



FRIENDS OF UNFPA

**FRIENDS OF UNFPA, INC.
AND**

FRIENDS OF AMERICANS FOR UNFPA, INC.

Consolidated Audited Financial Statements

December 31, 2021 and 2020

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Friends of UNFPA, Inc. and Friends of Americans for UNFPA, Inc. (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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.

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 within one year after the date that the consolidated financial statements are available to be issued.

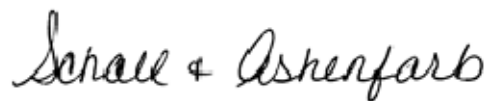
Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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 auditors' 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 generally accepted auditing standards 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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.



Schall & Ashenfarb
Certified Public Accountants, LLC

August 15, 2022

**FRIENDS OF UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2021 AND 2020**

	<u>12/31/21</u>	<u>12/31/20</u>
Assets		
Cash and cash equivalents	\$896,660	\$1,233,758
Contributions and other receivables	528,786	773,076
Prepaid expenses and other assets	45,256	26,569
Fixed assets, net (Note 3)	<u>0</u>	<u>351</u>
Total assets	<u><u>\$1,470,702</u></u>	<u><u>\$2,033,754</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$186,462	\$178,612
Grants payable (Note 4)	43,722	348,947
Paycheck Protection Program loan (Note 5)	<u>0</u>	<u>69,615</u>
Total liabilities	<u><u>230,184</u></u>	<u><u>597,174</u></u>
Net assets:		
Without donor restrictions	626,512	896,158
With donor restrictions (Note 6)	<u>614,006</u>	<u>540,422</u>
Total net assets	<u><u>1,240,518</u></u>	<u><u>1,436,580</u></u>
Total liabilities and net assets	<u><u>\$1,470,702</u></u>	<u><u>\$2,033,754</u></u>

The attached notes and auditors' 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, 2021
(With comparative totals for the year ended December 31, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/21</u>	<u>Total 12/31/20</u>
Public support and revenue:				
Contributions	\$2,855,841	\$613,589	\$3,469,430	\$4,882,039
Forgiveness of Paycheck Protection Loan (Note 5)	68,355		68,355	0
In-kind contributions (Note 2j)	131,238		131,238	95,041
Interest and other income	1,098		1,098	6,687
Net assets released from restriction (Note 6)	540,005	(540,005)	0	0
Total public support and revenue	<u>3,596,537</u>	<u>73,584</u>	<u>3,670,121</u>	<u>4,983,767</u>
Expenses:				
Program services	2,937,806		2,937,806	3,694,849
Management and general	394,842		394,842	308,143
Fundraising	533,535		533,535	554,240
Total expenses	<u>3,866,183</u>	<u>0</u>	<u>3,866,183</u>	<u>4,557,232</u>
Change in net assets	(269,646)	73,584	(196,062)	426,535
Net assets - beginning of year	<u>896,158</u>	<u>540,422</u>	<u>1,436,580</u>	<u>1,010,045</u>
Net assets - end of year	<u>\$626,512</u>	<u>\$614,006</u>	<u>\$1,240,518</u>	<u>\$1,436,580</u>

The attached notes and auditors' 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**

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

The attached notes and auditors' 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, 2021
(With comparative totals for the year ended December 31, 2020)

	Program Services	Management and General	Fundraising	Total 12/31/21	Total 12/31/20
Salaries	\$369,133	\$132,874	\$150,970	\$652,977	\$486,049
Payroll taxes and benefits	97,484	35,087	39,870	172,441	111,834
Grant expense	1,581,490			1,581,490	2,987,380
Professional fees	371,106	188,102	70,735	629,943	441,091
Occupancy	8,480	3,052	3,468	15,000	15,000
Office supplies and equipment	21,526	7,631	8,751	37,908	67,559
Postage and shipping	27,893		34,162	62,055	45,811
Travel and entertainment	1,977	4,899	251	7,127	11,724
Insurance	3,116	1,122	1,274	5,512	5,134
Printing and promotion	314,544	53	178,301	492,898	222,088
Bank and credit card charges		7,932	31,904	39,836	51,292
In-kind marketing (Note 2j)	131,238			131,238	95,041
Other expenses	9,621	14,018	13,768	37,407	12,226
Depreciation	198	72	81	351	5,003
Total	\$2,937,806	\$394,842	\$533,535	\$3,866,183	\$4,557,232

The attached notes and auditors' 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**

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

The attached notes and auditors' 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, 2021 AND 2020**

