



Physicians for
Reproductive Health

Consolidated Financial Statements

September 30, 2017 and 2016

With Independent Auditors' Report

Physicians For Reproductive Health
Table of Contents
September 30, 2017 and 2016

| | |
|--|------|
| Independent Auditors' Report | 1-2 |
| Financial Statements | |
| Consolidated Statements of Financial Position..... | 3 |
| Consolidated Statements of Activities and Changes in Net Assets..... | 4 |
| Consolidated Statements of Cash Flows | 5 |
| Notes to Consolidated Financial Statements..... | 6-11 |
| Supplementary Information | |
| Consolidated Schedule of Functional Expenses | 12 |
| Schedules of Financial Position - Global Doctors for Choice, LLC | 13 |
| Schedules of Activities - Global Doctors for Choice, LLC | 14 |

INDEPENDENT AUDITORS' REPORT

To The Board of Directors,
Physicians For Reproductive Health:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Physicians For Reproductive Health, which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities and changes in net assets, and consolidated cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 controls 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 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 audits 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 controls relevant to Physicians For Reproductive Health'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 Physicians For Reproductive Health's internal controls. 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 Physicians For Reproductive Health as of September 30, 2017 and 2016, and the consolidated changes in its net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Physicians For Reproductive Health's September 30, 2016 consolidated financial statements, and our report dated January 26, 2017, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of functional expenses; schedules of financial position - Global Doctors for Choice, LLC and activities - Global Doctors for Choice, LLC are presented for purposes of additional analysis and are 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 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.

Withum Smith + Brown, PC

February 6, 2018

Physicians For Reproductive Health
Consolidated Statements of Financial Position
September 30, 2017 and 2016

Assets

| | 2017 | 2016 |
|---|---------------------|---------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 3,770,886 | \$ 2,774,748 |
| Investments | 2,373,888 | 1,984,794 |
| Unconditional promises to give, current portion | 1,940,144 | 1,678,929 |
| Other receivables | 2,544 | 831 |
| Prepaid expenses and other current assets | <u>105,898</u> | <u>128,675</u> |
| Total current assets | 8,193,360 | 6,567,977 |
| Property and equipment, net | 119,211 | 30,330 |
| Unconditional promises to give, non-current portion | 226,476 | 1,458,375 |
| Restricted cash - security deposit | -- | 74,100 |
| Other assets | <u>27,629</u> | <u>11,134</u> |
| Total other assets | <u>254,105</u> | <u>1,543,609</u> |
| Total assets | <u>\$ 8,566,676</u> | <u>\$ 8,141,916</u> |

Liabilities and Net Assets

| | | |
|---------------------------------------|---------------------|---------------------|
| Current liabilities | | |
| Accounts payable and accrued expenses | \$ 334,784 | \$ 163,034 |
| Long-term liabilities | | |
| Security deposits payable | <u>--</u> | <u>27,874</u> |
| Total liabilities | 334,784 | 190,908 |
| Net assets | | |
| Unrestricted | | |
| Board designated fund | 344,371 | -- |
| Available for general use | <u>2,942,693</u> | <u>2,365,337</u> |
| Total unrestricted net assets | 3,287,064 | 2,365,337 |
| Temporarily restricted | <u>4,944,828</u> | <u>5,585,671</u> |
| Total net assets | <u>8,231,892</u> | <u>7,951,008</u> |
| Total liabilities and net assets | <u>\$ 8,566,676</u> | <u>\$ 8,141,916</u> |

The Notes to Consolidated Financial Statements are an integral part of these statements.

Physicians For Reproductive Health
Consolidated Statements of Activities and Changes in Net Assets
Years Ended September 30, 2017 and 2016

