



# Physicians for Reproductive Health

**PHYSICIANS FOR REPRODUCTIVE HEALTH AND SUBSIDIARY**  
**Consolidated Financial Statements**  
**June 30, 2023**  
**With Independent Auditor's Report**

**Physicians for Reproductive Health and Subsidiary**  
**Table of Contents**  
**June 30, 2023**

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<b>Independent Auditor’s Report</b>	1-2
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities and Changes in Net Assets	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-14
<b>Supplementary Information</b>	
Statement of Financial Position - Global Doctors for Choice, LLC	15
Statement of Activities and Changes in Net Assets - Global Doctors for Choice, LLC	16

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Physicians for Reproductive Health:

### Opinion

We have audited the consolidated financial statements of Physicians for Reproductive Health and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 consolidated financial position of the Organization as of June 30, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Organization adopted Topic 842, *Leases*, as of July 1, 2022. Prior period amounts have not been adjusted and continue to be reported in accordance with the Organization's historic accounting under Topic 840, *Leases*. Our opinion is not modified with respect to this matter.

### 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 the Organization'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 the Organization'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 the Organization'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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The statement of financial position - Global Doctors for Choice, LLC as of June 30, 2023 and statement of activities and changes in net assets - Global Doctors for Choice, LLC for the year ended June 30, 2023 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.



December 9, 2023

**Physicians for Reproductive Health and Subsidiary**  
**Consolidated Statement of Financial Position**  
**June 30, 2023**

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**Assets**

Current assets

Cash and cash equivalents	\$ 1,336,279
Investments	5,376,697
Unconditional promises to give, current portion, net	1,095,058
Prepaid expenses and other current assets	<u>45,950</u>
Total current assets	7,853,984

Noncurrent assets

Unconditional promises to give, non-current portion, net	<u>196,869</u>
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Total assets	<u>\$ 8,050,853</u>
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**Liabilities and Net Assets**

Current liabilities

Accounts payable and accrued expenses	<u>\$ 243,449</u>
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**Net assets**

Without donor restrictions

Board designated fund - GDC action fund	10,000
Board designated fund - GDC reserve fund	69,000
Board designated fund - PRH reserve fund	800,000
Available for general use	<u>4,598,804</u>
Total without donor restrictions	5,477,804

With donor restrictions

Total net assets	<u>7,807,404</u>
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Total liabilities and net assets	<u>\$ 8,050,853</u>
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The Notes to Consolidated Financial Statements are an integral part of this statement.

**Physicians for Reproductive Health and Subsidiary**  
**Consolidated Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public support and revenues</b>			
Contributions			
Foundations	\$ 89,800	\$ 2,861,647	\$ 2,951,447
Individuals	1,148,141	-	1,148,141
Bequest	1,916,424	-	1,916,424
Contributions of nonfinancial assets	788,426	-	788,426
Special event income	359,980	-	359,980
Less: Direct donor benefit costs	<u>(74,091)</u>	<u>-</u>	<u>(74,091)</u>
Total special event income	<u>285,889</u>	<u>-</u>	<u>285,889</u>
Investment return, net	268,727	-	268,727
Gain on forgiveness of PPP Loan	390,000	-	390,000
Employee retention tax credit income	179,100	-	179,100
Miscellaneous income	<u>31,768</u>	<u>-</u>	<u>31,768</u>
	5,098,275	2,861,647	7,959,922
Net assets released from restrictions due to satisfaction of time and purpose restrictions	<u>2,067,275</u>	<u>(2,067,275)</u>	<u>-</u>
	<u>7,165,550</u>	<u>794,372</u>	<u>7,959,922</u>
<b>Expenses</b>			
Program activities	3,940,921	-	3,940,921
Supporting services	<u>638,263</u>	<u>-</u>	<u>638,263</u>
	<u>4,579,184</u>	<u>-</u>	<u>4,579,184</u>
<b>Changes in net assets</b>	2,586,366	794,372	3,380,738
<b>Net assets</b>			
Beginning of year	<u>2,891,438</u>	<u>1,535,228</u>	<u>4,426,666</u>
End of year	<u>\$ 5,477,804</u>	<u>\$ 2,329,600</u>	<u>\$ 7,807,404</u>

