

**GLOBAL HEALTH CORPS, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JULY 31, 2020 AND 2019**

**GLOBAL HEALTH CORPS, INC.**  
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## Independent Auditor's Report

Board of Directors  
Global Health Corps, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of the Global Health Corps, Inc. (the "Organization") which comprise the statements of financial position as of July 31, 2020 and 2019, and the related statement of activities for the year ended July 31, 2020, and statements of functional expenses and cash flows for the years ended July 31, 2020 and 2019, 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 audits. We conducted our audits 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 the Organization as of July 31, 2020 and 2019, and its changes in net assets for the year ended July 31, 2020 and its functional expenses and cash flows for the years ended July 31, 2020 and 2019, in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's July 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Hauppauge, New York  
February 11, 2021

**GLOBAL HEALTH CORPS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JULY 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,959,735	\$ 1,301,565
Receivables		
Corporate, government and foundation grants	1,792,073	3,535,819
Prepaid expenses	35,930	23,555
<b>Total current assets</b>	<b>3,787,738</b>	<b>4,860,939</b>
<b>Property and equipment - net</b>	25,487	38,785
<b>Other assets</b>	95,034	116,716
<b>Total assets</b>	<b>\$ 3,908,259</b>	<b>\$ 5,016,440</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Notes payable - short term	\$ 275,000	\$ -
Accounts payable and accrued expenses	179,461	438,425
<b>Total current liabilities</b>	<b>454,461</b>	<b>438,425</b>
<b>Net assets</b>		
Without donor restrictions	1,187,073	909,315
With donor restrictions	2,266,725	3,668,700
<b>Total net assets</b>	<b>3,453,798</b>	<b>4,578,015</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,908,259</b>	<b>\$ 5,016,440</b>

GLOBAL HEALTH CORPS, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JULY 31, 2020

(WITH COMPARATIVE TOTALS FOR 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Revenue and support</b>				
Corporate, government and foundation grants	\$ 1,196,992	\$ 1,151,000	\$ 2,347,992	\$ 5,016,261
Individual contributions	140,800	-	140,800	222,079
Other income	1,500	-	1,500	40,083
In-kind contributions	153,469	-	153,469	127,432
Interest	14,102	-	14,102	1,747
Net assets released from restrictions:				
Satisfaction of program restrictions	2,552,975	(2,552,975)	-	-
<b>Total revenue and support</b>	<b>4,059,838</b>	<b>(1,401,975)</b>	<b>2,657,863</b>	<b>5,407,602</b>
<b>Expenses</b>				
Program services - Fellows support	1,781,704	-	1,781,704	3,626,959
Program services - Alumni support	721,925	-	721,925	1,181,255
Fundraising	490,337	-	490,337	511,640
Management and general	788,114	-	788,114	1,062,465
<b>Total expenses</b>	<b>3,782,080</b>	<b>-</b>	<b>3,782,080</b>	<b>6,382,319</b>
<b>Change in net assets</b>	<b>277,758</b>	<b>(1,401,975)</b>	<b>(1,124,217)</b>	<b>(974,717)</b>
<b>Net assets</b>				
Beginning of year	909,315	3,668,700	4,578,015	5,552,732
End of year	<u>\$ 1,187,073</u>	<u>\$ 2,266,725</u>	<u>\$ 3,453,798</u>	<u>\$ 4,578,015</u>

**GLOBAL HEALTH CORPS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDING JULY 31, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	<b>2020</b>							
	<b>Program Services</b>			<b>Supporting Services</b>				
	<b>Fellow Support</b>	<b>Alumni Support</b>	<b>Total</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Grand Total</b>	<b>2019</b>
Payroll	\$ 772,359	\$ 368,850	\$ 1,141,209	\$ 319,694	\$ 259,007	\$ 578,701	\$ 1,719,910	\$ 2,569,669
Taxes and benefits	84,771	23,424	108,195	20,303	16,449	36,752	144,947	590,427
Training and events	78,434	13,735	92,169	6,979	4,778	11,757	103,926	451,524
Stipends and awards	173,909	-	173,909	-	-	-	173,909	445,572
Fellow healthcare	149,639	42,042	191,681	36,439	29,522	65,961	257,642	224,251
Travel and meals	10,460	6,407	16,867	10,383	20,218	30,601	47,468	123,873
Professional development	28,194	4,401	32,595	4,892	1,944	6,836	39,431	149,404
Recruitment & selection	6,379	-	6,379	15,487	-	15,487	21,866	119,815
Professional fees	147,094	186,780	333,874	185,088	100,909	285,997	619,871	473,179
Occupancy	201,034	43,048	244,082	99,675	43,048	142,723	386,805	888,851
Office	106,936	32,100	139,036	41,253	13,728	54,981	194,017	274,584
Telephone	20,884	313	21,197	6,191	227	6,418	27,615	31,623
Printing and postage	1,611	825	2,436	6,902	507	7,409	9,845	9,281
Insurance	-	-	-	21,530	-	21,530	21,530	16,968
Depreciation	-	-	-	13,298	-	13,298	13,298	13,298
<b>Total</b>	<b>\$ 1,781,704</b>	<b>\$ 721,925</b>	<b>\$ 2,503,629</b>	<b>\$ 788,114</b>	<b>\$ 490,337</b>	<b>\$ 1,278,451</b>	<b>\$ 3,782,080</b>	<b>\$ 6,382,319</b>