| | 2017 | | | 2016 | | |
|--|---------------------|------------------------|---------------------|---------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| Public support and revenues | | | | | | |
| Contributions | | | | | | |
| Foundations | \$ 201,384 | \$ 3,688,436 | \$ 3,889,820 | \$ 137,703 | \$ 5,082,874 | \$ 5,220,577 |
| Individuals | 1,350,289 | 75,000 | 1,425,289 | 655,802 | 199,985 | 855,787 |
| In-kind | 451,886 | -- | 451,886 | 116,204 | -- | 116,204 |
| Service fees | 49,282 | -- | 49,282 | 55,286 | -- | 55,286 |
| Rental income | 103,783 | -- | 103,783 | 173,433 | -- | 173,433 |
| Interest and dividend income | 56,547 | -- | 56,547 | 48,150 | -- | 48,150 |
| Investment income (loss) | 172,200 | -- | 172,200 | 153,028 | -- | 153,028 |
| Miscellaneous income | 78,572 | -- | 78,572 | 109,107 | -- | 109,107 |
| | <u>2,463,943</u> | <u>3,763,436</u> | <u>6,227,379</u> | <u>1,448,713</u> | <u>5,282,859</u> | <u>6,731,572</u> |
| Net assets released from restrictions due to satisfaction of time and purpose restrictions | <u>4,404,279</u> | <u>(4,404,279)</u> | <u>--</u> | <u>4,572,225</u> | <u>(4,572,225)</u> | <u>--</u> |
| | <u>6,868,222</u> | <u>(640,843)</u> | <u>6,227,379</u> | <u>6,020,938</u> | <u>710,634</u> | <u>6,731,572</u> |
| Expenses | | | | | | |
| Program activities | 5,236,031 | -- | 5,236,031 | 5,059,199 | -- | 5,059,199 |
| Supporting services | 710,464 | -- | 710,464 | 624,940 | -- | 624,940 |
| | <u>5,946,495</u> | <u>--</u> | <u>5,946,495</u> | <u>5,684,139</u> | <u>--</u> | <u>5,684,139</u> |
| Changes in net assets | 921,727 | (640,843) | 280,884 | 336,799 | 710,634 | 1,047,433 |
| Net assets, beginning of year | <u>2,365,337</u> | <u>5,585,671</u> | <u>7,951,008</u> | <u>2,028,538</u> | <u>4,875,037</u> | <u>6,903,575</u> |
| Net assets, end of year | <u>\$ 3,287,064</u> | <u>\$ 4,944,828</u> | <u>\$ 8,231,892</u> | <u>\$ 2,365,337</u> | <u>\$ 5,585,671</u> | <u>\$ 7,951,008</u> |

The Notes to Consolidated Financial Statements are an integral part of these statements.

Physicians For Reproductive Health
Consolidated Statements of Cash Flows
Years Ended September 30, 2017 and 2016

| | 2017 | 2016 |
|--|---------------------|---------------------|
| Cash flows from operating activities | | |
| Changes in net assets | \$ 280,884 | \$ 1,047,433 |
| Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities | | |
| Depreciation and amortization | 35,052 | 31,124 |
| Realized gain on investments | (21,598) | (29,989) |
| Unrealized gain on investments | (161,418) | (149,594) |
| Changes in assets and liabilities | (11,434) | 16,287 |
| Unconditional promises to give | 993,552 | (1,245,604) |
| Unamortized discount | (11,434) | 16,287 |
| Other receivables | (1,713) | 76,433 |
| Prepaid expenses and other current assets | 22,777 | (65,856) |
| Other assets | (16,495) | 2,407 |
| Accounts payable and accrued expenses | 171,750 | (33,815) |
| Security deposits payable | (27,874) | (2,286) |
| Net cash provided (used) by operating activities | <u>1,252,049</u> | <u>(337,173)</u> |
| Cash flows from investing activities | | |
| Decrease in restricted cash - security deposit | 74,100 | -- |
| Purchase of property and equipment | (123,933) | (4,999) |
| Net (purchase of) proceeds from investments | <u>(206,078)</u> | <u>273,213</u> |
| Net cash (used) provided by investing activities | <u>(255,911)</u> | <u>268,214</u> |
| Net change in cash and cash equivalents | 996,138 | (68,959) |
| Cash and cash equivalents | | |
| Beginning of year | <u>2,774,748</u> | <u>2,843,707</u> |
| End of year | <u>\$ 3,770,886</u> | <u>\$ 2,774,748</u> |

Supplemental disclosure of cash flow information

There were no amounts paid for interest or income taxes during the years ended September 30, 2017 or 2016.

Physicians For Reproductive Health

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

1. Organization and Summary of Significant Accounting Policies

Organization

Physicians For Reproductive Health (the "Organization") unites the medical community and concerned supporters. Together, the Organization works to improve access to comprehensive reproductive health care, including contraception and abortion, especially to meet the health care needs of economically disadvantaged patients.

