INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of
Friends of UNFPA, Inc. and
Friends of Americans for UNFPA, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Friends of UNFPA, Inc. and
Friends of Americans for UNFPA, Inc. (the "Organization"), which comprise the consolidated statement
of financial position as of December 31, 2015, and the related consolidated statements of activities,
functional expenses, and cash flows for the year then ended, and the related notes to the financial
statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 financial statements that are free from material misstatement,
whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our
audit. We conducted our audit in accordance with auditing standards generally accepted in the United
States of America. Those standards require that we plan and perform the audit to obtain reasonable
assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in
the financial statements. The procedures selected depend on the auditors’ judgment, including the
assessment of the risks of material misstatement of the financial statements, whether due to fraud or
error. In making those risk assessments, the auditor considers internal control relevant to the
organization’s preparation and fair presentation of the financial statements in order to design audit
procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion
on the effectiveness of the organization’s internal control. Accordingly, we express no such opinion. An
audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of
significant accounting estimates made by management, as well as evaluating the overall presentation of
the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Friends of UNFPA, Inc. and Friends of Americans for UNFPA, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Schall & Ashenfarb
Certified Public Accountants, LLC

October 19, 2016
FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2015

Assets

Cash and cash equivalents $1,431,543
Contributions and other receivables 27,155
Prepaid expenses and other assets 45,351
Fixed assets, net (Note 3) 4,837

Total assets $1,508,886

Liabilities and Net Assets

Liabilities:
Accounts payable and accrued expenses $53,528
Grants payable (Note 4) 174,470
Total liabilities 227,998

Net assets:
Unrestricted 1,280,888

Total net assets 1,280,888

Total liabilities and net assets $1,508,886

The attached notes and auditors' report are an integral part of these financial statements.
FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public support and revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$1,890,675</td>
<td>$1,890,675</td>
<td></td>
</tr>
<tr>
<td>In-kind contribution</td>
<td>176,832</td>
<td>176,832</td>
<td></td>
</tr>
<tr>
<td>Interest and other income</td>
<td>2,222</td>
<td>2,222</td>
<td></td>
</tr>
<tr>
<td>Net assets released</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>from restrictions (Note 5)</td>
<td>1,100,000</td>
<td>(1,100,000)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total public support and revenue</strong></td>
<td>3,169,729</td>
<td>(1,100,000)</td>
<td>2,069,729</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>2,634,569</td>
<td>2,634,569</td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>217,199</td>
<td>217,199</td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>249,263</td>
<td>249,263</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>3,110,031</td>
<td>0</td>
<td>3,110,031</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>68,698</td>
<td>(1,100,000)</td>
<td>(1,031,302)</td>
</tr>
<tr>
<td><strong>Net assets - beginning of year</strong></td>
<td>1,212,190</td>
<td>1,100,000</td>
<td>2,312,190</td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$1,280,888</td>
<td>$0</td>
<td>$1,280,888</td>
</tr>
</tbody>
</table>

The attached notes and auditors' report are an integral part of these financial statements.
FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$134,183</td>
<td>$23,627</td>
<td>$118,009</td>
<td>$275,819</td>
</tr>
<tr>
<td>Payroll taxes and benefits</td>
<td>46,736</td>
<td>8,229</td>
<td>41,101</td>
<td>96,066</td>
</tr>
<tr>
<td>Grant expense</td>
<td>2,226,317</td>
<td></td>
<td></td>
<td>2,226,317</td>
</tr>
<tr>
<td>Professional fees</td>
<td>8,507</td>
<td>107,154</td>
<td>46,565</td>
<td>162,226</td>
</tr>
<tr>
<td>Occupancy</td>
<td>48,222</td>
<td>23,146</td>
<td>25,075</td>
<td>96,443</td>
</tr>
<tr>
<td>Office supplies and equipment</td>
<td>14,261</td>
<td>8,524</td>
<td>8,501</td>
<td>31,286</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>39,196</td>
<td>5,813</td>
<td>5,949</td>
<td>50,958</td>
</tr>
<tr>
<td>Travel and entertainment</td>
<td>7,543</td>
<td>1,145</td>
<td>50</td>
<td>8,738</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>8,909</td>
<td></td>
<td>8,909</td>
</tr>
<tr>
<td>Printing and promotion</td>
<td>5,156</td>
<td>1,916</td>
<td>492</td>
<td>7,564</td>
</tr>
<tr>
<td>Bank and credit card charges</td>
<td>7,098</td>
<td>14,110</td>
<td></td>
<td>21,208</td>
</tr>
<tr>
<td>In-kind</td>
<td>86,832</td>
<td></td>
<td></td>
<td>86,832</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>10,345</td>
<td>14,108</td>
<td>3,521</td>
<td>27,974</td>
</tr>
<tr>
<td>Depreciation</td>
<td>173</td>
<td>518</td>
<td></td>
<td>691</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,634,569</strong></td>
<td><strong>$217,199</strong></td>
<td><strong>$249,263</strong></td>
<td><strong>$3,111,031</strong></td>
</tr>
</tbody>
</table>

The attached notes and auditors' report are an integral part of these financial statements.
FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:
  Change in net assets  ($1,031,302)
  Adjustments to reconcile change in net assets to net
  cash used for operating activities:
    Depreciation  691
    Donated stock  (52,519)
  Changes in assets and liabilities:
    Contributions and other receivables  1,109,475
    Prepaid expenses and other assets  (16,133)
    Accounts payable and accrued expenses  (15,848)
    Grants payable  (46,794)
  Net cash flows provided by operating activities  978,872

Cash flows from investing activities:
  Purchase of fixed assets  (4,690)
  Net cash flows used for investing activities  (4,690)

Cash flows from financing activities:
  Proceeds from sale of investments  52,519
  Net cash flows provided by financing activities  52,519

Net decrease in cash and cash equivalents  (4,601)

Cash and cash equivalents - beginning of year  1,436,144

Cash and cash equivalents - end of year  $1,431,543

No interest or income taxes were paid.