See Notes to Financial Statements

**GLOBAL HEALTH CORPS, INC.**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JULY 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b><i>Cash flows from Operating Activities</i></b>		
<b>Change in net assets</b>	\$ (1,124,217)	\$ (974,717)
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</b>		
Depreciation	13,298	13,298
Receivable - Corporate, government, and foundation grants	1,743,746	28,557
Prepaid expenses	(12,375)	76,299
Other assets	21,682	26,406
Accounts payable and accrued expenses	(258,964)	(82,024)
<b>Net cash provided by (used in) operating activities</b>	<b>383,170</b>	<b>(912,181)</b>
<b><i>Cash flows from Financing Activities</i></b>		
Proceeds from notes payable	275,000	-
Proceeds from line of credit	-	200,000
Repayments of line of credit	-	(200,000)
<b>Net cash provided by (used in) financing activities</b>	<b>275,000</b>	<b>-</b>
<b>Net increase (decrease) in cash</b>	658,170	(912,181)
<b>Cash</b>		
Beginning of year	1,301,565	2,213,746
End of year	<b>\$ 1,959,735</b>	<b>\$ 1,301,565</b>

**Supplemental cash flow information:**

For the years ended July 31, 2020 and 2019, the Organization paid \$0 and \$1,545 in interest on line of credit borrowings, respectively.

See Notes to Financial Statements



**GLOBAL HEALTH CORPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JULY 31, 2020 AND 2019**

**Note 1 - Description of Organization and Significant Accounting Policies**

***General information***

Global Health Corps, Inc. (the "Organization") is a tax-exempt organization that operates as a voluntary health and welfare entity. The Organization's mission is to mobilize a diverse community of leaders to build the movement for global health equity. The organization envisions a world where every person lives a healthy, dignified life.

Management has evaluated subsequent events through the date of the auditor's report, the date the financial statements were available to be issued.

***Basis of accounting***

The financial statements are presented on the accrual basis of accounting.

***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 amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

***Revenue recognition***

Grants and contributions are recorded at fair value on the earlier of the receipt of cash or an unconditional promise to give. Contributions are recognized as public support pursuant to the terms of the gifts. Unless specifically restricted by the donor, all contributions are considered to be without donor restrictions. Noncash gifts are recorded at their fair value.

Three grantors accounted for 41% and 67% of total corporate, government and foundation grant revenue for the years ended July 31, 2020 and 2019, respectively.

***Receivables***

Corporate, government and foundation grants receivable are recorded at net realizable value. Total corporate and foundation grants receivable as of July 31, 2020 and 2019, were \$1,792,073 and \$3,535,819, respectively. One grantor accounted for approximately 71% and 54% of the Organization's total receivables as of July 31, 2020 and 2019, respectively.

**GLOBAL HEALTH CORPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JULY 31, 2020 AND 2019**

**Note 1 - Description of Organization and Significant Accounting Policies (cont'd)**

***Functional allocation of expenses***

The financial statements report certain categories of expenses that are attributable to more than one function. Expenditures classified as program services relate primarily to the tax-exempt purpose of the Organization. Expenditures classified as management and general relate primarily to administrative functions. All expenses are allocated in a manner that best reflects the actual costs associated with each function, primarily based on estimates of time and effort.

**Note 2 – Cash**

	<u>2020</u>	<u>2019</u>
Interest bearing	\$ 1,000,598	\$ 200,110
Non-interest bearing	<u>959,137</u>	<u>1,101,455</u>
Total	<u>\$ 1,959,735</u>	<u>\$ 1,301,565</u>

At times throughout the years the Organization may have, on deposit in banks, amounts in excess of FDIC insurance limits. The Organization has not experienced any losses in such accounts and the Directors believe it is not exposed to any significant credit risks.

