ 8,103	$ 27,957	$ (91,290)	$ 76,496

See accompanying notes to financial statements.

CURAMERICAS GLOBAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2008

(With comparative totals for the Year ended September 30, 2007)

		Supporting Services		Total Expenses	
	Program Services	Management and General Services	Fundraising	2008	2007
Bank and payroll fees	$ -	$ 2,948	$ -	$ 2,948	$ 2,571
Board expense	-	477	-	477	1,125
Depreciation	-	5,078	-	5,078	4,986
Donated services and supplies	29,532	-	-	29,532	195,270
Employee benefits	29,279	8,365	4,183	41,827	39,377
Insurance	609	1,826	-	2,435	1,110
Interest	-	6,088	-	6,088	4,850
Lease	-	2,780	-	2,780	2,878
Licenses	-	2,787	-	2,787	2,540
Office	-	17,922	-	17,922	11,975
Overseas program costs	180,006	-	-	180,006	566,776
Payroll taxes	14,852	4,244	2,122	21,218	21,063
Penalties	-	-	-	-	779
Postage	3,376	5,063	-	8,439	7,600
Printing	9,855	4,927	4,927	19,709	9,763
Professional fees	15,617	19,088	-	34,705	36,837
Rent	-	24,023	-	24,023	21,865
Repairs	-	3,155	-	3,155	2,910
Retirement	6,639	1,897	948	9,484	8,996
Telephone and internet	4,151	12,454	-	16,605	11,305
Training	-	1,830	-	1,830	6,452
Travel	29,757	12,408	-	42,165	32,691
Utilities	-	3,287	-	3,287	3,271
Work team expense	53,597	-	-	53,597	78,038
Wages	193,915	55,404	27,702	277,021	275,337
	$ 571,185	$ 196,051	$ 39,882	$ 807,118	$ 1,350,365

See accompanying notes to financial statements.

CURAMERICAS GLOBAL, INC.

STATEMENT OF CASH FLOWS

Year ended September 30, 2008

(With comparative totals for the Year ended September 30, 2007)

	2008	2007
Cash flows from operating activities:		
Changes in net assets	$ (167,786)	$ 34,109
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized loss on investments	5,738	-
Depreciation	5,078	4,986
(Increase) decrease in:		
Accounts receivable	435	153
Sales tax receivable	276	1,759
Prepaid expenses	(1,775)	-
Increase (decrease) in:		
Accounts payable	(12,710)	14,971
Accrued wages and benefits	(4,443)	3,371
Payroll taxes withheld and accrued	-	(2,983)
Net cash provided by (used in) operating activities	(175,187)	56,366
Cash flows from investing activities:		
Purchase of investments	(2,457)	(4,296)
Capital expenditures	(759)	(4,423)
Net cash used in investing activities	(3,216)	(8,719)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	139,600	-
Repayment of long-term debt	-	(55,250)
Net cash provided by (used in) financing activities	139,600	(55,250)
Net decrease in cash	(38,803)	(7,603)
Cash:		
Beginning of year	61,595	69,198
End of year	$ 22,792	$ 61,595

See accompanying notes to financial statements.

NOTE 1 – ORGANIZATIONAL STRUCTURE AND PURPOSE

Curamericas Global, Inc. (the Organization) is a not-for-profit corporation that works to alleviate suffering by improving the health education and access to care for families and communities living in dire human need. With a special focus on women of reproductive age and their children, the Organization teaches women how to detect and treat the symptoms of illness that, if untreated, will decrease their own survival and that of their children.

A portion of the Organization's activities is conducted through Latin and South American not-for-profit institutions. These institutions are legally separate entities working cooperatively to promote health programs. For financial reporting purposes, these institutions are considered to be subrecipients of federal funds. The financial statements of these institutions are not combined with Curamericas Global, Inc's financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Curamericas Global, Inc. is presented to assist in understanding its financial statements. The financial statements and notes are representations of Curamericas Global, Inc.'s management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

Curamericas Global, Inc.'s financial statements are prepared on the accrual basis of accounting, recognizing revenues when earned and expenses when incurred. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires within the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

Property and equipment are stated at historical cost at the date of acquisition. Donated assets are recorded at fair market value at the dated of donation. Depreciation is computed using the straight line method over the estimated useful life of the asset. Repairs and maintenance are expensed as incurred and betterments and improvements are capitalized. Management has elected to expense property and equipment forwarded to foreign locations rather than to capitalize and depreciate these assets over their estimated useful lives. Since it is unlikely that these assets could be economically returned for other uses, their costs are reflected as a part of the program expenditures in the year incurred.

Accounts Receivable and Allowance for Doubtful Accounts

Curamericas Global, Inc. considers accounts receivable to be fully collectible at September 30, 2008; therefore, no allowance for doubtful accounts is required.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Organization carries investments in marketable securities at their determinable fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Cash

Curamericas Global, Inc. presents its cash flow statements using the indirect method. For purposes of cash flow presentation, the organization considers demand deposits with financial institutions to be cash.

Income Taxes

Curamericas Global, Inc. files Form 990, *Return of Organization Exempt from Income Tax*. The organization is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code (IRC). Therefore, no provision for income taxes is made in the accompanying financial statements. In addition, the Internal Revenue Service has determined that Curamericas Global, Inc. is not a "private foundation" within the meaning of §509(a) of the IRC. There was no unrelated business income during the fiscal year.

Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported accounts of assets 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 reporting period. Actual results could differ from those estimates.

