

**HEALTH GLOBAL ACCESS PROJECT, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**DECEMBER 31, 2016**

# HEALTH GLOBAL ACCESS PROJECT, INC.

## Index

	<u>Page</u>
Independent Auditors' Report	1
Statement of financial position as of December 31, 2016	2
Statement of activities for the year ended December 31, 2016	3
Statement of cash flows for the year ended December 31, 2016	4
Statement of functional expenses for the year ended December 31, 2016	5
Notes to financial statements	6 - 8



# Skody Scot & Company, CPAs, P.C.

520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002

[www.skodyscot.com](http://www.skodyscot.com)

## 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, 2016, and the related statements of activities 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, 2016, 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  
September 6, 2017

**HEALTH GLOBAL ACCESS PROJECT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2016**

**ASSETS**

Cash	\$ 629,868
Contributions receivable	75,913
Property and equipment, net	3,773
Security deposits & other assets	1,725
	<hr/>
Total assets	\$ 711,279
	<hr/>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable and accrued expenses	\$ 34,100
	<hr/>
Total liabilities	34,100
	<hr/>
Commitments and contingencies (see notes)	
Net Assets:	
Unrestricted	560,512
Temporarily restricted	116,667
Permanently restricted	-
	<hr/>
Total net assets	677,179
	<hr/>
Total liabilities and net assets	\$ 711,279
	<hr/>

**See accompanying notes to financial statements.**

**HEALTH GLOBAL ACCESS PROJECT, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016**

**Support and Revenues:**

Unrestricted:	
Contributions	\$ 1,034,888
Contributions in-kind	4,500
Interest income	165
Other income	2,220
Release of prior year's restricted contributions	140,000
Temporarily restricted:	
Contributions	116,667
Release of prior year's restricted contributions	(140,000)
Total support and revenues	<u>1,158,440</u>

**Expenses:**

Program services	667,175
Management and general	158,727
Fundraising	72,571
Total expenses	<u>898,473</u>

**Increase/(Decrease) In Net Assets:**

Unrestricted	283,300
Temporarily restricted	(23,333)
Permanently restricted	-
Increase/(decrease) in net assets	<u>259,967</u>
Net assets, beginning of year	<u>417,212</u>
Net assets, end of year	<u><u>\$ 677,179</u></u>

**See accompanying notes to financial statements.**

**HEALTH GLOBAL ACCESS PROJECT, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2016**

Cash flows from operating activities:	
Increase/(decrease) in net assets	\$ 259,967
Adjustments for non-cash items included in operating activities:	
Depreciation	1,942
Changes in assets and liabilities:	
Contributions receivable	140,402
Accounts payable and accrued expenses	8,183
Net cash provided/(used) by operating activities	<u>410,494</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(2,098)</u>
Net cash provided/(used) by investing activities	<u>(2,098)</u>
Cash flows from financing activities	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	408,396
Cash at beginning of year	<u>221,472</u>
Cash at end of year	<u><u>\$ 629,868</u></u>

**See accompanying notes to financial statements.**

**HEALTH GLOBAL ACCESS PROJECT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2016**

	Program Services	Management and General	Fundraising	Total Expenses
Personnel costs:				
Salaries	\$ 329,710	\$ 43,146	\$ 58,601	\$ 431,457
Payroll taxes and benefits	89,849	15,088	12,628	117,565
Outside contractors	71,154	26,909	-	98,063
Total personnel costs	<u>490,713</u>	<u>85,143</u>	<u>71,229</u>	<u>647,085</u>
Direct expenses:				
Depreciation	-	1,942	-	1,942
Grants to others	93,186	-	-	93,186
Insurance	-	2,623	-	2,623
Office supplies and expenses	655	9,019	-	9,674
Postage & delivery	357	443	1,164	1,964
Printing	2,178	98	-	2,276
Professional fees	300	23,861	-	24,161
Rent	-	21,525	-	21,525
Supplies	1,978	1,194	113	3,285
Telephone and communications	1,291	6,926	-	8,217
Travel and meetings	74,251	5,531	65	79,847
Website	2,266	422	-	2,688
Total direct expenses	<u>176,462</u>	<u>73,584</u>	<u>1,342</u>	<u>251,388</u>
Total expenses	<u>\$ 667,175</u>	<u>\$ 158,727</u>	<u>\$ 72,571</u>	<u>\$ 898,473</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.

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, 2016:

Equipment	\$ 14,940
Less: Accumulated depreciation	<u>( 11,167)</u>
	<u>\$ 3,773</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, 2016 amounted to \$4,500 and consisted of specialized consulting services.

**Note 4 - Restrictions on Net Assets**

As of December 31, 2016, temporarily restricted net assets are available in future years for the following purposes:

Uganda programming	\$ 25,000
Donor accountability project	<u>91,667</u>
	<u>\$ 116,667</u>

**Note 5 – Concentrations**

The Organization maintains its cash, cash equivalents, and investments 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, 2016.

For the year ended December 31, 2016, approximately 40% of the Organization's total support was provided by a major contributor. 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 September 6, 2017, which is the date the financial statements were available to be issued.