The attached notes and auditors' report are an integral part of these financial statements.
Note 1 - Organization

Friends of UNFPA, Inc. is a not-for-profit corporation, incorporated in the State of New York. It was established in 1998 in order to build support for the work of UNFPA, the United Nations Population Fund. To advance its mission, Friends of UNFPA, Inc. works collaboratively with UNFPA, other nongovernmental organizations, corporations, foundations, and the public to mobilize funds and action to promote the health and dignity of women and girls everywhere.

Friends of Americans for UNFPA, Inc. was founded in 2002 as a not-for-profit corporation to support Friends of UNFPA, Inc.

Friends of UNFPA, Inc. is the sole member of Friends of Americans for UNFPA, Inc. Together, both entities are referred to as the "Organization".

Both entities are exempt from Federal taxes under Section 501(c)(3) of the Internal Revenue Code and similar New York State statutes and have been designated as organizations which are not a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The Organization’s net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- **Unrestricted** – represents all activity without donor imposed restrictions.

- **Temporarily restricted** – represents contributions and the net residual of assets with donor imposed restrictions that are expected to be satisfied by performing certain activities or through the passage of time.

- **Permanently restricted** – relates to contributions of cash and other assets whereby all assets must remain intact due to restrictions placed by the donor. There was no permanently restricted activity or net assets at December 31, 2015.

b. Contributions

The Organization reports contributions as revenue upon the earlier of receipt of cash or at the time a pledge is considered unconditional. Contributions received with specific donor restrictions are recorded in the temporarily restricted class of net assets. All other contributions are recorded in the unrestricted class of net assets. When a
restriction expires by satisfying the specific purpose or through the passage of time, temporarily restricted net assets are released from restriction and reclassified as unrestricted net assets. When a restriction has been met in the same period that the contribution has been received, it is recorded as unrestricted.

c. **Cash and Cash Equivalents**
   All highly liquid investments with a maturity of three months or less are considered to be cash and cash equivalents.

d. **Concentration of Credit Risk**
   Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash accounts held with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. While at year-end there were material uninsured balances, management feels they have little risk and has not experienced any losses due to bank failure.

e. **Contributions Receivable**
   All contributions receivable are expected to be received within one year and have been recorded at net realizable value. Management assesses outstanding receivables for collectability using specific identification and analyzing historical trends. Based on this review, no allowance for doubtful accounts is deemed warranted.

f. **Fixed Assets**
   Fixed assets consist of computers, furniture and equipment that the Organization retains title to which benefit future periods. Fixed assets are capitalized at cost, or if donated, at the estimated fair market value at the time of donation. Depreciation is calculated using the straight-line method over the estimated useful life of the assets (3-5 years).

g. **Advertising**
   Advertising costs are charged to operations when the advertising first takes place.

h. **Management Estimates**
   The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

i. **Functional Allocation of Expenses**
   The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

j. **In-Kind Contributions**
   The Organization recognizes contributions of services that create or enhance non-financial assets, or require specialized skills, are performed by those who possess those skills and would typically be purchased if not donated.

   The Organization received donated space through June 30, 2015, which had a fair value of $90,000. In addition, the Organization received in-kind marketing expenses valued at $86,832.
Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the above criteria and have not been recorded in the consolidated financial statements.

k. **Accounting for Uncertainty of Income Taxes**
The Organization does not believe its consolidated financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2012 and later are subject to examination by applicable taxing authorities.

l. **New Accounting Pronouncement**
On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the December 31, 2018 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit’s liquidity, financial performance and cash flows. The Organization has not yet evaluated the impact this will have on future statements.

m. **Subsequent Events**
Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through October 19, 2016, the date the consolidated financial statements were available to be issued. No events have occurred subsequent to the balance sheet date through our evaluation date that would require adjustment to or disclosure in the consolidated financial statements.

**Note 3 - Fixed Assets**

Fixed assets consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers and equipment</td>
<td>$122,312</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>44,211</td>
</tr>
<tr>
<td></td>
<td>166,523</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(161,686)</td>
</tr>
<tr>
<td>Fixed assets - net</td>
<td>$4,837</td>
</tr>
</tbody>
</table>

**Note 4 - Grants Payable**

The Organization makes awards and grants for education and other projects in the fields of family planning, reproductive health, and women’s rights. The minimum amount which the Organization is obligated to award is dependent on the Board of Director’s approval. All grants payable are due in the current year.

**Note 5 - Temporarily Restricted Net Assets**

During December 31, 2015, assets released from restriction related to the 34 Million Friends program.
Note 6 - Commitments

The Organization leases office space from UNFPA on a quarterly basis.

Note 7 - Retirement Plan

The Organization sponsors a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. Pension expense for the year-ended December 31, 2015 was $10,475.

Note 8 - Significant Contributions

Approximately 42% of the Organization's revenue (excluding in-kind services) was derived from contributions received by one donor.