

**T.A.G. TREATMENT ACTION GROUP, INC.**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT**

**DECEMBER 31, 2017 AND 2016**

**T.A.G. TREATMENT ACTION GROUP, INC.**

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## **Independent Auditor's Report**

**Board of Directors  
T.A.G. Treatment Action Group, Inc.**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of T.A.G. Treatment Action Group, Inc., which comprise the balance sheet as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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 the 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***

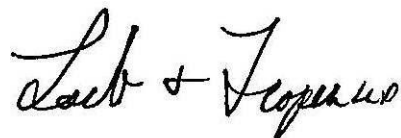
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 T.A.G. Treatment Action Group, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Loeb & Troper". The signature is written in a cursive, flowing style.

July 10, 2018

## T.A.G. TREATMENT ACTION GROUP, INC.

## BALANCE SHEET

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,949,112	\$ 1,978,688
Contributions receivable (Note 3)	88,411	73,871
Prepaid expenses and other current assets	25,384	31,826
Donated artwork	414,500	404,500
Security deposits	72,463	72,463
Property and equipment - net (Note 4)	<u>25,974</u>	<u>30,870</u>
Total assets	<u>\$ 2,575,844</u>	<u>\$ 2,592,218</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 25,660	\$ 29,513
Deferred rent (Notes 2 and 9)	<u>55,069</u>	<u>44,570</u>
Total liabilities	<u>80,729</u>	<u>74,083</u>
Net assets (Exhibit B)		
Unrestricted	1,321,367	1,355,999
Temporarily restricted (Note 8)	<u>1,173,748</u>	<u>1,162,136</u>
Total net assets	<u>2,495,115</u>	<u>2,518,135</u>
Total liabilities and net assets	<u>\$ 2,575,844</u>	<u>\$ 2,592,218</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

## STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and other support						
Contributions and grants (Note 5)	\$ 360,026	\$ 2,035,118	\$ 2,395,144	\$ 334,641	\$ 1,055,972	\$ 1,390,613
Special events income	\$ 280,562			\$ 294,745		
Less direct costs of special events (Exhibit C)	<u>(58,125)</u>		222,437	<u>(91,952)</u>		202,793
Other income				28,381		28,381
Interest income	1,549		1,549	1,885		1,885
Net assets released from restrictions (Note 8)	<u>2,023,506</u>	<u>(2,023,506)</u>		<u>1,833,687</u>	<u>(1,833,687)</u>	
Total revenues and other support	<u>2,607,518</u>	<u>11,612</u>	<u>2,619,130</u>	<u>2,401,387</u>	<u>(777,715)</u>	<u>1,623,672</u>
Expenses (Exhibit C)						
Program services (Note 11)						
HIV Project	789,763		789,763	508,856		508,856
Cure Project				144,777		144,777
Hepatitis C Virus Project	325,639		325,639	345,198		345,198
TB/HIV Project	986,264		986,264	1,155,069		1,155,069
U.S. and Global Health Policy Project				15,404		15,404
Total program services	<u>2,101,666</u>		<u>2,101,666</u>	<u>2,169,304</u>		<u>2,169,304</u>
Supporting services						
Management and general	360,024		360,024	304,774		304,774
Fund raising	<u>180,646</u>		<u>180,646</u>	<u>215,951</u>		<u>215,951</u>
Total supporting services	<u>540,670</u>		<u>540,670</u>	<u>520,725</u>		<u>520,725</u>
Total operating expenses	<u>2,642,336</u>		<u>2,642,336</u>	<u>2,690,029</u>		<u>2,690,029</u>
Change in net assets before gain (loss) on disposal of fixed assets	(34,818)	11,612	(23,206)	(288,642)	(777,715)	(1,066,357)
Gain (loss) on disposal of fixed assets	<u>186</u>		<u>186</u>	<u>(4,745)</u>		<u>(4,745)</u>
Change in net assets (Exhibit D)	(34,632)	11,612	(23,020)	(293,387)	(777,715)	(1,071,102)
Net assets - beginning of year	<u>1,355,999</u>	<u>1,162,136</u>	<u>2,518,135</u>	<u>1,649,386</u>	<u>1,939,851</u>	<u>3,589,237</u>
Net assets - end of year (Exhibit A)	<u>\$ 1,321,367</u>	<u>\$ 1,173,748</u>	<u>\$ 2,495,115</u>	<u>\$ 1,355,999</u>	<u>\$ 1,162,136</u>	<u>\$ 2,518,135</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

T.A.G. TREATMENT ACTION GROUP, INC.

