



Physicians for
Reproductive Health

Consolidated Financial Statements
September 30, 2021 and 2020
With Independent Auditor's Report

Physicians for Reproductive Health
Table of Contents
September 30, 2021 and 2020

Independent Auditor's Report	1-2
Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Functional Expenses	5-6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-16
Supplementary Information	
Statements of Financial Position - Global Doctors for Choice, LLC	17
Statements of Activities and Changes in Net Assets - Global Doctors for Choice, LLC	18

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Physicians for Reproductive Health:

Opinion

We have audited the consolidated financial statements of Physicians for Reproductive Health and Subsidiary, which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Physicians for Reproductive Health and Subsidiary as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Physicians for Reproductive Health and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Physicians for Reproductive Health and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Physicians for Reproductive Health and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The statements of financial position - Global Doctors for Choice, LLC as of September 30, 2021 and 2020 and statements of activities and changes in net assets - Global Doctors for Choice, LLC for the years ended September 30, 2021 and 2020 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.

Withum Smith + Brown, PC

March 16, 2022

**Physicians for Reproductive Health
Consolidated Statements of Financial Position
September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,848,277	\$ 1,074,943
Investments	2,534,378	2,567,299
Unconditional promises to give, current portion, net	328,180	528,500
Other receivables	57,119	2,645
Prepaid expenses and other current assets	<u>69,150</u>	<u>96,328</u>
Total current assets	<u>4,837,104</u>	<u>4,269,715</u>
Property and equipment, net	<u>5,278</u>	<u>20,087</u>
Other assets		
Unconditional promises to give, non-current portion	67,824	156,400
Other assets	<u>18,523</u>	<u>18,523</u>
Total other assets	<u>86,347</u>	<u>174,923</u>
Total assets	<u>\$ 4,928,729</u>	<u>\$ 4,464,725</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 156,019	\$ 173,158
Paycheck Protection Program Loan payable	<u>390,000</u>	<u>390,000</u>
Total current liabilities	<u>546,019</u>	<u>563,158</u>
Net assets		
Without donor restrictions		
Board designated fund - GDC action fund	20,000	15,000
Board designated fund - GDC reserve fund	48,000	36,000
Board designated fund - PRH reserve fund	100,000	-
Available for general use	<u>2,908,085</u>	<u>2,749,098</u>
Total without donor restrictions	3,076,085	2,800,098
With donor restrictions	<u>1,306,625</u>	<u>1,101,469</u>
Total net assets	<u>4,382,710</u>	<u>3,901,567</u>
Total liabilities and net assets	<u>\$ 4,928,729</u>	<u>\$ 4,464,725</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, 2021 and 2020

	2021			2020		
	<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>
Public support and revenues						
Contributions						
Foundations	\$ 62,500	\$ 1,298,737	\$ 1,361,237	\$ 73,133	\$ 994,867	\$ 1,068,000
Individuals	587,666	5,000	592,666	258,189	527,887	786,076
In-kind	282,628	-	282,628	766,187	-	766,187
Special event income	440,061		440,061	576,006		576,006
Less: Direct costs	(7,157)		(7,157)	(48,302)		(48,302)
Service fees	-	-	-	10,155	-	10,155
Investment return, net	409,888	-	409,888	255,822	-	255,822
Gain on forgiveness of PPP1 Loan	390,000	-	390,000	-	-	-
Employee retention credit income	164,999		164,999	-	-	-
Miscellaneous income	36,329	-	36,329	71,655	-	71,655
	<u>2,366,914</u>	<u>1,303,737</u>	<u>3,670,651</u>	<u>1,962,845</u>	<u>1,522,754</u>	<u>3,485,599</u>
Net assets released from restrictions due to satisfaction of time and purpose restrictions	<u>1,098,581</u>	<u>(1,098,581)</u>	<u>-</u>	<u>1,952,505</u>	<u>(1,952,505)</u>	<u>-</u>
	<u>3,465,495</u>	<u>205,156</u>	<u>3,670,651</u>	<u>3,915,350</u>	<u>(429,751)</u>	<u>3,485,599</u>
Expenses						
Program activities	2,575,435	-	2,575,435	3,842,203	-	3,842,203
Supporting services	614,073	-	614,073	923,330	-	923,330
	<u>3,189,508</u>	<u>-</u>	<u>3,189,508</u>	<u>4,765,533</u>	<u>-</u>	<u>4,765,533</u>
Changes in net assets	275,987	205,156	481,143	(850,183)	(429,751)	(1,279,934)
Net assets						
Beginning 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>
End of year	<u>\$ 3,076,085</u>	<u>\$ 1,306,625</u>	<u>\$ 4,382,710</u>	<u>\$ 2,800,098</u>	<u>\$ 1,101,469</u>	<u>\$ 3,901,567</u>