On September 5, 2014, Global Doctors for Choice, LLC ("GDC") was formed. The Organization is the initial and sole member of GDC as well as the fiscal sponsor. GDC was formed to engage exclusively in educational, scientific, public safety or other charitable purposes. The earnings of GDC inure solely to the benefit of the Organization.

In 2014, the Organization also became the fiscal sponsor for two additional non-profit unincorporated groups: Creating a Clinicians Corps. and Expanding Abortion Services in the South.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid debt instruments, purchased with an initial maturity of three months or less, to be cash equivalents.

Investments

Investments in money market and equity securities with readily determinable values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. Donated investments are recorded at the fair value at the date of receipt. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in unrestricted net assets unless the income or loss is restricted by donor or law.

Unconditional Promises to Give and Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset as follows:

| Description | Estimated Life (Years) |
|--|------------------------|
| Office furniture and equipment | 5 |
| Computer equipment and website development | 3 |
| Leasehold improvements | Life of lease |

Income Taxes

Physicians For Reproductive Health is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue code and has been designated as an organization which is not a private foundation. Management has determined that there were no uncertain tax positions at September 30, 2017 and 2016. In addition, there was no interest or penalties related to income taxes included in the consolidated financial statements presented.

Physicians For Reproductive Health

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

So long as GDC's sole member is the Organization, GDC will be treated as a disregarded entity for federal income tax purposes and GDC's results of operations will be included within the Organization's tax filings.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 period. Actual results could differ from those estimates.

Consolidated Financial Statement Presentation

The consolidated financial statements are presented in accordance with FASB ASC Topic 958 "Not-for-Profit Entities." The Organization is required to report information regarding its consolidated financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization had activity in the unrestricted net asset and temporarily restricted net asset categories.

Concentration of Credit Risk

The Organization maintains cash amounts with two financial institutions. In an attempt to limit the credit risk, the Organization places all funds with high quality financial institutions. At various times throughout the year, the Organization had cash balances in excess of FDIC insurance coverage. The Organization has not experienced any losses resulting from credit risk.

Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and support services in ratios determined by management.

Recent Accounting Pronouncements

In August 2016 the FASB issued ASU 2016-14 – Not-for-profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-profit Entities*. ASU 2016-14, which is effective for fiscal years beginning after December 15, 2017 with early adoption permitted, will require a change to two areas of not-for-profit accounting and significant new financial statement presentation and disclosure requirements. Under ASU 2016-14 (the "ASU") underwater funds will be accounted for within net assets with donor restrictions and not within net assets without donor restrictions as is the current practice. In addition, the ASU eliminates the accounting policy election to release donor imposed restrictions over the useful life of donated property and equipment when the donor does not explicitly specify the period of time the property must be used. Instead, entities will be required to relieve the donor's restrictions at the time the asset is placed in service.

In addition to the above disclosures the ASU changes the presentation and disclosure requirements of not-for-profit entities in the following areas: expense disclosures, display of net asset classes, cash flow presentation, quantitative and qualitative liquidity disclosures and presentation of investment returns. The Organization is evaluating the impact the ASU will have on its consolidated financial statements.

Reclassification

Certain prior year amounts were reclassified to conform to the current year presentation. The reclassifications had no effect on net income and equity previously reported.

2. Unconditional Promises to Give

Unconditional promises to give consist of funds pledged for various programs and general operating support. These pledges are payable through the Organization's fiscal year ended 2021 and are recorded at their net present value, using a discount rate of approximately 1 percent per annum. These pledges are offset by an allowance for uncollectible amounts of \$18,618 and \$6,086 as of the years ended September 30, 2017 and 2016, respectively. Maturity of pledges receivable are as follows at September 30:

Physicians For Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2017 and 2016

| | 2017 | 2016 |
|---|-------------------|---------------------|
| Less than one year | \$ 1,958,762 | \$ 1,685,015 |
| Two to five years | 231,667 | 1,475,000 |
| Thereafter | -- | -- |
| Total unconditional promises to give | <u>2,190,429</u> | <u>3,160,015</u> |
| Less: Unamortized discount | (5,191) | (16,625) |
| Less: Allowance for uncollectible pledges | <u>(18,618)</u> | <u>(6,086)</u> |
| Net unconditional promises to give | 2,166,620 | 3,137,304 |
| Less: Current portion of unconditional promises to give | <u>1,940,144</u> | <u>1,678,929</u> |
| Non-current portion of unconditional promises to give | <u>\$ 226,476</u> | <u>\$ 1,458,375</u> |

