



FRIENDS OF UNFPA

FRIENDS OF UNFPA, INC.

AND

FRIENDS OF AMERICANS FOR UNFPA, INC.

Consolidated Audited Financial Statements

December 31, 2020 and 2019

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, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Friends of UNFPA, Inc. and Friends of Americans for UNFPA, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Schall & Ashenfarb
Schall & Ashenfarb
Certified Public Accountants, LLC

July 22, 2021

**FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2020 AND 2019**

	<u>12/31/20</u>	<u>12/31/19</u>
Assets		
Cash and cash equivalents	\$1,233,758	\$1,059,687
Investments (Note 3)	0	547,808
Contributions and other receivables	773,076	545,244
Prepaid expenses and other assets	26,569	23,895
Fixed assets, net (Note 4)	<u>351</u>	<u>5,354</u>
 Total assets	 <u><u>\$2,033,754</u></u>	 <u><u>\$2,181,988</u></u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$178,612	\$77,095
Grants payable (Note 5)	348,947	1,094,848
Paycheck Protection Program loan (Note 6)	69,615	0
Total liabilities	<u>597,174</u>	<u>1,171,943</u>
Net assets:		
Without donor restrictions	896,158	994,962
With donor restrictions (Note 7)	<u>540,422</u>	<u>15,083</u>
Total net assets	<u>1,436,580</u>	<u>1,010,045</u>
 Total liabilities and net assets	 <u><u>\$2,033,754</u></u>	 <u><u>\$2,181,988</u></u>

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

FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With comparative totals for the year ended December 31, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/20</u>	<u>Total 12/31/19</u>
Public support and revenue:				
Contributions	\$4,078,489	\$803,550	\$4,882,039	\$3,790,727
In-kind contributions (Note 2k)	95,041		95,041	47,098
Interest and other income	6,687		6,687	18,436
Net assets released from restriction (Note 7)	278,211	(278,211)	0	0
Total public support and revenue	<u>4,458,428</u>	<u>525,339</u>	<u>4,983,767</u>	<u>3,856,261</u>
Expenses:				
Program services	3,694,849		3,694,849	3,173,114
Management and general	308,143		308,143	277,742
Fundraising	554,240		554,240	389,632
Total expenses	<u>4,557,232</u>	<u>0</u>	<u>4,557,232</u>	<u>3,840,488</u>
Change in net assets	(98,804)	525,339	426,535	15,773
Net assets - beginning of year	<u>994,962</u>	<u>15,083</u>	<u>1,010,045</u>	<u>994,272</u>
Net assets - end of year	<u>\$896,158</u>	<u>\$540,422</u>	<u>\$1,436,580</u>	<u>\$1,010,045</u>

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

**FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total 12/31/19
Public support and revenue:			
Contributions	\$3,732,382	\$58,345	\$3,790,727
In-kind contributions (Note 2k)	47,098		47,098
Interest and other income	18,436		18,436
Net assets released from restriction (Note 7)	43,262	(43,262)	0
Total public support and revenue	<u>3,841,178</u>	<u>15,083</u>	<u>3,856,261</u>
Expenses:			
Program services	3,173,114		3,173,114
Management and general	277,742		277,742
Fundraising	389,632		389,632
Total expenses	<u>3,840,488</u>	<u>0</u>	<u>3,840,488</u>
Change in net assets	690	15,083	15,773
Net assets - beginning of year	<u>994,272</u>	<u>0</u>	<u>994,272</u>
Net assets - end of year	<u><u>\$994,962</u></u>	<u><u>\$15,083</u></u>	<u><u>\$1,010,045</u></u>

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

FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With comparative totals for the year ended December 31, 2019)

	Program Services	Management and General	Fundraising	Total 12/31/20	Total 12/31/19
Salaries	\$234,965	\$97,036	\$154,048	\$486,049	\$343,721
Payroll taxes and benefits	54,063	22,325	35,446	111,834	75,455
Grant expense	2,987,380			2,987,380	2,852,290
Professional fees	127,380	168,291	145,420	441,091	275,971
Occupancy	7,251	2,995	4,754	15,000	15,000
Office supplies and equipment	40,717	8,406	18,436	67,559	45,458
Postage and shipping	22,276		23,535	45,811	46,335
Travel and entertainment	5,850	1,007	4,867	11,724	15,196
Insurance	2,482	1,025	1,627	5,134	5,990
Printing and promotion	111,044		111,044	222,088	61,816
Bank and credit card charges		2,149	49,143	51,292	32,496
In-kind marketing (Note 2k)	95,041			95,041	47,098
Other expenses	3,981	3,911	4,334	12,226	18,503
Depreciation	2,419	998	1,586	5,003	5,159
Total	\$3,694,849	\$308,143	\$554,240	\$4,557,232	\$3,840,488