EXHIBIT C

STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017							2016	
	Program Services				Management and General	Fund Raising	Direct Costs of Special Events	Total	Total
	HIV Project	Hepatitis C Virus Project	TB/HIV Project	Total Program Services					
Salaries	\$ 363,708	\$ 182,010	\$ 435,103	\$ 980,821	\$ 149,470	\$ 19,782		\$ 1,150,073	\$ 1,272,139
Payroll taxes and employee benefits	100,100	54,899	135,101	290,100	33,178	5,825		329,103	348,591
Total salaries and related expenses	463,808	236,909	570,204	1,270,921	182,648	25,607		1,479,176	1,620,730
Payroll services					7,264			7,264	6,208
Consultants (Note 5)	39,692	13,685	81,869	135,246	105,878	123,992		365,116	216,491
Bank charges					6,079			6,079	8,536
Conferences and meetings	45,110	5,531	45,040	95,681	5,999	26		101,706	59,616
Workshop (Note 6)	91,867		47,714	139,581				139,581	226,126
Depreciation					9,432			9,432	7,246
Direct mail expenses						12,635		12,635	13,160
Dues and subscriptions	11,385	1,689	1,308	14,382	9			14,391	7,923
Insurance	3,420	1,519	3,665	8,604	1,722			10,326	9,509
Office expenses	6,152	4,232	6,504	16,888	80	3,266		20,234	15,177
Postage	1,519	689	1,397	3,605	985	4,305		8,895	6,246
Printing and publications	14,319	7,123	14,141	35,583	338	8,819		44,740	68,818
Catering and venue	709	416	922	2,047	739	1,804	\$ 22,229	26,819	27,369
Artwork (Note 5)							30,000	30,000	51,334
Gift bags and other (Note 5)							5,896	5,896	25,882
Moving expenses									9,604
Occupancy (Note 9)	63,993	28,413	68,584	160,990	29,567			190,557	138,989
Information technology	5,600	3,749	6,939	16,288	1,753			18,041	17,789
Telephone	4,512	1,956	4,836	11,304	735			12,039	29,254
Travel	7,656	19,728	131,141	158,525	1,242	192		159,959	190,538
Grants	30,000		2,000	32,000				32,000	24,106
Bad debt									1,330
Miscellaneous	21			21	5,554			5,575	
Total expenses	789,763	325,639	986,264	2,101,666	360,024	180,646	58,125	2,700,461	2,781,981
Less direct costs of special events							(58,125)	(58,125)	(91,952)
Total expenses as reported by function on Exhibit B	\$ 789,763	\$ 325,639	\$ 986,264	\$ 2,101,666	\$ 360,024	\$ 180,646	\$ -	\$ 2,642,336	\$ 2,690,029

