

# **CONSOLIDATED FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED  
JUNE 30, 2019 AND 2018**

**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, 2019 and 2018, 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.

### **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, 2019 and 2018, 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.

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### 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 21 and 23 and the Consolidating Schedules of Activities and Change in Net Assets on pages 22 and 24 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.

*Gelman Rosenberg & Freedman*

December 12, 2019

## IPAS

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2019 AND 2018**

**ASSETS**

	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 15,401,251	\$ 11,442,891
Investments (Note 3)	48,034,840	32,923,776
Accounts receivable	2,071,145	1,685,498
Grants receivable (Note 4)	58,088,962	48,579,315
Contracts receivable	1,865,789	4,393,813
Prepaid expenses	<u>1,060,573</u>	<u>929,447</u>
Total current assets	<u>126,522,560</u>	<u>99,954,740</u>
<b>FIXED ASSETS</b>		
Equipment and leasehold improvements	2,285,689	2,287,277
Less: Accumulated depreciation and amortization	<u>(1,320,895)</u>	<u>(1,069,464)</u>
Net fixed assets	<u>964,794</u>	<u>1,217,813</u>
<b>OTHER ASSETS</b>		
Grants receivable, non-current portion (Note 4)	<u>22,428,360</u>	<u>31,070,772</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 149,915,714</u></b>	<b><u>\$ 132,243,325</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,034,330	\$ 2,854,120
Accrued salaries and related benefits	<u>3,621,751</u>	<u>4,175,265</u>
Total current liabilities	<u>6,656,081</u>	<u>7,029,385</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	13,180,047	10,815,248
Board designated (Note 5):		
Reserve	<u>12,719,233</u>	<u>11,990,908</u>
Total net assets without donor restrictions	<u>25,899,280</u>	<u>22,806,156</u>
With donor restrictions (Note 6):		
Ipas (Note 7)	111,978,659	95,929,988
IDF directly funded programs	<u>5,381,694</u>	<u>6,477,796</u>
Total net assets with donor restrictions	<u>117,360,353</u>	<u>102,407,784</u>
Total net assets	<u>143,259,633</u>	<u>125,213,940</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 149,915,714</u></b>	<b><u>\$ 132,243,325</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, 2019 AND 2018**

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>			
Contributions and grants (Note 10)	\$ 1,032,919	\$ 80,814,716	\$ 81,847,635
Contracts	3,989,854	-	3,989,854
Investment income (Note 3)	1,111,538	-	1,111,538
Other revenue	353,190	-	353,190
Net assets released from donor restrictions (Note 6)	<u>64,766,045</u>	<u>(64,766,045)</u>	<u>-</u>
Total revenue and support	<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
Asia	14,346,339	-	14,346,339
Latin America	5,824,410	-	5,824,410
Global	<u>12,126,883</u>	<u>-</u>	<u>12,126,883</u>
Total program services	<u>55,276,544</u>	<u>-</u>	<u>55,276,544</u>
Supporting Services:			
Operations	11,006,978	-	11,006,978
Development	<u>1,947,774</u>	<u>-</u>	<u>1,947,774</u>
Total supporting services	<u>12,954,752</u>	<u>-</u>	<u>12,954,752</u>
Total expenses	<u>68,231,296</u>	<u>-</u>	<u>68,231,296</u>
Changes in net assets before other items	3,022,250	16,048,671	19,070,921
<b>OTHER ITEMS</b>			
IDF directly funded contributions and grants	-	929,327	929,327
IDF directly funded net assets released from restrictions (Note 6)	2,025,429	(2,025,429)	-
Foreign currency loss	<u>(1,954,555)</u>	<u>-</u>	<u>(1,954,555)</u>
Changes in net assets	3,093,124	14,952,569	18,045,693
Net assets at beginning of year	<u>22,806,156</u>	<u>102,407,784</u>	<u>125,213,940</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 25,899,280</u></b>	<b><u>\$ 117,360,353</u></b>	<b><u>\$ 143,259,633</u></b>