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

**Physicians for Reproductive Health and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023**

	Program Activities				Supporting Services				Costs of Direct Donor Benefits	Total
	Education Research & Training	Global Doctors for Choice	Voice & Engagement	Public Policy & Community Support	Program Total	Management & General	Development	Supporting Services Total		
Salaries and benefits	\$ 629,378	\$ 164,015	\$ 679,169	\$ 559,712	\$ 2,032,274	\$ 102,779	\$ 162,371	\$ 265,150	\$ -	\$ 2,297,424
Professional fees	222,681	56,291	243,934	792,381	1,315,287	109,281	36,751	146,032	-	1,461,319
Grant expense	-	22,000	-	-	22,000	-	-	-	-	22,000
Printing and publication	55	-	3,548	438	4,041	1,033	44,920	45,953	-	49,994
Communications	8,493	-	9,110	7,448	25,051	4,433	2,368	6,801	-	31,852
Travel	153,952	4,214	46,852	40,983	246,001	23,465	11,091	34,556	-	280,557
Conferences and conventions	70,258	918	21,263	4,561	97,000	711	230	941	74,091	172,032
Dues, subscriptions and seminars	4,561	-	4,796	5,241	14,598	109	435	544	-	15,142
Occupancy	2,053	-	2,188	3,036	7,277	1,071	572	1,643	-	8,920
Computers and software	9,937	2,762	39,201	28,874	80,774	5,413	9,146	14,559	-	95,333
Other operating costs	24,167	25,714	26,801	19,521	96,203	13,468	108,504	121,972	-	218,175
Depreciation and amortization	141	-	150	124	415	73	39	112	-	527
	1,125,676	275,914	1,077,012	1,462,319	3,940,921	261,836	376,427	638,263	74,091	4,653,275
Less: Expenses included with revenues on the consolidated statements of activities and changes in net assets	-	-	-	-	-	-	-	-	(74,091)	(74,091)
Direct donor benefit costs of special events	-	-	-	-	-	-	-	-	-	-
	\$ 1,125,676	\$ 275,914	\$ 1,077,012	\$ 1,462,319	\$ 3,940,921	\$ 261,836	\$ 376,427	\$ 638,263	\$ -	\$ 4,579,184

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

**Physicians for Reproductive Health and Subsidiary**  
**Consolidated Statement of Cash Flows**  
**Year Ended June 30, 2023**

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**Operating activities**

Changes in net assets	\$ 3,380,738
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation and amortization	527
Paycheck Protection Program Loan forgiveness	(390,000)
Realized gain on investments	(285)
Unrealized gain on investments	(183,570)
Donated investments	(26,751)
Change in unamortized discount on unconditional promises to give	6,089
Changes in assets and liabilities	
Unconditional promises to give	(773,097)
Prepaid expenses and other current assets	(8,468)
Other assets	18,523
Accounts payable and accrued expenses	19,707
Net cash provided by operating activities	<u>2,043,413</u>

**Investing activities**

Purchase of investments	(2,752,761)
Proceeds from sale of donated investments	<u>27,036</u>
Net cash used in investing activities	<u>(2,725,725)</u>

Net change in cash and cash equivalents (682,312)

**Cash and cash equivalents**

Beginning of year	<u>2,018,591</u>
End of year	<u>\$ 1,336,279</u>

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



# Physicians for Reproductive Health and Subsidiary

## Notes to Consolidated Financial Statements

### June 30, 2023

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#### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Organization**

Physicians for Reproductive Health unites the medical community and concerned supporters. Together, Physicians for Reproductive Health 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 Physicians for Reproductive Health.

##### **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 and include amounts designated by the Board of Directors of the Organization.

**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**

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 statement 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 statement 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 and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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**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 statement of activities and changes in net assets 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 consolidated statement 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 the year ended June 30, 2023, there were no receivables from special events or deferred revenues for special events.

Other revenues are obtained from investment income 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 earned.

**Contributed Nonfinancial Assets**

The Organization receives donated professional services that typically would be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value with a corresponding expense allocated to the programs benefitted when the services are provided. There are no contributed nonfinancial assets with donor restrictions. The valuation of these professional services is provided by the service provider, who estimates the fair value based upon the date, time, and market in which each service is rendered.

**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>
Computer and website development	3
Leasehold improvements	Life of lease

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

**Physicians for Reproductive Health and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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**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 June 30, 2023. 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.

**Functional Allocation of Expenses**

The consolidated statement of functional expenses presents 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
Computers and software	Direct salaries
Depreciation and amortization	Direct salaries

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include the valuation of donated services, and the fair value of investments.

