

REPRODUCTIVE HEALTH ACCESS PROJECT, INC.

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

MARCH 31, 2019 AND 2018

REPRODUCTIVE HEALTH ACCESS PROJECT, INC.

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Skody Scot & Company, CPAs, P.C.

520 Eighth Avenue, Suite 2200, New York, NY 10018 • (T) 212-967-1100 • (F) 212-967-2002

www.skodyscot.com

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, 2019 and 2018, and the related statements of activities, expenses, 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, 2019 and 2018, 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 9, 2019

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2019 AND 2018**

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 343,487	\$ 218,753
Contributions & other receivables	84,834	74,319
Property and equipment, net	15,621	20,056
Security deposits	14,384	14,384
	\$ 458,326	\$ 327,512
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 62,852	\$ 36,453
Total liabilities	62,852	36,453
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	287,992	155,991
With donor restrictions	107,482	135,068
	395,474	291,059
Total net assets	395,474	291,059
Total liabilities and net assets	\$ 458,326	\$ 327,512

See accompanying notes to the financial statements.

**REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Contributions	\$ 1,064,881	\$ 107,482	\$ 1,172,363	\$ 541,154	\$ 98,920	\$ 640,074
Contributions in-kind	-	-	-	90,229	-	90,229
Program service revenue	223,277	-	223,277	126,057	-	126,057
Special events:						
Event income	-	-	-	29,015	-	29,015
Less: related direct costs	-	-	-	(7,253)	-	(7,253)
Net special event income	-	-	-	21,762	-	21,762
Interest income	942	-	942	371	-	371
Net assets released from restriction:						
Satisfaction of purpose restrictions	135,068	(135,068)	-	374,102	(374,102)	-
Total net assets released from restrictions	135,068	(135,068)	-	374,102	(374,102)	-
Total support and revenues	1,424,168	(27,586)	1,396,582	1,153,675	(275,182)	878,493
Expenses:						
Program services	1,063,210	-	1,063,210	769,390	-	769,390
Management and general	108,752	-	108,752	125,732	-	125,732
Fundraising	120,205	-	120,205	148,817	-	148,817
Total expenses	1,292,167	-	1,292,167	1,043,939	-	1,043,939
Increase/(Decrease) In Net Assets	132,001	(27,586)	104,415	109,736	(275,182)	(165,446)
Net assets, beginning of year	155,991	135,068	291,059	46,255	410,250	456,505
Net assets, end of year	\$ 287,992	\$ 107,482	\$ 395,474	\$ 155,991	\$ 135,068	\$ 291,059

See accompanying notes to the financial statements.

REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENT OF EXPENSES
YEAR ENDED MARCH 31, 2019

	Program Services	Management and General	Fundraising	Total Expenses
Personnel Costs:				
Salaries	\$ 362,461	\$ 43,100	\$ 80,126	\$ 485,687
Payroll taxes and benefits	51,520	6,126	11,395	69,041
Pension	14,451	1,719	3,196	19,366
Outside contractors	145,693	-	2,226	147,919
Total personnel costs	<u>574,125</u>	<u>50,945</u>	<u>96,943</u>	<u>722,013</u>
Direct expenses:				
Depreciation	-	4,435	-	4,435
Dues & Subscriptions	29,091	5,615	2,576	37,282
Grants and contributions to others	36,815	-	-	36,815
Insurance	-	7,152	-	7,152
Office supplies and expenses	3,282	9,436	6,664	19,382
Postage & delivery	2,372	924	2,461	5,757
Printing and design	8,498	3,790	2,894	15,182
Professional fees	-	11,500	-	11,500
Rent and utilities	69,790	7,755	-	77,545
Training and workshops	150,187	1,328	515	152,030
Travel and meetings	169,206	3,522	3,271	175,999
Website	19,844	2,350	4,881	27,075
Total direct expenses	<u>489,085</u>	<u>57,807</u>	<u>23,262</u>	<u>570,154</u>
Total expenses	<u>\$ 1,063,210</u>	<u>\$ 108,752</u>	<u>\$ 120,205</u>	<u>\$ 1,292,167</u>

See accompanying notes to the financial statements.

REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENT OF EXPENSES
YEAR ENDED MARCH 31, 2018

	Program Services	Management and General	Fundraising	Total Expenses
Personnel Costs:				
Salaries	\$ 297,491	\$ 50,406	\$ 104,543	\$ 452,440
Payroll taxes and benefits	48,277	7,567	14,921	70,765
Pension	12,334	2,552	5,586	20,472
Outside contractors	102,133	2,000	-	104,133
Total personnel costs	<u>460,235</u>	<u>62,525</u>	<u>125,050</u>	<u>647,810</u>
Direct expenses:				
Depreciation	-	4,435	-	4,435
Dues & Subscriptions	23,451	6,144	702	30,297
Grants and contributions to others	37,935	-	-	37,935
Insurance	-	5,453	-	5,453
Office supplies and expenses	672	14,117	8,612	23,401
Postage & delivery	1,398	635	2,231	4,264
Printing and design	3,552	917	8,606	13,075
Professional fees	-	11,500	-	11,500
Rent and utilities	5,842	16,578	741	23,161
Training and workshops	129,864	-	-	129,864
Travel and meetings	84,372	3,203	2,669	90,244
Website	22,069	225	206	22,500
Total direct expenses	<u>309,155</u>	<u>63,207</u>	<u>23,767</u>	<u>396,129</u>
Total expenses	<u>\$ 769,390</u>	<u>\$ 125,732</u>	<u>\$ 148,817</u>	<u>\$ 1,043,939</u>

See accompanying notes to the financial statements.

REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 104,415	\$ (165,446)
Adjustments for non-cash items included in operating activities:		
Depreciation	4,435	4,435
Changes in assets and liabilities:		
Contributions & other receivables	(10,515)	336,061
Security deposits	-	(14,384)
Accounts payable and accrued expenses	26,399	(46,843)
Net cash provided/(used) by operating activities	124,734	113,823
Cash flows from investing activities	-	-
Cash flows from financing activities:		
Purchase of property and equipment	-	(24,491)
Net cash provided/(used) by financing activities	-	(24,491)
Net increase/(decrease) in cash and cash equivalents	124,734	89,332
Cash and cash equivalents at beginning of year	218,753	129,421
Cash and cash equivalents at end of year	\$ 343,487	\$ 218,753

See accompanying notes to the 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.

Change in Accounting Principle

In fiscal year 2019, the Organization adopted all reporting changes required under FASB ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Accordingly, all amounts on the fiscal year 2019 and 2018 financial statements have been reclassified to conform to the new presentation requirements. All required disclosures have been incorporated and included on the accompanying financial statements and in these notes.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

REPRODUCTIVE HEALTH ACCESS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (Continued)

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 statements of activities and in the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses based on estimated time and effort and office supplies and expenses, postage and delivery, printing and design, rent and utilities, and website expenses based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

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 revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash Equivalents

For the purposes of the statements of financial position and the statements of cash flows, the Organization considers as cash equivalents money market funds and all highly liquid resources, such as investments in certificates of deposit, with an original maturity of three months or less.

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.

Investments

The policy of the Organization is to sell donated investments soon after receipt and consider them cash donations valued at the sale price.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Checking and savings	\$ 343,236	\$ 218,753
Money market funds	<u>251</u>	<u>-</u>
Total held	<u>\$ 343,487</u>	<u>\$ 218,753</u>

Note 3 - 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, 2019 and 2018, the Organization contributed a total of \$19,366 and \$20,472, respectively, to this TSA plan.

Note 4 - Property and Equipment

Property and equipment consisted of the following at March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Equipment and furniture	\$ 41,229	\$ 41,229
Less: Accumulated depreciation	<u>(25,608)</u>	<u>(21,173)</u>
	<u>\$ 15,621</u>	<u>\$ 20,056</u>

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

Note 5 - 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 statements of activities for the years ended March 31, 2019 and 2018 was \$0 and \$90,229, 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 6 - Net Assets With Donor Restrictions

As of March 31, 2019 and 2018, net assets with donor restrictions are available in future years for the following purposes:

	<u>2019</u>	<u>2018</u>
Miscarriage care initiative	\$ -	\$ 48,920
American academy of family physicians advocacy	47,482	36,148
Fellowship program	-	50,000
Fiscal year 2020 activities	<u>60,000</u>	<u>-</u>
	<u>\$ 107,482</u>	<u>\$ 135,068</u>

Note 7 - Concentrations

The Organization maintains its cash and cash equivalents in various accounts. The Federal Deposit Insurance Corporation (FDIC) insures bank deposits up to \$250,000 per financial institution. The Securities Investor Protection Corporation (SIPC) insures cash and securities, including money market funds, up to \$500,000 per financial institution. At times, the balances of the accounts may have exceeded the limits during the years ended March 31, 2019 and 2018.

For the year ended March 31, 2019, approximately 41% 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.

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

Note 8 - Commitments and Contingencies

The Organization leases space under a noncancelable operating lease. As of March 31, 2019, minimum aggregate annual rentals are as follows:

Year ended March 31, 2020	\$ 71,048
2021	73,180
2022	75,376
2023	77,644
2024	79,980
2025	54,376

Total rent and utilities expense (excluding in-kind rent) charged to operations for the years ended March 31, 2019 and 2018 was \$77,545 and \$14,932, respectively.

Note 9 - Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of March 31, 2019 and 2018, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and cash equivalents	\$ 343,487	\$ 218,753
Contributions and other receivables	<u>84,834</u>	<u>74,319</u>
Total financial assets	428,321	293,072
Less those unavailable for general expenditures within one year	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 428,321</u>	<u>\$ 293,072</u>

Note 10 - Subsequent Events

Subsequent events were evaluated for potential additional disclosures and corrections through September 9, 2019, which is the date the financial statements were available to be issued.