

Health Talents International, Inc.

Financial Statements  
For the Years Ended December 31, 2014 and 2013

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**TURNER**   
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Health Talents International, Inc.

We have audited the accompanying financial statements of Health Talents International, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets—modified cash basis as of December 31, 2014 and 2013, and the related statement of support, revenue, and expenses—modified cash basis, functional expenses—modified cash basis, and cash flows—modified cash basis for the years 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 assets, liabilities, and net assets of Health Talents International, Inc. as of December 31, 2014 and 2013, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Turner, Williams and Associates, P.A.*

Turner, Williams & Associates, P.A.

Searcy, Arkansas  
October 15, 2015

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**Health Talents International, Inc.**  
**Statement of Assets, Liabilities and Net Assets--Modified Cash Basis**  
**December 31, 2014**

**ASSETS**

	<u>Operating Fund</u>	<u>Endowment Fund</u>	<u>Capital Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 222,757	\$ 60,322	\$ 8,978	\$ 101,572	\$ 393,629
Investments	<u>-</u>	<u>437,082</u>	<u>3,773</u>	<u>95,279</u>	<u>536,134</u>
Total Current Assets	<u>222,757</u>	<u>497,404</u>	<u>12,751</u>	<u>196,851</u>	<u>929,763</u>
Property and equipment, net	-	-	415,951	-	415,951
Other assets	<u>135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135</u>
<b>Total Assets</b>	<u>\$ 222,892</u>	<u>\$ 497,404</u>	<u>\$ 428,702</u>	<u>\$ 196,851</u>	<u>\$ 1,345,849</u>

**LIABILITIES and NET ASSETS**

Current Liabilities:					
Payroll taxes withheld and accrued	<u>\$ 3,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,940</u>
Net Assets:					
Unrestricted net assets:					
Undesignated	218,952	-	415,951	-	634,903
Designated	<u>-</u>	<u>497,404</u>	<u>-</u>	<u>-</u>	<u>497,404</u>
Total unrestricted net assets	<u>218,952</u>	<u>497,404</u>	<u>415,951</u>	<u>-</u>	<u>1,132,307</u>
Temporarily restricted net assets	<u>-</u>	<u>-</u>	<u>12,751</u>	<u>196,851</u>	<u>209,602</u>
Total net assets	<u>218,952</u>	<u>497,404</u>	<u>428,702</u>	<u>196,851</u>	<u>1,341,909</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 222,892</u>	<u>\$ 497,404</u>	<u>\$ 428,702</u>	<u>\$ 196,851</u>	<u>\$ 1,345,849</u>

The accompanying notes are an integral part of this financial statement.

**Health Talents International, Inc.**  
**Statement of Assets, Liabilities and Net Assets--Modified Cash Basis**  
**December 31, 2013**

**ASSETS**

	<u>Operating Fund</u>	<u>Endowment Fund</u>	<u>Capital Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 167,574	\$ 85,322	\$ 15,869	\$ 115,126	\$ 383,891
Investments	<u>-</u>	<u>427,207</u>	<u>3,825</u>	<u>91,343</u>	<u>522,375</u>
Total Current Assets	<u>167,574</u>	<u>512,529</u>	<u>19,694</u>	<u>206,469</u>	<u>906,266</u>
Property and equipment, net	-	-	454,967	-	454,967
Other assets	<u>135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135</u>
<b>Total Assets</b>	<u><b>\$ 167,709</b></u>	<u><b>\$ 512,529</b></u>	<u><b>\$ 474,661</b></u>	<u><b>\$ 206,469</b></u>	<u><b>\$ 1,361,368</b></u>

**LIABILITIES and NET ASSETS**

Current Liabilities:					
Payroll taxes withheld and accrued	<u>\$ 3,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,751</u>
Net Assets:					
Unrestricted net assets:					
Undesignated	163,958	-	454,967	-	618,925
Designated	<u>-</u>	<u>512,529</u>	<u>-</u>	<u>-</u>	<u>512,529</u>
Total unrestricted net assets	<u>163,958</u>	<u>512,529</u>	<u>454,967</u>	<u>-</u>	<u>1,131,454</u>
Temporarily restricted net assets	<u>-</u>	<u>-</u>	<u>19,694</u>	<u>206,469</u>	<u>226,163</u>
Total net assets	<u>163,958</u>	<u>512,529</u>	<u>474,661</u>	<u>206,469</u>	<u>1,357,617</u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 167,709</b></u>	<u><b>\$ 512,529</b></u>	<u><b>\$ 474,661</b></u>	<u><b>\$ 206,469</b></u>	<u><b>\$ 1,361,368</b></u>

The accompanying notes are an integral part of this financial statement.