**GLOBAL HEALTH CORPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JULY 31, 2020 AND 2019**

**Note 3 - Availability of Financial Assets**

The Organization's financial assets available within one year of the Statement of Financial Position date for expenditure are as follows:

	2020	2019
<b>Financial assets at year end</b>		
Cash	\$ 1,959,735	\$ 1,301,565
Accounts receivable	1,792,073	3,535,819
Total financial assets	\$ 3,751,808	\$ 4,837,384
<b>Less amounts not available to be used within one year:</b>		
Accounts receivable with donor restrictions	348,340	1,263,645
Total amounts unavailable for general expenditures within one year	348,340	1,263,645
Total financial assets available for general expenditures within one year	\$ 3,403,468	\$ 3,573,739

Certain financial assets are subject to donor restrictions based on a specific time period or purpose. None of the other financial assets are subject to restrictions that make them unavailable for general expenditure within one year of the Organization's Statement of Financial Position date. As part of the Organization's liquidity management, financial assets without donor restrictions are structured to be available for general expenditures, liabilities, and other obligations as they come due.

The Organization maintains a \$500,000 line of credit which can be drawn upon without restriction in the event of an unanticipated liquidity need. As of July 31, 2020, there was no outstanding balance.

**GLOBAL HEALTH CORPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JULY 31, 2020 AND 2019**

**Note 4 - Property and equipment**

	2020	2019
Furniture & equipment	\$ 269,306	\$ 269,306
Less accumulated depreciation	243,819	230,521
Property and equipment - net	\$ 25,487	\$ 38,785

Property and equipment is stated at cost or estimated fair value at date of donation. Depreciation expense for each of the years ended July 31, 2020 and 2019 was \$13,298, computed using the straight-line method over the estimated useful lives of the respective assets.

Expenditures for maintenance, repairs and minor renewals are charged to expenses as incurred; major renewals and betterments are capitalized.

**Note 5 - Notes payable**

During 2020, the Organization applied for and received \$275,000 in loan proceeds as a result of the Paycheck Protection Program Flexibility Act of 2020. Subsequent to July 31, 2021, the Organization has applied for and received forgiveness of the loan.

**Note 6 - Net assets**

The net assets of the Organization are classified as without donor restrictions and with donor restrictions.

Net assets without donor restrictions are available for any purpose or obligation of the Organization.

Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose.

**Note 7 - Fellow support**

The Organization is party to Memorandums of Agreement with various nonprofit organizations and government agencies, which are united in their missions of increasing global health equity, which govern the roles and responsibilities of the nonprofit organization, Global Health Corps, and the fellow. Financial, supervisory and professional development support for the fellows as well as other aspects related to programming are specified in the terms of the agreements. Expenses relating to these agreements are included with program services and are recognized in the financial statements in the year the support is incurred.

**GLOBAL HEALTH CORPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JULY 31, 2020 AND 2019**

**Note 8 - In-kind contributions and contributed services**

Contributed services are recognized in the financial statements at their estimated fair value if the services received either create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

Contributed furniture and equipment is recorded at estimated fair value at the date of the donation as support and revenue without restrictions unless the use of such contributed assets is limited by a donor-imposed restriction.

During the years ended July 31, 2020 and 2019, the Organization received donated legal services, event services and other services and materials at an estimated fair value of \$153,469 and \$127,432, respectively.

**Note 9 - Lease commitments**

The Organization leases various office and housing space in the United States and Africa (Malawi, Rwanda, Uganda and Zambia) from unrelated organizations with expiration dates between September 30, 2019 to February 28, 2025.

Certain leases are cancellable by either party with specific advance notice.

Total occupancy expense for the years ended July 31, 2020 and 2019 was \$386,805 and \$888,851, respectively.

Total future minimum rental obligations for fiscal years ending July 31 are as follows:

2021	\$ 235,077
2022	240,954
2023	260,334
2024	271,295
2025 and thereafter	<u>161,501</u>
Total	<u><u>\$ 1,169,161</u></u>

**GLOBAL HEALTH CORPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JULY 31, 2020 AND 2019**

**Note 10 - Prior year summarized information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class and functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with the basis of accounting on which these financial statements were prepared. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended July 31, 2019, from which the summarized information was derived.

**Note 11 - Tax status**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and had obtained a favorable tax determination letter dated November 5, 2010. The Directors believe that the Organization is currently designed and operated in compliance with the requirements of the IRC.

**Note 12 – Impact of COVID-19**

In March 2020, the COVID-19 outbreak in the United States and worldwide caused economic disruptions through government mandated closings in various industries. While the disruption was temporary, there is considerable uncertainty as to whether mandated closings will occur again in the future. This matter has negatively impacted operating results as many donors opted for single year grant commitments instead of multiyear renewals along with numerous fundraising events being canceled throughout the year. The duration of this impact cannot be reasonably estimated at this time.