

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED AUGUST 31, 2018 AND 2017  
and  
SUPPLEMENTARY INFORMATION**

**with  
INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

### Board of Directors

#### Task Force for Global Health, Inc. and Subsidiary

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Task Force for Global Health, Inc. and Subsidiary (collectively, the "Organization"), which comprise the consolidated statement of financial position as of August 31, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements. The consolidated financial statements of the Organization as of and for the year ended August 31, 2017 were audited by other auditors whose report dated October 18, 2017 expressed an unqualified opinion on those statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated financial statements.

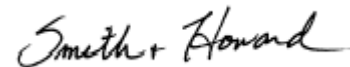
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Task Force for Global Health, Inc. and Subsidiary as of August 31, 2018, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2018 supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.



December 4, 2018

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2018 AND 2017**

**ASSETS**

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 31,964,714	\$ 55,018,822
Grants, contracts and other receivables	2,441,658	3,153,650
Prepaid expenses	847,998	216,765
Property and equipment, net	<u>26,734,529</u>	<u>19,507,764</u>
 Total Assets	 <u>\$ 61,988,899</u>	 <u>\$ 77,897,001</u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 2,472,336	\$ 2,072,587
Accrued absences	316,861	275,837
Payroll liabilities	1,486,209	1,298,655
Other accrued liabilities	375,224	462,596
Deferred revenue	412,321	-
Bond payable	<u>6,475,000</u>	<u>6,825,000</u>
 Total Liabilities	 11,537,951	 10,934,675
 Net Assets		
Unrestricted	26,910,932	25,472,002
Temporarily restricted	<u>23,540,016</u>	<u>41,490,324</u>
 Total Net Assets	 <u>50,450,948</u>	 <u>66,962,326</u>
 Total Liabilities and Net Assets	 <u>\$ 61,988,899</u>	 <u>\$ 77,897,001</u>

The accompanying notes are an integral part of these consolidated financial statements.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support			
Program support	\$ 66,210	\$ 35,939,806	\$ 36,006,016
Indirect cost recovery revenue	8,217,650	-	8,217,650
Capital campaign	29,883	-	29,883
Interest income	73,128	128,071	201,199
Other revenue	687,223	120,091	807,314
Gifts-in-kind	-	2,143,738,652	2,143,738,652
Net assets released from restrictions	<u>2,197,876,928</u>	<u>(2,197,876,928)</u>	<u>-</u>
 Total revenue, gains and other support	 <u>2,206,951,022</u>	 <u>(17,950,308)</u>	 <u>2,189,000,714</u>
Expenses:			
Program	2,197,770,783	-	2,197,770,783
Supporting services:			
Fundraising	129,715	-	129,715
General and administrative	<u>7,611,594</u>	<u>-</u>	<u>7,611,594</u>
 Total expenses	 <u>2,205,512,092</u>	 <u>-</u>	 <u>2,205,512,092</u>
 Change in Net Assets	 1,438,930	 (17,950,308)	 (16,511,378)
Net Assets, Beginning of Year	<u>25,472,002</u>	<u>41,490,324</u>	<u>66,962,326</u>
Net Assets, End of Year	<u>\$ 26,910,932</u>	<u>\$ 23,540,016</u>	<u>\$ 50,450,948</u>

The accompanying notes are an integral part of these consolidated financial statements.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support			
Program support	\$ 136,185	\$ 60,105,333	\$ 60,241,518
Indirect cost recovery revenue	7,305,065	-	7,305,065
Capital campaign	10,101,180	100,000	10,201,180
Interest income	20,213	69,550	89,763
Other revenue	567,125	1,500	568,625
Gifts-in-kind	-	2,619,112,431	2,619,112,431
Net assets released from restrictions	<u>2,667,418,199</u>	<u>(2,667,418,199)</u>	<u>-</u>
 Total revenue, gains and other support	 <u>2,685,547,967</u>	 <u>11,970,615</u>	 <u>2,697,518,582</u>
Expenses:			
Program	2,667,418,198	-	2,667,418,198
Supporting services:			
Fundraising	147,507	-	147,507
General and administrative	<u>6,584,419</u>	<u>-</u>	<u>6,584,419</u>
 Total expenses	 <u>2,674,150,124</u>	 <u>-</u>	 <u>2,674,150,124</u>
 Change in Net Assets	 11,397,843	 11,970,615	 23,368,458
Net Assets, Beginning of Year	<u>14,074,159</u>	<u>29,519,709</u>	<u>43,593,868</u>
Net Assets, End of Year	<u>\$ 25,472,002</u>	<u>\$ 41,490,324</u>	<u>\$ 66,962,326</u>

