

**NATIONAL INSTITUTE FOR  
REPRODUCTIVE HEALTH, INC.**



**FINANCIAL STATEMENTS  
(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2021 AND 2020**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
National Institute for Reproductive Health, Inc.

We have audited the accompanying financial statements of National Institute for Reproductive Health, Inc. ("NIRH"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Institute for Reproductive Health, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Marks Paneth LLP*

New York, NY  
May 9, 2022

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2D and 11A)	\$ 3,551,406	\$ 3,676,056
Restricted cash (Notes 2D, 9A and 11A)	201,770	201,770
Contributions receivable, net (Notes 2E, 2F and 11B)	114,909	1,187,885
Government grants receivable (Notes 2F and 2G)	642,466	759,750
Prepaid expenses and other assets	110,248	98,491
Investments, at fair value (Notes 2H and 4)	1,518,516	1,518,369
Property and equipment, net (Notes 2I and 5)	56,746	35,135
 <b>TOTAL ASSETS</b>	 <b>\$ 6,196,061</b>	 <b>\$ 7,477,456</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 217,433	\$ 340,766
Due to National Institute for Reproductive Health Action Fund, Inc. and its affiliates, net (Notes 2L and 10)	24,474	246,062
Paycheck Protection Program loan payable (Note 7)	434,000	434,000
Deferred rent (Note 2J)	450,437	438,860
 <b>TOTAL LIABILITIES</b>	 1,126,344	 1,459,688
 <b>COMMITMENTS AND CONTINGENCIES</b> (Note 9)		
 <b>NET ASSETS</b> (Note 2B)		
Without donor restrictions	4,126,850	4,653,993
With donor restrictions (Note 8)	942,867	1,363,775
 <b>TOTAL NET ASSETS</b>	 5,069,717	 6,017,768
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 6,196,061</b>	 <b>\$ 7,477,456</b>

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2020
<b>REVENUE AND SUPPORT:</b>						
Individual contributions (Note 2E)	\$ 455,440	\$ -	\$ 455,440	\$ 294,080	\$ -	\$ 294,080
Foundation and corporate grants (Note 2E)	1,811,477	1,774,667	3,586,144	2,222,894	1,867,000	4,089,894
Special events revenue (Note 2K)	569,808	-	569,808	894,724	-	894,724
Government grants (Note 2G)	206,750	-	206,750	176,000	-	176,000
Investment (loss) return (Note 4)	(13,715)	-	(13,715)	23,925	-	23,925
Other income	5,652	-	5,652	30,765	-	30,765
Net assets released from restrictions (Note 8)	2,195,575	(2,195,575)	-	2,767,425	(2,767,425)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>5,230,987</u>	<u>(420,908)</u>	<u>4,810,079</u>	<u>6,409,813</u>	<u>(900,425)</u>	<u>5,509,388</u>
<b>EXPENSES:</b>						
<b>Program Services:</b>						
Women's Health Programs	4,187,244	-	4,187,244	5,859,250	-	5,859,250
<b>Total Program Services</b>	<u>4,187,244</u>	<u>-</u>	<u>4,187,244</u>	<u>5,859,250</u>	<u>-</u>	<u>5,859,250</u>
<b>Supporting Services:</b>						
Management and general	754,010	-	754,010	765,650	-	765,650
Fundraising	816,876	-	816,876	789,523	-	789,523
<b>Total Supporting Services</b>	<u>1,570,886</u>	<u>-</u>	<u>1,570,886</u>	<u>1,555,173</u>	<u>-</u>	<u>1,555,173</u>
<b>TOTAL EXPENSES</b>	<u>5,758,130</u>	<u>-</u>	<u>5,758,130</u>	<u>7,414,423</u>	<u>-</u>	<u>7,414,423</u>
<b>CHANGE IN TOTAL NET ASSETS</b>	(527,143)	(420,908)	(948,051)	(1,004,610)	(900,425)	(1,905,035)
Net assets, beginning of year	4,653,993	1,363,775	6,017,768	5,658,603	2,264,200	7,922,803
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,126,850</u>	<u>\$ 942,867</u>	<u>\$ 5,069,717</u>	<u>\$ 4,653,993</u>	<u>\$ 1,363,775</u>	<u>\$ 6,017,768</u>

The accompanying notes are an integral part of these financial statements.