<b>2018</b>		
<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
\$ 1,415,697	\$ 80,072,050	\$ 81,487,747
8,500,838	-	8,500,838
836,938	-	836,938
92,438	-	92,438
<u>57,552,566</u>	<u>(57,552,566)</u>	<u>-</u>
<u>68,398,477</u>	<u>22,519,484</u>	<u>90,917,961</u>
21,114,249	-	21,114,249
11,480,366	-	11,480,366
6,787,947	-	6,787,947
<u>9,630,503</u>	<u>-</u>	<u>9,630,503</u>
<u>49,013,065</u>	<u>-</u>	<u>49,013,065</u>
13,708,510	-	13,708,510
<u>1,627,690</u>	<u>-</u>	<u>1,627,690</u>
<u>15,336,200</u>	<u>-</u>	<u>15,336,200</u>
<u>64,349,265</u>	<u>-</u>	<u>64,349,265</u>
4,049,212	22,519,484	26,568,696
-	7,325,099	7,325,099
1,348,733	(1,348,733)	-
<u>(14,770)</u>	<u>-</u>	<u>(14,770)</u>
5,383,175	28,495,850	33,879,025
<u>17,422,981</u>	<u>73,911,934</u>	<u>91,334,915</u>
<b><u>\$ 22,806,156</u></b>	<b><u>\$ 102,407,784</u></b>	<b><u>\$ 125,213,940</u></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 Supporting Services	Total Expenses
	Africa	Asia	Latin America	Global	Total Program Services	Operations	Development		
Salaries and related benefits (Note 8)	\$ 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 STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services				Supporting Services			Total Supporting Services	Total Expenses
	Africa	Asia	Latin America	Global	Total Program Services	Operations	Development		
Salaries and related benefits (Note 8)	\$ 7,789,188	\$ 4,404,159	\$ 3,398,312	\$ 5,754,363	\$ 21,346,022	\$ 6,849,184	\$ 1,479,033	\$ 8,328,217	\$ 29,674,239
Travel	5,995,121	1,857,328	1,017,905	1,430,970	10,301,324	317,135	97,623	414,758	10,716,082
Consultants	1,890,138	1,755,784	962,844	1,236,419	5,845,185	3,275,587	1,039	3,276,626	9,121,811
Operating expenses	1,671,003	1,277,455	597,183	315,338	3,860,979	3,255,108	49,995	3,305,103	7,166,082
Subcontracts	588,888	891,323	-	122,909	1,603,120	11,496	-	11,496	1,614,616
Grants	347,035	238,071	83,556	331,963	1,000,625	-	-	-	1,000,625
Program expenses	2,832,876	1,056,246	728,147	438,541	5,055,810	-	-	-	5,055,810
<b>TOTAL</b>	<b>\$ 21,114,249</b>	<b>\$ 11,480,366</b>	<b>\$ 6,787,947</b>	<b>\$ 9,630,503</b>	<b>\$ 49,013,065</b>	<b>\$ 13,708,510</b>	<b>\$ 1,627,690</b>	<b>\$ 15,336,200</b>	<b>\$ 64,349,265</b>

See accompanying notes to consolidated financial statements.

## IPAS

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 18,045,693	\$ 33,879,025
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	306,320	294,583
Unrealized gain	(240,288)	(496,391)
Realized gain	(292,084)	(118,736)
Change in allowance to discount non-current portion of grants receivable	994,906	1,308,588
Loss on disposal of fixed assets	-	96,139
(Increase) decrease in:		
Accounts receivable	(385,647)	(1,202,107)
Grants receivable	(1,862,141)	(19,971,453)
Contracts receivable	2,528,024	(2,648,588)
Prepaid expenses	(131,126)	(138,586)
Increase (decrease) in:		
Accounts payable and accrued liabilities	180,207	268,850
Accrued salaries and related benefits	<u>(553,514)</u>	<u>(316,713)</u>
Net cash provided by operating activities	<u>18,590,350</u>	<u>10,954,611</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(53,298)	(692,459)
Purchase of investments, net	<u>(14,578,692)</u>	<u>(7,631,034)</u>
Net cash used by investing activities	<u>(14,631,990)</u>	<u>(8,323,493)</u>
Net increase in cash and cash equivalents	3,958,360	2,631,118
Cash and cash equivalents at beginning of year	<u>11,442,891</u>	<u>8,811,773</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 15,401,251</u></b>	<b><u>\$ 11,442,891</u></b>

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### 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's 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.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### 1. GENERAL INFORMATION (Continued)

##### Organization (continued) -

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. 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 temporarily 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 the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted for the year ended June 30, 2019 and applied retrospectively.

##### Principles of consolidation -

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

##### 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 \$35,166,866 and \$21,620,873 for the years ended June 30, 2019 and 2018, respectively.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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

##### Cash and cash equivalents (continued) -

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 \$7,883,158 and \$6,015,297 of cash on hand and cash at financial institutions in foreign countries at June 30, 2019 and 2018, 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.

