

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2014**

GLOBAL HEALTH COUNCIL, INC.

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GELMAN, ROSENBERG

& FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



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. (GHC), which comprise the statement of financial position as of December 31, 2015, 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 GHC as of December 31, 2015, 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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Report on Summarized Comparative Information

We have previously audited GHC's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 27, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

June 29, 2016

GLOBAL HEALTH COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

ASSETS		<u>2015</u>	<u>2014</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	71,577	\$ 139,359
Accounts receivable		25,536	6,088
Prepaid expenses		10,919	7,500
Deposit		<u>5,750</u>	<u>-</u>
TOTAL ASSETS	\$	<u>113,782</u>	\$ <u>152,947</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	99,431	\$ 86,870
Accrued salaries and related benefits		10,542	5,210
Deferred revenue		<u>49,833</u>	<u>128,105</u>
Total current liabilities		<u>159,806</u>	<u>220,185</u>
NET ASSETS			
Unrestricted		<u>(46,024)</u>	<u>(67,238)</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>113,782</u>	\$ <u>152,947</u>

GLOBAL HEALTH COUNCIL, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	<u>Unrestricted</u>	
	<u>2015</u>	<u>2014</u>
REVENUE AND SUPPORT		
Membership	\$ 404,877	\$ 335,370
Conference revenue	11,583	13,200
Grants	291,215	151,866
Sponsorship	86,500	136,400
Other	<u>14,165</u>	<u>12,578</u>
Total revenue and support	<u>808,340</u>	<u>649,414</u>
EXPENSES		
Advancing, Policy and Advocacy	284,279	91,434
Connections and Coordination	135,717	131,284
Member Engagement	60,236	63,317
Organizational Health	<u>306,894</u>	<u>376,018</u>
Total expenses	<u>787,126</u>	<u>662,053</u>
Change in net assets	21,214	(12,639)
Net assets at beginning of year	<u>(67,238)</u>	<u>(54,599)</u>
NET ASSETS AT END OF YEAR	<u>\$ (46,024)</u>	<u>\$ (67,238)</u>

GLOBAL HEALTH COUNCIL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	2015				2014	
	Advancing, Policy and Advocacy	Connections and Coordination	Member Engagement	Organizational Health	Total Expenses	Total Expenses
Salaries and benefits	\$ 155,191	\$ 54,083	\$ 43,286	\$ 137,275	\$ 389,835	\$ 269,569
Travel	16,487	14,719	4,149	9,299	44,654	31,627
Occupancy and utilities	-	-	-	23,604	23,604	9,516
Professional expenses	-	-	-	16,480	16,480	23,240
Consulting services	51,849	-	-	151,363	203,212	247,767
Meeting expense	24,398	52,881	1,587	34	78,900	55,566
Printing and duplicating	1,357	332	-	492	2,181	1,074
Office consumables expense	2,119	555	-	1,697	4,371	2,947
Communications	-	368	-	25	393	1,420
Postage and shipping	-	195	-	34	229	110
Bank fees and miscellaneous	-	-	-	7,493	7,493	7,559
Insurance	-	-	-	5,319	5,319	4,344
Equipment	-	-	-	-	-	180
Dues and subscriptions	604	225	2,000	7,626	10,455	7,134
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total direct expenses	252,005	123,358	51,022	360,741	787,126	662,053
Allocation of overhead expenses	32,274	12,359	9,214	(53,847)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ 284,279	\$ 135,717	\$ 60,236	\$ 306,894	\$ 787,126	\$ 662,053

See accompanying notes to financial statements.

GLOBAL HEALTH COUNCIL, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 21,214	\$ (12,639)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	(19,448)	(5,978)
Prepaid expenses	(3,419)	(7,500)
Deposit	(5,750)	-
Increase (decrease) in:		
Accounts payable	12,561	(44,567)
Accrued salaries and related benefits	5,332	5,210
Deferred revenue	<u>(78,272)</u>	<u>87,235</u>
Net cash (used) provided by operating activities	<u>(67,782)</u>	<u>21,761</u>
Net (decrease) increase in cash and cash equivalents	(67,782)	21,761
Cash and cash equivalents at beginning of year	<u>139,359</u>	<u>117,598</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 71,577</u>	<u>\$ 139,359</u>

GLOBAL HEALTH COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Global Health Council, Inc. (GHC) was incorporated in 1972 as a non-profit organization. It is the leading membership organization supporting and connecting advocates, implementers and stakeholders around global health priorities worldwide. It is dedicated to improving health globally through increased investment, robust policies and the power of the collective voice. To achieve this goal GHC provides a dynamic platform for the global health community's shared voice and common vision through leadership drawn from and reflecting its constituency. It ensures transparency through regular member updates and opportunities to offer input, and serves its members with the highest possible value of state-of-the-art services, support and opportunities. GHC strategically convenes and coordinates global health stakeholders; promotes global health policy and best practices, thought leadership and dialogue; and builds its constituency through dialogue, advocacy and policy development around critical global health issues.

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 GHC's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Cash and cash equivalents -

GHC 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, GHC 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. Grants received with restrictions and the restrictions are met in the same period are reported as unrestricted grants.

Income taxes -

GHC 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. GHC is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2015, GHC 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, 2015**

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

Deferred revenue -

Deferred revenue consists of organizational and individual member dues. GHC recognizes member dues on a pro-rata basis over the annual membership period.

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 GHC.

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.

2. LEASE COMMITMENT

GHC entered into operating leases for office space in Washington, D.C. to begin on February 1, 2015. The lease can be canceled at any time by GHC if they give one month notice. As part of the agreement, GHC paid a security deposit in the amount of \$5,750.

Total occupancy expense was \$20,725 for the year ended December 31, 2015.

3. OPERATING AGREEMENT

GHC has an operating agreement with Global Impact. The agreement requires Global Impact personnel to provide certain services to GHC each month. GHC 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 GHC 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, 2015, the Council owed \$84,357 to Global Impact for such services.

4. GOING CONCERN

GHC had experienced recurring negative changes in net assets (operating losses) for the years 2012-2014. During the year ended December 31, 2015, GHC recorded an operating gain of \$21,214. However, GHC's unrestricted net asset balance is \$(46,024).

GLOBAL HEALTH COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

4. GOING CONCERN (Continued)

The ability of GHC to continue as a going concern is dependent on the success of GHC's operation plan to raise unrestricted funding during the coming fiscal years, as well as maintain a continued effort to decrease budgeting expenditures. Management and the board of directors have had extensive discussions and they have a strategic plan to grow the organization that will enable their unrestricted balance of net assets to grow.

5. SUBSEQUENT EVENTS

In preparing these financial statements, GHC has evaluated events and transactions for potential recognition or disclosure through June 29, 2016, the date the financial statements were issued.