

HAITIAN GLOBAL HEALTH ALLIANCE

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2018

HAITIAN GLOBAL HEALTH ALLIANCE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Haitian Global Health Alliance
New York, New York

We have audited the accompanying financial statements of Haitian Global Health Alliance which comprise the statement of financial position as of December 31, 2018, and the related statement of activities and changes 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.

Auditors' 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 Haitian Global Health Alliance as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
September 26, 2019

HAITIAN GLOBAL HEALTH ALLIANCE

STATEMENT OF FINANCIAL POSITION

December 31, 2018

ASSETS

ASSETS

Cash	<u>\$ 25,039</u>
Total Assets	<u>\$ 25,039</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accrued expenses	<u>\$ 10,842</u>
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NET ASSETS

Without donor restrictions	<u>14,197</u>
Total Liabilities and Net Assets	<u>\$ 25,039</u>

HAITIAN GLOBAL HEALTH ALLIANCE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2018

	<u>2018</u>
SUPPORT AND REVENUE	
Contributions	\$ 259,337
Total Support and Revenue	<u>259,337</u>
EXPENSES	
Program services	119,296
Management and general	31,458
Fundraising	<u>160,099</u>
Total Expenses	<u>310,853</u>
CHANGE IN NET ASSETS	(51,516)
NET ASSETS – WITHOUT DONOR RESTRICTIONS	
Beginning	<u>65,713</u>
Ending	<u>\$ 14,197</u>

HAITIAN GLOBAL HEALTH ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	<u>Program Services</u>	<u>Management And General</u>	<u>Fund- Raising</u>	<u>Total</u>
Awards and grants	\$ 109,386	\$ -	\$ -	\$ 109,386
Salaries	5,580	16,739	89,273	111,592
Employee benefits	1,408	4,224	22,529	28,161
Payroll taxes	480	1,438	7,671	9,589
Office	-	4,428	4,429	8,857
Printing and postage	-	-	4,357	4,357
Travel and meals	2,442	-	1,315	3,757
Insurance	-	1,671	-	1,671
Miscellaneous	-	589	-	589
Consulting expense	-	375	23,300	23,675
Fundraising expense	-	-	5,231	5,231
Occupancy	-	1,994	1,994	3,988
Total Expenses	<u>\$ 119,296</u>	<u>\$ 31,458</u>	<u>\$ 160,099</u>	<u>\$ 310,853</u>

HAITIAN GLOBAL HEALTH ALLIANCE

STATEMENT OF CASH FLOWS

Year Ended December 31, 2018

	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (51,516)
Increase in accrued expenses	<u>10,842</u>
Net Cash Used In Operating Activities	<u>(40,674)</u>
Net Decrease in Cash	(40,674)
CASH AND CASH EQUIVALENTS	
Beginning	<u>65,713</u>
Ending	<u>\$ 25,039</u>

HAITIAN GLOBAL HEALTH ALLIANCE

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

(1) NATURE OF ACTIVITIES

Haitian Global Health Alliance (the “*Alliance*”), was formerly known as Foundation Haitienne Des Maladies Endemiques, Inc. The Alliance’s purpose is to support GHESKIO, a world-class research, treatment and training facility and partner of Weill Cornell Medical College. GHESKIO offers services and care for HIV-infected patients with tuberculosis, malaria and other infectious diseases.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Alliance utilizes the accrual basis of accounting which is in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when incurred.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

FINANCIAL STATEMENT PRESENTATION

The Alliance reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of December 31, 2018, there were no net assets with donor restrictions. Net assets without donor restrictions include the revenues and expenses associated with the principal purpose of the Alliance.

INCOME TAXES

The Alliance qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it is not subject to state or federal income taxes.

The Alliance follows professional standards which clarify the accounting for uncertainty in income taxes recognized in the Alliance’s financial statements and prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. The standards also provide guidance on derecognition and measurement of a tax position taken or expected to be taken on a tax return.

The Alliance files income tax returns in the U.S. federal jurisdiction. The Alliance’s federal income tax returns for tax years 2015 and beyond remain subject to examination by the Internal Revenue Service.

HAITIAN GLOBAL HEALTH ALLIANCE

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2018

NEW ACCOUNTING PRONOUNCEMENT

On August 18, 2016, the FASB issued Accounting Standards Update ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements for Not-for-Profit Entities*. The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The main provisions of this guidance include the presentation of two classes of net assets versus the previously required three. This guidance also enhances disclosures for board designated amounts, under water endowment funds, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification. This ASU was adopted by the Alliance for the year ended December 31, 2018 and did not have a material effect on the statement of financial position or results of operations.

NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and determining whether a transaction is conditional. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018. The ASU should be applied using a modified prospective basis. The Alliance plans to adopt the new ASU at the required implementation date.

SUBSEQUENT EVENTS

The Alliance has evaluated all subsequent events through September 26, 2019, the date the financial statements were available to be issued. Management has determined that there are no subsequent events that would require disclosure or adjustment in the financial statements.