



**FRIENDS OF UNFPA**

**FRIENDS OF UNFPA, INC.  
AND  
FRIENDS OF AMERICANS FOR UNFPA, INC.**

Consolidated Audited Financial Statements

December 31, 2017 and 2016

## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Report on the Consolidated 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, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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

### ***Auditor's Responsibility***

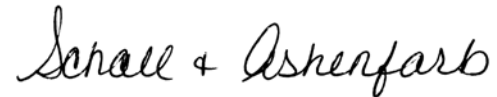
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 consolidated financial statements. The procedures selected depend on the auditor's 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 consolidated financial statements.

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

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Friends of UNFPA, Inc. and Friends of Americans for UNFPA, Inc. as of December 31, 2017 and 2016, 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.



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Schall & Ashenfarb  
Certified Public Accountants, LLC

August 22, 2018

**FRIENDS OF UNFPA, INC.  
AND  
FRIENDS OF AMERICANS FOR UNFPA, INC.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT DECEMBER 31, 2017 AND 2016**

	<u>12/31/17</u>	<u>12/31/16</u>
<b>Assets</b>		
Cash and cash equivalents	\$2,397,093	\$1,931,427
Contributions and other receivables	494,986	1,671,387
Prepaid expenses and other assets	24,498	34,731
Fixed assets, net (Note 3)	<u>15,320</u>	<u>3,638</u>
 Total assets	 <u><u>\$2,931,897</u></u>	 <u><u>\$3,641,183</u></u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$102,145	\$60,839
Grants payable (Note 4)	1,453,561	209,549
Total liabilities	<u>1,555,706</u>	<u>270,388</u>
Net assets:		
Unrestricted	1,302,064	1,355,864
Temporarily restricted (Note 5)	<u>74,127</u>	<u>2,014,931</u>
Total net assets	<u>1,376,191</u>	<u>3,370,795</u>
 Total liabilities and net assets	 <u><u>\$2,931,897</u></u>	 <u><u>\$3,641,183</u></u>

*The attached notes and auditor's 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 YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 12/31/17</u>	<u>Total 12/31/16</u>
Public support and revenue:				
Contributions	\$3,775,808	\$180,000	\$3,955,808	\$3,428,036
In-kind contribution	122,221		122,221	125,013
Interest and other income	5,153		5,153	7,607
Net assets released from restriction (Note 5)	2,120,804	(2,120,804)	0	0
Total public support and revenue	<u>6,023,986</u>	<u>(1,940,804)</u>	<u>4,083,182</u>	<u>3,560,656</u>
Expenses:				
Program services	5,389,222		5,389,222	892,316
Management and general	338,817		338,817	258,210
Fundraising	349,747		349,747	336,223
Total expenses	<u>6,077,786</u>	<u>0</u>	<u>6,077,786</u>	<u>1,486,749</u>
Change in net assets	(53,800)	(1,940,804)	(1,994,604)	2,073,907
Net assets - beginning of year	<u>1,355,864</u>	<u>2,014,931</u>	<u>3,370,795</u>	<u>1,296,888</u>
Net assets - end of year	<u>\$1,302,064</u>	<u>\$74,127</u>	<u>\$1,376,191</u>	<u>\$3,370,795</u>

*The attached notes and auditor's 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, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 12/31/16</u>
Public support and revenue:			
Contributions	\$1,413,105	\$2,014,931	\$3,428,036
In-kind contribution	125,013		125,013
Interest and other income	7,607		7,607
Total public support and revenue	<u>1,545,725</u>	<u>2,014,931</u>	<u>3,560,656</u>
Expenses:			
Program services	892,316		892,316
Management and general	258,210		258,210
Fundraising	336,223		336,223
Total expenses	<u>1,486,749</u>	<u>0</u>	<u>1,486,749</u>
Change in net assets	58,976	2,014,931	2,073,907
Net assets - beginning of year	<u>1,296,888</u>	<u>0</u>	<u>1,296,888</u>
Net assets - end of year	<u><u>\$1,355,864</u></u>	<u><u>\$2,014,931</u></u>	<u><u>\$3,370,795</u></u>

*The attached notes and auditor's 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 YEARS ENDED DECEMBER 31, 2017 AND 2016**

	Program Services	Management and General	Fundraising	Total 12/31/17	Total 12/31/16
Salaries	\$145,662	\$68,065	\$129,946	\$343,673	\$305,336
Payroll taxes and benefits	41,443	19,365	36,973	97,781	84,296
Grant expense	4,913,398			4,913,398	485,971
Professional fees	46,980	193,966	116,955	357,901	231,528
Occupancy	7,500	3,600	3,900	15,000	14,419
Office supplies and equipment	37,836	12,501	27,238	77,575	39,121
Postage and shipping	26,375		27,075	53,450	60,268
Travel and entertainment	10,347	683	200	11,230	34,166
Insurance		6,240		6,240	4,056
Printing and promotion	2,584	780	2,584	5,948	21,547
Bank and credit card charges	11,291	23,353		34,644	24,818
In-kind marketing	122,221			122,221	125,013
Other expenses	23,340	9,529	4,876	37,745	55,011
Depreciation	245	735		980	1,199
<b>Total</b>	<b>\$5,389,222</b>	<b>\$338,817</b>	<b>\$349,747</b>	<b>\$6,077,786</b>	<b>\$1,486,749</b>

*The attached notes and auditor's 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, 2016**

