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

Consolidated Audited Financial Statements

December 31, 2022 and 2021



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
USA for UNFPA, Inc. (formerly known as Friends of UNFPA, Inc.)
and Friends of Americans for UNFPA, Inc.

Opinion

We have audited the accompanying consolidated financial statements of USA for UNFPA, Inc. (formerly known as 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, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the 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, 2022 and 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Other Matter

The financial statements of the Organization for the year ended December 31, 2021 were audited by another auditor, who expressed an unmodified opinion on those statements on August 15, 2022.

Responsibilities of Management for the 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.

Auditor's Responsibilities for the Audit of the 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 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 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 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.



New York, NY
August 23, 2023

**USA FOR UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2022 AND 2021**

	<u>12/31/22</u>	<u>12/31/21</u>
Assets		
Cash and cash equivalents	\$985,144	\$896,660
Contributions and other receivables	177,512	528,786
Prepaid expenses and other assets	<u>37,129</u>	<u>45,256</u>
Total assets	<u><u>\$1,199,785</u></u>	<u><u>\$1,470,702</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$98,375	\$186,462
Grants payable (Note 3)	<u>312,473</u>	<u>43,722</u>
Total liabilities	<u><u>410,848</u></u>	<u><u>230,184</u></u>
Net assets:		
Without donor restrictions	788,937	626,512
With donor restrictions (Note 4)	<u>0</u>	<u>614,006</u>
Total net assets	<u><u>788,937</u></u>	<u><u>1,240,518</u></u>
Total liabilities and net assets	<u><u>\$1,199,785</u></u>	<u><u>\$1,470,702</u></u>

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

USA FOR UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/22</u>	<u>Total 12/31/21</u>
Public support and revenue:				
Contributions	\$4,529,260		\$4,529,260	\$3,469,430
Forgiveness of Paycheck Protection Program loan (Note 5)			0	68,355
In-kind contributions (Note 2j)	129,185		129,185	131,238
Interest and other income	4,352		4,352	1,098
Net assets released from restriction (Note 4)	614,006	(\$614,006)	0	0
Total public support and revenue	<u>5,276,803</u>	<u>(614,006)</u>	<u>4,662,797</u>	<u>3,670,121</u>
Expenses:				
Program services	4,014,067		4,014,067	2,937,806
Management and general	402,528		402,528	394,842
Fundraising	697,783		697,783	533,535
Total expenses	<u>5,114,378</u>	<u>0</u>	<u>5,114,378</u>	<u>3,866,183</u>
Change in net assets	162,425	(614,006)	(451,581)	(196,062)
Net assets - beginning of year	<u>626,512</u>	<u>614,006</u>	<u>1,240,518</u>	<u>1,436,580</u>
Net assets - end of year	<u>\$788,937</u>	<u>\$0</u>	<u>\$788,937</u>	<u>\$1,240,518</u>

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

**USA FOR UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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

USA FOR UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	Program Services	Management and General	Fundraising	Total 12/31/22	Total 12/31/21
Salaries	\$401,845	\$144,813	\$204,595	\$751,253	\$652,977
Payroll taxes and benefits	102,625	36,985	52,250	191,860	172,441
Grant expense	2,597,818			2,597,818	1,581,490
Professional fees	334,320	186,482	99,972	620,774	629,943
Occupancy	8,023	2,892	4,085	15,000	15,000
Office supplies and equipment	18,883	6,803	9,614	35,300	37,908
Postage and shipping	64,699		66,186	130,885	62,055
Travel and entertainment	7,432	7,104	1,080	15,616	7,127
Insurance	3,422	1,233	1,742	6,397	5,512
Printing and promotion	338,728		190,248	528,976	492,898
Bank and credit card charges		2,068	51,586	53,654	39,836
In-kind legal and marketing (Note 2j)	129,185			129,185	131,238
Other expenses	7,087	14,148	16,425	37,660	37,407
Depreciation				0	351
Total	\$4,014,067	\$402,528	\$697,783	\$5,114,378	\$3,866,183

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

USA FOR UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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

