



Physicians for  
Reproductive Health

**Consolidated Financial Statements  
September 30, 2020 and 2019  
With Independent Auditor's Report**

**Physicians for Reproductive Health**  
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**September 30, 2020 and 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
Physicians for Reproductive Health:

We have audited the accompanying consolidated financial statements of Physicians for Reproductive Health and Subsidiary, which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to consolidated financial statements.

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

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

### Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Physicians for Reproductive Health and Subsidiary'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 and Subsidiary's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Physicians for Reproductive Health and Subsidiary as of September 30, 2020 and 2019, and the consolidated changes in their net assets and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter - Change in Accounting Principles**

As discussed in Note 1 to the consolidated financial statements, for the year ended September 30, 2020, Physicians for Reproductive Health and Subsidiary adopted the following Accounting Standards Updates ("ASU"): ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* (Topic 825), ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) and ASU 2016-18, *Statement of Cash Flows* (Topic 230) - *Restricted Cash*. Our opinion is not modified with respect to these matters.

### **Other Matter - Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of financial position - Global Doctors for Choice, LLC and activities and changes in net assets - 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 audits 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.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, flowing style.

February 10, 2021

**Physicians for Reproductive Health**  
**Consolidated Statements of Financial Position**  
**September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,074,943	\$ 1,596,300
Investments	2,567,299	3,435,335
Unconditional promises to give, current portion	528,500	70,000
Other receivables	2,645	860
Prepaid expenses and other current assets	<u>96,328</u>	<u>121,312</u>
Total current assets	<u>4,269,715</u>	<u>5,223,807</u>
Property and equipment, net	<u>20,087</u>	<u>122,520</u>
Other assets		
Unconditional promises to give, non-current portion	156,400	79,243
Other assets	<u>18,523</u>	<u>18,523</u>
Total other assets	<u>174,923</u>	<u>97,766</u>
 Total assets	 <u>\$ 4,464,725</u>	 <u>\$ 5,444,093</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 173,158	\$ 262,592
Paycheck Protection Program Loan payable	<u>390,000</u>	<u>-</u>
Total current liabilities	<u>563,158</u>	<u>262,592</u>
Net assets		
Without donor restrictions		
Board designated fund - GDC action fund	15,000	9,000
Board designated fund - GDC reserve fund	36,000	24,000
Available for general use	<u>2,749,098</u>	<u>3,617,281</u>
Total without donor restrictions	2,800,098	3,650,281
With donor restrictions	<u>1,101,469</u>	<u>1,531,220</u>
Total net assets	<u>3,901,567</u>	<u>5,181,501</u>
 Total liabilities and net assets	 <u>\$ 4,464,725</u>	 <u>\$ 5,444,093</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, 2020 and 2019**

	2020			2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public support and revenues</b>						
Contributions						
Foundations	\$ 73,133	\$ 994,867	\$ 1,068,000	\$ 124,734	\$ 1,833,536	\$ 1,958,270
Individuals	834,195	527,887	1,362,082	1,061,325	301,050	1,362,375
In-kind	766,187	-	766,187	380,466	-	380,466
Service fees	10,155	-	10,155	9,771	-	9,771
Interest and dividend income	77,059	-	77,059	89,183	-	89,183
Investment return, net	178,763	-	178,763	47,445	-	47,445
Miscellaneous income	71,655	-	71,655	56,700	-	56,700
	<u>2,011,147</u>	<u>1,522,754</u>	<u>3,533,901</u>	<u>1,769,624</u>	<u>2,134,586</u>	<u>3,904,210</u>
Net assets released from restrictions due to satisfaction of time and purpose restrictions	<u>1,952,505</u>	<u>(1,952,505)</u>	<u>-</u>	<u>3,338,205</u>	<u>(3,338,205)</u>	<u>-</u>
	<u>3,963,652</u>	<u>(429,751)</u>	<u>3,533,901</u>	<u>5,107,829</u>	<u>(1,203,619)</u>	<u>3,904,210</u>
<b>Expenses</b>						
Program activities	3,890,505	-	3,890,505	4,126,108	-	4,126,108
Supporting services	923,330	-	923,330	860,554	-	860,554
	<u>4,813,835</u>	<u>-</u>	<u>4,813,835</u>	<u>4,986,662</u>	<u>-</u>	<u>4,986,662</u>
<b>Changes in net assets</b>	(850,183)	(429,751)	(1,279,934)	121,167	(1,203,619)	(1,082,452)
<b>Net assets</b>						
Beginning of year	<u>3,650,281</u>	<u>1,531,220</u>	<u>5,181,501</u>	<u>3,529,114</u>	<u>2,734,839</u>	<u>6,263,953</u>
End of year	<u>\$ 2,800,098</u>	<u>\$ 1,101,469</u>	<u>\$ 3,901,567</u>	<u>\$ 3,650,281</u>	<u>\$ 1,531,220</u>	<u>\$ 5,181,501</u>

