

**FINANCIAL STATEMENT CONTROL SHEET**  
**PERIOD ENDED: December 31, 2009**

CLIENT NAME: Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria and Affiliate.

CLIENT/ENGAGEMENT NO.: 2 0 2 0 9 3 0 - 0 0 0 1

ENGAGEMENT DESCRIPTION: Global Business Coalition.

AUDIT  REVIEW \_\_\_\_\_ COMPILATION \_\_\_\_\_ OTHER \_\_\_\_\_

DESCRIPTION FOR GFR (Optional) \_\_\_\_\_

	PRINTED NAME	INITIALS	DATE
1) Preparer	<u>Matthew Estersohn</u>	<u>ME</u>	<u>4/19/10</u>
2) Reviewer	<u>Tasha Ng</u>	<u>TN</u>	<u>5/27/10</u>
3) Manager Sign-off	<u>Tasha Ng</u>	<u>TN</u>	<u>6/4/10</u>
4) Proofreader	<u>Mike Cecilianu</u>	<u>MC</u>	<u>6/2/10</u>
5) Pre-Report Date Review			
a) Partner	<u>Hope Goldstein</u>	<u>HG</u>	<u>6/11/10</u>
b) Quality Review	<u>WRPAP</u>	<u>WR</u>	<u>6/21/10</u>
6) Report Date Approval			
a) Partner	_____	_____	_____
b) Quality Review	<u>WRPAP</u>	<u>WR</u>	<u>7/9/10</u>
7) Separate PCAOB Engagement Control Checklist			
(PCAOB Engagements Only)?	Yes	<input checked="" type="radio"/> N/A	_____
8) Report Page(s) Signed by Partner?	Yes	_____	_____

**NO FURTHER PROCESSING UNLESS ALL ABOVE ITEMS ARE SIGNED OFF AND FINAL STATEMENT FILED IN GFR**

Special Instructions Tasha Ng  
 Please return to Dina Holinka on the 10<sup>th</sup> Floor

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# **GLOBAL BUSINESS COALITION ON HIV/AIDS, TUBERCULOSIS AND MALARIA**

**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**

**YEARS ENDED DECEMBER 31, 2009 AND 2008**



GLOBAL BUSINESS COALITION ON HIV/AIDS, TUBERCULOSIS AND MALARIA  
FINANCIAL STATEMENTS

(Together with Independent Auditors' Report)

YEARS ENDED DECEMBER 31, 2009 AND 2008

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
of Global Business Coalition on HIV/AIDS,  
Tuberculosis and Malaria

We have audited the accompanying statement of financial position of Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria, Inc. ("GBC") as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of GBC's management. Our responsibility is to express an opinion on these financial statements based on our audit. The comparative consolidated financial statements of GBC and Transatlantic Partners Against Aids ("TPAA") (collectively, "GBC") as of and for the year ended December 31, 2008, were audited by us, and in our report dated September 25, 2009, we expressed an unqualified opinion on those consolidated financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GBC Business Coalition on HIV/AIDS, Tuberculosis and Malaria as of December 31, 2009, 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.

*Marks Paneth & Shron*

New York, NY  
July 8, 2010

**GLOBAL BUSINESS COALITION ON HIV/AIDS, TUBERCULOSIS AND MALARIA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2D and 12)	\$ 1,020,577	\$ 1,161,976
Membership dues receivable, net (Notes 2J and 4)	501,800	375,000
Contributions and grants receivable (Notes 2I and 5)	1,234,666	1,041,043
Prepaid expenses and other assets	129,908	120,375
Investments, at fair value (Notes 2E, 2F, 3 and 13)	604,200	717,688
Security deposits	178,425	454,032
Property and equipment, net (Notes 2G and 6)	292,055	309,282
<b>TOTAL ASSETS</b>	<b>\$ 3,961,631</b>	<b>\$ 4,179,396</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 156,082	\$ 460,428
Accrued payroll and vacation	183,229	178,386
Refundable advances (Note 2L)	66,494	70,915
<b>TOTAL LIABILITIES</b>	<b>405,805</b>	<b>709,729</b>
<b>COMMITMENTS</b> (Note 11)		
<b>NET ASSETS</b> (Note 2C)		
Unrestricted	2,112,606	2,899,435
Temporarily restricted (Note 10)	1,443,220	570,232
<b>TOTAL NET ASSETS</b>	<b>3,555,826</b>	<b>3,469,667</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,961,631</b>	<b>\$ 4,179,396</b>

