

# **CONSOLIDATED FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED  
JUNE 30, 2020 AND 2019**

# IPAS

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Ipas  
Chapel Hill, North Carolina

We have audited the accompanying consolidated financial statements of Ipas, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the 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.

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**MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION**

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ipas as of June 30, 2020 and 2019, and the consolidated changes in its net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedules of Financial Position on pages 22 and 24 and the Consolidating Schedules of Activities and Change in Net Assets on pages 23 and 25 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



November 16, 2020

## IPAS

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2020 AND 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 18,027,853	\$ 15,401,251
Investments	55,775,529	48,034,840
Accounts receivable	1,261,519	2,071,145
Grants receivable	32,843,014	58,088,962
Contracts receivable	2,489,229	1,865,789
Prepaid expenses	<u>1,062,126</u>	<u>1,060,573</u>
Total current assets	<u>111,459,270</u>	<u>126,522,560</u>
<b>FIXED ASSETS</b>		
Equipment and leasehold improvements	2,272,392	2,285,689
Less: Accumulated depreciation and amortization	<u>(1,374,164)</u>	<u>(1,320,895)</u>
Net fixed assets	<u>898,228</u>	<u>964,794</u>
<b>NONCURRENT ASSETS</b>		
Grants receivable, net of current maturities	<u>11,966,825</u>	<u>22,428,360</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 124,324,323</u></b>	<b><u>\$ 149,915,714</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,901,503	\$ 3,034,330
Accrued salaries and related benefits	<u>5,327,237</u>	<u>3,621,751</u>
Total current liabilities	<u>7,228,740</u>	<u>6,656,081</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	21,767,077	13,180,047
Board designated:		
Reserve	<u>12,663,999</u>	<u>12,719,233</u>
Total net assets without donor restrictions	<u>34,431,076</u>	<u>25,899,280</u>
With donor restrictions:		
Ipas	77,326,917	111,978,659
IDF directly funded programs	<u>5,337,590</u>	<u>5,381,694</u>
Total net assets with donor restrictions	<u>82,664,507</u>	<u>117,360,353</u>
Total net assets	<u>117,095,583</u>	<u>143,259,633</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 124,324,323</u></b>	<b><u>\$ 149,915,714</u></b>

See accompanying notes to consolidated financial statements.

IPAS

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 1,429,518	\$ 33,749,250	\$ 35,178,768
Contracts	4,818,744	-	4,818,744
Investment income, net	703,244	-	703,244
Other revenue	142,231	-	142,231
Net assets released from donor restrictions	<u>68,467,470</u>	<u>(68,467,470)</u>	<u>-</u>
Total revenue and support	<u>75,561,207</u>	<u>(34,718,220)</u>	<u>40,842,987</u>
<b>EXPENSES</b>			
Program Services:			
Africa	21,411,484	-	21,411,484
Asia	15,618,662	-	15,618,662
Latin America	6,440,676	-	6,440,676
Global	<u>10,467,083</u>	<u>-</u>	<u>10,467,083</u>
Total program services	<u>53,937,905</u>	<u>-</u>	<u>53,937,905</u>
Supporting Services:			
Operations	11,504,875	-	11,504,875
Development	<u>1,875,524</u>	<u>-</u>	<u>1,875,524</u>
Total supporting services	<u>13,380,399</u>	<u>-</u>	<u>13,380,399</u>
Total expenses	<u>67,318,304</u>	<u>-</u>	<u>67,318,304</u>
Changes in net assets before other items	8,242,903	(34,718,220)	(26,475,317)
<b>OTHER ITEMS</b>			
IDF directly funded grants and contributions	-	2,562,094	2,562,094
IDF directly funded net assets released from restrictions	2,539,720	(2,539,720)	-
Foreign currency loss	<u>(2,250,827)</u>	<u>-</u>	<u>(2,250,827)</u>
Changes in net assets	8,531,796	(34,695,846)	(26,164,050)
Net assets at beginning of year	<u>25,899,280</u>	<u>117,360,353</u>	<u>143,259,633</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 34,431,076</u></b>	<b><u>\$ 82,664,507</u></b>	<b><u>\$ 117,095,583</u></b>