Functional Allocation

Curamericas Global, Inc. allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Financial Statement Presentation

The organization employs Statement of Financial Accounting Standards (SFAS) Number 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS Number 117, the organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. In addition, the organization presents a statement of cash flows. Temporarily restricted net assets at September 30, 2008 and 2007 were $8,103 and $52,979 respectively. Permanently restricted net assets at Sepember 30, 2008 and 2007 were $27,957 and $27,957 respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Curamericas Global, Inc. also employs SFAS Number 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS Number 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. During the year ended September 30, 2008, donors contributed $165,828 temporarily restricted for specific use in overseas locations and for support of work teams in these locations. $165,828 of these funds had been used for the purposes intended by the end of the fiscal year.

NOTE 3 – CREDIT CONCENTRATION

Curamericas Global, Inc. is required by SFAS Number 105, *Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk*, to disclose significant concentrations of credit risk regardless of the degree of risk. The Organization maintains bank deposits in one bank located in Raleigh, North Carolina. Accounts are secured by the Federal Deposit Insurance Corporation up to $250,000 as of October 3, 2008. At September 30, 2008, bank deposits totaled $34,543, all of which was insured.

NOTE 4 – INVESTMENTS

Investments consist of money market and mutual funds. They are stated at estimated fair value at September 30, 2008.

	Fair Value	Cost basis
Money market funds	$ 3,940	$ 3,859
Vanguard funds	29,830	35,490
Putnam growth	126	168
Total	$ 33,896	$ 39,517

NOTE 5 – LONG-TERM DEBT

Long-term debt at September 30, 2008 consisted of two lines of credit with BB&T with an outstanding balance of $149,600. On April 10, 2007, the Organization renegotiated the credit line for the sum of $100,000. A second credit line of $100,000 was also obtained. Interest on the balance is charged at the prime rate. The credit line is secured by personal guarantees from the Organization's directors. Payments of interest only are due monthly with the entire balance of the loan due on March 10, 2010.

NOTE 6 – RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at September 30, 2008:

Bolivia and Guatemala	$	8,103

Permanently restricted net assets consist of endowment fund assets to be held indefinitely. Based on the donor's instructions, Curamericas Global, Inc.'s directors have discretion in the use of all income earned from endowment assets.

NOTE 7 – IN-KIND CONTRIBUTIONS

Donated services consist of specialized services by medical personnel. These services would ordinarily be purchased by the Organization. They are recorded at the fair value of the service on the date of donation. Goods donated consist of medical supplies for use in Curamericas Global, Inc.'s programs. They are recorded at the fair value of the item on the date of donation. The value of the donated goods and services during the year ended September 30, 2008 was $29,532. This amount is reflected as revenue within the services and materials income and expense as donated services and supplies in the accompanying financial statements.

NOTE 8 – LEASE COMMITMENTS

The Organization leases certain equipment and office space for its operations. Total lease and rental payments for the years ended September 30, 2008 and 2007 totaled $26,803 and $24,743. The occupancy lease agreement began June 30, 2006 for a period of three years, payments of $1,775 per month. Assuming that Curamericas Global, Inc. maintains its current lease arrangements, minimum lease payments for the next five years will be as follows:

Year ending September 30,		
2009	$	24,080
2010		24,080
2011		24,080
2012		24,080
2013		24,080
	$	120,400

NOTE 9 – RETIREMENT BENEFIT PLAN

Curamericas Global, Inc. maintains a profit sharing pension plan. The plan invites exempt employees to participate and contribute to a 401(k) fund that is administered by a third party. Curamericas Global, Inc. matches employee contributions up to a maximum of 4% of gross salary. Employer contributions for 2008 and 2007 were $9,484 and $8,996 respectively.

NOTE 10 – COMPENSATED ABSENCES

Employees must be full-time, permanent employees to accrue leave. Accrued leave available at September 30, 2008 and 2007 was $4,209 and $8,652, respectively and is included in accrued wages and benefits in the current liabilities section of the statement of financial position.

NOTE 11 - SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest amounted to $6,088 and $4,850 during the years ended September 30, 2008 and 2007, respectively.

CURAMERICAS GLOBAL, INC.

SCHEDULE OF COMPUTATION OF INDIRECT COST RATE

Year ended September 30, 2008

	Total	Exclusion/ Unallowable Expenses	Direct Costs	Indirect Cost Pool
Bank and payroll fees	$ 2,948	$ -	$ -	$ 2,948
Board expense	477	-	-	477
Depreciation	5,078	-	-	5,078
Donated supplies	29,532	-	29,532	-
Employee benefits	41,827	4,183	29,279	8,365
Insurance	2,435	-	609	1,826
Interest	6,088	-	-	6,088
Lease	2,780	-	-	2,780
Licenses	2,787	-	-	2,787
Office	17,922	-	-	17,922
Overseas program costs	180,006	-	180,006	-
Payroll taxes	21,218	2,122	14,852	4,244
Postage	8,439	-	3,376	5,063
Printing	19,709	4,927	9,855	4,927
Professional fees	34,705	-	15,617	19,088
Rent	24,023	-	-	24,023
Repairs	3,155	-	-	3,155
Retirement	9,484	948	6,639	1,897
Telephone and internet	16,605	-	4,151	12,454
Training	1,830	-	-	1,830
Travel	42,165	-	29,757	12,408
Utilities	3,287	-	-	3,287
Work team expense	53,597	-	53,597	-
Wages	277,021	27,702	193,915	55,404
	$ 807,118	$ 39,882	$ 571,185	$ 196,051

$$\frac{\text{Indirect Costs}}{\text{Total adjusted expenses - Indirect costs}} = \frac{196{,}051}{777{,}586 - 196{,}051} = 34\%$$