**Health Talents International, Inc.**  
**Statement of Support, Revenue, and Expenses and Changes in Net Assets--Modified Cash Basis**  
**For the Year Ended December 31, 2014**

	<u>Operating Fund</u>	<u>Endowment Fund</u>	<u>Capital Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
Changes in unrestricted net assets					
Support and Revenue:					
Contributions	\$ 811,738	\$ -	\$ -	\$ -	\$ 811,738
ABC Program	299,266	-	-	-	299,266
Medical mission trips	827,058	-	-	-	827,058
Investment income	162	10,157	-	-	10,319
Total unrestricted support and revenue	<u>1,938,224</u>	<u>10,157</u>	<u>-</u>	<u>-</u>	<u>1,948,381</u>
Expenses					
Program services	1,840,483	-	37,846	-	1,878,329
Support services:					
Management and general	121,888	-	-	-	121,888
Fundraising	82,665	-	-	-	82,665
Total Expenses	<u>2,045,036</u>	<u>-</u>	<u>37,846</u>	<u>-</u>	<u>2,082,882</u>
Excess support and revenue over expenses	<u>(106,812)</u>	<u>10,157</u>	<u>(37,846)</u>	<u>-</u>	<u>(134,501)</u>
Changes in temporarily restricted net assets:					
Contributions	\$ 30,222	-	32,400	52,470	115,092
Investment Income	-	-	(235)	3,936	3,701
Net assets released from restrictions	131,584	(25,282)	(40,278)	(66,024)	-
Increase in temporarily restricted net assets	<u>161,806</u>	<u>(25,282)</u>	<u>(8,113)</u>	<u>(9,618)</u>	<u>118,793</u>
Excess support and revenue over expenses	54,994	(15,125)	(45,959)	(9,618)	(15,708)
Net assets at beginning of year	<u>163,958</u>	<u>512,529</u>	<u>474,661</u>	<u>206,469</u>	<u>1,357,617</u>
Net assets at end of year	<u>\$ 218,952</u>	<u>\$ 497,404</u>	<u>\$ 428,702</u>	<u>\$ 196,851</u>	<u>\$1,341,909</u>

The accompanying notes are an integral part of this financial statement.

**Health Talents International, Inc.**  
**Statement of Support, Revenue, and Expenses and Changes in Net Assets--Modified Cash Basis**  
**For the Year Ended December 31, 2013**

	<u>Operating Fund</u>	<u>Endowment Fund</u>	<u>Capital Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
Changes in unrestricted net assets					
Support and Revenue:					
Contributions	\$ 641,539	\$ -	\$ -	\$ -	\$ 641,539
ABC Program	273,331	-	-	-	273,331
Medical mission trips	752,089	-	-	-	752,089
Investment income	<u>202</u>	<u>70,085</u>	<u>-</u>	<u>-</u>	<u>70,287</u>
Total unrestricted support and revenue	<u>1,667,161</u>	<u>70,085</u>	<u>-</u>	<u>-</u>	<u>1,737,246</u>
Expenses					
Program services	1,536,508	-	41,181	-	1,577,689
Support services:					
Management and general	113,985	-	-	-	113,985
Fundraising	<u>134,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,667</u>
Total Expenses	<u>1,785,160</u>	<u>-</u>	<u>41,181</u>	<u>-</u>	<u>1,826,341</u>
Excess support and revenue over expenses	<u>(117,999)</u>	<u>70,085</u>	<u>(41,181)</u>	<u>-</u>	<u>(89,095)</u>
Changes in temporarily restricted net assets:					
Contributions	\$ 33,522	-	48,460	46,225	128,207
Investment Income	-	-	13,988	10,602	24,590
Net assets released from restrictions	<u>124,410</u>	<u>(33,971)</u>	<u>(52,967)</u>	<u>(37,472)</u>	<u>-</u>
Increase in temporarily restricted net assets	<u>157,932</u>	<u>(33,971)</u>	<u>9,481</u>	<u>19,355</u>	<u>152,797</u>
Excess support and revenue over expenses	39,933	36,114	(31,700)	19,355	63,702
Net assets at beginning of year	<u>124,025</u>	<u>476,415</u>	<u>506,361</u>	<u>187,114</u>	<u>1,293,915</u>
Net assets at end of year	<u>\$ 163,958</u>	<u>\$ 512,529</u>	<u>\$ 474,661</u>	<u>\$ 206,469</u>	<u>\$ 1,357,617</u>

The accompanying notes are an integral part of this financial statement.