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Totals for June 30, 2020)**

	Program Services		Supporting Services			Total 2021	Total 2020
	Women's Health Programs	Management & General	Fundraising	Total Supporting Services			
Salaries	\$ 1,688,064	\$ 236,748	\$ 392,855	\$ 629,603	\$ 2,317,667	\$ 2,398,596	
Payroll taxes and benefits (Note 6)	470,630	66,005	109,527	175,532	646,162	600,770	
<b>Total Personnel Costs</b>	<b>2,158,694</b>	<b>302,753</b>	<b>502,382</b>	<b>805,135</b>	<b>2,963,829</b>	<b>2,999,366</b>	
Professional fees and contracted services	348,501	219,685	108,694	328,379	676,880	1,516,401	
Insurance	49,833	6,989	11,597	18,586	68,419	61,442	
Telephone	30,270	4,245	7,044	11,289	41,559	26,846	
Postage	1,269	178	296	474	1,743	3,713	
Printing	40,683	4,584	21,492	26,076	66,759	64,380	
Occupancy (Notes 2J and 9A)	420,869	59,019	97,935	156,954	577,823	554,826	
Depreciation and amortization (Note 5)	8,295	1,163	1,931	3,094	11,389	20,376	
Grant to NIRHAF (Note 10)	453,708	-	-	-	453,708	919,769	
Grants to other organizations (Notes 2L and 10)	562,015	-	-	-	562,015	661,250	
Office supplies	23,992	1,360	2,255	3,615	27,607	47,820	
Travel	3,425	-	-	-	3,425	111,467	
Bank and payroll service fees	3,555	36,445	4,594	41,039	44,594	41,791	
Direct mail	-	-	3,471	3,471	3,471	5,402	
Conference and meetings	3,793	570	26,758	27,328	31,121	131,648	
Staff trainings	1,921	141	-	141	2,062	2,767	
Stipends	13,389	15	-	15	13,404	65,360	
Communications and media	63,032	-	-	-	63,032	135,300	
Bad debts	-	97,960	-	97,960	97,960	41,050	
Miscellaneous	-	18,903	28,427	47,330	47,330	3,449	
<b>TOTAL EXPENSES</b>	<b>\$ 4,187,244</b>	<b>\$ 754,010</b>	<b>\$ 816,876</b>	<b>\$ 1,570,886</b>	<b>\$ 5,758,130</b>	<b>\$ 7,414,423</b>	

The accompanying notes are an integral part of these financial statements.

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total 2020</u>
	<u>Women's Health Programs</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 1,764,998	\$ 282,717	\$ 350,881	\$ 633,598	\$ 2,398,596
Payroll taxes and benefits (Note 6)	442,075	70,811	87,884	158,695	600,770
<b>Total Personnel Costs</b>	2,207,073	353,528	438,765	792,293	2,999,366
Professional fees and contracted services	1,101,537	237,357	177,507	414,864	1,516,401
Insurance	45,212	7,242	8,988	16,230	61,442
Telephone	19,755	3,164	3,927	7,091	26,846
Postage	2,732	438	543	981	3,713
Printing	45,065	4,417	14,898	19,315	64,380
Occupancy (Notes 2J and 9A)	408,267	65,396	81,163	146,559	554,826
Depreciation and amortization (Note 5)	14,994	2,401	2,981	5,382	20,376
Grant to NIRHAF (Note 10)	919,769	-	-	-	919,769
Grants to other organizations (Notes 2L and 10)	661,250	-	-	-	661,250
Office supplies	35,738	6,537	5,545	12,082	47,820
Travel	111,467	-	-	-	111,467
Bank and payroll service fees	3,598	36,485	1,708	38,193	41,791
Direct mail	-	-	5,402	5,402	5,402
Conference and meetings	79,804	6,352	45,492	51,844	131,648
Staff trainings	2,280	83	404	487	2,767
Stipends	65,360	-	-	-	65,360
Communications and media	135,300	-	-	-	135,300
Bad debt	-	41,050	-	41,050	41,050
Miscellaneous	49	1,200	2,200	3,400	3,449
<b>TOTAL EXPENSES</b>	<b>\$ 5,859,250</b>	<b>\$ 765,650</b>	<b>\$ 789,523</b>	<b>\$ 1,555,173</b>	<b>\$ 7,414,423</b>

The accompanying notes are an integral part of these financial statements.