The accompanying notes are an integral part of these consolidated financial statements.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED AUGUST 31, 2018**

	<u>Personnel Costs</u>	<u>Office Expense</u>	<u>Communications</u>	<u>Meeting Costs</u>	<u>Travel</u>	<u>Consultants</u>	<u>Interest</u>	<u>Other</u>	<u>Depreciation</u>	<u>(Gifts-In-Kind) Medication</u>	<u>Total</u>
Health System Strengthening	\$ 5,854,154	\$ 1,068,057	\$ 158,912	\$ 1,386,726	\$ 1,990,046	\$ 9,165,402	\$ -	\$ 5,014,949	\$ -	\$ -	\$ 24,638,246
Center for Vaccine Equity	1,101,198	347,633	8,275	715,176	288,522	354,794	-	6,179,178	-	4,448,907	13,443,683
Neglected Tropical Diseases	<u>6,434,539</u>	<u>956,577</u>	<u>50,329</u>	<u>981,492</u>	<u>1,396,667</u>	<u>5,055,775</u>	<u>-</u>	<u>5,523,730</u>	<u>-</u>	<u>2,139,289,745</u>	<u>2,159,688,854</u>
Total Program Expense	13,389,891	2,372,267	217,516	3,083,394	3,675,235	14,575,971	-	16,717,857	-	2,143,738,652	2,197,770,783
Supporting services:											
Fundraising	42,973	1,382	-	22,816	-	55,338	-	7,206	-	-	129,715
General and Administrative	<u>4,580,247</u>	<u>709,188</u>	<u>99,269</u>	<u>205,190</u>	<u>203,607</u>	<u>472,296</u>	<u>202,674</u>	<u>301,791</u>	<u>837,332</u>	<u>-</u>	<u>7,611,594</u>
Total Expense	<u>\$ 18,013,111</u>	<u>\$ 3,082,837</u>	<u>\$ 316,785</u>	<u>\$ 3,311,400</u>	<u>\$ 3,878,842</u>	<u>\$ 15,103,605</u>	<u>\$ 202,674</u>	<u>\$ 17,026,854</u>	<u>\$ 837,332</u>	<u>\$ 2,143,738,652</u>	<u>\$ 2,205,512,092</u>

The accompanying notes are an integral part of these consolidated financial statements.



**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED AUGUST 31, 2017**

	<u>Personnel Costs</u>	<u>Office Expense</u>	<u>Communications</u>	<u>Meeting Costs</u>	<u>Travel</u>	<u>Consultants</u>	<u>Interest</u>	<u>Other</u>	<u>Depreciation</u>	<u>(Gifts-In-Kind) Medication</u>	<u>Total</u>
Health System Strengthening	\$ 5,044,604	\$ 1,580,604	\$ 88,825	\$ 593,237	\$ 1,814,434	\$ 9,470,179	\$ -	\$ 5,938,951	\$ -	\$ -	\$ 24,530,834
Center for Vaccine Equity	1,027,586	377,832	11,927	132,276	290,706	468,492	-	3,560,486	-	2,654,197	8,523,502
Neglected Tropical Diseases	<u>5,536,920</u>	<u>862,492</u>	<u>115,256</u>	<u>891,316</u>	<u>1,296,325</u>	<u>6,511,187</u>	<u>-</u>	<u>2,692,132</u>	<u>-</u>	<u>2,616,458,234</u>	<u>2,634,363,862</u>
Total Program Expense	11,609,110	2,820,928	216,008	1,616,829	3,401,465	16,449,858	-	12,191,569	-	2,619,112,431	2,667,418,198
Supporting services:											
Fundraising	88,810	-	-	29	-	51,389	-	7,279	-	-	147,507
General and Administrative	<u>4,217,832</u>	<u>562,491</u>	<u>54,107</u>	<u>212,372</u>	<u>162,033</u>	<u>294,425</u>	<u>274,028</u>	<u>438,815</u>	<u>368,316</u>	<u>-</u>	<u>6,584,419</u>
Total Expense	<u>\$ 15,915,752</u>	<u>\$ 3,383,419</u>	<u>\$ 270,115</u>	<u>\$ 1,829,230</u>	<u>\$ 3,563,498</u>	<u>\$ 16,795,672</u>	<u>\$ 274,028</u>	<u>\$ 12,637,663</u>	<u>\$ 368,316</u>	<u>\$ 2,619,112,431</u>	<u>\$ 2,674,150,124</u>

