

HEALTH GLOBAL ACCESS PROJECT, INC

FINANCIAL STATEMENTS

DECEMBER 31, 2014

# HEALTH GLOBAL ACCESS PROJECT, INC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Health Global Access Project, Inc

I have audited the accompanying financial statements of Health Global Access Project, Inc., which comprise the statement of financial position as of December 31, 2014 and the related statements of activities, functional 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.

**Auditors' Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my 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, 2014, 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.

A handwritten signature in cursive script, appearing to read "Paul Seabury".

New York, New York  
June 29, 2015

HEALTH GLOBAL ACCESS PROJECT, INC  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2014

<u>Assets</u>	
Cash	\$ 298,823
Grants and contributions receivable	12,410
Property and equipment - net - notes 2 and 3	<u>5,704</u>
Total assets	<u>\$ 316,937</u>

Liability and Net Assets

<u>Liability</u>	
Accounts payable and accrued expenses	\$ <u>7,851</u>
<u>Net Assets</u>	
Unrestricted	190,960
Temporarily restricted	<u>118,126</u>
Total net assets	<u>309,086</u>
Total liability and net assets	<u>\$ 316,937</u>

See accompanying notes to financial statements.

HEALTH GLOBAL ACCESS PROJECT, INC  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue and supports</u>			
Grants and contributions	\$ 129,814	431,325	561,139
Program service fee	12,915		12,915
Interest	<u>33</u>		<u>33</u>
Sub-total	<u>142,762</u>	<u>431,325</u>	<u>574,087</u>
Release from restriction:			
Satisfaction of program restriction	<u>398,199</u>	<u>(398,199)</u>	<u>-</u>
Total revenue	<u>540,961</u>	<u>33,126</u>	<u>574,087</u>
<u>Expenses</u>			
Program services	404,134		404,134
General and administration	59,073		59,073
Fundraising	<u>23,179</u>		<u>23,179</u>
Total expenses	<u>486,386</u>		<u>486,386</u>
Change in net assets	54,575	33,126	87,701
Net assets at beginning of year	<u>136,385</u>	<u>85,000</u>	<u>221,385</u>
Net assets at end of year	<u>\$ 190,960</u>	<u>118,126</u>	<u>309,086</u>

See accompanying notes to financial statements.

HEALTH GLOBAL ACCESS PROJECT, INC  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll	\$ 198,925	21,349	17,395	237,669
Payroll taxes and fringes	<u>66,137</u>	<u>7,098</u>	<u>5,784</u>	<u>79,019</u>
Total personnel	265,062	28,447	23,179	316,688
Supplies	3,281	365		3,646
Occupancy	9,000	1,000		10,000
Telephone and internet access	21,664	442		22,106
Printing	1,101			1,101
Postage and shipping	724	80		804
Program expense	40,144			40,144
Consultants and professionals	11,344	23,722		35,066
Travel and accommodation	47,134			47,134
Meeting and events	4,680			4,680
Dues and fees		2,592		2,592
Depreciation		2,079		2,079
Miscellaneous	<u>          </u>	<u>346</u>	<u>          </u>	<u>346</u>
Total expenses	<u>\$ 404,134</u>	<u>59,073</u>	<u>23,179</u>	<u>486,386</u>

See accompanying notes to financial statements.

HEALTH GLOBAL ACCESS PROJECT, INC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Cash Flows From Operating Activities

Change in net assets \$ 87,701

Adjustments to reconcile change in net assets to cash flows

Depreciation 2,079

Decrease in grants and contributions receivable 25,269

Decrease in accounts payable and accrued expenses (1,917)

Total adjustment 25,431

Net cash provided by operating activities 113,132

Cash Flows From Investing Activities

Acquisition of fixed assets (1,686)

Net increase in cash 111,446

Cash at beginning of year 187,377

Cash at end of year \$ 298,823

See accompanying notes to financial statements.