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

**Physicians for Reproductive Health  
Consolidated Statements of Functional Expenses  
Year Ended September 30, 2020**

	Program Activities					Supporting Services			Total
	Education Research & Training	Global Doctors for Choice	Voice & Engagement	Public Policy & Community Support	Program Total	Management & General	Development	Support Total	
Salaries and benefits	\$ 664,510	\$ 161,192	\$ 464,113	\$ 544,679	\$ 1,834,494	\$ 118,255	\$ 153,900	\$ 272,155	\$ 2,106,649
Professional fees	253,601	76,323	222,719	730,282	1,282,925	324,234	157,253	481,487	1,764,412
Printing and duplication	486	48	807	95	1,436	-	27,052	27,052	28,488
Communications	16,837	98	11,432	13,005	41,372	7,566	3,809	11,375	52,747
Travel	147,668	10,605	15,794	44,428	218,495	14,160	6,060	20,220	238,715
Conferences and conventions	136,414	3,093	60,384	5,999	205,890	1,317	395	1,712	207,602
Dues, subscriptions and seminars	4,491	2,469	1,119	790	8,869	3,082	2,327	5,409	14,278
Occupancy	25,419	-	17,145	19,455	62,019	11,328	5,712	17,040	79,059
Leased and purchased equipment	15,489	2,484	41,319	12,699	71,991	7,080	10,670	17,750	89,741
Other operating costs	17,010	58,013	23,966	12,468	111,457	29,348	32,061	61,409	172,866
Depreciation and amortization	11,441	4,113	7,768	28,235	51,557	5,133	2,588	7,721	59,278
	<u>\$ 1,293,366</u>	<u>\$ 318,438</u>	<u>\$ 866,566</u>	<u>\$ 1,412,135</u>	<u>\$ 3,890,505</u>	<u>\$ 521,503</u>	<u>\$ 401,827</u>	<u>\$ 923,330</u>	<u>\$ 4,813,835</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**Physicians for Reproductive Health  
Consolidated Statements of Functional Expenses  
Year Ended September 30, 2019**

	Program Activities					Supporting Services			Total
	Education Research & Training	Global Doctors for Choice	Voice & Engagement	Public Policy & Community Support	Program Total	Management & General	Development	Support Total	
Salaries and benefits	\$ 821,319	\$ 120,038	\$ 483,400	\$ 675,269	\$ 2,100,026	\$ 110,016	\$ 170,803	\$ 280,819	\$ 2,380,845
Professional fees	281,226	117,670	267,070	306,512	972,478	297,000	113,884	410,884	1,383,362
Printing and duplication	173	193	12,978	424	13,768	22	43,642	43,664	57,432
Communications	20,450	35	12,166	16,614	49,265	4,168	4,247	8,415	57,680
Travel	179,823	34,303	34,647	63,051	311,824	34,203	4,353	38,556	350,380
Conferences and conventions	138,869	6,226	176,896	14,320	336,311	3,991	3,553	7,544	343,855
Dues, subscriptions and seminars	12,939	-	2,609	5,691	21,239	1,096	4,384	5,480	26,719
Occupancy	28,162	-	16,753	22,878	67,793	5,740	5,848	11,588	79,381
Leased and purchased equipment	24,932	954	53,119	18,950	97,955	6,927	4,952	11,879	109,834
Other operating costs	18,164	37,292	31,938	14,013	101,407	(8,108)	43,880	35,772	137,179
Depreciation expense	14,466	4,113	8,606	26,857	54,042	2,949	3,004	5,953	59,995
	<u>\$ 1,540,523</u>	<u>\$ 320,824</u>	<u>\$ 1,100,182</u>	<u>\$ 1,164,579</u>	<u>\$ 4,126,108</u>	<u>\$ 458,004</u>	<u>\$ 402,550</u>	<u>\$ 860,554</u>	<u>\$ 4,986,662</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.