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (948,051)	\$ (1,905,035)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized loss on investments	-	5,306
Realized loss (gain) on investments	15,863	(5,329)
Depreciation and amortization	11,389	20,376
Bad debts	97,960	41,050
Sub-total	(822,839)	(1,843,632)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	975,016	(122,049)
Government grants receivable	117,284	130,875
Prepaid expenses and other assets	(11,757)	33,804
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(123,333)	77,264
Due to National Institute for Reproductive Health Action Fund, Inc. and its affiliates	(221,588)	200,189
Deferred rent	11,577	30,472
<b>Net Cash Used in Operating Activities</b>	<b>(75,640)</b>	<b>(1,493,077)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(16,010)	(38,921)
Proceeds from sales of investments	-	26,000
Purchases of property and equipment	(33,000)	(22,074)
<b>Net Cash Used in Investing Activities</b>	<b>(49,010)</b>	<b>(34,995)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loan	-	434,000
<b>Net Cash Provided by Financing Activities</b>	<b>-</b>	<b>434,000</b>
<b>NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(124,650)</b>	<b>(1,094,072)</b>
Cash, cash equivalents and restricted cash - beginning of year	3,877,826	4,971,898
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	<b>\$ 3,753,176</b>	<b>\$ 3,877,826</b>



**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

National Institute for Reproductive Health, Inc. (“NIRH”) works to protect and advance equitable access to reproductive health care by building power at the state and local level. Using an approach that is focused on state and local policies and rooted in partnerships with local advocates and leaders, NIRH seeks to create a policy climate that supports the freedom and ability of each person to control their reproductive and sexual lives, fosters thriving families, and destigmatizes abortion and contraception. It is the only national organization focused solely on working with state and local groups, using a robust partnership model to find and implement creative solutions that improve access to reproductive health care in their communities while simultaneously building the skillsets, capacity, and range of organizations committed to this work. Through this unique approach, NIRH pushes forward to secure access where it can and builds the foundation necessary for long-term, enduring change and nationwide impact.

NIRH’s strategy is to go on the offensive to secure policies that safeguard reproductive freedom. Its focus is on state and local level policies and governments, which often have the greatest and most immediate impact on people’s lives and can create change that is both sustainable and replicable in other states and nationally. It works intentionally to support the efforts of reproductive justice organizations and organizations led by and/or centering Black, indigenous, and other people of color (BIPOC) and to help develop innovative policies that address the specific needs identified by the communities most impacted by restrictive policies. By advocating alongside and arming state and local advocates with the tools they need to advance reproductive freedom in their communities and by making connections within and across state lines, as well as to the national level, it is helping to make concrete change and to build the strong political, policy, and grassroots infrastructure necessary to secure its ultimate goal: a society in which everyone has the freedom and ability to control their reproductive and sexual lives.

NIRH is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. NIRH and National Institute for Reproductive Health Action Fund, Inc. (“NIRHAF”) are aligned with common goals and share common costs, along with administrative and program personnel; the Boards of Directors of these two organizations often meet jointly. Costs are allocated between the two organizations based on actual expenses incurred and on a percentage of salaries for shared expenses.

NIRH’s programs, which have been informed by its own internal work on creating a culture of equity and inclusion, focus on the following areas:

**Supporting a Proactive Movement: Advocacy Resources, Narrative Change** - Effective state and local efforts need policy experts, political thinkers, communications and messaging mavens, organizers, and strong lawyers. Not every local organization has or can attain these capacities, however—nor is it necessary or cost-effective for them to do so. NIRH, with its long experience, staff of legal, policy, communications, and organizing/movement-building experts, strong ties to local, state, and national organizations, and trusted reputation, is perfectly situated to provide state and local organizations with an array of resources on which they can rely as they pursue their goals. In addition, with a national vantagepoint that looks at how individual state and local efforts can interconnect, NIRH is also situated to provide strategic guidance focused on longer-term, nationwide change. Taken together, these are the building blocks for strengthening the movement for reproductive freedom and transforming our political, policy, and cultural environment.

The through-line in its efforts in 2021 was what was required not just to meet the partners’ immediate needs, but what could help stage for the future. To support movement-building and build the knowledge and strength of its partners, NIRH continued to publish advocacy-focused reports (e.g., *Gaining Ground*, its annual round-up of proactive reproductive health and rights legislation in the states) and conducted and published polling, such as in New Jersey, to demonstrate to policymakers the widespread public support for reproductive health care and abortion support. It also continued to drill down to the local level, launching its third biennial *Local Reproductive Freedom Index*. Last year’s report, which looks back at how cities addressed the intersection of reproductive freedom with the major events of 2019-2020 (e.g., the onset of the COVID-19 pandemic, uprisings for racial justice, unprecedented restrictions on abortion care, and attacks upon voting), provides a roadmap for leveraging the unique position that cities hold to providing access to care for their residents and those who travel to them. With the Local Index and its other publications, NIRH is providing advocates and policymakers with information, ideas, tools, and strategic guidance that they can use to make their cities more equitable places to live.