3. Investments

At September 30, investments consist of:

| | <u>2017</u> | | |
|-------------------|---------------------|---------------------|-------------------------------------|
| | <u>Fair Value</u> | <u>Cost</u> | <u>Fair Value in Excess of Cost</u> |
| Equity securities | \$ 1,446,880 | \$ 1,088,579 | \$ 358,301 |
| Debt securities | <u>927,008</u> | <u>922,696</u> | <u>4,312</u> |
| | <u>\$ 2,373,888</u> | <u>\$ 2,011,275</u> | <u>\$ 362,613</u> |
| | <u>2016</u> | | |
| | <u>Fair Value</u> | <u>Cost</u> | <u>Fair Value in Excess of Cost</u> |
| Equity securities | \$ 1,193,318 | \$ 1,007,180 | \$ 186,138 |
| Debt securities | <u>791,476</u> | <u>770,268</u> | <u>21,208</u> |
| | <u>\$ 1,984,794</u> | <u>\$ 1,777,448</u> | <u>\$ 207,346</u> |

Investment income (loss) for the years ended September 30, 2017 and 2016 is summarized as follows:

| | 2017 | 2016 |
|-------------------------------------|-------------------|-------------------|
| Interest and dividend income | \$ 56,547 | \$ 48,150 |
| Realized gain on sale of securities | 21,598 | 29,989 |
| Unrealized gain (loss) | 161,418 | 133,307 |
| Investment expenses | <u>(10,816)</u> | <u>(10,268)</u> |
| | <u>\$ 228,747</u> | <u>\$ 201,178</u> |

Fair Value Accounting

Pursuant to the requirements of the accounting pronouncement on fair value measurements, the Organization has provided fair value disclosure information for relevant assets and liabilities in the consolidated financial statements. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, this pronouncement establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Physicians For Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2017 and 2016

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: In the event little or no market data is available, the Organization develops measurement criteria based on the best information available. This measurement reflects management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

The following table summarizes assets which have been accounted for at fair value on a recurring basis as of September 30, along with the basis of determination of fair value:

| | 2017 | | | |
|-------------------|---------------------|--|--|--|
| | Total | Quoted Prices in Active Markets (Level 1) | Observable Measurement Criteria (Level 2) | Unobservable Measurement Criteria (Level 3) |
| Equity securities | \$ 1,446,880 | \$ 1,446,880 | \$ -- | \$ -- |
| Debt securities | <u>927,008</u> | <u>927,008</u> | <u>--</u> | <u>--</u> |
| | <u>\$ 2,373,888</u> | <u>\$ 2,373,888</u> | <u>\$ --</u> | <u>\$ --</u> |
| | 2016 | | | |
| | Total | Quoted Prices in Active Markets (Level 1) | Observable Measurement Criteria (Level 2) | Unobservable Measurement Criteria (Level 3) |
| Equity securities | \$ 1,193,318 | \$ 1,193,318 | \$ -- | \$ -- |
| Debt securities | <u>791,476</u> | <u>791,476</u> | <u>--</u> | <u>--</u> |
| | <u>\$ 1,984,794</u> | <u>\$ 1,984,794</u> | <u>\$ --</u> | <u>\$ --</u> |

Physicians For Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2017 and 2016

4. Property and Equipment

Property and equipment consists of the following at September 30:

| | 2017 | 2016 |
|--|-------------------|------------------|
| Office furniture and equipment | \$ -- | \$ 33,069 |
| Computer equipment and website development | 206,123 | 188,474 |
| Leasehold improvements | <u>30,798</u> | <u>126,110</u> |
| | 236,921 | 347,653 |
| Less: Accumulated depreciation | <u>(117,710)</u> | <u>(317,323)</u> |
| | <u>\$ 119,211</u> | <u>\$ 30,330</u> |

Depreciation expense for the years ended September 30, 2017 and 2016 was \$35,052 and \$31,124, respectively.

5. Lines of Credit

In 2001, the Organization opened an irrevocable standby letter of credit up to \$74,100 as part of the lease agreement for the office in New York City, which expired June 30, 2017. In addition, the Organization secured a revolving bank line of credit with a limit of up to \$250,000. The Organization had not drawn any money from this line of credit as of September 30, 2017 and 2016.