**Physicians for Reproductive Health  
Consolidated Statements of Cash Flows  
Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Operating activities</b>		
Changes in net assets	\$ (1,279,934)	\$ (1,082,452)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	59,278	59,995
Transfer of software	43,155	-
Realized gain on investments	(174,616)	(66,680)
Unrealized loss (gain) on investments	(16,947)	6,623
Change in unamortized discount on unconditional promises to give	343	(2,638)
Bad debt (recovery) expense on unconditional promises to give	5,500	(19,561)
Changes in assets and liabilities		
Unconditional promises to give	(541,500)	1,571,063
Other receivables	(1,785)	3,318
Prepaid expenses and other current assets	24,984	13,405
Other assets	-	3,228
Accounts payable and accrued expenses	<u>(89,434)</u>	<u>(47,636)</u>
Net cash provided by (used in) operating activities	<u>(1,970,956)</u>	<u>438,665</u>
<b>Investing activities</b>		
Decrease in restricted cash - security deposit	-	-
Purchase of property and equipment	-	(18,999)
Purchase of investments	(75,829)	(552,864)
Proceeds from sale of investments	<u>1,135,428</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>1,059,599</u>	<u>(571,863)</u>
<b>Financing activities</b>		
Proceeds from Paycheck Protection Program plan loan payable	<u>390,000</u>	<u>-</u>
Net cash provided by financing activities	<u>390,000</u>	<u>-</u>
Net change in cash and cash equivalents	(521,357)	(133,198)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>1,596,300</u>	<u>1,729,498</u>
End of year	<u>\$ 1,074,943</u>	<u>\$ 1,596,300</u>

**Supplemental disclosure of cash flow information**

There were no amounts paid for interest or income taxes during the years ended September 30, 2020 or 2019.

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

**Physicians for Reproductive Health**  
**Notes to Consolidated Financial Statements**  
**September 30, 2020 and 2019**

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**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.

**Principles of Consolidation**

The consolidated financial statements include the accounts and balances of Physicians for Reproductive Health and GDC, a wholly-owned subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation.

**Basis of Presentation**

These consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Net assets without donor restrictions:** Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

**Net assets with donor restrictions:** Net assets with donor restrictions are subject to donor-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, where the donor stipulates that resources be maintained in perpetuity.

**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 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. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

# Physicians for Reproductive Health

## Notes to Consolidated Financial Statements

### September 30, 2020 and 2019

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#### **New Accounting Pronouncements Adopted in the Current Year**

The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers*, as amended, which supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization implemented Topic 606 effective October 1, 2019 and has adjusted the presentation in these consolidated financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets or changes in net assets. There was no material impact to the consolidated financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

During 2020, the Organization adopted Accounting Standards Update (“ASU”) 2018-08 - *Not-for-profit Entities, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). ASU 2018-08 was issued to improve and clarify existing guidance on revenue recognition of grants and contracts by not-for-profit organizations (“NFPs”) because there was diversity in practice among NFPs with characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions. This ASU also provides guidance to help determine whether a contribution is conditional or unconditional, and better distinguish a donor-imposed condition from a donor-imposed restriction. ASU 2018-08 was adopted using the modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

#### *Financial Instruments*

During 2020, the Organization adopted ASU 2016-01, *Financial Instruments* (Topic 825). This ASU required all equity investments to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under equity method of accounting or those that result in consolidation of the investee). In addition, the amendments in this ASU eliminated the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. Adoption of this accounting pronouncement had no effect on the Organization’s consolidated financial statements.

#### *Restricted Cash*

During 2020, the Organization adopted ASU 2016-18, *Restricted Cash* (Topic 230). This ASU requires organizations to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. The new guidance requires a reconciliation of the totals in the statement of cash flows to the related captions in the statement of financial position. Organizations will also have to disclose the nature of their restricted cash and restricted cash equivalent balances. Adoption of this accounting pronouncement had no effect on the Organization’s consolidated financial statements.