The accompanying notes are an integral part of these consolidated financial statements.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEARS ENDED AUGUST 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (16,511,378)	\$ 23,368,458
Adjustments to reconcile change in net assets to net cash provided (required) by operating activities:		
Depreciation	837,332	368,316
Contributions received for capital purposes	(29,883)	(10,201,180)
Changes in operating assets and liabilities:		
Grants, contracts and other receivables	711,992	1,231,199
Prepaid expenses	(631,233)	66,910
Deposits	-	243,695
Accounts payable	(234,622)	105,558
Accrued absences	41,024	65,212
Payroll liabilities	187,554	218,940
Other accrued liabilities	(87,372)	337,248
Deferred revenue	412,321	-
Net Cash Provided (Required) by Operating Activities	<u>(15,304,265)</u>	<u>15,804,356</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	<u>(7,429,726)</u>	<u>(14,591,116)</u>
Net Cash Required by Investing Activities	<u>(7,429,726)</u>	<u>(14,591,116)</u>
Cash Flows from Financing Activities:		
Proceeds from borrowings-under bond payable	-	7,000,000
Payments on bonds payable	(350,000)	(3,175,000)
Contributions received for capital purposes	29,883	10,201,180
Net Cash Provided (Required) by Financing Activities	<u>(320,117)</u>	<u>14,026,180</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(23,054,108)	15,239,420
Cash and Cash Equivalents, Beginning of Year	<u>55,018,822</u>	<u>39,779,402</u>
Cash and Cash Equivalents, End of Year	<u>\$ 31,964,714</u>	<u>\$ 55,018,822</u>
<u>Supplemental Cash Flow Information:</u>		
Cash paid for interest:	<u>\$ 202,674</u>	<u>\$ 274,028</u>

Non-Cash Operating and Investing Activities

At August 31, 2018 and 2017, accounts payable included construction in progress of approximately \$845,000 and \$211,000, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2018 AND 2017**

**NOTE A – NATURE OF ORGANIZATION AND PRINCIPLES OF CONSOLIDATION**

The Task Force for Global Health, Inc. (the "Task Force"), incorporated on May 5, 1986, is a nonprofit corporation, funded by various organizations. The Task Force solves large-scale health problems affecting populations through three impact areas: health system strengthening, center for vaccine equity, and neglected tropical diseases. These impact areas include programs such as pandemic preparedness, polio eradication, field epidemiology training, public health informatics, health workforce development, and medical surplus recovery.

The accompanying consolidated financial statements include the financial position and operating results of the Task Force's subsidiary organization, Global Health Solutions, Inc. ("GHS"). GHS was incorporated in the State of Georgia on September 22, 2005 for the purpose of supporting the Task Force's global health projects. GHS is organized under Section 501(c)(3) of the Internal Revenue Code. All significant intra-organizational accounts and transactions have been eliminated. GHS and Task Force are together referred to herein as the "Organization."

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

Consolidated Financial Statement Presentation

The accompanying consolidated financial statements present "net assets". Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor or grantor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. Temporarily restricted net assets originate from contributions and gifts-in-kind restricted for specific purposes and whose funds are intended to be used in a specific program. When a donor or grantor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers highly liquid investments with maturities of three months or less to be cash and cash equivalents.

Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and grants and contracts receivable. At times, cash and cash equivalent balances exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying consolidated financial statements.

Grants and Contracts Receivable

Grants and contracts receivable are expected to be collected in one year or less. Receivables arise from reimbursements owed through these private and governmental contracts. The Organization's ability to collect amounts due is affected by the acceptance of reimbursable expenses and performance-based outcomes, which meet contract requirements.

Property and Equipment

Property and equipment are recorded at cost at date of acquisition. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets (5 to 30 years). Equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred.

Deferred Revenue

The Organization may receive advanced funding under certain grants. Advanced funding is recorded as deferred revenue until the Organization has qualifying expenses and the revenue has been earned.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

The Task Force is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the United States Internal Revenue Code. The Task Force is a public charity as defined in Section 509(a)(1) and 170(b)(1)(A)(vi) of the United States Internal Revenue Code. GHS is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. GHS is classified as a public charity and is qualified to receive tax deductible bequests, devises, transfers and gifts under Section 2055, 2106 or 2522 of the Code. GHS is also categorized as a Type 1 supporting organization under Section 509 (a).

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for the tax years ending before August 31, 2015.