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

Physicians for Reproductive Health
Consolidated Statement of Functional Expenses
Year Ended September 30, 2021

	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	\$ 575,091	\$ 141,842	\$ 399,000	\$ 314,695	\$ 1,430,628	\$ 102,815	\$ 118,425	\$ 221,240	\$ 1,651,868
Professional fees	228,702	139,389	199,452	290,745	858,288	125,813	52,489	178,302	1,036,590
Printing and duplication	-	-	153	-	153	81	65,442	65,523	65,676
Communications	12,690	-	8,857	6,808	28,355	5,931	2,629	8,560	36,915
Travel	2,945	-	3,488	309	6,742	148	114	262	7,004
Conferences and conventions	2,871	933	1,078	446	5,328	10	2,790	2,800	8,128
Direct event expenses	-	-	-	-	-	-	7,157	7,157	7,157
Dues, subscriptions and seminars	3,698	-	1,424	796	5,918	4,763	266	5,029	10,947
Occupancy	24,965	-	17,425	14,731	57,121	11,668	5,172	16,840	73,961
Leased and purchased equipment	17,732	2,234	39,427	9,513	68,906	8,288	7,506	15,794	84,700
Other operating costs	23,652	34,033	31,845	12,613	102,143	13,121	83,646	96,767	198,910
Depreciation and amortization	4,384	2,057	3,060	2,352	11,853	2,048	908	2,956	14,809
	896,730	320,488	705,209	653,008	2,575,435	274,686	346,544	621,230	3,196,665
Less: Expenses included with revenues on the statements of activities									
Direct costs of special events	-	-	-	-	-	-	(7,157)	(7,157)	(7,157)
	<u>\$ 896,730</u>	<u>\$ 320,488</u>	<u>\$ 705,209</u>	<u>\$ 653,008</u>	<u>\$ 2,575,435</u>	<u>\$ 274,686</u>	<u>\$ 339,387</u>	<u>\$ 614,073</u>	<u>\$ 3,189,508</u>

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

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

	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	12,082	5,999	157,588	1,317	395	1,712	159,300
Direct event expenses	-	-	-	-	-	-	48,302	48,302	48,302
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>818,264</u>	<u>1,412,135</u>	<u>3,842,203</u>	<u>521,503</u>	<u>450,129</u>	<u>971,632</u>	<u>4,813,835</u>
Less: Expenses included with revenues on the statements of activities									
Direct costs of special events	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,302)</u>	<u>(48,302)</u>	<u>(48,302)</u>
	<u>\$ 1,293,366</u>	<u>\$ 318,438</u>	<u>\$ 818,264</u>	<u>\$ 1,412,135</u>	<u>\$ 3,842,203</u>	<u>\$ 521,503</u>	<u>\$ 401,827</u>	<u>\$ 923,330</u>	<u>\$ 4,765,533</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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Operating activities		
Changes in net assets	\$ 481,143	\$ (1,279,934)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation and amortization	14,809	59,278
PPP1 Loan forgiveness	(390,000)	-
Transfer of software	-	43,155
Realized gain on investments	(171,525)	(174,616)
Unrealized gain on investments	(195,067)	(16,947)
Change in unamortized discount on unconditional promises to give	1,076	343
Bad debt (recovery) expense on unconditional promises to give	(2,016)	5,500
Changes in assets and liabilities		
Unconditional promises to give	289,836	(541,500)
Other receivables	(54,474)	(1,785)
Prepaid expenses and other current assets	27,178	24,984
Accounts payable and accrued expenses	<u>(17,139)</u>	<u>(89,434)</u>
Net cash used in operating activities	<u>(16,179)</u>	<u>(1,970,956)</u>
Investing activities		
Purchase of investments	(55,093)	(75,829)
Proceeds from sale of investments	<u>454,606</u>	<u>1,135,428</u>
Net cash provided by investing activities	<u>399,513</u>	<u>1,059,599</u>
Financing activities		
Proceeds from Paycheck Protection Program loan payable	<u>390,000</u>	<u>390,000</u>
Net cash provided by financing activities	<u>390,000</u>	<u>390,000</u>
Net change in cash and cash equivalents	773,334	(521,357)
Cash and cash equivalents		
Beginning of year	<u>1,074,943</u>	<u>1,596,300</u>
End of year	<u>\$ 1,848,277</u>	<u>\$ 1,074,943</u>

Supplemental disclosure of cash flow information

There were no amounts paid for interest or income taxes during the years ended September 30, 2021 or 2020.