#### **Revenue and Support Recognition**

##### *Contributions and Unconditional Promises to Give*

Grants and contributions are recognized when cash is received or when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

**Physicians for Reproductive Health**  
**Notes to Consolidated Financial Statements**  
**September 30, 2020 and 2019**

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Conditional promises to give and grants are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions to be received after one year are reflected at the present value of estimated future cash flows using a risk free rate of return for contributions made in the fiscal year. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

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.

Other revenues are obtained from investment income, service fees and other miscellaneous income items. These revenues are not restricted in their use and are used to offset management and general expenses and program expenses. Revenues from these sources are recognized at the time the income is received or miscellaneous income is earned.

**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:

<u>Description</u>	<u>Estimated Life (Years)</u>
Office furniture and equipment	5
Computer and website development	3
Leasehold improvements	Life of lease

Expenditures for maintenance and repairs are charged to activities as incurred. Expenditures for betterments and major renewals are capitalized and, therefore, would be included in property and equipment.

**Valuation of Long-Lived Assets**

In accordance with the provisions of the accounting pronouncement on accounting for the impairment or disposal of long-lived assets, the Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the varying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these consolidated financial statements.

**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, 2020 and 2019. In addition, there was no interest or penalties related to income taxes included in the consolidated financial statements presented.

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.

# Physicians for Reproductive Health

## Notes to Consolidated Financial Statements

### September 30, 2020 and 2019

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#### 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.

#### 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 consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program services and management and general services based on the benefit received. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Professional fees	Direct salaries
Printing and publications	Direct salaries
Communications	Direct salaries
Dues, subscriptions and seminars	Direct salaries
Other operating costs	Direct salaries
Occupancy	Direct salaries
Equipment	Direct salaries
Depreciation and amortization	Direct salaries

#### Accounting Pronouncements Not Yet Adopted

##### *Leases*

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires the recognition of a “right to use” asset and a lease liability, initially measured at the present value of the lease payments, on the statements of financial position for all of the Organization’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements.

Management is evaluating the impact these ASUs will have on its consolidated financial statements.

**Physicians for Reproductive Health**  
**Notes to Consolidated Financial Statements**  
**September 30, 2020 and 2019**

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**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 2024 and are recorded at their net present value, using a risk free rate of return (the 5-year Treasury bill rate) on the last day of the fiscal year. The rates were 0.28% and 2.9% as of September 30, 2020 and 2019, respectively. Maturity of pledges receivable are as follows at September 30:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 544,000	\$ 80,000
Two to five years	<u>157,500</u>	<u>80,000</u>
Total unconditional promises to give	701,500	160,000
Less: Unamortized discount	(1,100)	(757)
Less: Allowance for uncollectible pledges	<u>(15,500)</u>	<u>(10,000)</u>
Net unconditional promises to give	684,900	149,243
Less: Current portion of unconditional promises to give	<u>(528,500)</u>	<u>(70,000)</u>
Non-current portion of unconditional promises to give	<u>\$ 156,400</u>	<u>\$ 79,243</u>

Unconditional promises to give are due as follows: 2021 - \$544,000; 2022 - \$87,500; 2023 - \$60,000 and 2024 - \$10,000

**3. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

The Organization regularly monitors liquidity required to meet its operating needs and commitments. The Organization's cash flows fluctuate during the year attributable to the timing of the program operations and collection of funds from donors and grantors. As of September 30, 2020 and 2019, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses were as follows:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash and cash equivalents	\$ 1,074,943	\$ 1,596,300
Investments	2,567,299	3,435,335
Unconditional promises to give, current portion	528,500	70,000
Other receivables	2,645	860
Prepaid expenses and other current assets	<u>96,328</u>	<u>121,312</u>
	4,269,715	5,223,807
Available line of credit	250,000	250,000
Less: Financial assets unavailable for general use		
Net assets with donor restrictions	<u>(1,101,469)</u>	<u>(1,531,220)</u>
Total financial assets available within one year	<u>\$ 3,418,246</u>	<u>\$ 3,942,587</u>

The Organization looks to maintain financial assets to meet at least 270 days of operating expenses. In addition, the Organization has a goal of maintaining investments to meet at least 180 days of operating expenses. Significant contributions are received annually to fund annual operating expenses.