<b>2019</b>		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 1,032,919	\$ 80,814,716	\$ 81,847,635
3,989,854	-	3,989,854
1,111,538	-	1,111,538
353,190	-	353,190
<u>64,766,045</u>	<u>(64,766,045)</u>	<u>-</u>
<u>71,253,546</u>	<u>16,048,671</u>	<u>87,302,217</u>
22,978,912	-	22,978,912
14,346,339	-	14,346,339
5,824,410	-	5,824,410
<u>12,126,883</u>	<u>-</u>	<u>12,126,883</u>
<u>55,276,544</u>	<u>-</u>	<u>55,276,544</u>
11,006,978	-	11,006,978
<u>1,947,774</u>	<u>-</u>	<u>1,947,774</u>
<u>12,954,752</u>	<u>-</u>	<u>12,954,752</u>
<u>68,231,296</u>	<u>-</u>	<u>68,231,296</u>
3,022,250	16,048,671	19,070,921
-	929,327	929,327
2,025,429	(2,025,429)	-
<u>(1,954,555)</u>	<u>-</u>	<u>(1,954,555)</u>
3,093,124	14,952,569	18,045,693
<u>22,806,156</u>	<u>102,407,784</u>	<u>125,213,940</u>
<b><u>\$ 25,899,280</u></b>	<b><u>\$ 117,360,353</u></b>	<b><u>\$ 143,259,633</u></b>

## IPAS

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services				Supporting Services			Total Expenses	
	Africa	Asia	Latin America	Global	Total Program Services	Operations	Development		Total Supporting Services
Salaries and related benefits	\$ 10,920,513	\$ 5,917,822	\$ 2,450,289	\$ 6,117,282	\$ 25,405,906	\$ 7,531,874	\$ 1,720,041	\$ 9,251,915	\$ 34,657,821
Travel	3,587,762	1,970,201	573,974	995,868	7,127,805	292,886	48,313	341,199	7,469,004
Consultants	876,299	2,030,357	1,126,804	1,092,854	5,126,314	73,360	24,750	98,110	5,224,424
Operating expenses	4,200,682	2,484,702	1,106,184	1,054,734	8,846,302	3,606,755	82,420	3,689,175	12,535,477
Subcontracts	307,416	1,977,846	81,881	917,690	3,284,833	-	-	-	3,284,833
Grants	79,484	618,083	330,204	177,708	1,205,479	-	-	-	1,205,479
Program expenses	1,439,328	619,651	771,340	110,947	2,941,266	-	-	-	2,941,266
<b>TOTAL</b>	<b>\$ 21,411,484</b>	<b>\$ 15,618,662</b>	<b>\$ 6,440,676</b>	<b>\$ 10,467,083</b>	<b>\$ 53,937,905</b>	<b>\$ 11,504,875</b>	<b>\$ 1,875,524</b>	<b>\$ 13,380,399</b>	<b>\$ 67,318,304</b>

See accompanying notes to consolidated financial statements.



## IPAS

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services				Supporting Services			Total Expenses	
	Africa	Asia	Latin America	Global	Total Program Services	Operations	Development		Total Supporting Services
Salaries and related benefits	\$ 8,439,393	\$ 5,246,427	\$ 3,037,013	\$ 6,577,260	\$ 23,300,093	\$ 6,028,375	\$ 1,769,885	\$ 7,798,260	\$ 31,098,353
Travel	4,347,610	2,287,671	738,197	1,632,961	9,006,439	479,872	72,684	552,556	9,558,995
Consultants	1,968,410	1,625,589	805,966	1,026,825	5,426,790	370,992	861	371,853	5,798,643
Operating expenses	5,427,179	2,522,341	914,859	1,324,235	10,188,614	4,127,739	104,344	4,232,083	14,420,697
Subcontracts	375,514	1,896,627	6,750	1,138,533	3,417,424	-	-	-	3,417,424
Grants	386,223	492,052	92,577	405,557	1,376,409	-	-	-	1,376,409
Program expenses	2,034,583	275,632	229,048	21,512	2,560,775	-	-	-	2,560,775
<b>TOTAL</b>	<b>\$ 22,978,912</b>	<b>\$ 14,346,339</b>	<b>\$ 5,824,410</b>	<b>\$ 12,126,883</b>	<b>\$ 55,276,544</b>	<b>\$ 11,006,978</b>	<b>\$ 1,947,774</b>	<b>\$ 12,954,752</b>	<b>\$ 68,231,296</b>

See accompanying notes to consolidated financial statements.

## IPAS

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (26,164,050)	\$ 18,045,693
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	328,085	306,320
Unrealized loss (gain)	1,474,000	(240,288)
Realized gain	(1,640,682)	(292,084)
Change in allowance to discount non-current portion of grants receivable	(2,664,526)	994,906
Decrease (increase) in:		
Accounts receivable	809,626	(385,647)
Grants receivable	38,372,009	(1,862,141)
Contracts receivable	(623,440)	2,528,024
Prepaid expenses	(1,553)	(131,126)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(1,132,827)	180,207
Accrued salaries and related benefits	<u>1,705,486</u>	<u>(553,514)</u>
Net cash provided by operating activities	<u>10,462,128</u>	<u>18,590,350</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(261,519)	(53,298)
Purchase of investments, net	<u>(7,574,007)</u>	<u>(14,578,692)</u>
Net cash used by investing activities	<u>(7,835,526)</u>	<u>(14,631,990)</u>
Net increase in cash and cash equivalents	2,626,602	3,958,360
Cash and cash equivalents at beginning of year	<u>15,401,251</u>	<u>11,442,891</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 18,027,853</u></b>	<b><u>\$ 15,401,251</u></b>

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

#### 1. GENERAL INFORMATION

##### Organization -

Ipas is a non-profit organization, incorporated in the State of North Carolina and located in Chapel Hill, North Carolina.