**GLOBAL BUSINESS COALITION ON HIV/AIDS, TUBERCULOSIS AND MALARIA**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	Year Ended December 31, 2009		Year Ended December 31, 2008	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
<b>SUPPORT AND REVENUE</b>				
Contributions and grants (Note 2I)	\$ 3,137,120	\$ 1,404,015	\$ 4,643,168	\$ 520,756
Membership dues (Note 2J)	2,927,000	-	3,546,331	-
Special event revenue (net of direct expenses of \$103,198 and \$145,729) (Note 2N)	1,263,502	-	1,726,771	-
Donated goods and services (Notes 2K and 8)	334,183	-	769,050	-
Investment activity, net (Notes 2E and 3)	42,935	-	(32,853)	-
Other income	55,589	-	97,372	21,086
Net assets released from restrictions (Notes 2C and 10)	531,027	(531,027)	504,588	(504,588)
<b>Total support and revenue</b>	<u>8,291,356</u>	<u>872,988</u>	<u>11,254,427</u>	<u>37,254</u>
<b>EXPENSES</b>				
Program services	7,057,163	-	8,889,559	-
Supporting services				
Management and general	1,317,733	-	1,407,085	-
Fundraising	703,289	-	755,531	-
Total supporting services	2,021,022	-	2,162,616	-
<b>Total Expenses</b>	<u>9,078,185</u>	<u>-</u>	<u>11,052,175</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	<u>(786,829)</u>	<u>872,988</u>	<u>202,252</u>	<u>37,254</u>
<b>Net Assets - beginning of year</b>	<u>2,899,435</u>	<u>570,232</u>	<u>2,697,183</u>	<u>532,978</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,112,606</u>	<u>\$ 1,443,220</u>	<u>\$ 2,899,435</u>	<u>\$ 570,232</u>

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

**GLOBAL BUSINESS COALITION ON HIV/AIDS, TUBERCULOSIS AND MALARIA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(With Comparative Consolidated Totals for 2008)

	Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services
Salaries	\$ 3,202,416	\$ 652,046	\$ 268,842	\$ 920,888
Payroll taxes and employee benefits (Note 7)	<u>653,273</u>	<u>189,006</u>	<u>26,997</u>	<u>216,003</u>
<b>Total Salaries and Related Costs</b>	3,855,689	841,052	295,839	1,136,891
Occupancy (Notes 8 and 11)	593,641	99,367	40,196	139,563
Professional services (Note 8)	1,163,852	216,689	151,881	368,570
Travel and lodging (Note 8)	414,932	65,545	46,036	111,581
Office supplies and other	119,717	18,402	9,143	27,545
Insurance	37,659	11,903	4,984	16,887
Communications	193,255	21,290	10,603	31,893
Printing and publications	126,086	2,439	43,505	45,944
Awards and grants	24,433	-	-	-
Staff training	4,112	5,060	-	5,060
Conferences and events (Note 9)	254,179	1,458	92,918	94,376
Bad debt	-	32,500	-	32,500
Miscellaneous	20,379	11,527	1,203	12,730
Depreciation and amortization (Notes 2G and 6)	97,530	21,000	6,981	27,981
In-kind software licenses (Notes 2K and 8)	<u>121,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>\$ 7,026,664</u>	<u>\$ 1,348,232</u>	<u>\$ 703,289</u>	<u>\$ 2,051,521</u>
				<u>\$ 9,078,185</u>
				<u>\$ 11,052,175</u>

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



**GLOBAL BUSINESS COALITION ON HIV/AIDS, TUBERCULOSIS AND MALARIA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total 2008</u>
		<u>Management and General</u>	<u>Fundraising</u>	<u>Supporting Services</u>	
Salaries	\$ 3,986,764	\$ 572,422	\$ 325,271	\$ 897,693	\$ 4,884,457
Payroll taxes and employee benefits (Note 7)	<u>804,755</u>	<u>134,907</u>	<u>65,241</u>	<u>200,148</u>	<u>1,004,903</u>
<b>Total Salaries and Related Costs</b>	<b>4,791,519</b>	<b>707,329</b>	<b>390,512</b>	<b>1,097,841</b>	<b>5,889,360</b>
Occupancy (Notes 8 and 11)	603,253	108,530	49,719	158,249	761,502
Professional services (Note 8)	1,711,248	252,628	157,082	409,710	2,120,958
Travel and lodging (Note 8)	578,201	21,854	15,769	37,623	615,824
Office supplies and other	128,227	24,833	11,498	36,331	164,558
Insurance	37,622	30,479	4,204	34,683	72,305
Communications	193,342	33,839	10,345	44,184	237,526
Printing and publications	203,224	4,629	11,398	16,027	219,251
Awards and grants	60,213	-	-	-	60,213
Staff training	12,010	54,995	311.00	55,306	67,316
Conferences and events (Note 9)	218,643	7,021	83,415	90,436	309,079
Bad debt	-	65,000	-	65,000	65,000
Miscellaneous	17,309	13,180	681	13,861	31,170
Depreciation and amortization (Notes 2G and 6)	148,748	82,768	20,597	103,365	252,113
In-kind software licenses (Notes 2K and 8)	<u>186,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,000</u>
<b>TOTAL EXPENSES</b>	<b>\$ 8,889,559</b>	<b>\$ 1,407,085</b>	<b>\$ 755,531</b>	<b>\$ 2,162,616</b>	<b>\$ 11,052,175</b>