**Health Talents International, Inc.**  
**Statement of Functional Expenses--Modified Cash Basis**  
**For the Year Ended December 31, 2014**

	<u>Support Services</u>			<u>Program Services</u>	<u>Total Expenses</u>
	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>		
Medical Mission Trip	\$ -	\$ -	\$ -	\$ 607,690	\$ 607,690
Financial Assistance					
Operations Grants	-	-	-	424,051	424,051
Scholarship Grants	-	-	-	38,270	38,270
ABC Program Grants	-	-	-	282,000	282,000
Mission Team Grants	-	-	-	320,035	320,035
ABC Program	21,741	-	21,741	-	21,741
Salaries & Employee Benefits	79,314	56,653	135,967	90,645	226,612
Project Development	-	1,118	1,118	-	1,118
Evangelism Training	-	-	-	17,311	17,311
Printing	-	8,064	8,064	16,372	24,436
Postage	667	2,002	2,669	4,003	6,672
Advertising/Publicity	-	-	-	2,199	2,199
Professional Services	3,864	3,864	7,728	3,980	11,708
Meetings	1,036	1,382	2,418	4,491	6,909
Rent	5,400	-	5,400	-	5,400
Supplies	2,875	-	2,875	2,875	5,750
Telephone	954	239	1,193	1,193	2,386
Misc	1,589	4,767	6,356	9,533	15,889
Travel	1,995	3,991	5,986	13,968	19,954
Insurance	1,868	-	1,868	1,867	3,735
<b>Total Expenses before Depreciation</b>	<b>\$ 121,303</b>	<b>\$ 82,080</b>	<b>\$ 203,383</b>	<b>\$ 1,840,483</b>	<b>\$ 2,043,866</b>
Depreciation	585	585	1,170	37,846	39,016
<b>Total Expenses</b>	<b>\$ 121,888</b>	<b>\$ 82,665</b>	<b>\$ 204,553</b>	<b>\$ 1,878,329</b>	<b>\$ 2,082,882</b>

The accompanying notes are an integral part of this financial statement.



**Health Talents International, Inc.**  
**Statement of Functional Expenses--Modified Cash Basis**  
**For the Year Ended December 31, 2013**

	<u>Support Services</u>			<u>Program Services</u>	<u>Total Expenses</u>
	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>		
Medical Mission Trip	\$ -	\$ -	\$ -	\$ 483,877	\$ 483,877
Financial Assistance					
Operations Grants	-	-	-	393,408	393,408
Scholarship Grants	-	-	-	34,005	34,005
ABC Program Grants	-	-	-	245,545	245,545
Mission Team Grants	-	-	-	243,313	243,313
ABC Program	20,756	-	20,756	-	20,756
Salaries & Employee Benefits	72,830	62,427	135,257	72,830	208,087
Project Development	-	52,566	52,566	-	52,566
Evangelism Training	-	-	-	13,648	13,648
Printing	-	3,520	3,520	7,148	10,668
Postage	893	2,681	3,574	5,360	8,934
Advertising/Publicity	-	-	-	1,000	1,000
Professional Services	3,789	3,790	7,579	3,904	11,483
Meetings	1,824	2,432	4,256	7,903	12,159
Rent	5,400	-	5,400	-	5,400
Supplies	2,768	-	2,768	2,769	5,537
Telephone	1,055	264	1,319	1,320	2,639
Recruiting	-	-	-	633	633
Misc	810	2,428	3,238	4,856	8,094
Travel	1,962	3,922	5,884	13,728	19,612
Insurance	1,261	-	1,261	1,261	2,522
<b>Total Expenses before Depreciation</b>	<b>\$ 113,348</b>	<b>\$ 134,030</b>	<b>\$ 247,378</b>	<b>\$ 1,536,508</b>	<b>\$ 1,783,886</b>
Depreciation	637	637	1,274	41,181	42,455
<b>Total Expenses</b>	<b>\$ 113,985</b>	<b>\$ 134,667</b>	<b>\$ 248,652</b>	<b>\$ 1,577,689</b>	<b>\$ 1,826,341</b>

The accompanying notes are an integral part of this financial statement.

