

REPRODUCTIVE HEALTH ACCESS PROJECT, INC.

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

MARCH 31, 2017 AND 2016

REPRODUCTIVE HEALTH ACCESS PROJECT, INC.

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
Reproductive Health Access Project, Inc.

We have audited the accompanying financial statements of Reproductive Health Access Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity'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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Reproductive Health Access Project, Inc. as of March 31, 2017 and 2016, 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.

Skody Scot & Company, CPAs, P.C.

New York, NY
September 12, 2017

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2017 AND 2016**

| | 2017 | 2016 |
|---|-------------|-------------|
| ASSETS | | |
| Cash | \$ 129,421 | \$ 196,017 |
| Contributions & other receivables | 410,380 | 103,344 |
| Total assets | \$ 539,801 | \$ 299,361 |
| LIABILITIES AND NET ASSETS | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | \$ 83,296 | \$ 75,091 |
| Total liabilities | 83,296 | 75,091 |
| Commitments and contingencies (see notes) | | |
| Net Assets: | | |
| Unrestricted | 46,255 | 97,092 |
| Temporarily restricted | 410,250 | 127,178 |
| Permanently restricted | - | - |
| Total net assets | 456,505 | 224,270 |
| Total liabilities and net assets | \$ 539,801 | \$ 299,361 |

See accompanying notes to financial statements.

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2017 AND 2016**

| | 2017 | 2016 |
|--|-------------|-------------|
| Support and Revenues: | | |
| Unrestricted: | | |
| Contributions | \$ 325,441 | \$ 406,019 |
| Contributions in-kind | 112,061 | 94,940 |
| Program service revenue | 88,164 | 102,075 |
| Special events: | | |
| Event income | 6,429 | 72,213 |
| Less: related direct costs | (4,942) | (45,127) |
| Net special event income | 1,487 | 27,086 |
| Interest income | 113 | 148 |
| Release of prior year's restricted contributions | 127,178 | 75,642 |
| Temporarily restricted: | | |
| Contributions | 410,250 | 127,178 |
| Release of prior year's restricted contributions | (127,178) | (75,642) |
| Total support and revenues | 937,516 | 757,446 |
| Expenses: | | |
| Program services | 496,641 | 507,922 |
| Management and general | 86,642 | 96,507 |
| Fundraising | 121,998 | 132,333 |
| Total expenses | 705,281 | 736,762 |
| Increase/(Decrease) In Net Assets: | | |
| Unrestricted | (50,837) | (30,852) |
| Temporarily restricted | 283,072 | 51,536 |
| Permanently restricted | - | - |
| Increase/(decrease) in net assets | 232,235 | 20,684 |
| Net assets, beginning of year | 224,270 | 203,586 |
| Net assets, end of year | \$ 456,505 | \$ 224,270 |

See accompanying notes to financial statements.

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2017 AND 2016**

| | 2017 | 2016 |
|--|-------------|-------------|
| Cash flows from operating activities: | | |
| Increase/(decrease) in net assets | \$ 232,235 | \$ 20,684 |
| Adjustments for non-cash items included in operating activities | - | - |
| Changes in assets and liabilities: | | |
| Contributions & other receivables | (307,036) | (101,904) |
| Accounts payable and accrued expenses | 8,205 | 55,479 |
| Net cash provided/(used) by operating activities | (66,596) | (25,741) |
| Cash flows from investing activities | - | - |
| Cash flows from financing activities | - | - |
| Net increase/(decrease) in cash | (66,596) | (25,741) |
| Cash at beginning of year | 196,017 | 221,758 |
| Cash at end of year | \$ 129,421 | \$ 196,017 |

See accompanying notes to financial statements.

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2017 WITH COMPARATIVE TOTALS FOR 2016**