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## STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2016									
	Program Services				U.S. and Global Health Policy Project	Total Program Services	Management and General	Fund Raising	Direct Costs of Special Events	Total
	HIV Project	Cure Project	Hepatitis C Virus Project	TB/HIV Project						
Salaries	\$ 291,080	\$ 95,506	\$ 188,970	\$ 503,470		\$ 1,079,026	\$ 145,077	\$ 48,036		\$ 1,272,139
Payroll taxes and employee benefits	67,741	23,136	47,204	137,334		275,415	62,343	10,833		348,591
Total salaries and related expenses	358,821	118,642	236,174	640,804		1,354,441	207,420	58,869		1,620,730
Payroll services							6,208			6,208
Consultants	20,244	1,345	453	61,075	\$ 25	83,142	32,193	101,156		216,491
Bank charges							8,536			8,536
Conferences and meetings	10,933	5,138	16,380	23,646	2,635	58,732	884			59,616
Workshop (Note 6)	30,548	2,132	21,864	171,582		226,126				226,126
Depreciation							7,246			7,246
Direct mail expenses								13,160		13,160
Dues and subscriptions	510	985	1,532	1,784		4,811	3,065	47		7,923
Insurance				5,066		5,066	4,443			9,509
Office expenses	571	243	521	7,935	95	9,365	5,625	187		15,177
Postage	3		17	422	26	468	583	5,195		6,246
Printing and publications	15,904	1,777	7,086	30,479		55,246	3,182	10,390		68,818
Catering and venue									\$ 27,369	27,369
Artwork (Note 5)									51,334	51,334
Gift bags and other (Note 5)								12,633	13,249	25,882
Moving expenses	100		100	2,872		3,072	3,967	2,565		9,604
Occupancy (Note 9)	24,339	8,516	17,269	81,649		131,773	4,123	3,093		138,989
Information technology	618	248	837	5,112	55	6,870	6,752	4,167		17,789
Telephone	1,864	653	5,393	12,384	922	21,216	7,939	99		29,254
Travel	36,901	5,098	37,572	93,653	11,646	184,870	1,278	4,390		190,538
Grants	7,500			16,606		24,106				24,106
Bad debt							1,330			1,330
Total expenses	508,856	144,777	345,198	1,155,069	15,404	2,169,304	304,774	215,951	91,952	2,781,981
Less direct costs of special events									(91,952)	(91,952)
Total expenses as reported by function on Exhibit B	\$ 508,856	\$ 144,777	\$ 345,198	\$ 1,155,069	\$ 15,404	\$ 2,169,304	\$ 304,774	\$ 215,951	\$ -	\$ 2,690,029

See independent auditor's report.

The accompanying notes are an integral part of these statements.



## T.A.G. TREATMENT ACTION GROUP, INC.

## STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ (23,020)	\$ (1,071,102)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	9,432	7,246
Donated artwork	(10,000)	(23,500)
Loss (gain) on disposal of fixed assets	(186)	4,745
Decrease (increase) in assets		
Contributions receivable	(14,540)	98,113
Prepaid expenses and other current assets	6,442	(6,898)
Security deposits		(29,448)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(3,853)	15,400
Deferred rent	10,499	37,949
	<u>(25,226)</u>	<u>(967,495)</u>
Net cash used by operating activities		
Cash flows from investing activities		
Purchases of fixed assets	(4,970)	(25,195)
Proceeds from sales of fixed assets	620	
	<u>(4,350)</u>	<u>(25,195)</u>
Net cash used by investing activities		
Net change in cash and cash equivalents	(29,576)	(992,690)
Cash and cash equivalents - beginning of year	<u>1,978,688</u>	<u>2,971,378</u>
Cash and cash equivalents - end of year	<u>\$ 1,949,112</u>	<u>\$ 1,978,688</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

# T.A.G. TREATMENT ACTION GROUP, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

### NOTE 1 - NATURE OF ORGANIZATION

T.A.G. Treatment Action Group, Inc. ("TAG") is a not-for-profit organization incorporated under the laws of the state of New York. Founded in January 1992, TAG is an independent, activist and community-based research and policy think tank fighting for better treatment, prevention, a vaccine, and a cure for HIV, tuberculosis (TB), and hepatitis C virus (HCV). TAG works to ensure that all people with HIV, TB, or HCV receive lifesaving treatment, care, and information. We are science-based treatment activists working to expand and accelerate vital research and effective community engagement with research and policy institutions. TAG catalyzes open collective action by all affected communities, scientists, and policy makers to end HIV, TB, and HCV.

The primary sources of revenue to TAG are contributions and grants.

TAG is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of accounting*** - The financial statements are prepared 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash and cash equivalents*** - Cash and cash equivalents include highly liquid financial instruments with maturities of three months or less when acquired.