**Health Talents International, Inc.**  
**Statement of Cash Flows--Modified Cash Basis**  
**For the Year Ended December 31, 2014**

	<u>Operating Fund</u>	<u>Endowment Fund</u>	<u>Capital Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
Cash Flows from operating activities:					
Excess (deficiency) of revenue over expenses	\$ 54,994	\$ (15,125)	\$(45,959)	\$ (9,618)	\$ (15,708)
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used in) operating activities:					
Depreciation	-	-	39,016	-	39,016
Realized and unrealized (gain) loss investments	-	(9,875)	52	(3,936)	(13,759)
Changes in operating assets and liabilities:					
Payroll taxes withheld and accrued	<u>189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189</u>
Net cash provided by (used in) operating activities	<u>55,183</u>	<u>(25,000)</u>	<u>(6,891)</u>	<u>(13,554)</u>	<u>9,738</u>
Cash flows from investing activities:					
Purchase of property and equipment	-	-	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	55,183	(25,000)	(6,891)	(13,554)	9,738
Cash and cash equivalents, beginning of year	<u>167,574</u>	<u>85,322</u>	<u>15,869</u>	<u>115,126</u>	<u>383,891</u>
Cash and cash equivalents, end of year	<u>\$ 222,757</u>	<u>\$ 60,322</u>	<u>\$ 8,978</u>	<u>\$ 101,572</u>	<u>\$ 393,629</u>

The accompanying notes are an integral part of this financial statement.

**Health Talents International, Inc.**  
**Statement of Cash Flows--Modified Cash Basis**  
**For the Year Ended December 31, 2013**

	<u>Operating Fund</u>	<u>Endowment Fund</u>	<u>Capital Fund</u>	<u>Scholarship Funds</u>	<u>Total</u>
Cash Flows from operating activities:					
Excess (deficiency) of revenue over expenses	\$ 39,933	\$ 36,114	\$ (31,700)	\$ 19,355	\$ 63,702
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used in) operating activities:					
Depreciation	-	-	42,455	-	42,455
Realized and unrealized (gain) loss investments	-	(33,435)	56	(10,599)	(43,978)
Changes in operating assets and liabilities:					
Payroll taxes withheld and accrued	<u>757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>757</u>
 Net cash provided by (used in) operating activities	 <u>40,690</u>	 <u>2,679</u>	 <u>10,811</u>	 <u>8,756</u>	 <u>62,936</u>
Cash flows from investing activities:					
Purchase of property and equipment	-	-	-	-	-
 Net cash used in investing activities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net increase (decrease) in cash and cash equivalents	 40,690	 2,679	 10,811	 8,756	 62,936
Cash and cash equivalents, beginning of year	<u>126,884</u>	<u>82,643</u>	<u>5,058</u>	<u>106,370</u>	<u>320,955</u>
Cash and cash equivalents, end of year	<u>\$ 167,574</u>	<u>\$ 85,322</u>	<u>\$ 15,869</u>	<u>\$ 115,126</u>	<u>\$ 383,891</u>

The accompanying notes are an integral part of this financial statement.

Health Talents International, Inc.  
Notes to Financial Statements  
December 31, 2014 and 2013

NOTE 1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Health Talents International, Inc. ("HTI") is an Alabama not-for profit corporation organized in 1973 to provide assistance in the establishment, development, and operation of medical missions in the United States and foreign countries. Principal operations consist of providing primary care and surgical clinics in Central America. HTI is Christian based with the goal of spreading Christianity through medical evangelism.

Basis of Accounting

HTI prepares its financial statements 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. Under the modified cash basis of accounting, support and revenue are recognized when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred. HTI has elected to capitalize fixed asset purchases and provide for depreciation over their estimated useful lives. In addition, donations of supplies and materials are not included in accompanying modified cash basis financial statements.

Basis of Presentation

HTI reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets of HTI are presented as follows:

Unrestricted Net Assets

Undesignated - Net assets that are not subject to donor-imposed stipulations

Designated - Net assets designated by HTI for operating reserves

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met either by actions of HTI and/or the passage of time. Temporarily restricted net assets include funds for the ABC Program, scholarships, Good Samaritan Campaign, and the Dream Harvest Campaign.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that may be maintained permanently by HTI. Generally donors of these assets may permit HTI to use all or part of the income earned for general or specific purposes. HTI currently has no permanently restricted net assets.