HEALTH GLOBAL ACCESS PROJECT, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

Note 1     Organization

Health Global Access Project, Inc., (Health GAP) is a not-for-profit organization incorporated in the State of New York under Section 402 of the New York Not-For-Profit Corporation Law. Health GAP is a network of AIDS activists, academics, people living with HIV/AIDS, trade experts and citizens who believe that nothing should stand in the way of access to lifesaving medication. Health GAP engages in leadership development, advocacy, organizing and detailed policy analysis geared towards advancing access to treatment, prevention and other health services, and eliminating barriers that limit global access to life-sustaining medicines for all people living with HIV/AIDS and other key affected populations.

Funding of the Organization's programs is provided by private and governmental sources.

Health GAP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar provision of the State code. However, tax years 2011, 2012 and 2013 are subject to examinations by the Internal Revenue Service.

Note 2     Significant accounting policies  
Financial Statement Presentation

Health Gap's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The classification of Health Gap's net assets and its support and revenue is based on the existence or absence of donor-imposed restrictions. It requires that the amount for each of the three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in the statement of financial position and that the amounts of change in each of those classes of net assets be displayed in the statement of activities.

These classes are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by Health Gap is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Health Gap.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by Health Gap is limited by donor-imposed

HEALTH GLOBAL ACCESS PROJECT, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

Note 2     Significant accounting policies (continued)  
Financial Statement Presentation (continued)

stipulations that either expire by passage of time or can be fulfilled and removed by actions of Health Gap pursuant to those stipulations. When such stipulations end or are fulfilled, such temporary restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

The Organization's net assets as at December 31, 2014 were made up of \$190,960 unrestricted and \$118,126 temporarily restricted.

Cash and Cash Equivalents

Cash is primarily consisted of cash held in checking and saving accounts at major financial institutions. Health Gap considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the property and equipment. Health Gap capitalizes any asset they determine will be maintained for an extended period of time over five years. Property and equipment purchased with government-funded grants are charged as expenditures and included in the statement of activities and functional expenses in accordance with the provision of grant agreements. Those equipment are properties of the funding agencies and retained by Health Gap in the performance of Health Gap's programs and related activities.

HEALTH GLOBAL ACCESS PROJECT, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

Note 2     Significant accounting policies (continued)

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash, grants and contract and program fees receivable, and accounts payable and accrued expenses approximate their fair values because of the relatively short maturity of these instruments. This measurement has remained the same as in prior years.

Subsequent Events – Management has evaluated subsequent events and transactions that occurred after the statement of financial position date through June 29, 2015. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with accounting principles generally accepted in the United States of America. Management has determined that there are no unrecognized subsequent events that require additional disclosure.

In-Kind Contributions

Health GAP receives in-kind contributions of services from volunteers and space from another organization. However, due to difficulties in obtaining fair values for those donations, in kind contributions are not recorded on the financial statements.

Note 3     Property and Equipment

Property and equipment at December 31, 2014 consist of the following:

Equipment	\$ 12,841
Less - accumulated depreciation	<u>7,137</u>
Net	<u>\$ 5,704</u>

Total depreciation expense for the year was \$2,079.

Note 4     Temporarily restricted net assets

As of December 31, 2014, temporarily restricted net assets of \$118,126 were grants restricted for program purpose for the following year.

Note 5     Grants Receivable

Grants receivable of \$12,410 were all due within one year.

Note 6     Commitment

The Organization subleases its premises from a non-profit on a month to month basis. The monthly rental was \$1,000, including utilities. For the year ended December 31, 2014, sublease totaled \$10,000.

HEALTH GLOBAL ACCESS PROJECT, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

Note 7     Concentration

Financial instruments that potentially subject Health GAP to concentration risk consist principally of cash deposits. The Federal Deposit Insurance Corporation ("FDIC") insures accounts at each institution. Currently, the FDIC insures accounts for up to \$250,000 per depositor. Management believes the exposure to credit risk is minimal.

Note 8     Functional allocation of expense

The costs of providing various program and supporting services have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.