##### Accounts receivable -

Accounts receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

##### Grants and contracts receivable -

Grants and contracts receivable are recorded at their net realizable value, which approximates fair value. 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, 2019 and 2018 totaled \$306,320 and \$294,583, 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.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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

##### Income taxes (continued) -

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, 2019 and 2018, 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.

##### Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Net Assets Without Donor Restrictions** - include revenue and contributions received without donor imposed restrictions. These net assets are available for the operation of Ipas and include both internally designated and undesignated resources.
- **Net Assets With Donor Restrictions** - include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of Ipas and/or the passage of time. 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 restrictions.

##### Contributions, grants and contracts -

Unconditional contributions and grants are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Ipas receives funding under grants and contracts from foreign governments and international organizations and other grantors for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants and contracts are considered exchange transactions and are recorded as revenue without donor restrictions to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

##### Contributed services and materials -

Contributed services and materials valued at \$202,082 and \$373,447 for the years ended June 30, 2019 and 2018, respectively, consisted of medical supplies, equipment and professional services, and are recorded at their fair market value as of the date of the gift.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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

##### Contributed services and materials (continued) -

The contributed services and materials allowed Ipas to provide greater resources toward its various programs. Contributed services and materials have been included in contributions and grants revenue and expenses in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

##### 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.

##### 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.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

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

New accounting pronouncements (not yet adopted) -

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted. Ipas has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. Ipas has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *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 Consolidated Statements of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

Ipas plans to adopt the new ASUs at the respective required implementation dates.

#### 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.



IPAS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**3. INVESTMENTS (Continued)**

**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, 2019 and 2018. There were no transfers between levels in the fair value hierarchy during the years ended June 30, 2019 and 2018. 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.

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.

<b>Asset Class:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total June 30, 2019</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	-	859,879	-	859,879
Certificates of deposit	-	462,546	-	462,546
<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>

IPAS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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, 2018.

<b>Asset Class:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total June 30, 2018</u>
Money market funds	\$ 21,620,873	\$ -	\$ -	\$ 21,620,873
Mutual funds	6,738,993	-	-	6,738,993
Common stocks	1,256,830	-	-	1,256,830
U.S. Government agencies notes and bonds	-	2,097,986	-	2,097,986
Corporate bonds	-	763,347	-	763,347
Certificates of deposit	-	445,747	-	445,747
<b>TOTAL</b>	<b><u>\$ 29,616,696</u></b>	<b><u>\$ 3,307,080</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 32,923,776</u></b>

Included in investment income are the following:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 684,994	\$ 312,413
Unrealized gain	240,288	496,391
Realized gain	292,084	118,736
Investment fees and commissions	<u>(105,828)</u>	<u>(90,602)</u>
<b>TOTAL INVESTMENT INCOME</b>	<b><u>\$ 1,111,538</u></b>	<b><u>\$ 836,938</u></b>

**4. GRANTS RECEIVABLE**

As of June 30, 2019 and 2018, contributors to Ipas have made written promises to give totaling \$84,277,085 and \$82,414,944, respectively. 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 3.50% to 5.00%.

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

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 58,088,962	\$ 48,579,315
One to five years	<u>26,188,123</u>	<u>33,835,629</u>
Total	84,277,085	82,414,944
Less: Allowance to discount balance to present value	<u>(3,759,763)</u>	<u>(2,764,857)</u>
<b>GRANTS RECEIVABLE</b>	<b><u>\$ 80,517,322</u></b>	<b><u>79,650,087</u></b>

**5. BOARD DESIGNATED NET ASSETS**

As of June 30, 2019 and 2018, 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.

IPAS

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**5. BOARD DESIGNATED NET ASSETS (Continued)**

For the year ended June 30, 2019, investment income on the board designated reserve investments totaled \$728,325. Such income was reflected as an increase in the board designated reserve net asset balance as of June 30, 2019.

	<b>2019</b>	<b>2018</b>
<b>Reserve</b>	<b><u>\$ 12,719,233</u></b>	<b><u>\$ 11,990,908</u></b>

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of June 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Ipas:		
Programmatic activity	\$ 63,542,886	\$ 68,830,265
Time restricted	<u>48,435,773</u>	<u>27,099,723</u>
	111,978,659	95,929,988
IDF:		
Programmatic activity	<u>5,381,694</u>	<u>6,477,796</u>
	<b><u>\$ 117,360,353</u></b>	<b><u>\$ 102,407,784</u></b>

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>2019</b>	<b>2018</b>
Ipas:		
Programmatic activity	\$ 41,527,826	\$ 38,808,500
Passage of time	<u>23,238,219</u>	<u>18,744,066</u>
	64,766,045	57,552,566
IDF:		
Programmatic activity	<u>2,025,429</u>	<u>1,348,733</u>
	<b><u>\$ 66,791,474</u></b>	<b><u>\$ 58,901,299</u></b>

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

The following reflects Ipas's 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.