Contributions

Contributions received are recorded as unrestricted or restricted support depending on the existence and/or nature of any donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Health Talents International, Inc.  
Notes to Financial Statements  
December 31, 2014 and 2013

NOTE 1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment purchased or acquired, with an original cost of \$1,000 or more, are stated at historical cost and depreciated over their estimated useful lives. Depreciable lives of major classes of property and equipment are as follows:

Buildings	25 years
Building Improvements	15 - 25 years
Furnishings and equipment	3 - 7 years

Depreciation expense is \$39,016 and \$42,455 for 2014 and 2013, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, HTI considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are reported at quoted market values, except for privately held partnership interests that are valued at estimates made by management. Unrealized gains or losses in the value of investments are reported in the period they occur.

Income Taxes

HTI is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. HTI has not been classified as a private foundation.

Subsequent Events

Management has evaluated subsequent events through October 15, 2014, the date which the financial statements were available to be issued.

NOTE 2) INVESTMENTS

Investments are stated at fair value and are summarized as follows:

	December 31, 2014			December 31, 2013		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Fixed income securities	\$ 299,583	\$ 402,269	\$ 102,686	\$ 128,188	\$ 129,089	\$ 901
Other equities	3,773	3,773	-	3,825	3,825	-
Equity mutual funds	132,870	130,092	(2,778)	270,664	389,461	118,797
	<u>\$ 436,226</u>	<u>\$ 536,134</u>	<u>\$ 99,908</u>	<u>\$ 402,677</u>	<u>\$ 522,375</u>	<u>\$ 119,698</u>

Health Talents International, Inc.  
Notes to Financial Statements  
December 31, 2014 and 2013

NOTE 2) INVESTMENTS (CONTINUED)

Investment income consists of the following for the year ended December 31:

	<u>2014</u>	<u>2013</u>
Dividends and interest	\$ 33,763	\$ 19,886
Realized and unrealized gains and (losses), net	<u>(19,743)</u>	<u>74,991</u>
 Total investment income/(loss)	 <u>\$ 14,020</u>	 <u>\$ 94,877</u>

NOTE 3) PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2013</u>	<u>Additions</u>	<u>2014</u>
Buildings	\$ 816,654	\$ -	\$ 816,654
Land	7,939	-	7,939
Office furnishings and equipment	16,097	-	16,097
Clinic furnishings and equipment	<u>176,273</u>	<u>-</u>	<u>176,273</u>
	1,016,963	\$ -	1,016,963
 Less accumulated depreciation	 <u>(561,996)</u>	 <u>(39,016)</u>	 <u>(601,012)</u>
	 <u>\$ 454,967</u>	 <u>\$ (39,016)</u>	 <u>\$ 415,951</u>

NOTE 4) RELATED PARTY TRANSACTIONS

HTI provides financial assistance to its affiliate in Guatemala, Talentos de Salud Internacional. Total assistance of \$1,064,356 and \$916,271 was provided for the years ended December 31, 2014 and 2013, respectively.

NOTE 5) LEASING ARRANGEMENTS

HTI conducts its operations from facilities that are leased under a five-year operating lease expiring on December 31, 2015, with an option to renew for an additional term of 60 months commencing at the expiration of the initial lease term. The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2014:

2015	<u>5,400</u>
	<u>\$ 5,400</u>

NOTE 6) CONCENTRATIONS OF CREDIT RISK

Health Talents International, Inc. maintains its cash balances in one financial institution located in Searcy, Arkansas. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2014, there were no uninsured cash balances.

Health Talents International, Inc.  
Notes to Financial Statements  
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NOTE 7) FAIR VALUE MEASUREMENTS

Fair value assets measured on a recurring basis at December 31, 2014 are as follows:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 3)</u>
Fixed income securities	\$ 130,092	\$ 130,092	\$ -
Other equities	3,773	-	3,773
Equity mutual funds	402,269	402,269	-
	<u>\$ 536,134</u>	<u>\$ 532,361</u>	<u>\$ 3,773</u>

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted market prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are valued using significant unobservable inputs. As of December 31, 2014, all financial assets with exception to the privately held partnership interest are valued using Level 1 inputs.

The carrying value of cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of those instruments.