***Contributions receivable and allowance for doubtful accounts*** - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their fair value, which is measured at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management determines whether an allowance for uncollectibles should be provided for accounts receivable. Such estimates are based on management's assessment of the aged basis of its receivables, historical collections information and review of payments recorded subsequent to year end. Accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of December 31, 2017 and 2016, no allowance for doubtful accounts was deemed necessary.

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**T.A.G. TREATMENT ACTION GROUP, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017 AND 2016****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Donated artwork*** - Artwork inventory consists of limited-edition art prints donated by highly regarded visual artists. Inventory is recorded and carried at fair value based upon the date which the donation was received. Donated art prints used in special events are direct benefits to donors. The art prints are assessed each year for impairment.

***Property and equipment*** - Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Items with a cost in excess of \$1,000 with estimated useful lives of more than one year are capitalized.

***Unrestricted net assets*** - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors.

***Temporarily restricted net assets*** - Temporarily restricted net assets are those whose use by TAG has been limited by donors to a specific time period or purpose.

***Contributions and grants*** - Unconditional contributions and grants, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

***In-kind contributions*** - In-kind contributions are items that are donated to TAG for special events and fund-raising activities, and are reported at fair value at the date the contributions are received.

***Special events*** - TAG conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. All proceeds received in excess of the direct costs are recorded as special events income in the accompanying statement of activities.

***Expense allocations*** - The costs of providing various programs and other activities have been summarized on a functional basis and presented in the schedule of functional expenses. Costs have been allocated among the programs and supporting services based on analysis of personnel time and utilization of related activities.

***Grant expense*** - Grant expenses are recorded in the period that they are awarded.

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## T.A.G. TREATMENT ACTION GROUP, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Deferred rent and operating leases* - Operating lease expense has been recorded on the straight-line basis over the term of the lease. Deferred rent is recorded for the difference between the fixed payment and the rent expense, if material.

*Uncertainty in income taxes* - TAG has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2014 and subsequent remain subject to examination by applicable taxing authorities.

*Subsequent events* - Subsequent events have been evaluated through July 10, 2018, which is the date the financial statements were available to be issued.

## NOTE 3 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Amounts due within one year	\$ 88,411	\$ 73,471
Amounts due in one to five years	<u>                    </u>	<u>400</u>
	<u>\$ 88,411</u>	<u>\$ 73,871</u>

## NOTE 4 - PROPERTY AND EQUIPMENT

	<u>2017</u>	<u>2016</u>	<u>Estimated Useful Lives</u>
Computers and equipment	\$ 61,781	\$ 85,110	5 years
Furniture and fixtures	<u>18,608</u>	<u>7,102</u>	5 years
	80,389	92,212	
Less: accumulated depreciation	<u>(54,415)</u>	<u>(61,342)</u>	
	<u>\$ 25,974</u>	<u>\$ 30,870</u>	

Depreciation expense for the years ended December 31, 2017 and 2016 was \$9,432 and \$7,246, respectively.

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**T.A.G. TREATMENT ACTION GROUP, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017 AND 2016****NOTE 5 - DONATED ARTWORK, GOODS AND CONSULTING SERVICES**

TAG received donated artwork, goods and consulting services for the Research in Action Awards event valued at \$166,786 in 2017 and donated artwork and goods valued at \$174,221 in 2016. Donated artwork, goods and consulting services are included in contribution and grants revenue on the financial statements. The expenses are included in fundraising and direct costs of special events.

**NOTE 6 - WORKSHOP EXPENSES**

Workshop expenses are travel and venue costs for people from associated organizations attending TAG-supported meetings.

**NOTE 7 - TAX-DEFERRED ANNUITY PLAN**

TAG has a tax-deferred annuity plan, qualified under Section 403(b) of the Internal Revenue Code. TAG does not contribute to the 403(b) plan. Employees may make voluntary contributions to the plan up to the maximum amount allowed by the Internal Revenue Code.