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

In February 2016, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update ("ASU") amending the accounting for leases. The Organization adopted the new standard effective July 1, 2022, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption, as the Organization utilized the practical expedient available under the guidance. Further, the Organization elected to implement the package of practical expedients, whereby the Organization did not (i) reassess existing contracts for embedded leases, (ii) reassess existing lease agreements for finance or operating classification, or (iii) reassess existing lease agreements in consideration of initial direct costs. The implementation of this standard did not have a material impact to the consolidated statements of activities and changes in net assets or cash flows.

**Physicians for Reproductive Health and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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**New Accounting Pronouncements Issued Not Yet Effective**

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, which is effective for fiscal years beginning after December 15, 2022, and requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions will now use forward-looking information to better inform their credit loss estimates. The Organization is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

**2. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of funds pledged for various programs and general operating support. These unconditional promises to give are recorded at their net present value, using a risk-free rate of return of 4.14% (the 5-year Treasury bill rate) as of June 30, 2023. Unconditional promises to give include the following at June 30, 2023:

Less than one year	\$ 1,101,540
One to five years	<u>205,000</u>
Total unconditional promises to give	1,306,540
Less: Unamortized discount	(8,131)
Less: Allowance for uncollectible pledges	<u>(6,482)</u>
Net unconditional promises to give	1,291,927
Less: Current portion of unconditional promises to give	<u>(1,095,058)</u>
Non-current portion of unconditional promises to give	<u>\$ 196,869</u>

**3. 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 June 30, 2023. For the year ended June 30, 2023, there were no purchase, issuances or 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. U.S. Treasury bills are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings.

**Physicians for Reproductive Health and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 2,812,181	\$ 2,812,181	\$ -	\$ -
US Treasury Bills	<u>2,564,516</u>	<u>2,564,516</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,376,697</u>	<u>\$ 5,376,697</u>	<u>\$ -</u>	<u>\$ -</u>

Investment return, net related to these investments at June 30, 2023, was comprised of the following:

Interest and dividend income	\$ 84,872
Realized gain on sale of securities	285
Unrealized gain	<u>183,570</u>
	<u>\$ 268,727</u>

**4. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of June 30, 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, were as follows:

Financial assets	
Cash and cash equivalents	\$ 1,336,279
Investments	5,376,697
Unconditional promises to give	1,291,927
Other receivables	<u>2,718</u>
	8,007,621
Less: Financial assets unavailable for general use	
Board designated funds	(879,000)
Net assets with donor restrictions	<u>(2,329,600)</u>
	(3,208,600)
Total financial assets available within one year	<u>\$ 5,678,021</u>

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.

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.

**Physicians for Reproductive Health and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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**5. CONTRIBUTED NONFINANCIAL ASSETS**

The Organization received contributed nonfinancial assets comprised of services received during the year ended June 30, 2023 as follows:

<u>Nonfinancial Contributions Category</u>	<u>Type of Contribution</u>	<u>Valuation</u>	
Professional services	Legal services	Standard industry pricing for similar services	\$ 741,428
Professional services	Program consulting services	Standard industry pricing for similar services	29,484
Meetings	Event space & catering	Standard industry pricing for similar services	<u>17,514</u>
			<u>\$ 788,426</u>

**6. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2023:

Computer and website development	\$ 129,476
Less: Accumulated depreciation	<u>(129,476)</u>
	<u>\$ -</u>

Depreciation expense for the year ended June 30, 2023 was \$527.

**7. LINES OF CREDIT**

The Organization has a revolving bank line of credit with a limit of up to \$250,000 which expires in September 2023 and bears interest at 4.25%. The line of credit was renewed through September of 2024 and bears a 6.5% interest rate. There were no draw-downs from this line of credit during the year ended June 30, 2023.

**8. RETIREMENT PLAN**

During the year ended June 30, 2023, 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 4% of each non-highly compensated employee participant's compensation for the plan year subject to contributing 2% of their gross salary. For the year ended June 30, 2023, there were contributions of \$47,984 from the Organization to the plan.