**USA FOR UNFPA, INC.
AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>12/31/22</u>	<u>12/31/21</u>
Cash flows from operating activities:		
Change in net assets	(\$451,581)	(\$196,062)
Adjustments to reconcile change in net assets to net cash flows provided by/(used for) operating activities:		
Depreciation	0	351
Donated stock	(237,112)	(163,382)
Paycheck Protection Program loan forgiveness	0	(68,355)
Changes in assets and liabilities:		
Contributions and other receivables	351,274	244,290
Prepaid expenses and other assets	8,127	(18,687)
Accounts payable and accrued expenses	(88,087)	7,850
Grants payable	268,751	(305,225)
Net cash flows provided by/(used for) operating activities	<u>302,953</u>	<u>(303,158)</u>
Cash flows from investing activities:		
Purchase of investments	(5,125)	(2,774)
Proceeds from sale of investments	242,237	166,156
Net cash flows provided by investing activities	<u>237,112</u>	<u>163,382</u>
Cash flows from financing activities:		
Loan payments on Paycheck Protection Program loan	0	(1,260)
Net cash flows used for financing activities	<u>0</u>	<u>(1,260)</u>
Net increase/(decrease) in cash and cash equivalents	88,484	(337,098)
Cash and cash equivalents - beginning of year	<u>896,660</u>	<u>1,233,758</u>
Cash and cash equivalents - end of year	<u>\$985,144</u>	<u>\$896,660</u>

No interest or income taxes were paid.

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

**USA FOR UNFPA, INC. AND
FRIENDS OF AMERICANS FOR UNFPA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note 1 - Organization

USA for UNFPA, Inc., (formerly known as 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, USA for 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 USA for UNFPA, Inc.

USA for UNFPA, Inc. is the sole member of Friends of Americans for UNFPA, Inc. The consolidated financial statements and related notes reflect the activities of USA for 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. Recently Adopted Accounting Standards

Effective January 1, 2022, the Organization adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which requires lessees to recognize leases on the consolidated statement of financial position and disclose key information about leasing arrangements. See Note 2i for more details.

Effective January 1, 2022, the Organization adopted FASB ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. 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. Adoption of this standard did not have a material impact on the Organization's consolidated financial statements.

c. 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 or passage of time specified by the donor.

d. Revenue Recognition

The Organization follows the requirements of FASB's Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recorded 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, 2022 and 2021 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.

e. Cash and Cash Equivalents

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

f. 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.

- 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 \$1,000 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. There were no fixed assets at December 31, 2022 or 2021.
- h. Advertising
Advertising costs are charged to operations when costs are incurred.
- i. Leases
The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (“ROU”) assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. All leases at December 31, 2022 had a term of 12 months or less.
- j. In-Kind Contributions
Donated services are recognized in circumstances where those services 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. In-kind legal fees of \$8,776 were received during the year ended December 31, 2022, and valued at the standard hourly rate charged for those services. During the year ended December 31, 2022 and 2021, in-kind marketing services valued at \$120,409 and \$131,238, respectively, were also received and valued at the standard rate charged for those services. The related expenses have been charged to program services in both years.
- 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. 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.
- l. 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

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

m. 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, 2019 and later are subject to examination by applicable taxing authorities.

Note 3 - 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, 2022 and December 31, 2021 are due within one year.

Note 4 - Net Assets with Donor Restrictions

The following schedule summarizes net assets with donor restrictions:

	<u>December 31, 2022</u>			
	Balance <u>1/1/22</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/22</u>
Programs:				
Capacity Building	\$420	\$0	(\$420)	\$0
Mexico Midwives	287,277	0	(287,277)	0
Argentina Midwives	276,389	0	(276,389)	0
Health teams in Colombia	<u>49,920</u>	<u>0</u>	<u>(49,920)</u>	<u>0</u>
Total	<u>\$614,006</u>	<u>\$0</u>	<u>(\$614,006)</u>	<u>\$0</u>
	<u>December 31, 2021</u>			
	Balance <u>1/1/21</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <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>

Note 5 - Forgiveness of 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 that the loan, or a portion thereof, would be forgiven. 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 remained as a liability until forgiven by the SBA. During the year ended December 31, 2021, the Organization was notified by the SBA that a majority of the loan was forgiven and therefore recognized as revenue during that period.

Note 6 - Commitments

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

Note 7 - Significant Contributions

During the years ended December 31, 2022 and 2021, approximately 23% and 28%, respectively, of the Organization’s revenue (excluding in-kind services) was derived from contributions received from one donor.

Note 8 - 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 took effect January 1, 2022. Pension expense for the years ended December 31, 2022 and 2021 was \$33,867 and \$22,985, respectively.

Note 9 - 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, 2022 financial assets available to meet cash needs for general expenditures within one year:

Financial assets at year-end:	
Cash and cash equivalents	\$985,144
Contributions and other receivables	<u>177,512</u>
Financial assets available to meet cash needs for for general expenditures within one year	<u>\$1,162,656</u>

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>

Note 10 - Subsequent Events

Subsequent events have been evaluated through August 23, 2023, the date the consolidated financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the consolidated financial statements.