Ipas was established for the following purposes:

- Promote, support, and facilitate the extension of reproductive health services.
- Educate health professionals and establish standards for the provision of reproductive health services.
- Assemble and provide information and consultation regarding the need for and delivery of reproductive health services.
- Educate the public, government, and international organizations concerning the needs for and provision of reproductive health services.
- Develop, organize, finance and support systems for reproductive health services.

In carrying out its prescribed purposes, Ipas has organized and provided initial financial support for reproductive health services throughout the world. Ipas also makes consultants available to train medical personnel involved in operating the facilities and in providing services. In support of its activities, Ipas receives its principal funding from private foundations as well as from European governments.

WomanCare Global LLC ("WCG, LLC"), in which Ipas is the sole member, was organized for the purpose of manufacturing and distributing technologies previously performed by Ipas. Ipas' tax-exempt status extends to WCG, LLC and WCG, LLC's financial statements are consolidated with Ipas. Effective July 1, 2011, WCG, LLC transferred the assets it had previously used to manufacture and distribute technologies to WomanCare Global International ("WCGI"), a United Kingdom registered charity, whose mission is to work with partners around the world to improve the lives of women by providing access to affordable, quality reproductive health products, a common mission with Ipas and WCG, LLC. On the date of the transfer, WCG, LLC was the sole member of WCGI.

Effective February 4, 2013, Ipas, WCG, LLC, WCGI, Evofem, Inc., a for-profit Delaware corporation, Evofem LLC, a Delaware limited liability company, and WomanCare Global Trading CIC, a community interest company incorporated and registered in England and Wales and subsidiary of WCGI, signed an agreement to transfer control of WCGI to certain individuals previously approved by Evofem, Inc., with WCG, LLC resigning its sole membership. Under the terms of that agreement, WCGI's charitable mission must remain unchanged and WCGI must continue to engage in the same and similar activities, for at least five years from the effective date of the agreement unless a change is approved by Ipas. Ipas had previously granted WCGI the rights as licensee to use its proprietary designs and intellectual property for the manufacture of certain medical devices. In connection with the transfer of control of WCGI, Ipas and WCGI entered into a license agreement governing WCGI's continued use of these proprietary properties and entitling Ipas to receive royalties from the manufacture of these medical devices.

On May 2, 2017, Ipas, WCGI, WomanCare Global Trading CIC, and DKT signed an agreement allowing DKT to assume control of the WomanCare Global Trading CIC entity from WCG International. This agreement effectively passed the exclusive license of Ipas devices from WCGI to DKT.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

#### 1. GENERAL INFORMATION (Continued)

Organization (continued) -

In accordance with the terms of the agreement, Ipas will retain the patent over the designs and intellectual property for the manufacture of certain medical devices and DKT will receive an exclusive license to manufacture and distribute the medical devices throughout the world. The agreement is set to expire on November 14, 2023, the date the patent expires.

Ipas provides funding via a grant agreement with the Ipas Development Foundation (IDF), for program activities in India. Ipas Development Foundation (IDF) is a not-for-profit company registered under section 25 of The Indian Companies Act, 1956 (now Section 8 of Companies Act, 2013) in 2008. IDF is registered with Foreign Contributions Regulation Act (FCRA) to receive foreign funds. Ipas provides the majority of IDF funding and has elected to consolidate IDF due to its majority economic interest. However, the funding received directly by IDF, which is restricted, are reflected separately under the other item section of the accompanying Consolidated Statements of Activities and Changes in Net Assets. In addition, IDF's net assets with donor restrictions are shown separately on the accompanying Consolidated Statements of Financial Position.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Principles of consolidation -

The accompanying consolidated financial statements include the accounts of Ipas, IDF and WCG, LLC, collectively, Ipas, pursuant to the criterion established by FASB ASC 958-810, *Not-for-Profit Entities, Consolidation*.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Principles of consolidation (continued) -

Under FASB ASC 958-810, consolidation is required if a separate not-for-profit organization has control (i.e., major voting interest) and significant economic interest in that other organization. All significant inter-company accounts and transactions have been eliminated in consolidation.