During December 2017, the President of the United States of America signed into law the Tax Cuts and Jobs Act. Under this Act, maximum corporate tax rates were reduced from 35% to a flat rate of 21%. The Organization's tax liability for any potential unrelated business income tax should not be significant. There are other changes to the tax law that may affect the Organization, but the magnitude of such changes has not been determined.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2018 AND 2017**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the 2017 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**NOTE C – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at August 31:

	<u>2018</u>	<u>2017</u>
Furniture and fixtures	\$ 1,613,158	\$ 477,733
Automobiles	120,665	120,665
Office equipment	1,456,619	590,954
Land	2,135,100	500,000
Building - 330 W. Ponce de Leon Ave.	19,142,811	14,802,068
Building - 325 Swanton Way	<u>6,057,056</u>	<u>6,057,056</u>
	30,525,409	22,548,476
Less accumulated depreciation	<u>3,790,880</u>	<u>3,040,712</u>
	<u>\$26,734,529</u>	<u>\$19,507,764</u>

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2018 AND 2017**

**NOTE D – BOND PAYABLE**

The Organization’s bond payable consists of the following at August 31:

	<u><b>2018</b></u>	<u><b>2017</b></u>
<p>\$7,000,000 bond payable with a financial institution, principal payable in varying amounts through maturity at December 1, 2036, subject to annual redemptions. The bond is secured by the land and building located at 330 W. Ponce de Leon Ave., Decatur, GA. Interest rate on the bond is variable and had an effective rate of 3.75% at August 31, 2018.</p>	<u>\$ 6,475,000</u>	<u>\$ 6,825,000</u>

The aggregate maturities on the bond payable are as follows for the years ending August 31:

2019		\$ 350,000
2020		350,000
2021		350,000
2022		350,000
2023		350,000
Thereafter		<u>4,725,000</u>
		<u>\$ 6,475,000</u>

The bond payable contains various covenants, which require the Organization to maintain certain cash balances and meet certain financial ratios as defined in the agreement. At August 31, 2018 and 2017, the Organization was in compliance with the covenants.

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available for the following purposes at August 31:

	<u>2018</u>	<u>2017</u>
Time restricted - Capital Campaign	\$ -	\$ 100,000
Health System Strengthening	2,974,343	1,613,328
Center for Vaccine Equity	1,128,097	8,158,562
Neglected Tropical Diseases	<u>19,437,576</u>	<u>31,618,434</u>
	<u>\$ 23,540,016</u>	<u>\$ 41,490,324</u>

**NOTE F – INDIRECT COST RECOVERY REVENUE AND EXPENSE**

In the normal course of operations, the Organization is responsible for expending certain donated funds as directed by sponsoring organizations. The revenues and related expenses for these transactions have been recorded in the consolidated financial statements of the Organization. In exchange for management of these funds, the Organization is permitted to collect an indirect cost fee from the sponsoring organizations. For the years ended August 31, 2018, and 2017, the amount of indirect cost fee revenue collected totaled \$8,217,650 and \$7,305,065, respectively, and was recorded as unrestricted revenue in the accompanying consolidated statements of activities.

**NOTE G – GIFTS-IN-KIND**

Gifts-in-kind revenue consists of medicine donated by three pharmaceutical companies to GHS for distribution in Albania, Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Colombia, Congo, Cote d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Guinea Bissau, Kenya, Kiribati, Laos, Mali, Malawi, Moldova, Mongolia, Morocco, Mozambique, Nepal, Niger, Nigeria, Pakistan, Senegal, Sierra Leone, South Sudan, Sudan, Tanzania, Uganda, Vanuatu, Viet Nam, Yemen, Zambia, Zanzibar and Zimbabwe. Donated medicines are recorded at their estimated fair value using the lower of either the value established by the donor or the lowest price provided by selected pharmacies. For the years ended August 31, 2018 and 2017, values for the donated medicine were \$2,143,738,652 and \$2,619,112,431, respectively.



**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2018 AND 2017**

**NOTE H – BENEFIT PLAN**

Substantially all of the Organization's employees are eligible to participate in the 403(b) retirement plan administered by Emory University. After the employee becomes eligible, the Organization makes a basic contribution equal to 6% of an eligible employee's regular salary. By meeting certain requirements and the employee contributing an additional 2%, the Organization will add an additional 3% match. Under the plan, the Organization makes contributions to the Emory University fringe benefits pool from which employer contributions are made. The associated charge, which also includes employee insurance coverage, was approximately 27.25% of gross salaries for employees for the years ended August 31, 2018 and 2017, resulting in payments into the fringe benefit pool totaling \$3,659,583 and \$3,177,668, respectively.

**NOTE I – LEASE INCOME**

The Organization has two agreements to lease space in its office space in two buildings. The lease agreements are each under one year commitments with 4 additional one year extensions. Future minimum rental income under operating leases for these leases will be approximately \$639,000 for 2019. Rental income in 2018 from these two leases was approximately \$599,000.