| | 2017 | | | 2016 | |
|------------------------------|---------------------|---------------------------|-------------|-------------------|-------------------|
| | Program Services | Management and General | Fundraising | Total Expenses | Total Expenses |
| Personnel costs: | | | | | |
| Salaries | \$ 237,214 | \$ 39,844 | \$ 88,864 | \$ 365,922 | \$ 360,569 |
| Payroll taxes and benefits | 38,701 | 6,500 | 14,499 | 59,700 | 50,781 |
| Pension | 7,284 | 1,223 | 2,729 | 11,236 | 11,011 |
| Outside contractors | 27,700 | - | 500 | 28,200 | 24,893 |
| Total personnel costs | 310,899 | 47,567 | 106,592 | 465,058 | 447,254 |
| Direct expenses: | | | | | |
| Insurance | 4,260 | 1,421 | - | 5,681 | 5,327 |
| Office supplies and expenses | 30,861 | 16,595 | 1,992 | 49,448 | 22,003 |
| Postage & delivery | 2,270 | 474 | 2,267 | 5,011 | 4,314 |
| Printing and design | 8,556 | 591 | 9,109 | 18,256 | 6,766 |
| Professional fees | - | 10,500 | - | 10,500 | 13,000 |
| Rent | 9,699 | 8,326 | 1,229 | 19,254 | 30,834 |
| Training and workshops | 130,096 | - | 359 | 130,455 | 193,107 |
| Website | - | 1,168 | 450 | 1,618 | 14,157 |
| Total direct expenses | 185,742 | 39,075 | 15,406 | 240,223 | 289,508 |
| Total expenses | \$ 496,641 | \$ 86,642 | \$ 121,998 | \$ 705,281 | \$ 736,762 |

See accompanying notes to financial statements.

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies

The Organization

Reproductive Health Access Project, Inc. (Organization), a not-for-profit organization, was incorporated in the State of Delaware on September 7, 1999 under the name Access Project Foundation. The Organization amended its certificate of incorporation in February 2005 to change to its current name. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from contributions from individuals, foundations and corporations.

The purpose of the Organization is to integrate abortion, contraception and miscarriage care into primary care. The Organization aims to accomplish its mission by training and supporting clinicians, including medical students, residents, and practicing clinicians. Its programs include developing and maintaining a national network of reproductive health care providers and trainers; disseminating information to educate clinicians and the general public; sponsoring fellowships and hands-on clinical training; and promoting understanding about reproductive health options.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

In accordance with GAAP the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates salaries based on estimated time and other expenses based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Program service revenue relates to fees received in exchange for program services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred income.

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Purchased property and equipment are stated at cost, less accumulated depreciation. Donated property and equipment are stated at fair value on the date of donation, less accumulated depreciation. Depreciation of equipment is computed by the straight-line method over estimated useful lives ranging from three to five years. Expenditures for repairs and maintenance are charged as an expense, and major renewals and betterments are capitalized.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable debt.

Note 2 - Pension Plan

During 2007, the Organization adopted a Tax Sheltered Annuity Plan (TSA). Any employee is eligible to enroll in the plan. The Organization makes contributions based on a percentage of each employee's salary who has been an employee of the Organization for at least one year. During the years ended March 31, 2017 and 2016, the Organization contributed a total of \$11,236 and \$11,011, respectively, to this TSA plan.

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 3 - Property and Equipment

Property and equipment consisted of the following at March 31, 2017 and 2016:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------|-------------|-------------|
| Equipment | \$ 16,738 | \$ 16,738 |
| Less: Accumulated depreciation | (16,738) | (16,738) |
| | <u>\$ -</u> | <u>\$ -</u> |

Note 4 - Contributions In-Kind

Significant services and facilities were donated to the Organization and meet the criteria for being recognized as contributions in accordance with GAAP. Amounts are recorded at their estimated fair market values at the date of donation using published rates and prices.

Total contributions in-kind reported on the accompanying statement of activities for the years ended March 31, 2017 and 2016 was \$112,061 and \$94,940 , respectively, and consisted of specialized services and free use of facilities.

In addition, the Organization received non-specialized volunteered time which did not meet the criteria for being recognized as contributions in accordance with GAAP.

Note 5 - Restrictions on Net Assets

As of March 31, 2017 and 2016, temporarily restricted net assets are available in future years for the following purposes:

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|-------------------|
| Miscarriage management | \$ - | \$ 92,921 |
| Family medicine reproductive health network | - | 9,257 |
| American academy of family physicians advocacy | 410,250 | - |
| Translation project | - | 25,000 |
| | <u>\$ 410,250</u> | <u>\$ 127,178</u> |

Note 6 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through September 12, 2017, which is the date the financial statements were available to be issued.

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS**

Note 7 - Concentrations

The Organization maintains its cash in various accounts. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. At times, the balances of the accounts may have exceeded the limits during the years ended March 31, 2017 and 2016.

For the year ended March 31, 2017, approximately 44% of the Organization's total support was provided by a major contributor. It is always possible that benefactors, grantors, or contributors might be lost in the near term. In the event funding is terminated or significantly reduced, the Organization's ability to continue providing their programs at the same level of service would be greatly diminished.