##### New accounting pronouncements adopted -

During 2020, Ipas early adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way Ipas recognized revenue; however, the presentation and disclosures of revenue have been enhanced. Ipas has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Also during 2020, Ipas adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. Ipas adopted the ASU using a modified prospective basis.

##### Cash and cash equivalents -

Ipas considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, and excluding money market funds held by investment managers in the amount of \$46,948,949 and \$35,166,866 for the years ended June 30, 2020 and 2019, respectively. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Ipas maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Ipas had \$7,624,652 and \$7,883,158 of cash on hand and cash at financial institutions in foreign countries at June 30, 2020 and 2019, respectively. The majority of such funds are not insured.

##### Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

##### Receivables -

Receivables are recorded at their net realizable value, which approximates fair value. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor/stakeholder/customer.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Receivables (continued) -

Grants receivable that are expected to be collected in future years are recorded at fair value measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contracts revenue. All grants and contracts receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

##### Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to ten years. Leasehold improvements are amortized over the remaining life of the lease, over seven to thirty one years. The cost of maintenance and repairs is recorded as expenses are incurred.

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 totaled \$328,085 and \$306,320, respectively.

##### Income taxes -

Ipas is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Ipas is not a private foundation. Beginning January 1, 2018, Ipas is subject to unrelated business income taxes on qualified transportation fringe benefits provided to its employees.

With Ipas as its sole member, WCG, LLC has elected to be classified as a disregarded entity, and its activities are reflected on the Form 990 filed annually by Ipas.

IDF has been granted tax-exempt status by the Indian Government and therefore, no provision for income taxes with respect to IDF's operations has been made in the accompanying consolidated financial statements.

##### Uncertain tax positions -

For the years ended June 30, 2020 and 2019, Ipas and subsidiaries have documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

##### Revenue -

##### Grants and contributions -

The majority of Ipas' revenue is received through grants and contributions from foreign governments, international organizations and other entities. Management of Ipas analyzes each transaction to determine if it is non-reciprocal (contribution) or reciprocal (exchange) in nature.

Grants and contributions are recognized in the appropriate category of net assets in the period received.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue (continued) -

Grants and contributions (continued) -

For grants and contributions that are determined to be non-reciprocal transactions under the contribution rules, revenue is recognized upon notification of the award or gift. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Grants and contributions that are unconditional but that have donor restrictions are recognized as "with donor restrictions" and then reclassified to "without donor restrictions" upon satisfaction of the donor-imposed restrictions. Grants and contributions received for which restrictions have not been met are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that contain a right of return and a barrier are determined to be conditional in nature. Conditional grants and contributions are recognized as revenue when the conditions are satisfied. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are unconditional but that have donor restrictions are recognized as "with donor restrictions" and then reclassified to "without donor restrictions" upon satisfaction of the donor-imposed restrictions. Funds received for which restrictions have not been met are shown as net assets with donor restrictions in the accompanying financial statements.

Contributions that contain a right of return and a barrier are determined to be conditional in nature. Revenue is recognized when the conditions are satisfied.

Contributed services and materials consist of medical supplies, equipment and professional services. Contributed services and materials are recorded at their fair market value as of the date of the gift and are included in grants and contributions revenue and program expenses in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Contracts -

Contracts and certain grants that are classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers* and Ipas records revenue when the performance obligations are met. The revenue is recorded without donor restrictions and the transaction price is based on the amount of consideration expected to be received for transferring the promised services. Revenue earned by completing the performance obligation in accordance with the contractual agreement, but not received, is recorded as a contract receivable and amounts received in advance, if any, of completing the performance obligations are recorded as deferred revenue in the accompanying financial statements.

Foreign currency translation -

The U.S. Dollar is the functional currency for Ipas's operations worldwide. Transactions in currencies other than U.S. Dollars are translated into dollars at the rates of exchange in effect during the month of the transaction. Current assets, current liabilities and net assets with donor restrictions denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the Consolidated Statements of Financial Position.

Currency gains and losses from translation are recorded as an other item in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a basis of time and effort (such as salaries, payroll taxes and related benefits) as well as head count (such as occupancy, IT, depreciation and other general operating costs).

##### Investment risks and uncertainties -

Ipas invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

##### Fair value measurement -

Ipas adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Ipas accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

##### New accounting pronouncement (not yet adopted) -

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

Ipas plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying consolidated financial statements.



## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may impact Ipas' operations. The overall potential impact is unknown at this time.