**9. NET ASSETS**

Components of net assets with restrictions were as follows at June 30, 2023:

Restricted by time	\$ 1,086,621
Restricted by donor for programmatic use as follows:	
Education, research & training	514,158
Global Doctors for Choice	113,686
Voice & engagement	13,000
Public policy & community support	<u>602,135</u>
	<u>\$ 2,329,600</u>

**Physicians for Reproductive Health and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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Net assets were released from restrictions for the year ended June 30, 2023 as follows:

Expenses incurred to satisfy time restrictions	\$ 1,400,329
Expenses incurred to satisfy program restrictions	
Education, research, and training	168,270
Global Doctors for Choice	135,839
Public policy and community support	<u>362,837</u>
	<u>\$ 2,067,275</u>

**10. PAYCHECK PROTECTION PROGRAM LOANS PAYABLE**

On March 18, 2021, the Organization issued an unsecured promissory note (the “PPP Loan”) for \$390,000 through the U.S. Small Business Administration. The PPP Loan was made through Citibank, has a five-year term, bears interest at 1.00% per annum, and matures on March 18, 2026. On July 26, 2022, the PPP Loan was fully forgiven and recognized as gain on forgiveness on the consolidated statement of activities and changes in net assets for the year ended June 30, 2023.

**11. CONCENTRATION OF CREDIT RISK**

The Organization has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant impact on the Organization’s consolidated financial condition, results of operations, and cash flows.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of these securities will occur in the near term and that such changes could materially affect the amounts reported on the consolidated statement of financial position. Investments are diversified to avoid overconcentration from a specific issuer or sector. Credit risk is minimized by limiting the types of investments as well as through diversification of the investment portfolio.

The Organization has a long-standing history of collecting its receivables, which are from various individuals, foundations, and corporations. An allowance for uncollectible accounts is recorded in the consolidated financial statements for amounts considered uncollectible, which limits the Organization’s exposure to credit risk.

For the year ended June 30, 2023, the Organization received approximately 36% of total contributions from two contributors. As of June 30, 2023, three contributors accounted for 81% of the total unconditional promises to give.

**12. EMPLOYEE RETENTION TAX CREDIT**

The Organization applied for employee retention tax credits totaling \$179,100 for the year ended June 30, 2023. The credits were claimed against the Organization’s payroll tax obligations for each eligible calendar quarter based on qualified wages, subject to certain limitations. Revenue from these employee retention tax credits have been reflected on the consolidated statement of activities and changes in net assets.

**Physicians for Reproductive Health and Subsidiary**  
**Notes to Consolidated Financial Statements**  
**June 30, 2023**

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**13. SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of December 9, 2023 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 and Subsidiary**  
**Statement of Financial Position - Global Doctors for Choice, LLC**  
**June 30, 2023**

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**Assets**

Current assets

Cash and cash equivalents	\$ 126,565
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**Liabilities and Net Assets**

Current liabilities

Accounts payable and accrued expenses	\$ 6,514
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Due to Physicians for Reproductive Health	<u>5,778</u>
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Total current liabilities	<u>12,292</u>
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Net assets

Without donor restrictions

Board designated funds

GDC Action Fund	10,000
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Reserve Fund	69,000
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Available for general use	<u>25,284</u>
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Total without donor restrictions	104,284
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With donor restrictions	<u>9,989</u>
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Total net assets	<u>114,273</u>
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Total liabilities and net assets	<u>\$ 126,565</u>
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See Independent Auditor's Report.

**Physicians for Reproductive Health  
Statement of Activities and Changes in Net Assets - Global Doctors for Choice, LLC  
Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public support and revenues</b>			
Individual contributions	\$ 49,522	\$ -	\$ 49,522
Foundations	2,363	103,675	106,038
Contributions of nonfinancial assets	<u>61,472</u>	<u>-</u>	<u>61,472</u>
	113,357	103,675	217,032
Net assets released from restrictions due to satisfaction of time and purpose restrictions	<u>136,425</u>	<u>(136,425)</u>	<u>-</u>
	<u>249,782</u>	<u>(32,750)</u>	<u>217,032</u>
<b>Expenses</b>			
Salaries and benefits	164,015	-	164,015
Professional fees	56,291	-	56,291
Grant expense	22,000	-	22,000
Travel	4,214	-	4,214
Conferences and conventions	918	-	918
Leased and purchased equipment	2,762	-	2,762
Other operating costs	<u>25,714</u>	<u>-</u>	<u>25,714</u>
	<u>275,914</u>	<u>-</u>	<u>275,914</u>
<b>Changes in net assets</b>	(26,132)	(32,750)	(58,882)
<b>Net assets</b>			
Beginning of year	<u>130,416</u>	<u>42,739</u>	<u>173,155</u>
End of year	<u>\$ 104,284</u>	<u>\$ 9,989</u>	<u>\$ 114,273</u>

See Independent Auditor's Report.