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**4. FAIR VALUE ACCOUNTING**

The Organization has provided fair value disclosure information for relevant assets and liabilities in these consolidated financial statements and values such assets (liabilities) using quoted market prices in active markets (Level 1) for identical assets to the extent possible. To the extent that such market prices are not available, the Organization attempts to value such assets (liabilities) using observable measurement criteria, including quoted market prices of similar assets (liabilities) in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Organization develops measurement criteria based on the best information available (Level 3). Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2020 and 2019. For years ended September 30, 2020 and 2019, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

Common stocks are valued at the closing price reported on the active market on which the individual securities are traded. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held are deemed to be actively traded.

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:

	<b>2020</b>			
	<b>Total</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Observable Measurement Criteria (Level 2)</b>	<b>Unobservable Measurement Criteria (Level 3)</b>
Equity securities	\$ 1,527,484	\$ 1,527,484	\$ -	\$ -
Debt securities	1,039,815	1,039,815	-	-
	<u>\$ 2,567,299</u>	<u>\$ 2,567,299</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>2019</b>			
	<b>Total</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Observable Measurement Criteria (Level 2)</b>	<b>Unobservable Measurement Criteria (Level 3)</b>
Equity securities	\$ 2,021,001	\$ 2,021,001	\$ -	\$ -
Debt securities	1,414,334	1,414,334	-	-
	<u>\$ 3,435,335</u>	<u>\$ 3,435,335</u>	<u>\$ -</u>	<u>\$ -</u>

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Investment return, net related to these investments at September 30, 2020 and 2019, was comprised of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 77,059	\$ 89,183
Realized gain on sale of securities	174,616	66,680
Unrealized gain (loss)	16,947	(6,623)
Investment expenses	<u>(12,800)</u>	<u>(12,612)</u>
	<u>\$ 255,822</u>	<u>\$ 136,628</u>

**5. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30:

	<u>2020</u>	<u>2019</u>
Computer and website development	\$ 146,321	\$ 224,000
Leasehold improvements	<u>30,798</u>	<u>30,798</u>
	177,119	254,798
Less: Accumulated depreciation	<u>(157,032)</u>	<u>(132,278)</u>
	<u>\$ 20,087</u>	<u>\$ 122,520</u>

Depreciation expense for the years ended September 30, 2020 and 2019 was \$59,278 and \$59,995, respectively.

**6. LINES OF CREDIT**

The Organization has a revolving bank line of credit with a limit of up to \$250,000 which expires in September 2021 and bears interest at 4.25%. There were no draw-downs from this line of credit during the years ended September 30, 2020 and 2019.

**7. NET ASSETS**

Components of net assets with restrictions were as follows at September 30:

	<u>2020</u>	<u>2019</u>
Restricted by time	\$ 478,485	\$ 251,669
Restricted by donor for programmatic use as follows:		
Education, research & training	329,409	961,113
Global Doctors for Choice, LLC	273,575	112,605
Voice & engagement	20,000	70,000
Public policy & community support	<u>-</u>	<u>135,833</u>
	<u>\$ 1,101,469</u>	<u>\$ 1,531,220</u>



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Net assets were released from restrictions for the years ended September 30, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
Expenses incurred to satisfy time restrictions	\$ 334,833	\$ 291,333
Expenses incurred to satisfy program restrictions	<u>1,617,672</u>	<u>3,046,872</u>
	<u>\$ 1,952,505</u>	<u>\$ 3,338,205</u>

**8. RETIREMENT PLAN**

During the years ended September 30, 2020 and 2019, 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% 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% of each non-highly compensated employee participant's compensation for the plan year subject to contributing 3% of their gross salary. For the year ended September 30, 2020 there was no contribution made to the employee benefit plan. For the year ended September 30, 2019 contributions from the Organization to the plan amounted to approximately \$102,000.

**9. COMMITMENTS AND UNCERTAINTIES**

**Commitments**

As of September 30, 2020, the Organization occupies office space in New York City under a lease which expires July 2022 and provides for minimum annual payments for the years ended September 30 as follows:

2021	\$ 67,514
2022	<u>57,634</u>
	<u>\$ 125,148</u>

Rent expense for each of the years ended September 30, 2020 and 2019 was approximately \$70,000 and is included in occupancy expense in the consolidated statements of functional expenses.