#### 3. INVESTMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, Ipas has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Consolidated Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market Ipas has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019. There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2020 and 2019. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money market funds* - Valued at the daily closing price as reported by the fund. The money market fund is an open-end funds that are registered with the Securities and Exchange Commission (SEC). The money market fund is deemed to be actively traded.
- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Ipas are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by Ipas are deemed to be actively traded.
- *Common stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Corporate bonds, U.S. Government agencies notes and bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *Certificates of deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

IPAS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**3. INVESTMENTS (Continued)**

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total June 30, 2020</u>
<b>Asset Class:</b>				
Money market funds	\$ 46,948,949	\$ -	\$ -	\$ 46,948,949
Mutual funds	8,823,509	-	-	8,823,509
U.S. Government agencies notes and bonds	<u>-</u>	<u>3,071</u>	<u>-</u>	<u>3,071</u>
<b>TOTAL</b>	<b><u>\$ 55,772,458</u></b>	<b><u>\$ 3,071</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 55,775,529</u></b>

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2019.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total June 30, 2019</u>
<b>Asset Class:</b>				
Money market funds	\$ 35,166,866	\$ -	\$ -	\$ 35,166,866
Mutual funds	8,072,643	-	-	8,072,643
Common stocks	1,302,948	-	-	1,302,948
U.S. Government agencies notes and bonds	-	2,169,958	-	2,169,958
Corporate bonds	-	462,546	-	462,546
Certificates of deposit	<u>-</u>	<u>859,879</u>	<u>-</u>	<u>859,879</u>
<b>TOTAL</b>	<b><u>\$ 44,542,457</u></b>	<b><u>\$ 3,492,383</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 48,034,840</u></b>

Included in net investment income are the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 592,727	\$ 684,994
Unrealized (loss) gain	(1,474,000)	240,288
Realized gain	1,640,682	292,084
Investment fees and commissions	<u>(56,165)</u>	<u>(105,828)</u>
<b>TOTAL NET INVESTMENT INCOME</b>	<b><u>\$ 703,244</u></b>	<b><u>\$ 1,111,538</u></b>

**4. GRANTS RECEIVABLE**

As of June 30, 2020 and 2019, contributors to Ipas have made written promises to give totaling \$45,905,076 and \$84,277,085, respectively.

**IPAS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**4. GRANTS RECEIVABLE (Continued)**

Grants receivable due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate ranging from 3.25% to 5.00%.

Following is a schedule of maturities of grants receivable as of June 30:

	<b>2020</b>	<b>2019</b>
Less than one year	\$ 32,843,014	\$ 58,088,962
One to five years	<u>13,062,062</u>	<u>26,188,123</u>
Total	45,905,076	84,277,085
Less: Allowance to discount balance to present value	<u>(1,095,237)</u>	<u>(3,759,763)</u>
<b>GRANTS RECEIVABLE</b>	<b><u>\$ 44,809,839</u></b>	<b><u>80,517,322</u></b>

**5. BOARD DESIGNATED NET ASSETS**

As of June 30, 2020 and 2019, net assets have been designated by the Board of Directors as a reserve to be used against long-term future needs. Investment income, exclusive of any change in market value, is used to support the general operations of Ipas.

For the year ended June 30, 2020, net investment income on the board designated reserve investments totaled \$(55,234). Such net income was reflected as a decrease in the board designated reserve net asset balance as of June 30, 2020.

	<b>2020</b>	<b>2019</b>
<b>Reserve</b>	<b><u>\$ 12,663,999</u></b>	<b><u>\$ 12,719,233</u></b>

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Ipas:		
Programmatic activity	\$ 46,188,945	\$ 63,542,886
Time restricted	<u>31,137,972</u>	<u>48,435,773</u>
	77,326,917	111,978,659
IDF:		
Programmatic activity	<u>5,337,590</u>	<u>5,381,694</u>
	<b><u>\$ 82,664,507</u></b>	<b><u>\$ 117,360,353</u></b>

IPAS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**6. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	<b>2020</b>	<b>2019</b>
Ipas:		
Programmatic activity	\$ 44,643,906	\$ 41,527,826
Passage of time	<u>23,823,564</u>	<u>23,238,219</u>
	68,467,470	64,766,045
IDF:		
Programmatic activity	<u>2,539,720</u>	<u>2,025,429</u>
	<b><u>\$ 71,007,190</u></b>	<b><u>\$ 66,791,474</u></b>

**7. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)**

The following reflects Ipas' financial assets as of the date of the Consolidated Statements of Financial Position, reduced by amounts not available for general use within one year from the date of the Consolidated Statements of Financial Position because of contractual or donor imposed restrictions or internal designations. Amounts not available include amounts received with donor restrictions, grants receivable not expected to be collected within one year, and amounts designated for reserves by the Board of Directors.

