



THE GEANCO FOUNDATION
Chicago, Illinois

FINANCIAL STATEMENTS
December 31, 2008 and 2007



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Independent Auditor's Report

Board of Directors
The GEANCO Foundation
Chicago, Illinois

We have audited the accompanying statements of financial position (cash basis) and statements of activities (cash basis) of The GEANCO Foundation (the "Foundation") as of December 31, 2008 and 2007. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

As described in the Summary of Significant Accounting Policies, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and changes in net assets of the Foundation as of December 31, 2008 and 2007, on the basis of accounting described in the Summary of Significant Accounting Policies.

Clifton Gunderson LLP

Oak Brook, Illinois
June 10, 2009

THE GEANCO FOUNDATION
STATEMENTS OF FINANCIAL POSITION (CASH BASIS)
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ 111,949	\$ 123,232
NET ASSETS		
NET ASSETS		
Unrestricted	\$ 51,949	\$ 113,232
Temporarily restricted	<u>60,000</u>	<u>10,000</u>
TOTAL NET ASSETS	<u>\$ 111,949</u>	<u>\$ 123,232</u>

The accompanying notes are an integral part of the financial statements.

THE GEANCO FOUNDATION
STATEMENTS OF ACTIVITIES (CASH BASIS)
Year Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions, gifts and grants	\$ 68,790	\$ 50,000	\$ 118,790
EXPENSES			
Salaries and benefits	72,718	-	72,718
Board and staff development	480	-	480
Development and outreach	5,072	-	5,072
Office supplies	2,455	-	2,455
Printing, publication and postage	500	-	500
Travel	21,412	-	21,412
Meetings, conferences and symposia	5,624	-	5,624
Administrative	11,901	-	11,901
Fundraising, event	9,911	-	9,911
Total expenses	<u>130,073</u>	<u>-</u>	<u>130,073</u>
CHANGE IN NET ASSETS	(61,283)	50,000	(11,283)
NET ASSETS, BEGINNING OF YEAR	<u>113,232</u>	<u>10,000</u>	<u>123,232</u>
NET ASSETS, END OF YEAR	<u>\$ 51,949</u>	<u>\$ 60,000</u>	<u>\$ 111,949</u>

The accompanying notes are an integral part of the financial statements.

THE GEANCO FOUNDATION
STATEMENTS OF ACTIVITIES (CASH BASIS)
Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions, gifts and grants	\$ 99,846	\$ 10,000	\$ 109,846
EXPENSES			
Salaries and benefits	10,672	-	10,672
Board and staff development	4,672	-	4,672
Development and outreach	627	-	627
Office supplies	2,070	-	2,070
Printing, publication and postage	271	-	271
Travel	3,592	-	3,592
Meetings, conferences and symposia	549	-	549
Administrative	1,248	-	1,248
Fundraising, event	9,784	-	9,784
	<u>33,485</u>	<u>-</u>	<u>33,485</u>
Total expenses			
	<u>33,485</u>	<u>-</u>	<u>33,485</u>
CHANGE IN NET ASSETS	66,361	10,000	76,361
NET ASSETS, BEGINNING OF YEAR	<u>46,871</u>	<u>-</u>	<u>46,871</u>
NET ASSETS, END OF YEAR	<u>\$ 113,232</u>	<u>\$ 10,000</u>	<u>\$ 123,232</u>

The accompanying notes are an integral part of the financial statements.

THE GEANCO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The GEANCO Foundation (the "Foundation") was created as a not-for-profit foundation and incorporated in the State of Illinois in 2005. The principal activity of the Foundation is to receive or maintain funds which will be used to design, develop, and manage medical, educational, and athletic facilities in the African country of Nigeria. Grants are made in support of the Foundation's project to improve health conditions and learning opportunities for Nigerians and will provide opportunities for research, collaboration and cooperation between individuals and groups in the United States and individuals and groups based in Africa. The Foundation's fiscal year ends on December 31. Significant accounting policies followed by the Foundation are presented below.

Basis of Accounting

The accompanying financial statements were prepared on the cash basis of accounting. That method differs from generally accepted accounting principles since it requires revenues and their related assets to be recorded when received rather than when earned and expenses and their related liabilities to be recorded when paid rather than when incurred.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report 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.

Revenues

Contributions are recognized when the donor makes a donation to the Foundation. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Foundation has temporarily restricted assets of \$60,000 and \$10,000 as of December 31, 2008 and 2007, respectively. These donations have been restricted for use on the Partners Harvard Medical International feasibility study. The Foundation does not have any permanently restricted net assets as of December 31, 2008 and 2007.

Tax Exempt Status

The Internal Revenue Service has determined that the Foundation is exempt from Federal income tax under Section 501(c)(3) of the Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

THE GEANCO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in Accounting Principles

Effective January 1, 2008, the Foundation adopted FASB Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*, which provides a comprehensive framework for measuring fair value and expands disclosures, which are required about fair value measurements. Specifically, SFAS 157 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value input. The adoption of SFAS 157 had no immediate impact on the Foundation's financial statements.

Effective, January 1, 2008, the Foundation adopted FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*, which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). UPMIFA is a model act approved by the Uniform Law Commission (ULC; formerly known as the National Conference of Commissioners on Uniform State Laws) that serves as a guideline for states to use in enacting legislation. While the expectation is that the State of Illinois will ultimately adopt UPMIFA, it has not yet done so. This FSP also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA. The Foundation currently has no endowments.

Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, an interpretation of FASB Statement No. 109 (FIN 48), to create a single model to address accounting for uncertainty in tax positions. FIN 48 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement, classification, interest and penalties, disclosure and transition. The effective date of this pronouncement for the Foundation is for fiscal years beginning after December 15, 2008. The Foundation has not determined the effect, if any, the adoption of FIN 48 will have on the Foundation's Statement of Financial Position and Statement of Activities, and has not determined if the adoption of FIN 48 will have a material effect on its financial statements.

THE GEANCO FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 2 - OTHER MATTERS

In January 2005, the Government of Anambra State of Nigeria informed the Foundation that land reasonable in size will be allocated to the Foundation to establish a hospital and an international centre. This land will be allocated once a formal application is made by the Foundation. The Government has attached the condition that development will commence immediately upon the allocation of the land. The Foundation has secured the land for establishment of the hospital and international centre, but has yet to obtain possession of the land through the formal application process and has not begun project construction.

NOTE 3 - SIGNIFICANT CONCENTRATIONS

Generally accepted accounting principles require disclosure of information about certain vulnerabilities due to concentrations. During the years ended December 31, 2008 and 2007, there were single donors that contributed 42% and 46% of total revenues, respectively.

This information is an integral part of the accompanying financial statements.