IPAS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018

7 AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY) (Continued)

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

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 15,401,251	\$ 11,442,891
Investments	48,034,840	32,923,776
Accounts receivable	2,071,145	1,685,498
Grants receivable	80,517,322	79,650,087
Contracts receivable	<u>1,865,789</u>	<u>4,393,813</u>
Total financial assets	147,890,347	130,096,065
Less: Board designated funds	(12,719,233)	(11,990,908)
Less: Funds subject to donor-imposed purpose restrictions	(63,542,886)	(68,830,265)
Less: Funds subject to donor-imposed long-term time restrictions	<u>(27,963,169)</u>	<u>(14,901,428)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS  
FOR GENERAL EXPENDITURES WITHIN ONE YEAR**    **\$ 43,665,059**    **\$ 34,373,464**

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.

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>
2020	\$ 1,972,136	\$ 453,902	\$ 2,426,038
2021	1,407,121	446,595	1,853,716
2022	1,371,883	-	1,371,883
2023	1,342,074	-	1,342,074
2024	1,195,345	-	1,195,345
Thereafter	<u>2,286,907</u>	<u>-</u>	<u>2,286,907</u>
	<b>\$ <u>9,575,466</u></b>	<b>\$ <u>900,497</u></b>	<b>\$ <u>10,475,963</u></b>

Rent expense under these operating leases for the years ended June 30, 2019 and 2018 totaled \$1,987,354 and \$1,904,323, respectively.

## IPAS

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### 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, 2019 and 2018, totaled approximately \$748,002 and \$624,744, 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, 2019 and 2018, totaled approximately \$196,479 and \$178,113, respectively.

#### 10. CONCENTRATION OF REVENUE

For the years ended June 30, 2019 and 2018, approximately 67% and 61% of Ipas's revenue was derived from contributions and grants awarded by four organizations, respectively. Ipas has no reason to believe that relationships with these organizations will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect Ipas's ability to finance ongoing operations.

#### 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. As of June 30, 2019 and 2018, Ipas had cash, receivable, prepaid expenses, and fixed assets in foreign countries totaling approximately \$9,470,812 and \$10,600,000, which represents approximately 6.3% and 8%, respectively, of IPAS's 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 December 12, 2019, the date the consolidated financial statements were issued.

## **SUPPLEMENTAL INFORMATION**

## IPAS

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

**ASSETS**

	IPAS	WCG, LLC	Elimination	Consolidated
<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, non-current portion	<u>22,428,360</u>	<u>-</u>	<u>-</u>	<u>22,428,360</u>
<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>

**LIABILITIES AND NET ASSETS**

<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
Laufe Research and Development	-	-	-	-
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				WITH DONOR RESTRICTIONS	
	IPAS	WCG, LLC	Elimination	Total	IPAS	Consolidated
<b>REVENUE AND SUPPORT</b>						
Contributions and grants	\$ 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 contributions and grants	-	-	-	-	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	<u>19,534,318</u>	<u>3,271,838</u>	<u>-</u>	<u>22,806,156</u>	<u>102,407,784</u>	<u>125,213,940</u>
<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>