An analysis of financial assets available to meet cash needs for general expenditures within one year as of June 30, 2020 and 2019 is as follows:

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 18,027,853	\$ 15,401,251
Investments	55,775,529	48,034,840
Accounts receivable	1,261,519	2,071,145
Grants receivable	44,809,839	80,517,322
Contracts receivable	<u>2,489,229</u>	<u>1,865,789</u>
Total financial assets	122,363,969	147,890,347
Less: Board designated funds	(12,663,999)	(12,719,233)
Less: Funds subject to donor-imposed purpose restrictions	(51,526,535)	(68,924,580)
Less: Funds subject to donor-imposed long-term time restrictions	<u>(13,062,061)</u>	<u>(14,901,428)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 45,111,374</u></b>	<b><u>\$ 51,345,106</u></b>

Ipas has a policy to structure its financial assets to be available and liquid as its obligations become due. Board designated funds can also be drawn upon if the Board of Directors approves such action. These funds can be used to mitigate the impact of unbudgeted financial events, pursue opportunities of strategic importance or to purchase capital equipment.

**IPAS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**8. FUTURE COMMITMENTS**

Ipas leases administrative offices in the United States and foreign country program office locations under operating leases expiring in various years through 2026. Ipas has also entered into commitments for equipment and software under operating commitments. The operating commitments expire at various times through 2021. The following is a schedule of the future minimum lease payments:

<u>Year Ending June 30,</u>	<u>Space</u>	<u>Equipment and Software</u>	<u>Total</u>
2021	\$ 1,763,538	\$ 8,286	\$ 1,771,824
2022	1,433,631	-	1,433,631
2023	1,366,499	-	1,366,499
2024	1,130,605	-	1,130,605
2025	1,152,804	-	1,152,804
Thereafter	<u>1,175,447</u>	<u>-</u>	<u>1,175,447</u>
	<u>\$ 8,022,524</u>	<u>\$ 8,286</u>	<u>\$ 8,030,810</u>

Rent expense under these operating leases for the years ended June 30, 2020 and 2019 totaled \$2,133,458 and \$1,987,354, respectively.

**9. RETIREMENT PLAN**

Ipas has established a 401(k) retirement plan for each eligible employee. Employer contributions to the plan during the years ended June 30, 2020 and 2019, totaled approximately \$762,940 and \$748,002, respectively.

Ipas has also established a non-qualified retirement plan for eligible employees working overseas who are not United States citizens or resident aliens. Employer contributions under the plan during the years ended June 30, 2020 and 2019, totaled approximately \$179,975 and \$196,479, respectively.

**10. CONCENTRATION OF REVENUE**

For the years ended June 30, 2020 and 2019, approximately 39% and 67% of Ipas' revenue was derived from grants and contributions awarded by four organizations, respectively. Ipas has been made aware of changes in funding strategy by its largest donor which could reduce future revenue from that donor. Ipas is working to diversify its funding support and will make adjustments in programming as needed due to potential reductions in grants from this donor.

**11. CONTINGENCIES**

*Foreign Operations -*

Ipas provides assistance and support in numerous developing countries for the promotion, education and public information related to reproductive health services. The future results of the country programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate.

IPAS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

**11. CONTINGENCIES (Continued)**

*Foreign Operations (Continued) -*

As of June 30, 2020 and 2019, Ipas had assets (cash, receivables, prepaid expenses, and fixed assets) in foreign countries totaling approximately \$9,080,480 and \$9,470,812, which represents approximately 7.3% and 6.3%, respectively, of Ipas' total assets.

*Foreign Government, International Organizations and Other Donor Awards -*

Ipas receives grants and contracts from foreign governments, international organizations and other donors for the implementation of its programmatic activities. Such grants and contracts may be subject to audit under the provisions contained within each grant agreement or agreements. The ultimate determination of allowable expenses reported under each of these agreements is based upon the allowance of costs reported to and accepted by the donors. Until such audits have been accepted by these donors, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from any such disallowance, if any.

**12. SUBSEQUENT EVENTS**

In preparing these consolidated financial statements, Ipas has evaluated events and transactions for potential recognition or disclosure through November 16, 2020, the date the consolidated financial statements were issued.

