

HEALTH GLOBAL ACCESS PROJECT, INC.

**FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT**

DECEMBER 31, 2017

HEALTH GLOBAL ACCESS PROJECT, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To: The Board of Directors of
Health Global Access Project, Inc.

We have reviewed the accompanying statement of financial position of Health Global Access Project, Inc. (a not-for-profit organization) as of December 31, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with U.S. generally accepted accounting principles. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with U.S. generally accepted accounting principles.

Skody Scot & Company, CPAs, P.C.

New York, NY
June 13, 2018

HEALTH GLOBAL ACCESS PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

Cash	\$ 490,550
Contributions receivable	66
Prepaid expenses	344
Property and equipment, net	2,196
Security deposits & other assets	1,725
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Total assets	\$ 494,881
	<hr/>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 33,710
Total liabilities	<hr/> 33,710
	<hr/>
Commitments and contingencies (see notes)	
Net Assets:	
Unrestricted	376,171
Temporarily restricted	85,000
Permanently restricted	-
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Total net assets	461,171
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Total liabilities and net assets	\$ 494,881
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**See independent accountants' review report
and accompanying notes.**

**HEALTH GLOBAL ACCESS PROJECT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

Support and Revenues:

Unrestricted:		
Contributions	\$	573,418
Contributions in-kind		2,652
Interest income		281
Other income		688
Release of prior year's restricted contributions		116,667
Temporarily Restricted:		
Contributions		85,000
Release of prior year's restricted contributions		(116,667)
Total support and revenues		<u>662,039</u>

Expenses:

Program services		622,752
Supporting services:		
Management and general		173,640
Fundraising		81,655
Total expenses		<u>878,047</u>

Increase/(Decrease) In Net Assets:

Unrestricted		(184,341)
Temporarily restricted		(31,667)
Permanently restricted		-
Increase/(decrease) in net assets		<u>(216,008)</u>

Net assets, beginning of year		<u>677,179</u>
Net assets, end of year	\$	<u><u>461,171</u></u>

**See independent accountants' review report
and accompanying notes.**

**HEALTH GLOBAL ACCESS PROJECT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ (216,008)
Adjustments for non-cash items included in operating activities:	
Depreciation	1,577
Changes in assets and liabilities:	
Contributions receivable	75,847
Prepaid expenses	(344)
Accounts payable and accrued expenses	(390)
Net cash provided/(used) by operating activities	<u>(139,318)</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase/(decrease) in cash	(139,318)
Cash at beginning of year	<u>629,868</u>
Cash at end of year	<u><u>\$ 490,550</u></u>

**See independent accountants' review report
and accompanying notes.**

HEALTH GLOBAL ACCESS PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Personnel costs:				
Staff salaries	\$ 313,623	\$ 44,822	\$ 59,719	\$ 418,164
Payroll taxes and benefits	83,957	11,061	15,834	110,852
Outside contractors	44,518	43,024	1,034	88,576
Total personnel costs	442,098	98,907	76,587	617,592
Direct expenses:				
Depreciation	-	1,577	-	1,577
Grants to others	100,803	-	-	100,803
Insurance	-	2,676	-	2,676
Office supplies & expenses	6,812	5,920	613	13,345
Postage & delivery	109	421	607	1,137
Printing	509	176	734	1,419
Professional fees	-	21,680	-	21,680
Rent	5	23,400	-	23,405
Supplies	1,510	591	497	2,598
Telephone and communications	2,355	8,728	-	11,083
Travel and meetings	65,567	8,370	2,617	76,554
Website	2,984	1,194	-	4,178
Total direct expenses	180,654	74,733	5,068	260,455
Total expenses	\$ 622,752	\$ 173,640	\$ 81,655	\$ 878,047

**See independent accountants' review report
and accompanying notes.**

**HEALTH GLOBAL ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Organization

Health Global Access Project, Inc. (Organization), a not-for-profit organization, was incorporated in the State of New York on June 13, 2006. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from contributions from individuals, foundations and corporations.

The purpose of the Organization is to promote access and mobilize grassroots support for policies and resources necessary to sustain access for people living with HIV/AIDS across the globe and to confront governmental policy makers, the pharmaceutical industry and international agencies when their policies block such access.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

In accordance with GAAP the Organization 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. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries based on estimated time and other expenses based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

HEALTH GLOBAL ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Purchased property and equipment are stated at cost, less accumulated depreciation. Donated property and equipment are stated at fair value on the date of donation, less accumulated depreciation. Depreciation of equipment is computed by the straight-line method over estimated useful lives ranging from three to five years. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable debt.

Note 2 - Property and Equipment

Property and equipment consisted of the following at December 31, 2017:

Equipment	\$ 14,940
Less: Accumulated depreciation	(12,744)
	<u>\$ 2,196</u>

**HEALTH GLOBAL ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 3 - Contributions In-Kind

Services were donated to the Organization and meet the criteria for being recognized as contributions in accordance with GAAP. Amounts are recorded at their estimated fair market values at the date of donation using published rates and prices.

Total contributions in-kind reported on the accompanying statement of activities for the year ended December 31, 2017 amounted to \$2,652 and consisted of photography, entertainment, and catering services.

Note 4 - Restrictions on Net Assets

As of December 31, 2017, temporarily restricted net assets are available in future years for the following purposes:

2018 operations	\$ 10,000
Donor accountability project	<u>75,000</u>
	<u>\$ 85,000</u>

Note 5 - Concentrations

The Organization maintains its cash in various accounts. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts exceeded the limits during the year ended December 31, 2017.

For the year ended December 31, 2017, approximately 53% of the Organization's total support was provided by two major contributors. Each of the contributors gave over 20% individually. It is always possible that benefactors, grantors, or contributors might be lost in the near term. In the event funding is terminated or significantly reduced, the Organization's ability to continue providing their programs at the same level of service would be greatly diminished.

Note 6 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through June 13, 2018, which is the date the financial statements were available to be issued.