

FINANCIAL STATEMENTS



**FOR YEAR ENDED DECEMBER 31, 2014
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2013**

GLOBAL HEALTH COUNCIL, INC.

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statement of Financial Position, as of December 31, 2014, with Summarized Financial Information for 2013	4
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2014, with Summarized Financial Information for 2013	5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2014, with Summarized Financial Information for 2013	6
EXHIBIT D - Statement of Cash Flows, for the Year Ended December 31, 2014, with Summarized Financial Information for 2013	7
NOTES TO FINANCIAL STATEMENTS	8 - 10

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Global Health Council, Inc.
Alexandria, Virginia

We have audited the accompanying financial statements of the Global Health Council, Inc. (the Council), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and change in net assets, 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.

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 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, 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 the Council as of December 31, 2014, and the change 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.

Report on Summarized Comparative Information

We have previously audited the Council's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 24, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

GLOBAL HEALTH COUNCIL, INC.

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013**

ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 139,359	\$ 117,598
Accounts receivable	6,088	110
Prepaid expenses	<u>7,500</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 152,947</u>	<u>\$ 117,708</u>

LIABILITIES AND NET ASSETS**CURRENT LIABILITIES**

Accounts payable (Note 2)	\$ 86,870	\$ 131,437
Accrued salaries and related benefits	5,210	-
Deferred revenue	<u>128,105</u>	<u>40,870</u>
Total current liabilities	<u>220,185</u>	<u>172,307</u>

NET ASSETS

Unrestricted	<u>(67,238)</u>	<u>(54,599)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 152,947</u>	<u>\$ 117,708</u>

GLOBAL HEALTH COUNCIL, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013**

	<u>2014</u>	<u>2013</u>
REVENUE AND SUPPORT		
Membership	\$ 335,370	\$ 261,960
Conference revenue	13,200	-
Grants	151,866	64,240
Investment income	-	5
Sponsorship	136,400	-
Other revenue	<u>12,578</u>	<u>10,695</u>
Total revenue and support	<u>649,414</u>	<u>336,900</u>
EXPENSES		
Advancing, Policy and Advocacy	91,434	72,843
Connections and Coordination	131,284	-
Member Engagement	63,317	56,070
Organizational Health	<u>376,018</u>	<u>302,395</u>
Total expenses	<u>662,053</u>	<u>431,308</u>
Change in net assets	(12,639)	(94,408)
Net assets at beginning of year	<u>(54,599)</u>	<u>39,809</u>
NET ASSETS AT END OF YEAR	<u>\$ (67,238)</u>	<u>\$ (54,599)</u>

GLOBAL HEALTH COUNCIL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013**

	2014				2013	
	Advancing, Policy and Advocacy	Connections and Coordination	Member Engagement	Organizational Health	Total Expenses	Total Expenses
Salaries and benefits	\$ 56,725	\$ 30,992	\$ 50,368	\$ 131,484	\$ 269,569	\$ 47,841
Travel	1,349	14,332	2,978	12,968	31,627	21,088
Occupancy and utilities	-	-	72	9,444	9,516	5,247
Professional expenses	-	-	-	23,240	23,240	37,210
Consulting services	33,360	30,905	764	182,738	247,767	236,655
Meeting expense	-	46,537	9,029	-	55,566	2,935
Printing and duplicating	-	728	-	346	1,074	5,640
Office consumables expense	-	1,166	106	1,675	2,947	1,791
Communications	-	1,420	-	-	1,420	-
Postage and shipping	-	54	-	56	110	124
Bank fees and miscellaneous	-	-	-	7,559	7,559	4,614
Insurance	-	-	-	4,344	4,344	9,983
Equipment	-	-	-	180	180	159
Dues and subscriptions	-	5,150	-	1,984	7,134	17,228
Total direct expenses	91,434	131,284	63,317	376,018	662,053	390,515
Allocation of overhead expenses	-	-	-	-	-	40,793
TOTAL	\$ 91,434	\$ 131,284	\$ 63,317	\$ 376,018	\$ 662,053	\$ 431,308

GLOBAL HEALTH COUNCIL, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (12,639)	\$ (94,408)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in:		
Accounts receivable	(5,978)	(110)
Prepaid expenses	(7,500)	5,971
Increase (decrease) in:		
Accounts payable	(44,567)	128,731
Deferred revenue	87,235	40,870
Accrued salaries and related benefits	5,210	(3,737)
Accrued other expenses	<u>-</u>	<u>(84,558)</u>
Net cash provided (used) by operating activities	<u>21,761</u>	<u>(7,241)</u>
Net increase (decrease) in cash and cash equivalents	21,761	(7,241)
Cash and cash equivalents at beginning of year	<u>117,598</u>	<u>124,839</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 139,359</u>	<u>\$ 117,598</u>

GLOBAL HEALTH COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Global Health Council, Inc. (the Council) was incorporated in 1972 as a non-profit organization. It is dedicated to saving lives by improving health throughout the world. The Council works to ensure that all who strive for improvement and equity in global health have the information and resources they need to succeed. To achieve this goal, the Council serves as the voice for action on global health issues, by mobilizing an informed citizenry both locally and globally, advocating and educating decision-makers on global health issues, and making the case for global health through media outreach. As the voice for progress in the global health field, the Council disseminates global health information, shares knowledge through events and conferences, and puts research to work by compiling, analyzing, summarizing and disseminating research on illness prevention and intervention.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Cash and cash equivalents -

The Council considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

At times during the year, the Council maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Grants -

Grants are recorded as revenue in the year notification is received from the donor. Grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Income taxes -

The Council is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Council is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2014, the Council has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

GLOBAL HEALTH COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Uncertain tax positions (continued) -

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

Net asset classification -

Unrestricted net assets include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the general operation of the Council.

Membership -

Membership dues are recorded as income when received from both organizational members and individuals.

Use of 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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

2. OPERATING AGREEMENT

The Council has an operating agreement with Global Impact. The agreement requires Global Impact personnel to provide certain services to the Council each month. The Council will receive secretariat services, staffing services for the Executive Director and rent on a month-to-month basis. As part of the staffing services, Global Impact will charge the Council for the actual amount of salaries and wages, plus 31% to cover employer taxes and the employer portion of Global Impact fringe benefit costs. All agreed upon fees shall be increased by any significant cost increase. At December 31, 2014, the Council owed \$70,454 to Global Impact for such services.

3. GOING CONCERN

The Council has experienced recurring negative changes in net assets (operating losses). During the year ended December 31, 2014, the Council recorded an operating loss of \$12,639. The ability of the Council to continue as a going concern is dependent on the success of the Council's operation plan to raise unrestricted funding during the coming fiscal years, as well as maintain a continued effort to decrease budgeting expenditures.

GLOBAL HEALTH COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

4. SUBSEQUENT EVENTS

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through , the date the financial statements were issued.