**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
HIV project	\$ 646,897	\$ 720,692
Cure project		17,400
Hepatitis C virus project	12,500	10,000
TB/HIV project	<u>514,351</u>	<u>414,044</u>
Total	<u>\$ 1,173,748</u>	<u>\$ 1,162,136</u>

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**T.A.G. TREATMENT ACTION GROUP, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS (continued)**

Temporarily restricted net assets were released from restrictions by incurring expenses satisfying the following restricted purposes:

	<u>2017</u>	<u>2016</u>
HIV project	\$ 813,994	\$ 446,451
Cure project	17,400	44,500
Hepatitis C virus project	187,500	224,750
TB/HIV project	<u>1,004,612</u>	<u>1,117,986</u>
Total	<u>\$ 2,023,506</u>	<u>\$ 1,833,687</u>

**NOTE 9 - COMMITMENT**

**Operating Leases**

TAG entered into a five-year-and-three-months lease for its office in New York City on June 30, 2016 with the lease term beginning September 1, 2016 and expiring November 30, 2021. Minimum required rental payments under these operating leases are as follows:

2018	\$ 180,919
2019	186,346
2020	191,936
2021	<u>180,894</u>
	<u>\$ 740,095</u>

Rent expense for the years ended December 31, 2017 and 2016 was \$177,188 and \$123,662, respectively.

**NOTE 10 - CONCENTRATIONS**

Financial instruments which potentially subject TAG to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits. In 2017, approximately \$1.35 million of the total revenues and other support is derived from five grantors.

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**T.A.G. TREATMENT ACTION GROUP, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017 AND 2016****NOTE 11 - DESCRIPTION OF PROJECT SERVICES****HIV Project**

In 2016, according to the December 2017 UNAIDS report, approximately 36.7 million people were living with HIV, 1.8 million became newly infected, and at least one million people worldwide died of HIV disease. This immense public health failure can be attributed to a dense web of medical, political, and economic problems. The vast majority of the world's people living with HIV reside in developing countries where many obstacles prevent the widespread distribution of HIV drugs. But even the most effective existing drugs have shortcomings, and people living with HIV everywhere need better treatment strategies and, ultimately, a cure - one that can be used worldwide to end the epidemic along with a safe and effective HIV vaccine. TAG's HIV Project reviews the state of research on antiretroviral drug discovery, development, dissemination, and postmarketing surveillance. The HIV Project advocates for accelerated access to treatments; innovation in the development of treatments that are active against drug-resistant HIV; and development of HIV treatments that are easier to take, associated with fewer side effects, and affordable to health care systems and people living with HIV.

TAG's HIV Project works with community members, scientists, and policy makers to enhance public understanding of the science of HIV infection, address gaps in HIV research, critique research efforts, and foster cross-disciplinary collaborations with the aim of accelerating research on HIV pathogenesis and the development of effective immune-based therapies and preventive technologies, with a particular focus on research advocacy around a cure for HIV. Project staff also works on domestic and international treatment guidelines to ensure that formulary determinations and prescribing practices are driven by sound scientific data.

The HIV Project tracks and analyzes resources devoted to HIV prevention and combined prevention technologies. The project advocates for local, state, and national agencies and AIDS service organizations to have increased awareness of current prevention tools, along with myriad structural barriers slowing their uptake, in order to stop transmission of HIV and thus end the epidemic. Project members work on New York State Governor Andrew M. Cuomo's Ending the Epidemic strategy and serve on its Ending the Epidemic subcommittee of the AIDS Advisory Council. This effort is part of a broader project by community activists, policy makers, advocates, and researchers to end the epidemic by stemming new infections and ensuring that HIV-positive people receive care, are retained in active care, and remain virally suppressed. In early 2017, TAG's HIV Project completed a landmark review of the mechanisms and barriers of effective community mobilization in nine heavily affected metropolitan areas, which will serve as a cornerstone of TAG's work to strengthen and support local advocacy in the years ahead. In 2017, TAG convened a group of public health officials, activists, and community-based organizations from jurisdictions across the Deep South to brainstorm and strategize on developing state- and city-level plans to end AIDS in these highly-affected parts of the United States.

