

CHILDREN'S GLOBAL HEALTH FUND, INC.

**FINANCIAL STATEMENTS
AND
ACCOUNTANTS' REPORT**

DECEMBER 31, 2019 AND 2018

CHILDREN'S GLOBAL HEALTH FUND, INC.

Index

	<u>Page</u>
Independent Accountants' Review Report	1
Statements of financial position as of December 31, 2019 and 2018	2
Statements of activities for the years ended December 31, 2019 and 2018	3
Statement of expenses for the year ended December 31, 2019	4
Statement of expenses for the year ended December 31, 2018	5
Statements of cash flows for the years ended December 31, 2019 and 2018	6
Notes to financial statements	7 – 10



Skody Scot & Company, CPAs, P.C.

520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002

www.skodyscot.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To: The Board of Directors of
Children's Global Health Fund, Inc.

We have reviewed the accompanying statements of financial position of Children's Global Health Fund, Inc., a not-for-profit organization, as of December 31, 2019 and 2018, and the related statements of activities, expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with U.S. generally accepted accounting principles. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with U.S. generally accepted accounting principles.

Skody Scot & Company, CPAs, PC

New York, NY
April 3, 2021

CHILDREN'S GLOBAL HEALTH FUND, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash	\$ 103,978	\$ 57,898
Contributions receivable	296	105,131
	\$ 104,274	\$ 163,029

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	\$ 10,070	\$ 7,650
Grants payable	50,757	3,821
Total liabilities	60,827	11,471
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	43,447	151,558
With donor restrictions	-	-
Total net assets	43,447	151,558
Total liabilities and net assets	\$ 104,274	\$ 163,029

**See independent accountants' review report
and accompanying notes.**

**CHILDREN'S GLOBAL HEALTH FUND, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Support and Revenues:		
Contributions and grants - without donor restrictions	\$ 251,521	\$ 565,350
Total support and revenues	251,521	565,350
Expenses:		
Program Expenses:		
Grantmaking	281,046	382,971
Total program expenses	281,046	382,971
Supporting Services:		
Management and general	28,786	48,385
Fundraising	49,800	15,998
Total expenses	359,632	447,354
Increase/(Decrease) in Net Assets:		
Without donor restrictions	(108,111)	117,996
With donor restrictions	-	-
Increase/(decrease) in net assets	(108,111)	117,996
Net assets, beginning of year	151,558	33,562
Net assets, end of year	\$ 43,447	\$ 151,558

**See independent accountants' review report
and accompanying notes.**

**CHILDREN'S GLOBAL HEALTH FUND, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	Supporting Services			
	Grantmaking	Management and General	Fundraising	Total Expenses
Consultants & outside services	\$ 3,600	\$ 15,019	\$ 48,634	\$ 67,253
Grants to affiliate	277,446	-	-	277,446
Insurance	-	558	-	558
Office supplies & expenses	-	665	1,166	1,831
Professional fees	-	7,282	-	7,282
Telephone, communication, and IT	-	3,229	-	3,229
Travel and meetings	-	2,033	-	2,033
Total expenses	\$ 281,046	\$ 28,786	\$ 49,800	\$ 359,632

**See independent accountants' review report
and accompanying notes.**

**CHILDREN'S GLOBAL HEALTH FUND, INC.
STATEMENT OF EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	Supporting Services			
	Grantmaking	Management and General	Fundraising	Total Expenses
Consultants & outside services	\$ 4,685	\$ 30,452	\$ 15,998	\$ 51,135
Grants to affiliate	378,286	-	-	378,286
Office supplies & expenses	-	829	-	829
Professional fees	-	11,641	-	11,641
Telephone, communication, and IT	-	2,877	-	2,877
Travel and meetings	-	2,586	-	2,586
Total expenses	\$ 382,971	\$ 48,385	\$ 15,998	\$ 447,354