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

Physicians for Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Physicians for Reproductive Health 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. Physicians for Reproductive Health 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 (collectively, the "Organization"). 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 in accordance with accounting principles generally accepted in the United States of America, 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, 2021 and 2020

New Accounting Pronouncements Issued Not Yet Effective

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases*. ASU 2016-02 requires that a lessee recognize a right-of-use asset and a corresponding liability for its obligation under an operating lease, as well as expands disclosure requirements for both lessors and lessees. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2022. The new guidance will be applied on a modified retrospective basis. Early adoption is permitted. The Organization is currently evaluating the effect of the adoption of ASU 2016-02 on its results of activities, financial position, and cash flows.

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. The Organization does not expect this ASU to have a significant impact on its 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.

Conditional promises to give and grants, that is, those with a barrier and a right of return or release, 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.

Special event income

Special event income in the consolidated statements of activities comprises an exchange element which is based on the benefits received and a contribution element for the difference between the amount paid and the benefit received. The contribution is treated as revenue without donor restrictions. The contribution revenue is recognized as revenue when received. For the exchange portion, funds received in advance of the event date are recorded as contract liabilities in the statements of financial position. Revenue from the exchange portion is recognized at a point in time, at the date the event is held. There are no significant financing components, as payment is received at or shortly after the point of sale. For each of the years ended September 30, 2021 and 2020, there were no special events receivable or deferred revenues for special events.

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.

Physicians for Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

Donated Services

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.

Donated services received for the years ended September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Donated legal services	\$ 239,379	\$ 766,187
Donated program consulting services	43,249	-
	<u>\$ 282,628</u>	<u>\$ 766,187</u>

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, 2021 and 2020. 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.

Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Physicians for Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

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, and does not expect to experience, 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 supporting 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

Reclassification

Certain amounts in the prior year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current year consolidated financial statements. These changes have had no effect on net assets.

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 1.01% and 0.28% as of September 30, 2021 and 2020, respectively. Maturity of pledges receivable are as follows at September 30:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 341,664	\$ 544,000
Two to five years	<u>70,000</u>	<u>157,500</u>
Total unconditional promises to give	411,664	701,500
Less: Unamortized discount	(2,176)	(1,100)
Less: Allowance for uncollectible pledges	<u>(13,484)</u>	<u>(15,500)</u>
Net unconditional promises to give	396,004	684,900
Less: Current portion of unconditional promises to give	<u>(328,180)</u>	<u>(528,500)</u>
Non-current portion of unconditional promises to give	<u>\$ 67,824</u>	<u>\$ 156,400</u>

Unconditional promises to give are due as follows: 2022 - \$341,664; 2023 - \$60,000; 2024 - \$10,000.

Physicians for Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

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, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses were as follows:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents	\$ 1,848,277	\$ 1,074,943
Investments	2,534,378	2,567,299
Unconditional promises to give, current portion	396,004	528,500
Other receivables	<u>57,119</u>	<u>2,645</u>
	4,835,778	4,173,387
Available line of credit	250,000	250,000
Less: Financial assets unavailable for general use		
Net assets with donor restrictions	<u>(1,306,625)</u>	<u>(1,101,469)</u>
Total financial assets available within one year	<u>\$ 3,779,153</u>	<u>\$ 3,321,918</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.

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, 2021 and 2020. For years ended September 30, 2021 and 2020, there were no purchases or transfers in or out of Level 3.

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.