## **SUPPLEMENTAL INFORMATION**

## IPAS

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
AS OF JUNE 30, 2020**

	<b>ASSETS</b>			
	<b>IPAS</b>	<b>WCG, LLC</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 18,020,111	\$ 7,742	\$ -	\$ 18,027,853
Investments	55,775,529	-	-	55,775,529
Accounts receivable	1,261,519	-	-	1,261,519
Grants receivable	32,843,014	-	-	32,843,014
Contracts receivable	2,489,229	-	-	2,489,229
Due from related parties	-	3,263,598	(3,263,598)	-
Prepaid expenses	1,062,126	-	-	1,062,126
Total current assets	111,451,528	3,271,340	(3,263,598)	111,459,270
<b>FIXED ASSETS</b>				
Equipment and leasehold improvements	2,272,392	-	-	2,272,392
Less: Accumulated depreciation and amortization	(1,374,164)	-	-	(1,374,164)
Net fixed assets	898,228	-	-	898,228
<b>OTHER ASSETS</b>				
Grants receivable, net of current maturities	11,966,825	-	-	11,966,825
<b>TOTAL ASSETS</b>	<b>\$ 124,316,581</b>	<b>\$ 3,271,340</b>	<b>\$ (3,263,598)</b>	<b>\$ 124,324,323</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,901,503	\$ -	\$ -	\$ 1,901,503
Accrued salaries and related benefits	5,327,237	-	-	5,327,237
Due to related parties	3,263,598	-	(3,263,598)	-
Total liabilities	10,492,338	-	(3,263,598)	7,228,740
<b>NET ASSETS</b>				
Without donor restrictions:				
Undesignated	18,495,737	3,271,340	-	21,767,077
Board designated:				
Reserve	12,663,999	-	-	12,663,999
Total net assets without donor restrictions	31,159,736	3,271,340	-	34,431,076
With donor restrictions:				
Ipas	77,326,917			77,326,917
IDF directly funded programs	5,337,590			5,337,590
Total net assets with donor restrictions	82,664,507	-	-	82,664,507
Total net assets	113,824,243	3,271,340	-	117,095,583
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 124,316,581</b>	<b>\$ 3,271,340</b>	<b>\$ (3,263,598)</b>	<b>\$ 124,324,323</b>



## IPAS

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions			Total	With Donor Restrictions	Consolidated
	IPAS	WCG, LLC	Eliminations		IPAS	
<b>REVENUE AND SUPPORT</b>						
Grants and contributions	\$ 1,429,518	\$ -	\$ -	\$ 1,429,518	\$ 33,749,250	\$ 35,178,768
Contracts	4,818,744	-	-	4,818,744	-	4,818,744
Investment income	703,242	2	-	703,244	-	703,244
Other revenue	142,231	-	-	142,231	-	142,231
Net assets released from donor restrictions	68,467,470	-	-	68,467,470	(68,467,470)	-
Total revenue and support	<u>75,561,205</u>	<u>2</u>	<u>-</u>	<u>75,561,207</u>	<u>(34,718,220)</u>	<u>40,842,987</u>
<b>EXPENSES</b>						
Program Services:						
Africa	21,411,484	-	-	21,411,484	-	21,411,484
Asia	15,618,662	-	-	15,618,662	-	15,618,662
Latin America	6,440,676	-	-	6,440,676	-	6,440,676
Global	10,467,083	-	-	10,467,083	-	10,467,083
Total program services	<u>53,937,905</u>	<u>-</u>	<u>-</u>	<u>53,937,905</u>	<u>-</u>	<u>53,937,905</u>
Supporting Services:						
Operations	11,504,373	502	-	11,504,875	-	11,504,875
Development	1,875,524	-	-	1,875,524	-	1,875,524
Total supporting services	<u>13,379,897</u>	<u>502</u>	<u>-</u>	<u>13,380,399</u>	<u>-</u>	<u>13,380,399</u>
Total expenses	<u>67,317,802</u>	<u>502</u>	<u>-</u>	<u>67,318,304</u>	<u>-</u>	<u>67,318,304</u>
Change in net assets before other items	8,243,403	(500)	-	8,242,903	(34,718,220)	(26,475,317)
<b>OTHER ITEMS</b>						
IDF directly funded grants and contributions	-	-	-	-	2,562,094	2,562,094
IDF directly funded net assets released from restrictions	2,539,720	-	-	2,539,720	(2,539,720)	-
Foreign currency loss	(2,250,827)	-	-	(2,250,827)	-	(2,250,827)
Change in net assets	8,532,296	(500)	-	8,531,796	(34,695,846)	(26,164,050)
Net assets at beginning of year	<u>22,627,440</u>	<u>3,271,840</u>	<u>-</u>	<u>25,899,280</u>	<u>117,360,353</u>	<u>143,259,633</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 31,159,736</b></u>	<u><b>\$ 3,271,340</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 34,431,076</b></u>	<u><b>\$ 82,664,507</b></u>	<u><b>\$ 117,095,583</b></u>