**NOTE J – CONTINGENCIES**

Certain federally funded programs are routinely subject to special audit. The audit reports, which are prepared by the auditors for the Organization pursuant to specific regulatory requirements, are required to be submitted to both the Organization and various federal agencies. Such agencies have the authority to determine liabilities as well as to limit, suspend, or terminate the federal programs. Since the Organization does not expect claims to arise as a result of such possible audits, no provision for liabilities, if any, has been provided in the accompanying consolidated financial statements.

## **SUPPLEMENTARY INFORMATION**

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2018**

**ASSETS**

	<u>Task Force</u>	<u>GHS</u>	<u>Consolidated Total</u>
Cash and cash equivalents	\$ 31,964,714	\$ -	\$ 31,964,714
Grants, contracts and other receivables	2,441,658	-	2,441,658
Prepaid expenses	847,998	-	847,998
Property and equipment, net	<u>26,734,529</u>	<u>-</u>	<u>26,734,529</u>
 Total Assets	 <u>\$ 61,988,899</u>	 <u>\$ -</u>	 <u>\$ 61,988,899</u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 2,472,336	\$ -	\$ 2,472,336
Accrued absences	316,861	-	316,861
Payroll liabilities	1,486,209	-	1,486,209
Other accrued liabilities	375,224	-	375,224
Deferred revenue	412,321	-	412,321
Bond payable	<u>6,475,000</u>	<u>-</u>	<u>6,475,000</u>
 Total Liabilities	 11,537,951	 -	 11,537,951
 Net Assets			
Unrestricted	26,910,932	-	26,910,932
Temporarily restricted	<u>23,540,016</u>	<u>-</u>	<u>23,540,016</u>
 Total Net Assets	 <u>50,450,948</u>	 <u>-</u>	 <u>50,450,948</u>
 Total Liabilities and Net Assets	 <u>\$ 61,988,899</u>	 <u>\$ -</u>	 <u>\$ 61,988,899</u>

**TASK FORCE FOR GLOBAL HEALTH, INC. AND SUBSIDIARY  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2018**

	TASK FORCE			GHS			Consolidated		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue, Gains and Other Support									
Program support	\$ 66,210	\$ 35,939,806	\$ 36,006,016	\$ -	\$ -	\$ -	\$ 66,210	\$ 35,939,806	\$ 36,006,016
Indirect cost recovery revenue	8,217,650	-	8,217,650	-	-	-	8,217,650	-	8,217,650
Capital campaign	29,883	-	29,883	-	-	-	29,883	-	29,883
Interest income	73,128	128,071	201,199	-	-	-	73,128	128,071	201,199
Other revenue	687,223	120,091	807,314	-	-	-	687,223	120,091	807,314
Gifts-in-kind	-	-	-	-	2,143,738,652	2,143,738,652	-	2,143,738,652	2,143,738,652
Net assets released from restrictions	54,138,276	(54,138,276)	-	2,143,738,652	(2,143,738,652)	-	2,197,876,928	(2,197,876,928)	-
<b>Total revenue, gains and other support</b>	<b>63,212,370</b>	<b>(17,950,308)</b>	<b>45,262,062</b>	<b>2,143,738,652</b>	<b>-</b>	<b>2,143,738,652</b>	<b>2,206,951,022</b>	<b>(17,950,308)</b>	<b>2,189,000,714</b>
Expenses:									
Program	54,032,131	-	54,032,131	2,143,738,652	-	2,143,738,652	2,197,770,783	-	2,197,770,783
Supporting services:									
Fundraising	129,715	-	129,715	-	-	-	129,715	-	129,715
General and administrative	7,611,594	-	7,611,594	-	-	-	7,611,594	-	7,611,594
<b>Total expenses</b>	<b>61,773,440</b>	<b>-</b>	<b>61,773,440</b>	<b>2,143,738,652</b>	<b>-</b>	<b>2,143,738,652</b>	<b>2,205,512,092</b>	<b>-</b>	<b>2,205,512,092</b>
Change in Net Assets	1,438,930	(17,950,308)	(16,511,378)	-	-	-	1,438,930	(17,950,308)	(16,511,378)
Net Assets, Beginning of Year	25,472,002	41,490,324	66,962,326	-	-	-	25,472,002	41,490,324	66,962,326
Net Assets, End of Year	\$ 26,910,932	\$ 23,540,016	\$ 50,450,948	\$ -	\$ -	\$ -	\$ 26,910,932	\$ 23,540,016	\$ 50,450,948