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



**GLOBAL BUSINESS COALITION ON HIV/AIDS, TUBERCULOSIS AND MALARIA**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in total net assets	\$ 86,159	\$ 239,506
Adjustments to reconcile change in net assets to		
Net cash provided by operating activities:		
Depreciation and amortization	125,511	252,113
Bad debt expense	32,500	65,000
Realized loss/(gain) on investments	46,933	(5,346)
Unrealized (gain)/loss on investments	(52,884)	95,413
Subtotal	238,219	646,686
Changes in operating assets and liabilities:		
(Increase) or decrease in assets:		
Membership dues receivable	(159,300)	102,500
Contributions and grants receivable	(193,623)	(839,946)
Prepaid expenses and other assets	(9,533)	39,766
Security deposits	275,607	(337,462)
(Decrease) or increase in liabilities:		
Accounts payable and accrued expenses	(304,346)	185,917
Accrued payroll and vacation	4,843	58,116
Refundable advances	(4,421)	70,915
<b>Net Cash Used by Operating Activities</b>	<b>(152,554)</b>	<b>(73,508)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(108,284)	(81,994)
Proceeds from sales of investments	436,220	1,072,495
Purchases of investments	(316,781)	(705,346)
<b>Net Cash Provided by Investing Activities</b>	<b>11,155</b>	<b>285,155</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(141,399)</b>	<b>211,647</b>
Cash and cash equivalents - beginning of year	1,161,976	950,329
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,020,577</b>	<b>\$ 1,161,976</b>

**GLOBAL BUSINESS COALITION ON HIV/AIDS,  
TUBERCULOSIS AND MALARIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria, Inc. (“GBC”) is a not-for-profit corporation whose mission is to increase and significantly leverage impactful action against these global epidemics by galvanizing the resources, expertise and infrastructures of the business sector. GBC accomplishes this purpose through the following programmatic activities within its constituency of members and partners and their workforces and communities: guiding corporate workplace policy creation and implementation; establishing large-scale education, prevention, testing and counseling initiatives through the private sector in high-prevalence regions; coordinating the Corporate Alliance on Malaria in Africa (“CAMA”); identifying and brokering public-private partnerships between business and under-resourced governments and communities; fostering private sector collaboration with the UN and its global development priorities; sponsoring industry-focused dialogue; researching, collating and publicizing case studies and best practices; developing and distributing e-learning tools designed to help evaluate programs and measure impact; sharing status of public health issues in the global business community and stimulating dialogue through expert-driven event panels, teleconferences, and publications; conducting workshops and producing guidelines on behavioral challenges such as stigmatization; recruiting for and coordinating collective-action initiatives for maximum impact, including media campaigns, home health services delivery and large-scale bed net distribution; building local capacity by training business and NGO managers and peer educators; educating and exchanging knowledge with community leaders about sustainability and resource options; providing various global forums for thought leaders in business to interact and generate progressive ideas and solutions towards changing the course of these diseases.

GBC is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. GBC is supported primarily by membership dues and contributions.

Transatlantic Partners Against Aids (“TPAA”) was founded to leverage the political, civil and economic resources of North American, European and Eurasian partners to combat the rapid and devastating spread of HIV/AIDS in Russia, Ukraine and neighboring countries. TPAA was exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and was classified as a publicly supported organization under Section 509(a).

In 2006, GBC’s Board of Directors approved in principle a merger of the two organizations over 2007 and 2008. In 2006, GBC became the sole member of TPAA, a membership organization. On January 28, 2008, GBC’s Board of Directors approved and signed a legal plan of merger with TPAA. On February 11, 2008, TPAA’s Board of Directors approved and signed the legal plan of merger with GBC and the agreement was effective. GBC and TPAA merged on January 1, 2009.

GBC provides programs as described below:

**Member Advisory Services and Coordination**

GBC’s workplace policy, prevention & education, and treatment programs help companies raise awareness about HIV/AIDS, TB & Malaria among internal stakeholders and ultimately reduce human and financial loss related to the diseases. The Coalition’s staff help members navigate their basic and overall potential to help stem the spread of these diseases and change social paradigms. They provide guidance to help members set priorities and facilitate countless connections to other companies, implementing partners, and multilateral institutions. Partnerships take the form of one-to-one joint ventures, collective action and cost-sharing. Partners come from both the corporate and program service accomplishments non-corporate sectors. In addition, the GBC team works diligently to recruit more companies to the cause, researching strategic prospects and educating potential members about our work. GBC is the focal point for the Private Sector Delegation (“PSD”) on the Global Fund on Aids Tuberculosis and Malaria (“GFATM”) Board of Directors. In this role, GBC works to enable co-investments and facilitate other corporate engagement with funds recipients worldwide. GBC’s coordinating role with CAMA provides the opportunity to coordinate private sector strategy and action on malaria in the most endemic regions by