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**T.A.G. TREATMENT ACTION GROUP, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017 AND 2016****NOTE 11 - DESCRIPTION OF PROJECT SERVICES (continued)****HIV Project (continued)**

Finally, the HIV Project works with global and domestic partners for universal access to high-quality HIV prevention, treatment, and care programs.

**Cure Project**

TAG's Basic Science, Vaccines, and Cure Project (BSVC) works with HIV community members, scientists, and policy makers to enhance public understanding of the science of HIV infection, address gaps in HIV research, critique the research effort, and foster cross-disciplinary collaborations to accelerate research into understanding how HIV causes disease (HIV pathogenesis) and speed the development of effective immune-based therapies, vaccines, and a cure.

BSVC works to:

- Support and accelerate research into curing HIV infection.
- Promote the rigorous evaluation of new immune-based therapeutic approaches, including therapies to reduce immune activation and improve immune reconstitution.
- Accelerate the development of effective biomedical technologies to prevent HIV infections, including vaccines, microbicides, and preexposure prophylaxis.
- Communicate and explain new findings in the basic science of HIV to HIV community members and policy makers.
- Ensure that community priorities help shape research into pathogenesis, immunology, immune-based therapies, and preventive technologies.

In 2017, expenses for the Cure Project were included in HIV Project.



**T.A.G. TREATMENT ACTION GROUP, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017 AND 2016****NOTE 11 - DESCRIPTION OF PROJECT SERVICES (continued)****Hepatitis C Virus Project**

Hepatitis C-related liver disease is a leading cause of death among people living with HIV and is a leading infectious cause of illness and death on its own. Globally, at least 2.3 million people living with HIV are coinfecting with the hepatitis C virus (HCV), while according to the World Health Organization 2017 report, 71 million are living with chronic HCV infection. Of those, 1.3 million are people who inject drugs. HIV worsens HCV disease progression and outcomes. TAG's Hepatitis C Virus Project reviews the state of research on HCV mono-infection and coinfection. It advocates for better clinical trial designs, and access to curative treatment for all affected communities, and it continually monitors standards of care for people with HCV mono-infection and coinfection. The project works in collaboration with the HCV and HIV communities, scientists, government, and drug companies to make lifesaving information and curative hepatitis treatments universally available. Since the introduction of all-oral, short-course direct-acting antivirals (DAAs), TAG has collaborated with partners globally and domestically to expedite universal, affordable access to these treatments.

TAG's Hepatitis Project has been at the forefront of a global and domestic HCV treatment access education and advocacy movement. The project has been instrumental in building a global coalition of activists in low- and middle-income countries who are advocating for access to these cures and for care for all people with HCV. However, due to disease progression, sobriety, and adherence restrictions imposed by governments and payers, pricing barriers, limited voluntary licensing by originator companies, and delays in drug registration, most countries cannot afford to initiate treatment programs with DAAs. Without access to affordable, high-quality generic DAAs, global targets to reduce HCV incidence and mortality will be unattainable. Most people in need of HCV treatment will remain untreated, which permits HCV to continue to spread. TAG's treatment activism shares campaign strategies and advocacy tools with partners domestically and in around the world.

Community education, organizing and empowerment are a prerequisite for successful and sustainable advocacy. TAG participates in community consultations and advocates for people who are most at risk and most under-served to be involved in HCV planning and policy-making processes. Recent campaigns put harm reduction approaches as central to curbing the HCV epidemic, and these efforts include supporting the establishment of supervised injection facilities and safe consumption spaces. With hepatitis C, political will and resource mobilization are needed at the highest levels - including United Nations (UN) agencies such as the World Health Organization (WHO) and pressure must be kept on originator and generic companies to achieve price reductions and remove other access barriers.