	12/31/21	12/31/20
Cash flows from operating activities:		
Change in net assets	(\$196,062)	\$426,535
Adjustments to reconcile change in net assets to net cash flows used for operating activities:		
Depreciation	351	5,003
Donated stock	(163,382)	(113,221)
Paycheck Protection Program loan forgiveness	(68,355)	0
Changes in assets and liabilities:		
Contributions and other receivables	244,290	(227,832)
Prepaid expenses and other assets	(18,687)	(2,674)
Accounts payable and accrued expenses	7,850	101,517
Deferred revenue	0	0
Grants payable	(305,225)	(745,901)
Net cash flows used for operating activities	(303,158)	(983,108)
Cash flows from investing activities:		
Purchase of investments	(2,774)	(5,983)
Proceeds from sale of investments	166,156	667,012
Net cash flows provided by investing activities	163,382	661,029
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	0	69,615
Loan payments on Paycheck Protection Program loan	(1,260)	0
Net cash flows (used for)/provided by financing activities	(1,260)	69,615
Net (decrease)/increase in cash and cash equivalents	(337,098)	174,071
Cash and cash equivalents - beginning of year	1,233,758	1,059,687
Cash and cash equivalents - end of year	\$896,660	\$1,233,758

No interest or income taxes were paid.

The attached notes and auditors' 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, 2021 AND 2020**

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 method of recognizing revenue and expenses when earned or incurred rather than received or paid.

b. Basis of Presentation

Not-for-profit organizations report 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 Codification ("ASC") 958-605 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 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, 2021 and 2020 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.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to a 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. Fixed Assets

Fixed assets consist of computers, furniture, and equipment that the Organization retains title to, which benefit future periods. Fixed assets that exceed \$500 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).

g. Advertising

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

h. 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.

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.

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.

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 services valued at \$131,238 and \$95,041 for the years ended December 31, 2021 and 2020, 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.

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, 2018 and later are subject to examination by applicable taxing authorities.

l. New Accounting Pronouncements

FASB issued Accounting Standards Update (“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. 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 - Fixed Assets

Fixed assets consist of:

	<u>12/31/21</u>	<u>12/31/20</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>(179,185)</u>	<u>(178,834)</u>
Total fixed assets, net	<u>\$0</u>	<u>\$351</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 committed to award is dependent on the Board of Directors' approval. All grants payable at December 31, 2021 and December 31, 2020 are due within one year.

Note 5 - Paycheck Protection Program Loan

On May 28, 2020, the Organization obtained a loan from the Small Business Administration ("SBA") through the Paycheck Protection Program ("PPP"). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. Portions that were not forgiven would be payable over a two-year period, with a ten-month deferral of payments and interest will accrue at 1%.

The Organization has opted to treat the PPP proceeds as a loan payable in accordance with FASB ASC 470. Under this treatment, the proceeds from the loan remain as a liability until either the loan is forgiven by the SBA, or the Organization pays it off. During the year ended December 31, 2021, the Organization was notified by the SBA that a majority of the loan was forgiven.

Note 6 - Net Assets with Donor Restrictions

The following schedule summarizes net assets with donor restrictions:

	<u>December 31, 2021</u>			
	<u>Balance</u> <u>1/1/21</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	<u>Balance</u> <u>12/31/21</u>
Programs:				
Capacity Building	\$417	\$3	(\$0)	\$420
Mexico Midwives	275,000	287,277	(275,000)	287,277
Argentina Midwives	0	276,389	(0)	276,389
Maternal Care in Mexico	150,000	0	(150,000)	0
Health teams in Colombia	<u>115,005</u>	<u>49,920</u>	<u>(115,005)</u>	<u>49,920</u>
Total	<u>\$540,422</u>	<u>\$613,589</u>	<u>(\$540,005)</u>	<u>\$614,006</u>

	December 31, 2020			
	Balance 1/1/20	Contributions	Released from Restrictions	Balance 12/31/20
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>

Note 7 - Commitments

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

Note 8 - Significant Contributions

During the years ended December 31, 2021 and 2020, approximately 28% and 45%, respectively, of the Organization's revenue (excluding in-kind services) was derived from contributions received from one donor.

Note 9 - Retirement Plan

The Organization sponsors a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. During the year ended December 31, 2021, the Organization added a matching component of employee compensation deferrals which will take effect January 1, 2022. Pension expense for the years ended December 31, 2021 and 2020 was \$22,985 and \$12,055, respectively.

Note 10 - 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 December 31, 2021 financial assets available to meet cash needs for general expenditures within one year:

Financial assets at year-end:	
Cash and cash equivalents	\$896,660
Contributions and other receivables	<u>528,786</u>
Total financial assets	\$1,425,446
Less amounts not available for general expenditures:	
Program restricted contributions	<u>(614,006)</u>
Financial assets available to meet cash needs for for general expenditures within one year	<u>\$811,440</u>

The following reflects the Organization's December 31, 2020 financial assets available to meet cash needs for general expenditures within one year:

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>

Note 11 – 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 12 – Subsequent Events

In June 2022, the applicable licensing authority in New York State approved the name change of the organization to USA for UNFPA, Inc. The name change will be announced by the Organization in the Fall of 2022 and will begin using that name officially at that point.

Subsequent events have been evaluated through August 15, 2022, the date the consolidated financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.