

HEALTH GLOBAL ACCESS PROJECT, INC.

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

DECEMBER 31, 2018

HEALTH GLOBAL ACCESS PROJECT, INC.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Health Global Access Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, expenses, and cash flows for the year 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 accounting principles generally accepted in the United States of America; this includes 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 of 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 financial position of Health Global Access Project, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Skody Scot & Company, CPAs, P.C.

New York, NY
August 13, 2019

HEALTH GLOBAL ACCESS PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Cash	\$ 548,482
Contributions receivable	52,219
Prepaid expenses	187
Property and equipment, net	3,027
Security deposits & other assets	1,725
	<hr/>
Total assets	\$ 605,640
	<hr/>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 32,629
Total liabilities	<hr/> 32,629
	<hr/>
Commitments and contingencies (see notes)	
Net Assets:	
Without donor restrictions	485,511
With donor restrictions	87,500
	<hr/>
Total net assets	573,011
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Total liabilities and net assets	\$ 605,640
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See accompanying notes to financial statements.

HEALTH GLOBAL ACCESS PROJECT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Contributions	\$ 854,762	\$ 87,500	\$ 942,262
Contributions in-kind	9,500	-	9,500
Interest income	189	-	189
Other income	52	-	52
Net assets released from restriction:			
Satisfaction of purpose restrictions	75,000	(75,000)	-
Expiration of time restrictions	10,000	(10,000)	-
Total support and revenues	<u>949,503</u>	<u>2,500</u>	<u>952,003</u>
Expenses:			
Program services	560,438	-	560,438
Supporting services:			
Management and general	212,408	-	212,408
Fundraising	67,317	-	67,317
Total expenses	<u>840,163</u>	<u>-</u>	<u>840,163</u>
Increase/(Decrease) in net assets	<u>109,340</u>	<u>2,500</u>	<u>111,840</u>
Net assets, beginning of year	<u>376,171</u>	<u>85,000</u>	<u>461,171</u>
Net assets, end of year	<u><u>\$ 485,511</u></u>	<u><u>\$ 87,500</u></u>	<u><u>\$ 573,011</u></u>

See accompanying notes to financial statements.

HEALTH GLOBAL ACCESS PROJECT, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Personnel costs:				
Staff salaries	\$ 251,292	\$ 33,506	\$ 50,258	\$ 335,056
Payroll taxes and benefits	74,093	9,879	14,818	98,790
Outside contractors	122,325	63,956	850	187,131
Total personnel costs	447,710	107,341	65,926	620,977
Direct expenses:				
Depreciation	-	1,418	-	1,418
Grants to others	11,009	-	-	11,009
Insurance	-	2,876	-	2,876
Office supplies & expenses	5,685	11,153	461	17,299
Postage & delivery	71	321	560	952
Printing	457	330	-	787
Professional fees	-	35,679	-	35,679
Rent	56	21,628	-	21,684
Supplies	417	1,483	130	2,030
Telephone and communications	2,916	6,904	-	9,820
Travel and meetings	83,389	21,235	240	104,864
Website	8,728	2,040	-	10,768
Total direct expenses	112,728	105,067	1,391	219,186
Total expenses	\$ 560,438	\$ 212,408	\$ 67,317	\$ 840,163

See accompanying notes to financial statements.

**HEALTH GLOBAL ACCESS PROJECT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ 111,840
Adjustments for non-cash items included in operating activities:	
Depreciation	1,418
Changes in assets and liabilities:	
Contributions receivable	(52,153)
Prepaid expenses	157
Accounts payable and accrued expenses	(1,081)
Net cash provided/(used) by operating activities	<u>60,181</u>
Cash flows from investing activities:	
Purchase of equipment	(2,249)
Net cash provided/(used) by investing activities	<u>(2,249)</u>
Cash flows from financing activities	
	<u>-</u>
Net increase/(decrease) in cash	57,932
Cash at beginning of year	<u>490,550</u>
Cash at end of year	<u><u>\$ 548,482</u></u>

See accompanying notes to financial statements.

**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.

Change in Accounting Principle

In 2018, the Organization adopted all reporting changes required under FASB ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Accordingly, all amounts on the 2018 financial statements have been reclassified to conform to the new presentation requirements. All required disclosures have been incorporated and included on the accompanying financial statements and in these notes.

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 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)

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

All 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 support with donor restrictions and increases in the respective class of net assets. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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.

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

Note 2 - Property and Equipment

Property and equipment consisted of the following at December 31, 2018:

Equipment	\$ 17,189
Less: Accumulated depreciation	(14,162)
	<u>\$ 3,027</u>

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, 2018 amounted to \$9,500 and consisted of consulting services.

Note 4 - Net Assets With Donor Restrictions

As of December 31, 2018, net assets with donor restrictions are available in future years for the following purposes:

Global HIV response project	\$ 75,000
Health justice and accountability project	<u>12,500</u>
	<u>\$ 87,500</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, 2018.

For the year ended December 31, 2018, approximately 77% of the Organization's total support was provided by three major contributors. Each of the contributors gave over 15% 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.

HEALTH GLOBAL ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 6 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2018, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

Financial assets:	
Cash	\$ 548,482
Contributions receivable	<u>52,219</u>
Total financial assets	600,701
Less those unavailable for general expenditures	
within one year:	(_____)
Financial assets available to meet cash needs	
for general expenditures within one year	<u>\$ 600,701</u>

Note 7 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through August 13, 2019, which is the date the financial statements were available to be issued.