Physicians for Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

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:

	2021			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Mutual Funds				
Equity securities	\$ 1,509,976	\$ 1,509,976	\$ -	\$ -
Fixed income	<u>1,024,402</u>	<u>1,024,402</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,534,378</u>	<u>\$ 2,534,378</u>	<u>\$ -</u>	<u>\$ -</u>
	2020			
	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Equity securities	\$ 1,527,484	\$ 1,527,484	\$ -	\$ -
Debt securities	<u>1,039,815</u>	<u>1,039,815</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,567,299</u>	<u>\$ 2,567,299</u>	<u>\$ -</u>	<u>\$ -</u>

Investment return, net related to these investments at September 30, 2021 and 2020, was comprised of the following:

	2021	2020
Interest and dividend income	\$ 55,143	\$ 77,059
Realized gain on sale of securities	171,525	174,616
Unrealized gain	195,067	16,947
Investment expenses	<u>(11,847)</u>	<u>(12,800)</u>
	<u>\$ 409,888</u>	<u>\$ 255,822</u>

Physicians for Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Computer and website development	\$ 146,321	\$ 146,321
Leasehold improvements	<u>30,798</u>	<u>30,798</u>
	177,119	177,119
Less: Accumulated depreciation	<u>(171,841)</u>	<u>(157,032)</u>
	<u>\$ 5,278</u>	<u>\$ 20,087</u>

Depreciation expense for the years ended September 30, 2021 and 2020 was \$14,809 and \$59,278, 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 2022 and bears interest at 4.25%. There were no draw-downs from this line of credit during the years ended September 30, 2021 and 2020.

7. NET ASSETS

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

	<u>2021</u>	<u>2020</u>
Restricted by time	\$ 887,410	\$ 478,485
Restricted by donor for programmatic use as follows:		
Education, research & training	220,987	329,409
Global Doctors for Choice	173,155	273,575
Voice & engagement	<u>25,073</u>	<u>20,000</u>
	<u>\$ 1,306,625</u>	<u>\$ 1,101,469</u>

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

	<u>2021</u>	<u>2020</u>
Expenses incurred to satisfy time restrictions	\$ 640,000	\$ 373,333
Expenses incurred to satisfy program restrictions		
Education, research, and training	167,742	1,160,975
Global Doctors for Choice	215,692	284,030
Voice and engagement	25,000	35,000
Public policy and community support	<u>50,147</u>	<u>99,167</u>
	<u>\$ 1,098,581</u>	<u>\$ 1,952,505</u>

Physicians for Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

8. RETIREMENT PLAN

During the years ended September 30, 2021 and 2020, 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 years ended September 30, 2021 and 2020, there were contributions of \$33,561 and \$-0-, respectively from the Organization to the plan.

9. COMMITMENTS AND UNCERTAINTIES

Commitments

As of September 30, 2021, 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:

2022	\$ 57,634
	<u>\$ 57,634</u>

Rent expense for the years ended September 30, 2021 and 2020 were approximately \$65,000 and \$70,000, respectively and is included in occupancy expense in the consolidated statements of functional expenses.

Uncertainties

Management continues to evaluate 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 consolidated 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

For each of the years ended September 30, 2021 and 2020, the Organization received approximately 14% of total support and revenue from one contributor. As of September 30, 2021 and 2020, two contributors and three contributors account for 73% and 71% of the total unconditional promises to give, respectively.

11. PAYCHECK PROTECTION PROGRAM LOANS PAYABLE

On April 16, 2020, the Organization issued an unsecured promissory note (the "PPP Loan") for \$390,000 through programs established under the CARES Act and administered by the U.S. Small Business Administration (the "SBA"). The PPP Loan was 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 maximum 24-week period after the PPP Loan was disbursed ("Covered Period"), and otherwise satisfied PPP requirements. On July 8, 2021, the Organization was informed that its application for forgiveness of \$390,000 of the PPP Loan was approved. Accordingly, the Organization recorded it as forgiveness of debt in the accompanying consolidated statements of activities and changes in net assets.

Physicians for Reproductive Health
Notes to Consolidated Financial Statements
September 30, 2021 and 2020

On March 18, 2021, the Organization issued an unsecured promissory note (the “PPP2 Loan”) for \$390,000 through the SBA. The PPP2 Loan was made through Citibank, has a five-year term, bears interest at 1.00% per annum, and matures on March 18, 2026. If the PPP2 Loan is not forgiven, monthly principal and interest payments are deferred until ten months after the end of the Covered Period. The PPP2 Loan may be prepaid at any time prior to maturity with no prepayment penalties. Accordingly, the Organization has reflected the PPP2 Loan as current liabilities in the accompanying consolidated statements of financial position. The Organization will record the forgiveness of the loan as a forgiveness of debt in the period in which legal release is received. There is no certainty that any or all of the PPP2 Loan will be forgiven.