	Program Services	Management and General	Fundraising	Total 12/31/16
Salaries	\$135,612	\$43,921	\$125,803	\$305,336
Payroll taxes and benefits	37,441	12,124	34,731	84,296
Grant expense	485,971			485,971
Professional fees	9,290	112,266	109,972	231,528
Occupancy	7,210	3,460	3,749	14,419
Office supplies and equipment	16,682	11,990	10,449	39,121
Postage and shipping	28,515	6,970	24,783	60,268
Travel and entertainment	12,224	831	21,111	34,166
Insurance		4,056		4,056
Printing and promotion	11,476	7,804	2,267	21,547
Bank and credit card charges	7,689	17,129		24,818
In-kind marketing	125,013			125,013
Other	14,893	36,760	3,358	55,011
Depreciation	300	899		1,199
<b>Total</b>	<b>\$892,316</b>	<b>\$258,210</b>	<b>\$336,223</b>	<b>\$1,486,749</b>

*The attached notes and auditor's 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 YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>12/31/17</u>	<u>12/31/16</u>
Cash flows from operating activities:		
Change in net assets	(\$1,994,604)	\$2,073,907
Adjustments to reconcile change in net assets to net cash flows provided by/(used for) operating activities:		
Depreciation	980	1,199
Donated stock	(132,700)	(77,662)
Changes in assets and liabilities:		
Contributions and other receivables	1,176,401	(1,094,232)
Prepaid expenses and other assets	10,233	10,620
Accounts payable and accrued expenses	41,306	7,311
Grants payable	1,244,012	(498,921)
Net cash flows provided by/(used for) operating activities	<u>2,340,232</u>	<u>(1,651,685)</u>
Cash flows from investing activities:		
Purchase of fixed assets	(12,662)	0
Proceeds from sale of investments	132,700	77,662
Net cash flows provided by investing activities	<u>120,038</u>	<u>77,662</u>
Net increase in cash and cash equivalents	465,666	499,884
Cash and cash equivalents - beginning of year	<u>1,931,427</u>	<u>1,431,543</u>
Cash and cash equivalents - end of year	<u>\$2,397,093</u>	<u>\$1,931,427</u>
No interest or income taxes were paid.		

*The attached notes and auditor's report are an integral part of these financial statements.*

**FRIENDS OF UNFPA, INC. AND  
FRIENDS OF AMERICANS FOR UNFPA, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016**

**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, 2017 or 2016.

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 in-kind marketing expenses valued at \$122,221 and \$125,013 for the years ended December 31, 2017 and 2016, respectively.

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, 2014 and later are subject to examination by applicable taxing authorities.

l. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through August 22, 2018, 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.

m. 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.

On June 21, 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes effective for the December 31, 2019 year, with early implementation permitted, provides guidance on whether a receipt from a third party resource provider should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions.

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the December 31, 2019 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the 2020 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Organization has not yet evaluated the impact these standards will have on future statements.

**Note 3 - Fixed Assets**

Fixed assets consist of:

	<u>12/31/17</u>	<u>12/31/16</u>
Computers and equipment	\$134,974	\$122,312
Leasehold improvements	<u>44,211</u>	<u>44,211</u>
	179,185	166,523
Less: accumulated depreciation and amortization	<u>(163,865)</u>	<u>(162,885)</u>
Total fixed assets	<u>\$15,320</u>	<u>\$3,638</u>

**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 at December 31, 2017 are due in 2018.

**Note 5 - Temporarily Restricted Net Assets**

The following schedule summarizes temporarily restricted net assets:

	<u>December 31, 2017</u>			
	<u>Balance</u>		<u>Released</u>	<u>Balance</u>
	<u>1/1/17</u>	<u>Contributions</u>	<u>from</u> <u>Restrictions</u>	<u>12/31/17</u>
Programs:				
Haiti & Liberia	\$1,387,800	\$0	(\$1,387,800)	\$0
Human Resources Capacity Development Project	435,000	0	(435,000)	0
Yemen Humanitarian Support	0	150,000	(105,000)	45,000
Donate-a-Photo - Mexico	0	30,000	(873)	29,127
Zaatari Refugee Camp	100,080	0	(100,080)	0
Haiti Baby Box Support	63,378	0	(63,378)	0
ICM Triennial Session	<u>28,673</u>	<u>0</u>	<u>(28,673)</u>	<u>0</u>
Total	<u>\$2,014,931</u>	<u>\$180,000</u>	<u>(\$2,120,804)</u>	<u>\$74,127</u>

December 31, 2016

	Balance <u>1/1/16</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/16</u>
Programs:				
Haiti & Liberia	\$0	\$1,387,800	\$0	\$1,387,800
Human Resources Capacity Development Project	0	435,000	0	435,000
Zaatari Refugee Camp	0	100,080	0	100,080
Haiti Baby Box Support	0	63,378	0	63,378
ICM Triennial Session	<u>0</u>	<u>28,673</u>	<u>0</u>	<u>26,673</u>
Total	<u>\$0</u>	<u>\$2,014,931</u>	<u>\$0</u>	<u>\$2,014,931</u>

**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 years ended December 31, 2017 and 2016 was \$9,894 and \$9,842, respectively.

**Note 8 - Significant Contributions**

During the years ended December 31, 2017 and 2016, approximately 58% and 66%, respectively, of the Organization's revenue (excluding in-kind services) was derived from contributions received from one donor.