**See independent accountants' review report
and accompanying notes.**

CHILDREN'S GLOBAL HEALTH FUND, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ (108,111)	\$ 117,996
Adjustments for non-cash items included in operating activities	-	-
Changes in assets and liabilities:		
Contributions receivable	104,835	(105,131)
Accounts payable and accrued expenses	2,420	3,251
Grants payable	46,936	3,821
Net cash provided/(used) by operating activities	<u>46,080</u>	<u>19,937</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash	46,080	19,937
Cash at beginning of year	<u>57,898</u>	<u>37,961</u>
Cash at end of year	<u>\$ 103,978</u>	<u>\$ 57,898</u>

**See independent accountants' review report
and accompanying notes.**

CHILDREN'S GLOBAL HEALTH FUND, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The Organization

Children's Global Health Fund, Inc. (the Organization), a not-for-profit organization, was incorporated in the State of New York on September 30, 2016. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements include any uncertain tax positions. The Organization primarily receives its support from contributions and grants.

The purpose of the Organization is to save the lives of vulnerable children and families globally. It does this by raising funds and organizing volunteers for the purpose of providing assistance to organizations improving family health in developing countries, with an initial focus on ensuring the long-term sustainability of Clinica de Familia La Romana, which is located in the Dominican Republic. As the Organization grows, it plans to expand its grantmaking focus to other health providers in need.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Change in Accounting Principle

In 2019, FASB ASU 2014-09 *Revenue from Contracts with Customers* went into effect. As a result, the Organization performed an analysis of various provisions of the standard and determined that at this time it does not have revenue streams that would qualify as contracts with customers as defined in the standard.

Receivables

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Receivables are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their realizable value with no allowance for uncollectible receivables.

Grants Payable

Grants payable represents all unconditional grants that have been authorized prior to year-end but remain unpaid as of the statement of financial position date. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied.

CHILDREN'S GLOBAL HEALTH FUND, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

The Organization recognizes contributions when cash, noncash assets, or unconditional promises to give are received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting these conditions are reported as deferred revenue in the statements of financial position. At December 31, 2019 and 2018, the Organization did not have any conditional pledges that were not recognized.

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

CHILDREN'S GLOBAL HEALTH FUND, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include consulting fees based on estimated time and effort. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Note 2 - Grants Payable

Unconditional grants payable at December 31, 2019 and 2018, were due within the next calendar year, and were payable to:

	<u>2019</u>	<u>2018</u>
Clinica de Familia La Romana	\$ 50,757	\$ 3,821

Note 3 - Foreign Affiliate

The Organization grants funds to a foreign affiliate (Affiliate) located in the Dominican Republic as mentioned in Note 1. The Affiliate is audited annually by an independent auditor located in the Dominican Republic. The Affiliate provides the Organization with periodic reports on the use of grant funds. The total amount granted to the Affiliate during the years ended December 31, 2019 and 2018 amounted to \$277,446 and \$378,286, respectively.

During the year ended December 31, 2018, the executive director of the Affiliate was on the board of directors of the Organization. This board member recused herself from decisions which could have created a conflict of interest. This board member stepped down from the Organization's board of directors in April 2019.

Note 4 - Concentrations

The Organization maintains its checking account with a major financial institution. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balance of the account may have exceeded the insurance limits during the years ended December 31, 2019 and 2018.

For the year ended December 31, 2019, approximately 40% of the Organization's total revenue was provided by one major contributor. For the year ended December 31, 2018, approximately 84% of the Organization's total revenue was provided by two major contributors. It is always possible that benefactors, grantors or contributors might be lost in the near term. In the event funding is terminated, or significantly reduced, the Organization's ability to continue providing the same level of program services would be greatly diminished.

**CHILDREN'S GLOBAL HEALTH FUND, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 5 - Volunteers

During the years ended December 31, 2019 and 2018, volunteers donated their time to provide the Organization with various services. The volunteer time does not meet GAAP criteria for recognition and management does not collect documentation to estimate the value of volunteers' contributions of time.

Note 6 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2019 and 2018, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	2019	2018
Financial assets:		
Cash	\$ 103,978	\$ 57,898
Contributions receivable	296	105,131
Total financial assets	104,274	163,029
Less those unavailable for general expenditures within one year	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 104,274	\$ 163,029

Note 7 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through April 3, 2021, which is the date the financial statements were available to be issued.