**Uncertainties**

On January 30, 2020, the World Health Organization declared the outbreak of a novel strain of Coronavirus ("COVID-19") a "Public Health Emergency of International Concern" and in early March 2020, declared the Coronavirus outbreak a global pandemic. Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Organization's financial position and results of its operations, the specific impact is not readily determinable as of the date of these consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**10. SIGNIFICANT GRANTS AND CONCENTRATION RISK**

During the years ended September 30, 2020 and 2019, the Organization received approximately 14% and 38% of total support and revenue from one contributor, respectively. As of September 30, 2020 and 2019, three contributors and four contributors account for 71% and approximately 100% of the total unconditional promises to give, respectively.

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**11. PAYCHECK PROTECTION PROGRAM LOAN PAYABLE**

On April 16, 2020, the Organization issued an unsecured promissory note (the "PPP Loan") for \$390,000 through the Paycheck Protection Program ("PPP") established under the CARES Act and administered by the U.S. Small Business Administration ("SBA"). The PPP Loan is guaranteed by the SBA. The PPP Loan may be forgiven, in whole or in part, if the Organization was eligible for the PPP Loan at the time of application, used the loan proceeds for eligible expenses within the defined 8 or 24-week period after the PPP Loan was disbursed ("Covered Period"), and otherwise satisfied PPP requirements. The PPP Loan was made through a financial institution (the "Lender"), has a two-year term, bears interest at 1.00% per annum, and matures on April 16, 2022. If the PPP Loan is not forgiven, monthly principal and interest payments are deferred until ten months after the end of the Covered Period. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties.

**12. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of February 10, 2021, 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  
Schedules of Financial Position - Global Doctors for Choice, LLC  
September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 348,975	\$ 115,970
Accounts receivable	<u>25,000</u>	<u>-</u>
Total current assets	373,975	115,970
Property and equipment, net	<u>2,056</u>	<u>6,170</u>
Total assets	<u>\$ 376,031</u>	<u>\$ 122,140</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 26,399	\$ 1,519
Due to Physicians for Reproductive Health	<u>76,057</u>	<u>28,016</u>
Total liabilities	<u>102,456</u>	<u>29,535</u>
Net assets		
Without donor restrictions		
Board designated fund		
GDC Action Fund	15,000	9,000
Reserve Fund	36,000	24,000
Available for general use	<u>148,825</u>	<u>59,605</u>
Total without donor restrictions	199,825	92,605
With donor restrictions	<u>73,750</u>	<u>-</u>
Total net assets	<u>273,575</u>	<u>92,605</u>
Total liabilities and net assets	<u>\$ 376,031</u>	<u>\$ 122,140</u>

See Independent Auditor's Report.

**Physicians for Reproductive Health  
Schedules of Activities and Changes in Net Assets - Global Doctors for Choice, LLC  
Years Ended September 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Public support and revenues</b>		
Individual contributions	\$ 3,900	\$ 6,350
Foundations	465,000	142,815
Physicians for Reproductive Health donated services	16,120	15,184
In-kind donations	14,390	14,363
Other income	-	10,434
	<u>499,410</u>	<u>189,146</u>
<b>Expenses</b>		
Salaries and benefits	161,192	120,038
Professional fees	76,323	117,670
Printing and duplication	48	193
Communications	98	35
Travel	10,605	34,303
Conferences and conventions	3,093	6,226
Fiscal sponsor fees	56,085	33,203
Leased and purchased equipment	2,484	954
Postage and delivery	-	2,211
Office supplies	425	63
Bank charges	710	591
Other operating costs	795	1,225
Depreciation and amortization	4,113	4,113
Dues and subscriptions	2,469	-
	<u>318,440</u>	<u>320,825</u>
<b>Changes in net assets</b>	180,970	(131,679)
<b>Net assets</b>		
Beginning of year	<u>92,605</u>	<u>224,284</u>
End of year	<u>\$ 273,575</u>	<u>\$ 92,605</u>

See Independent Auditor's Report.