## IPAS

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
AS OF JUNE 30, 2019**

<b>ASSETS</b>				
	<b>IPAS</b>	<b>WCG, LLC</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 15,393,511	\$ 7,740	\$ -	\$ 15,401,251
Investments	48,034,840	-	-	48,034,840
Accounts receivable	2,071,145	-	-	2,071,145
Grants receivable	58,088,962	-	-	58,088,962
Contracts receivable	1,865,789	-	-	1,865,789
Due from related parties	-	3,264,100	(3,264,100)	-
Prepaid expenses	1,060,573	-	-	1,060,573
Total current assets	<u>126,514,820</u>	<u>3,271,840</u>	<u>(3,264,100)</u>	<u>126,522,560</u>
<b>FIXED ASSETS</b>				
Equipment and leasehold improvements	2,285,689	-	-	2,285,689
Less: Accumulated depreciation and amortization	(1,320,895)	-	-	(1,320,895)
Net fixed assets	<u>964,794</u>	<u>-</u>	<u>-</u>	<u>964,794</u>
<b>OTHER ASSETS</b>				
Grants receivable, net of current maturities	22,428,360	-	-	22,428,360
<b>TOTAL ASSETS</b>	<b><u>\$ 149,907,974</u></b>	<b><u>\$ 3,271,840</u></b>	<b><u>\$ (3,264,100)</u></b>	<b><u>\$ 149,915,714</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 3,034,330	\$ -	\$ -	\$ 3,034,330
Accrued salaries and related benefits	3,621,751	-	-	3,621,751
Due to related parties	3,264,100	-	(3,264,100)	-
Total liabilities	<u>9,920,181</u>	<u>-</u>	<u>(3,264,100)</u>	<u>6,656,081</u>
<b>NET ASSETS</b>				
Without donor restrictions:				
Undesignated	9,908,207	3,271,840	-	13,180,047
Board designated:				
Reserve	12,719,233	-	-	12,719,233
Total net assets without donor restrictions	<u>22,627,440</u>	<u>3,271,840</u>	<u>-</u>	<u>25,899,280</u>
With donor restrictions:				
Ipas	111,978,659			111,978,659
IDF directly funded programs	5,381,694			5,381,694
Total net assets with donor restrictions	<u>117,360,353</u>	<u>-</u>	<u>-</u>	<u>117,360,353</u>
Total net assets	<u>139,987,793</u>	<u>3,271,840</u>	<u>-</u>	<u>143,259,633</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 149,907,974</u></b>	<b><u>\$ 3,271,840</u></b>	<b><u>\$ (3,264,100)</u></b>	<b><u>\$ 149,915,714</u></b>

## IPAS

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions			Total	With Donor Restrictions	Consolidated
	IPAS	WCG, LLC	Eliminations		IPAS	
<b>REVENUE AND SUPPORT</b>						
Grants and contributions	\$ 1,032,919	\$ -	\$ -	\$ 1,032,919	\$ 80,814,716	\$ 81,847,635
Contracts	3,989,854	-	-	3,989,854	-	3,989,854
Investment income	1,111,536	2	-	1,111,538	-	1,111,538
Other revenue	353,190	-	-	353,190	-	353,190
Net assets released from donor restrictions	64,766,045	-	-	64,766,045	(64,766,045)	-
Total revenue and support	<u>71,253,544</u>	<u>2</u>	<u>-</u>	<u>71,253,546</u>	<u>16,048,671</u>	<u>87,302,217</u>
<b>EXPENSES</b>						
Program Services:						
Africa	22,978,912	-	-	22,978,912	-	22,978,912
Asia	14,346,339	-	-	14,346,339	-	14,346,339
Latin America	5,824,410	-	-	5,824,410	-	5,824,410
Global	12,126,883	-	-	12,126,883	-	12,126,883
Total program services	<u>55,276,544</u>	<u>-</u>	<u>-</u>	<u>55,276,544</u>	<u>-</u>	<u>55,276,544</u>
Supporting Services:						
Operations	11,006,978	-	-	11,006,978	-	11,006,978
Development	1,947,774	-	-	1,947,774	-	1,947,774
Total supporting services	<u>12,954,752</u>	<u>-</u>	<u>-</u>	<u>12,954,752</u>	<u>-</u>	<u>12,954,752</u>
Total expenses	<u>68,231,296</u>	<u>-</u>	<u>-</u>	<u>68,231,296</u>	<u>-</u>	<u>68,231,296</u>
Change in net assets before other items	3,022,248	2	-	3,022,250	16,048,671	19,070,921
<b>OTHER ITEMS</b>						
IDF directly funded grants and contributions	-	-	-	-	929,327	929,327
IDF directly funded net assets released from restrictions	2,025,429	-	-	2,025,429	(2,025,429)	-
Foreign currency loss	(1,954,555)	-	-	(1,954,555)	-	(1,954,555)
Change in net assets	3,093,122	2	-	3,093,124	14,952,569	18,045,693
Net assets at beginning of year	19,534,318	3,271,838	-	22,806,156	102,407,784	125,213,940
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 22,627,440</b></u>	<u><b>\$ 3,271,840</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 25,899,280</b></u>	<u><b>\$ 117,360,353</b></u>	<u><b>\$ 143,259,633</b></u>