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

**FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services	Management and General	Fundraising	Total 12/31/19
Salaries	\$124,661	\$59,591	\$159,469	\$343,721
Payroll taxes and benefits	27,365	13,084	35,006	75,455
Grant expense	2,852,290			2,852,290
Professional fees	45,911	153,575	76,485	275,971
Occupancy	5,440	2,601	6,959	15,000
Office supplies and equipment	19,145	6,827	19,486	45,458
Postage and shipping	22,975		23,360	46,335
Travel and entertainment	4,475	1,683	9,038	15,196
Insurance	2,172	1,039	2,779	5,990
Printing and promotion	15,875	12	45,929	61,816
Bank and credit card charges		32,496		32,496
In-kind marketing (Note 2k)	47,098			47,098
Other expenses	3,836	5,940	8,727	18,503
Depreciation	1,871	894	2,394	5,159
Total	\$3,173,114	\$277,742	\$389,632	\$3,840,488

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

**FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019**

	12/31/20	12/31/19
Cash flows from operating activities:		
Change in net assets	\$426,535	\$15,773
Adjustments to reconcile change in net assets to net cash flows (used for)/provided by operating activities:		
Depreciation	5,003	5,159
Donated stock	(113,221)	(127,712)
Changes in assets and liabilities:		
Contributions and other receivables	(227,832)	533,070
Prepaid expenses and other assets	(2,674)	3,756
Accounts payable and accrued expenses	101,517	4,511
Deferred revenue	0	(32,100)
Grants payable	(745,901)	1,477
Net cash flows (used for)/provided by operating activities	(983,108)	388,161
Cash flows from investing activities:		
Purchase of investments	(5,983)	(1,190,808)
Proceeds from sale of investments	667,012	770,712
Net cash flows provided by/(used for) investing activities	661,029	(420,096)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	69,615	0
Net cash flows provided by financing activities	69,615	0
Net increase/(decrease) in cash and cash equivalents	174,071	(16,162)
Cash and cash equivalents - beginning of year	1,059,687	1,075,849
Cash and cash equivalents - end of year	\$1,233,758	\$1,059,687

No interest or income taxes were paid.

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

**FRIENDS OF UNFPA, INC. AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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. The consolidated financial statements and related notes reflect the activities of Friends of UNFPA, Inc. and Friends of Americans for UNFPA, Inc. and are referred to collectively, as the "Organization." All inter-company transactions have been eliminated.

Both entities are exempt from federal income 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 private foundations.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The consolidated financial statements of the Organization 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.

b. Basis of Presentation

The Organization reports information regarding its financial position and activity according to the following classes of net assets:

➤ *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use.

➤ *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

The Organization follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") 2018-08 ("Topic 605") for recording contributions. Contributions are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction.

When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined under ASU No. 2018-08 as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. All contributions receivable at December 31, 2020 and 2019 are expected to be received within one year.

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.

d. Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered to be cash and cash equivalents for the purpose of the accompanying consolidated statement of cash flows.

e. 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.

f. Investments

Investments are recorded at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Unrealized gains and losses and investment management fees are included in income on the consolidated statement of activities.

g. Fixed Assets

Fixed assets consist of computers, furniture, and equipment that the Organization retains title to, which benefit future periods. Fixed assets that exceed pre-determined amounts and that have a useful life of greater than one year are recorded at cost or at fair value on the date of gift, if donated. Depreciation is calculated using the straight-line method over the estimated useful life of the assets (3-5 years).

h. Advertising

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

i. Management Estimates

The preparation of consolidated 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.

j. 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.