6. Net Assets

Board designated net assets

Board designated net assets are classified as unrestricted net assets in the statements of financial position. The purpose of this fund, as designated by the board, is to provide the Organization with funding for the budgeted operating deficit for the subsequent fiscal year. Board designated net assets amounts to \$344,371 and \$-0-, respectively, for each of the years ending December 31, 2017 and 2016.

Temporarily restricted net assets are restricted for future periods and programs as follows:

| | 2017 | 2016 |
|-------------------------------|---------------------|---------------------|
| Restricted by program | \$ 1,979,800 | \$ 1,640,393 |
| Designated for future periods | <u>2,965,028</u> | <u>3,945,278</u> |
| | <u>\$ 4,944,828</u> | <u>\$ 5,585,671</u> |

Temporarily restricted net assets designated for future periods at September 30, 2017 are expected to be released from restrictions as follows:

| | Amount |
|--------------------------------|---------------------|
| Year ending September 30, 2018 | \$ 2,733,361 |
| Year ending September 30, 2019 | 201,667 |
| Thereafter | <u>30,000</u> |
| | <u>\$ 2,965,028</u> |

Physicians For Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2017 and 2016

7. Retirement Plan

During the years ended September 30, 2017 and 2016, the Organization had a tax deferred retirement plan for the benefit of all qualifying employees under section 401(k) of the Internal Revenue Code. Qualifying participants may defer up to 90 percent of their annual base compensation, up to the Internal Revenue Service maximum limitations. Employer matching contributions are discretionary and the maximum allowable amount is 6 percent of each non-Highly Compensated Employee Participant's compensation for the plan year subject to contributing 3 percent of their gross salary. In addition, the Organization made an additional contribution to each qualifying employee's 401(k) account in January for each of the years ended 2017 and 2016. For the years ended September 30, 2017 and 2016, contributions from the Organization to the plan amounted to approximately \$181,000 and \$136,000, respectively.

8. Commitments

Lease Commitments as Lessee

The Organization occupies office space in New York City which provides for minimum annual payments for the years ended September 30 as follows:

| Year | Amount |
|-------------|-------------------|
| 2018 | \$ 69,428 |
| 2019 | 71,039 |
| 2020 | 72,691 |
| 2021 | 61,746 |
| Thereafter | -- |
| | <u>\$ 274,904</u> |

Rent expense for the years ended September 30, 2017 and 2016 was approximately \$200,000 and \$252,000, respectively. The New York landlord provided the Organization with an 18 percent rent concession throughout the fiscal year with written concession agreements effective March 2012 through June 2017.

9. Significant Grants and Concentration Risk

During the years ended September 30, 2017 and 2016, the Organization received approximately 73 percent of total support and revenue from two contributors and 67 percent of total support and revenue from one contributor, respectively. The same contributor accounts for approximately 84 and 92 percent of the total unconditional promises to give as of September 30, 2017 and 2016, respectively.

10. Subsequent Events

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of February 6, 2018, which is the date the consolidated financial statements were available to be issued. Based on the evaluation, the Organization has determined that no subsequent events have occurred which require disclosure in or adjustment to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

**Physicians For Reproductive Health
Consolidated Schedule of Functional Expenses
Year Ended September 30, 2017
(With Summarized Financial Information for 2016)**