Future maturities of the PPP2 Loan, assuming it is not forgiven, are as follows for the years ending September 30:

2022	\$	58,500
2023		78,000
2024		78,000
2025		78,000
2026		<u>97,500</u>
Total PPP2	\$	<u>390,000</u>

12. EMPLOYEE RETENTION CREDIT

The Organization has applied for the employee retention credit in the amount of \$164,999. The credit will be claimed against the Organization's payroll tax obligations for each calendar quarter based on qualified wages, subject to certain limitations. For the year ended September 30, 2021, the Organization recorded revenue totaling \$164,999 which is included in employee retention credit income in the accompanying consolidated statements of activities and changes in net assets.

13. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of March 16, 2022, 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
Statements of Financial Position - Global Doctors for Choice, LLC
September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 130,602	\$ 348,975
Accounts receivable	20,000	25,000
Due from Physicians for Reproductive Health	<u>25,736</u>	<u>-</u>
Total current assets	176,338	373,975
Property and equipment, net	<u>-</u>	<u>2,056</u>
Total assets	<u>\$ 176,338</u>	<u>\$ 376,031</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,183	\$ 26,399
Due to Physicians for Reproductive Health	<u>-</u>	<u>76,057</u>
Total current liabilities	<u>3,183</u>	<u>102,456</u>
Net assets		
Without donor restrictions		
Board designated funds		
GDC Action Fund	20,000	15,000
Reserve Fund	48,000	36,000
Available for general use	<u>62,416</u>	<u>148,825</u>
Total without donor restrictions	130,416	199,825
With donor restrictions	<u>42,739</u>	<u>73,750</u>
Total net assets	<u>173,155</u>	<u>273,575</u>
Total liabilities and net assets	<u>\$ 176,338</u>	<u>\$ 376,031</u>

See Independent Auditor's Report.

**Physicians for Reproductive Health
Statements of Activities and Changes in Net Assets - Global Doctors for Choice, LLC
Years Ended September 30, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	2020
Public support and revenues						
Individual contributions	\$ 10,800	\$ 5,000	\$ 15,800	\$ 3,900	\$ -	\$ 3,900
Foundations	30,000	80,273	110,273	370,000	95,000	465,000
Physicians for Reproductive Health donated services	2,028	-	2,028	16,120	-	16,120
In-kind donations	42,520	-	42,520	14,390	-	14,390
Other income	49,447	-	49,447	-	-	-
	<u>134,795</u>	<u>85,273</u>	<u>220,068</u>	<u>404,410</u>	<u>95,000</u>	<u>499,410</u>
Net assets released from restrictions due to satisfaction of time and purpose restrictions	<u>116,284</u>	<u>(116,284)</u>	<u>-</u>	<u>21,250</u>	<u>(21,250)</u>	<u>-</u>
	<u>251,079</u>	<u>(31,011)</u>	<u>220,068</u>	<u>425,660</u>	<u>73,750</u>	<u>499,410</u>
Expenses						
Salaries and benefits	141,842	-	141,842	161,192	-	161,192
Professional fees	139,389	-	139,389	76,323	-	76,323
Printing and duplication	-	-	-	48	-	48
Communications	-	-	-	98	-	98
Travel	-	-	-	10,605	-	10,605
Conferences and conventions	933	-	933	3,093	-	3,093
Fiscal sponsor fees	-	-	-	56,085	-	56,085
Leased and purchased equipment	2,234	-	2,234	2,484	-	2,484
Office supplies	-	-	-	425	-	425
Bank charges	-	-	-	710	-	710
Other operating costs	34,033	-	34,033	795	-	795
Depreciation and amortization	2,057	-	2,057	4,113	-	4,113
Dues and subscriptions	-	-	-	2,469	-	2,469
	<u>320,488</u>	<u>-</u>	<u>320,488</u>	<u>318,440</u>	<u>-</u>	<u>318,440</u>
Changes in net assets	(69,409)	(31,011)	(100,420)	107,220	73,750	180,970
Net assets						
Beginning of year	<u>199,825</u>	<u>73,750</u>	<u>273,575</u>	<u>92,605</u>	<u>-</u>	<u>92,605</u>
End of year	<u>\$ 130,416</u>	<u>\$ 42,739</u>	<u>\$ 173,155</u>	<u>\$ 199,825</u>	<u>\$ 73,750</u>	<u>\$ 273,575</u>

See Independent Auditor's Report.