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**T.A.G. TREATMENT ACTION GROUP, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017 AND 2016****NOTE 11 - DESCRIPTION OF PROJECT SERVICES (continued)****TB/HIV Project**

According to the World Health Organization 2017 report, tuberculosis (TB), the world's deadliest infectious disease, caused 10.4 million new cases in 2016, causing 1.674 million deaths, 374,000 of them among people living with HIV. Despite being curable, it is the leading cause of death for HIV-positive people globally. HIV significantly increases the risk for developing TB disease. People at risk for both diseases require TB and HIV services that work together. TAG's TB/HIV Project strengthens community-driven advocacy for better TB and TB/HIV research, and high-quality programs and policies worldwide. The project educates, mobilizes, and empowers communities to increase community understanding of TB/HIV coinfection and to catalyze action to reduce new infections, deaths, and suffering from TB and TB/HIV. The project works with researchers, community advocates, policy makers, and global coalitions to increase the quantity and improve the quality of research that can lead to shorter, easier TB treatment, more accurate diagnostics, and better preventive options.

The TB/HIV Project convenes and organizes the Global TB Community Advisory Board (TB CAB), a group of expert, experienced community members who participate actively in ongoing consultations with sponsors, funders, and organizers of TB products in development, particularly new treatments, new regimens, and new diagnostic test platforms and algorithms. The Project regularly advises and consults with the World Health Organization (WHO) End TB Programme, the Stop TB Partnership, UNAIDS, UNITAID, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the U.S. Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA), the National Institutes of Health (NIH) and particularly its National Institute of Allergy and Infectious Diseases (NIAID) and Office of AIDS Research, the Office of the Global AIDS Coordinator (OGAC) and its Scientific Advisory Board, USAID, and TB research networks and consortia such as the AIDS Clinical Trials Group (ACTG), the International Maternal Pediatric and Adolescent AIDS Clinical Trials (IMPAACT) network, the TB Trials Consortium (TBTC), and others on research agenda, study design, implementation, analysis, dissemination of results, and their translation into policies and programs.

**Cross-project Functions (Communications and Advocacy, U.S. and Global Health Policy Project)**

TAG works to increase and sustain global, multilateral, and U.S. government investments for research and development that can lead to better and more accessible prevention, diagnosis, treatment, or vaccines for HIV/AIDS, HCV, and TB. TAG projects work in collaboration with global and domestic health coalitions to ensure effective global HIV/AIDS, HCV, and TB programs. TAG works with global health advocates and activists in other donor and developing countries to promote and advance a common agenda of universal access to high-quality, affordable, and equitable health care services.

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**T.A.G. TREATMENT ACTION GROUP, INC.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017 AND 2016****NOTE 11 - DESCRIPTION OF PROJECT SERVICES (continued)****Cross-project Functions (Communications and Advocacy, U.S. and Global Health Policy Project) (continued)**

Each TAG project creates and publishes newsletters, project-specific publications, briefs, presentations, or toolkits that can be used for the purposes of education, advocacy, coalition building, and advancing research. TAG's flagship publication, *The Pipeline Report*, annually documents and critiques the state of current treatments and the development of new treatments, vaccines, and diagnostics for the disease areas covered by TAG's projects. TAG publishes its community-based research, prevention, treatment, and policy advocacy newsletter, *TAGline*, providing donors, researchers, advocates, and people with HIV, HCV, and TB with essential news, analysis, and organizing information regarding relevant issues of policy and science. TAG's website provides access to all TAG publications, free of charge, for download anywhere in the world. The website includes project updates as well as information on relevant events and conferences, press releases, past newsletters, annual reports, and analyses of developments in TAG's project areas.

TAG educates communities, allies, policymakers, researchers, and media affected by or with interest in or oversight over HIV, HCV, and TB around the United States and throughout the world about the latest developments in research, prevention, and treatment. TAG also trains and mentors leaders of community-based organizations and networks to strengthen their advocacy and scientific literacy around HIV, HCV, and TB. TAG works with individuals and organizations worldwide to spur the development of more effective global interventions against HIV, HCV, and TB and to strengthen treatment education and literacy efforts in developed and developing countries.

In 2017, expenses for the Communications and Advocacy and Global Health Policy Project were allocated among all other programs.