The following costs are allocated based on time and effort:

- Salaries

The following costs are allocated based on the salary allocation:

- Payroll taxes and benefits
- Occupancy
- Office supplies and equipment
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

k. 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 services valued at \$95,041 and \$47,098 for the years ended December 31, 2020 and 2019, respectively.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. These services do not meet the above criteria and have not been recorded in the consolidated financial statements.

l. 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, 2017 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncements

FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the consolidated statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the consolidated statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future consolidated financial statements.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments at December 31, 2019, consisted of a U.S. Treasury Note, which was measured using Level 1 inputs. This matured during 2020.

Level 1 securities are valued at the closing price reported on the active market that they are traded on. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Note 4 - Fixed Assets

Fixed assets consist of:

	<u>12/31/20</u>	<u>12/31/19</u>
Computers and equipment	\$134,974	\$134,974
Furniture	<u>44,211</u>	<u>44,211</u>
	179,185	179,185
Less: accumulated depreciation	<u>(178,834)</u>	<u>(173,831)</u>
Total fixed assets, net	<u>\$351</u>	<u>\$5,354</u>

Note 5 - 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 committed to award is dependent on the Board of Directors' approval. All grants payable at December 31, 2020 and December 31, 2019 are due within one year.

Note 6 - Paycheck Protection Program Loan

On May 28, 2020, the Organization obtained a loan from the SBA through the Paycheck Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are greater than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a two-year period, with a ten-month deferral of payments and interest will accrue at 1%. The loan forgiveness amount has not been determined as of the date of these consolidated financial statements.

The Organization has opted to treat the Paycheck Protection Program proceeds as a loan payable in accordance with FASB ASC 470. Under this treatment, the proceeds from the loan will remain as a liability until either the loan is forgiven by the SBA, or the Organization pays it off.

Note 7 - Net Assets with Donor Restrictions

The following schedule summarizes net assets with donor restrictions:

	December 31, 2020			
	Balance <u>1/1/20</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/20</u>
Programs:				
Capacity Building	\$15,083	\$263,545	(\$278,211)	\$417
Mexico Midwives	0	275,000	0	275,000
Maternal Care in Mexico	0	150,000	0	150,000
Sexual Reproductive				
Health (SRH) in Colombia	<u>0</u>	<u>115,005</u>	<u>0</u>	<u>115,005</u>
Total	<u>\$15,083</u>	<u>\$803,550</u>	<u>(\$278,211)</u>	<u>\$540,422</u>
	December 31, 2019			
	Balance <u>1/1/19</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/19</u>
Programs:				
Capacity Building	<u>\$0</u>	<u>\$58,345</u>	<u>(\$43,262)</u>	<u>\$15,083</u>

Note 8 - Commitments

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

Note 9 - Significant Contributions

During the years ended December 31, 2020 and 2019, approximately 45% and 54%, respectively, of the Organization's revenue (excluding in-kind services) was derived from contributions received from one donor.

Note 10 - 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, 2020 and 2019 was \$12,055 and \$11,452, respectively.

Note 11 - Liquidity and Availability of Financial Resources

As part of its liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, grants, liabilities, and other obligations come due. The Organization's outgoing grant payments and other expenses are funded by contributions.

The following reflects the Organization's financial assets at December 31, 2020:

Financial assets at year-end:		
Cash and cash equivalents	\$1,233,758	
Contributions and other receivables	<u>773,076</u>	
Total financial assets		\$2,006,834
Less amounts not available for general expenditures:		
Program restricted contributions		<u>(540,422)</u>
Financial assets available to meet cash needs for for general expenditures within one year		<u>\$1,466,412</u>

The following reflects the Organization's financial assets at December 31, 2019:

Financial assets at year-end:		
Cash and cash equivalents	\$1,059,687	
Investments	547,808	
Contributions and other receivables	<u>545,244</u>	
Total financial assets		\$2,152,739
Less amounts not available for general expenditures:		
Program restricted contributions		<u>(15,083)</u>
Financial assets available to meet cash needs for for general expenditures within one year		<u>\$2,137,656</u>

Note 12 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. As of the date of these consolidated financial statements, many of the travel restrictions and stay at home orders have been lifted, however supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these consolidated financial statements, the potential impact cannot be quantified.

Note 13 - Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the consolidated statement of financial position through July 22, 2021, the date the consolidated financial statements were available to be issued. All events that have occurred subsequent to the consolidated statement of financial position date through our evaluation date that would require adjustment to or disclosure in the consolidated financial statements have been made.