| | 2017 | | | | | 2016 | | | | Summarized Information |
|-----------------------------|-------------------------------|---------------------------|---------------------|-----------------------------------|---------------------|----------------------|-------------------|-------------------|---------------------|------------------------|
| | Program Activities | | | | Supporting Services | | | | | |
| | Education Research & Training | Global Doctors for Choice | Voice & Engagement | Public Policy & Community Support | Program Total | Management & General | Development | Support Total | Total | |
| Salaries and benefits | \$ 926,883 | \$ 99,980 | \$ 521,512 | \$ 1,061,799 | \$ 2,610,174 | \$ 138,470 | \$ 171,570 | \$ 310,040 | \$ 2,920,214 | \$ 2,767,748 |
| Professional fees | 166,480 | 106,424 | 100,958 | 376,557 | 750,419 | 587,497 | 40,660 | 628,157 | 1,378,576 | 1,419,535 |
| Printing and publications | 4,609 | 94 | 13,660 | 2,197 | 20,560 | 2,021 | 40,580 | 42,601 | 63,161 | 44,974 |
| Communication | 3 | -- | -- | 16 | 19 | 72,841 | -- | 72,841 | 72,860 | 66,955 |
| Travel | 297,030 | 14,579 | 28,377 | 86,477 | 426,463 | 31,488 | 1,317 | 32,805 | 459,268 | 397,523 |
| Conferences and conventions | 184,863 | 62 | 139,043 | 18,948 | 342,916 | 3,292 | 651 | 3,943 | 346,859 | 314,936 |
| Dues and subscriptions | 18,696 | -- | 7,054 | 3,217 | 28,967 | 2,522 | 2,110 | 4,632 | 33,599 | 42,103 |
| Other operating costs | 16,912 | 39,372 | 24,307 | 67,981 | 148,572 | 71,206 | 37,068 | 108,274 | 256,846 | 190,459 |
| Occupancy | -- | -- | -- | 708 | 708 | 275,912 | -- | 275,912 | 276,620 | 335,751 |
| Equipment | 605 | -- | 35,440 | 814 | 36,859 | 66,581 | -- | 66,581 | 103,440 | 73,031 |
| Depreciation expense | -- | -- | -- | -- | -- | 35,052 | -- | 35,052 | 35,052 | 31,124 |
| Overhead allocation | <u>334,270</u> | <u>31,830</u> | <u>178,757</u> | <u>325,517</u> | <u>870,374</u> | <u>(928,779)</u> | <u>58,405</u> | <u>(870,374)</u> | <u>--</u> | <u>--</u> |
| | <u>\$ 1,950,351</u> | <u>\$ 292,341</u> | <u>\$ 1,049,108</u> | <u>\$ 1,944,231</u> | <u>\$ 5,236,031</u> | <u>\$ 358,103</u> | <u>\$ 352,361</u> | <u>\$ 710,464</u> | <u>\$ 5,946,495</u> | <u>\$ 5,684,139</u> |

See Independent Auditors' Report.

**Physicians For Reproductive Health
Schedules of Financial Position - Global Doctors for Choice, LLC
September 30, 2017 and 2016**

| | 2017 | 2016 |
|---|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 143,580 | \$ 215,815 |
| Accounts receivable | 180,000 | -- |
| Due from Physicians For Reproductive Health | <u>12,846</u> | <u>--</u> |
| Total assets | <u>\$ 336,426</u> | <u>\$ 215,815</u> |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accrued expenses | \$ 12,846 | \$ -- |
| Due to Physicians For Reproductive Health | <u>47,496</u> | <u>65,574</u> |
| Total liabilities | 60,342 | 65,574 |
| Net assets | | |
| Unrestricted | 265,000 | 133,241 |
| Temporarily restricted | <u>11,084</u> | <u>17,000</u> |
| Total net assets | <u>276,084</u> | <u>150,241</u> |
| Total liabilities and net assets | <u>\$ 336,426</u> | <u>\$ 215,815</u> |

**Physicians For Reproductive Health
Schedules of Activities - Global Doctors for Choice, LLC
Years Ended September 30, 2017 and 2016**

| | 2017 | 2016 |
|---|-------------------|-------------------|
| Public support and revenue | | |
| Individual contributions | \$ 5,012 | \$ 12,612 |
| Foundations | 355,000 | 298,000 |
| Physicians For Reproductive Health donated services | 48,602 | 46,396 |
| In-kind donations | 7,325 | -- |
| Other income | 2,245 | -- |
| | <u>418,184</u> | <u>357,008</u> |
| Expenses | | |
| Salaries and benefits | 99,980 | 95,167 |
| Professional fees | 106,424 | 196,392 |
| Travel | 14,579 | 36,013 |
| Conferences and conventions | 62 | 3,404 |
| Leased and purchased equipment | -- | 1,539 |
| Communications | -- | 69 |
| Printing and duplication | 94 | 745 |
| Fiscal sponsorship fees | 38,252 | 49,350 |
| Other operating costs | 1,120 | 1,885 |
| Overhead allocation | 31,830 | 21,683 |
| | <u>292,341</u> | <u>406,247</u> |
| Changes in net assets | 125,843 | (49,239) |
| Net assets, beginning of year | <u>150,241</u> | <u>199,480</u> |
| Net assets, end of year | <u>\$ 276,084</u> | <u>\$ 150,241</u> |

See Independent Auditors' Report.