## IPAS

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
AS OF JUNE 30, 2018**

**ASSETS**

	<u>IPAS</u>	<u>WCG, LLC</u>	<u>Elimination</u>	<u>Consolidated</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 11,435,153	\$ 7,738	\$ -	\$ 11,442,891
Investments	32,923,776	-	-	32,923,776
Accounts receivable	1,685,498	-	-	1,685,498
Grants receivable	48,579,315	-	-	48,579,315
Contracts receivable	4,393,813	-	-	4,393,813
Due from related parties	-	3,264,100	(3,264,100)	-
Prepaid expenses	929,447	-	-	929,447
	<u>99,947,002</u>	<u>3,271,838</u>	<u>(3,264,100)</u>	<u>99,954,740</u>
<b>FIXED ASSETS</b>				
Equipment and leasehold improvements	2,287,277	-	-	2,287,277
Less: Accumulated depreciation and amortization	(1,069,464)	-	-	(1,069,464)
	<u>1,217,813</u>	<u>-</u>	<u>-</u>	<u>1,217,813</u>
<b>OTHER ASSETS</b>				
Grants receivable, non-current portion	31,070,772	-	-	31,070,772
	<u>\$ 132,235,587</u>	<u>\$ 3,271,838</u>	<u>\$ (3,264,100)</u>	<u>\$ 132,243,325</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 2,854,120	\$ -	\$ -	\$ 2,854,120
Accrued salaries and related benefits	4,175,265	-	-	4,175,265
Due to related parties	3,264,100	-	(3,264,100)	-
	<u>10,293,485</u>	<u>-</u>	<u>(3,264,100)</u>	<u>7,029,385</u>
<b>NET ASSETS</b>				
Without donor restrictions:				
Undesignated	7,543,410	3,271,838	-	10,815,248
Board designated:				
Reserve	11,990,908	-	-	11,990,908
Laufe Research and Development	-	-	-	-
	<u>19,534,318</u>	<u>3,271,838</u>	<u>-</u>	<u>22,806,156</u>
With donor restrictions:				
Ipas	95,929,988			95,929,988
IDF directly funded programs	6,477,796			6,477,796
	<u>102,407,784</u>	<u>-</u>	<u>-</u>	<u>102,407,784</u>
	<u>121,942,102</u>	<u>3,271,838</u>	<u>-</u>	<u>125,213,940</u>
	<u>\$ 132,235,587</u>	<u>\$ 3,271,838</u>	<u>\$ (3,264,100)</u>	<u>\$ 132,243,325</u>

## IPAS

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2018**

	WITHOUT DONOR RESTRICTIONS				WITH DONOR RESTRICTIONS	
	IPAS	WCG, LLC	Elimination	Total	IPAS	Consolidated
<b>REVENUE AND SUPPORT</b>						
Contributions and grants	\$ 1,415,697	\$ -	\$ -	\$ 1,415,697	\$ 80,072,050	\$ 81,487,747
Contracts	8,500,838	-	-	8,500,838	-	8,500,838
Investment income	836,924	14	-	836,938	-	836,938
Other revenue	92,438	-	-	92,438	-	92,438
Net assets released from donor restrictions	57,552,566	-	-	57,552,566	(57,552,566)	-
Total revenue and support	<u>68,398,463</u>	<u>14</u>	<u>-</u>	<u>68,398,477</u>	<u>22,519,484</u>	<u>90,917,961</u>
<b>EXPENSES</b>						
Program Services:						
Africa	21,114,249	-	-	21,114,249	-	21,114,249
Asia	11,480,366	-	-	11,480,366	-	11,480,366
Latin America	6,787,947	-	-	6,787,947	-	6,787,947
Global	9,630,503	-	-	9,630,503	-	9,630,503
Total program services	<u>49,013,065</u>	<u>-</u>	<u>-</u>	<u>49,013,065</u>	<u>-</u>	<u>49,013,065</u>
Supporting Services:						
Operations	13,708,510	-	-	13,708,510	-	13,708,510
Development	1,627,690	-	-	1,627,690	-	1,627,690
Total supporting services	<u>15,336,200</u>	<u>-</u>	<u>-</u>	<u>15,336,200</u>	<u>-</u>	<u>15,336,200</u>
Total expenses	<u>64,349,265</u>	<u>-</u>	<u>-</u>	<u>64,349,265</u>	<u>-</u>	<u>64,349,265</u>
Change in net assets before other items	4,049,198	14	-	4,049,212	22,519,484	26,568,696
<b>OTHER ITEMS</b>						
IDF directly funded contributions and grants	-	-	-	-	7,325,099	7,325,099
IDF directly funded net assets released from restrictions	1,348,733	-	-	1,348,733	(1,348,733)	-
Foreign currency loss	(14,770)	-	-	(14,770)	-	(14,770)
Change in net assets	5,383,161	14	-	5,383,175	28,495,850	33,879,025
Net assets at beginning of year	<u>14,151,157</u>	<u>3,271,824</u>	<u>-</u>	<u>17,422,981</u>	<u>73,911,934</u>	<u>91,334,915</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 19,534,318</b></u>	<u><b>\$ 3,271,838</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 22,806,156</b></u>	<u><b>\$ 102,407,784</b></u>	<u><b>\$ 125,213,940</b></u>