

STRATEGIC GLOBAL INITIATIVE, INC.

FINANCIAL STATEMENTS

December 31, 2008

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Heveron & Heveron

A Professional Corporation
Since 1972

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Strategic Global Initiatives, Inc.
Rochester, New York

We have audited the accompanying balance sheet of Strategic Global Initiatives, Inc. (a nonprofit organization) as of December 31, 2008 and the related statement of activities for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 Strategic Global Initiatives, Inc. as of December 31, 2008 and the results of its operations and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Heveron & Heveron
Certified Public Accountants, P.C.

Rochester, New York
May 6, 2009



STRATEGIC GLOBAL INITIATIVE, INC.
BALANCE SHEET
December 31, 2008

ASSETS

Current Assets

Cash \$ 48,967

TOTAL ASSETS 48,967

NET ASSETS

Net Assets

Unrestricted Net Assets 48,967

TOTAL NET ASSETS \$ 48,967

See Independent Auditors' Report and Notes to Financial Statements.

STRATEGIC GLOBAL INITIATIVES, INC.
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2008

<u>Contributions</u>	
Contributions	\$ 199,476
 Total Contributions	 <u>199,476</u>
<u>Expenses</u>	
Program Expenses	
North Korean Rescue Project Expenses	116,450
Mirembe House Orphanage Project Expenses	7,500
Web Site	300
Printing and Publishing	408
Miscellaneous Expenses	2,419
North Korea Project Travel Expenses	2,000
Management and General	
Accounting Expenses	2,375
Legal Fee	175
On Line Fees	109
Fundraising Expenses-Walk Event	<u>27,000</u>
 Total Expenses	 <u>158,736</u>
 Excess of Support and Revenue over Expenses	 40,740
Net Assets - Beginning of Year	<u>8,227</u>
Net Assets - End of Year	<u>\$ 48,967</u>

See Independent Auditors' Report and Notes to Financial Statements.

STRATEGIC GLOBAL INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Strategic Global Initiative, Inc. (the Organization) is a not-for-profit organization that exists to be a voice for the most vulnerable of the world. The Organization serves orphans, sex-trafficked victims, and the oppressed in some of the most difficult places on earth. The Organization also does business as Stop Child Trafficking Now.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

In accordance with accounting principles generally accepted in the United States of America, the Organization reports information regarding its financial position and activities according to the existence and nature of donor restrictions in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Organization also records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

Accounting principles generally accepted in the United States of America allow the Organization to treat as unrestricted, any restricted revenue where the restrictions are met in the same year. The Organization has elected to follow that reporting method. As a result, all activities in which restrictions are met are recorded in the Unrestricted Net Asset class.

The following are descriptions of the Organization's net asset classifications:

Unrestricted:

Unrestricted net assets include resources that are available for the general support of the Organization's operations.

Income Taxes

The Internal Revenue Service has determined that the Organization is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that the Organization is publicly supported. As a result, no provision for federal or state income taxes has been made.

STRATEGIC GLOBAL INITIATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

In accordance with FSP 48-3, the Organization has elected to defer the implementation of FIN 48, "Accounting for Income Taxes." The Organization continues to follow the guidance included in FASB Statement No. 5, "Accounting for Contingencies."

Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand and in banks, which, at times, may exceed federally insured limits. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Certain of these accounts are not federally insured. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash and cash equivalents.

	<u>2008</u>
Checking	\$ 48,967

Use of Estimates in the Preparation of Financial Statements

Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could vary from those estimates.

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program, management and general, and fundraising categories.

Contributions

Contributions are recorded at the time of receipt or when evidence of a non-conditional promise to give has been received. Promises subject to conditions are not recorded as income until those conditions have been met. Contributions that are expected to be received in future years are recorded at their present value. Contributions are recorded as unrestricted unless they are subject to donor restrictions or are required to be used or expected to be received in future years.

**STRATEGIC GLOBAL INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS**

December 31, 2008

(Continued)

NOTE 2 - DONATED SERVICES AND GOODS

The Organization receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. A supporting local church, Morning Star New York, Inc. provides office space and staff time from five to ten hours a week.