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)**

NIRH also continued its efforts to build the power and capacity of its state-based partners and the coalitions in which they worked. It provided individualized support, including drafting press releases, talking points, hearing testimony, and bills, developing strategies and advocacy campaigns (including power-mapping and education/engagement campaigns), and help building stronger, more broad-based coalitions. In addition, it conducted messaging trainings for legislators and advocates, providing them with the research-based tools they needed to be strong, effective communicators. Finally, it continued to hold regular calls with its partners (including cohorts of groups working on similar issues, such as municipal funding and clinic safety), and providing regular updates and links to resources from other organizations. These calls and updates helped build knowledge within individual groups and created relationships and links across state lines and to the national movement.

In addition to its work directly with the partners, NIRH continued its leadership and/or public-facing roles in national coalitions. Through this work, NIRH was able both to bring the experiences of its partners to the national work and to connect its state and local partners to other national organizations.

Among the grants made to other organizations, NIRH provided a grant of \$453,708 and \$919,769 to National Institute for Reproductive Health Action Fund, Inc. for the years ended June 30, 2021 and 2020, respectively, to educate and engage the public, activists, and policymakers on a range of issues related to just and equitable access to reproductive health care, including abortion, contraception, and comprehensive sex education.

**Shifting the Policy Climate from the Ground Up: State and Local Partnerships** - NIRH's strategic vision is premised on the belief that achieving reproductive freedom requires a strong, broad base of advocates working in their own communities and states to promote positive policies. To that end, it pursues a partnership model that combines strategic guidance, capacity building (including, in many cases, funding), hands-on technical support, and networking opportunities to help state and local organizations—across brand, based on shared goals—seize creative opportunities to innovate and build capacity among its partners, within itself, and across the movement. In 2021, in the face of the ongoing covid pandemic (which impacted both governmental priorities and advocates' traditional engagement strategies) and the increasing aggressiveness of those opposed to abortion access, NIRH partnered with organizations in 24 states, with a focus on expanding equitable access to abortion and contraception and eliminating disparities in maternal health. Among the most notable successes of these partnerships:

- Laws increasing abortion access in Virginia and New Mexico.
- The creation of new local funding streams to increase access to reproductive health care in Kalamazoo, MI and Portland, OR, which joined earlier wins in New York City and Austin, TX.
- A local ordinance protecting abortion clinics in Louisville, KY (the only city in the state where such providers operate).
- Increased access to contraceptive options in Mississippi's family planning program.
- New policies in Rhode Island to increase access to doula in public and private insurance plans, thereby helping address racial disparities in pregnancy outcomes.
- A law addressing health disparities in Connecticut.
- Expanded access to prenatal and postpartum care in New Jersey.
- The creation of a fund to provide reparations for those sterilized while incarcerated in California state prisons.

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)**

Beyond these specific policy wins, NIRH continued its deep investment in state and local power-building in states and localities across the country. In seventeen states (Arizona, California, Colorado, Florida, Georgia, Illinois, Kentucky, Michigan, Minnesota, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Texas, and Virginia), its focus was on increasing access to abortion and reproductive health care, including through work directed specifically at the city or county level to secure abortion funding and promoting efforts to safeguard clinics and health care providers against attacks. In four states (Massachusetts, Mississippi, Pennsylvania, and Wisconsin), it focused its efforts on increasing patient-centered access to contraception, especially long-acting reversible contraception. Finally, in six states (California, Connecticut, Maryland, New York, Rhode Island, and Tennessee), it advanced a vision of birthing justice, with a focus on addressing racial injustice and health inequities in institutions such as the medical establishment and the carceral system.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. ***Basis of Accounting*** - NIRH's financial statements have been prepared on the accrual basis of accounting. NIRH adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").

B. ***Basis of Presentation*** - NIRH maintains its net assets under the following two classes:

Without donor restriction - This represents net assets not subject to donor-imposed stipulations and that have no time restrictions. Such resources are available for support of NIRH's operations over which the Board of Directors has discretionary control.

With donor restriction - This represents net assets subject to donor-imposed stipulations that will be met by actions of NIRH or by the passage of time. When a stipulated time restriction ends or purpose restriction is accomplished, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

C. ***Use of Estimates*** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. ***Cash, Cash Equivalents and Restricted Cash*** - Cash and cash equivalents include all highly liquid instruments with maturities of three months or less when acquired. Restricted cash consists of collateral for the letter of credit issued to the landlord and maintained at the bank (Note 9A). The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	2021	2020
Cash and cash equivalents	\$ 3,551,406	\$ 3,676,056
Restricted cash	201,770	201,770
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	\$ 3,753,176	\$ 3,877,826

**NATIONAL INSTITUTE FOR REPRODUCTIVE HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- E. **Contributions** - Unconditional contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those 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 contribution revenue. Conditional contributions receivable are not included as support until the conditions are substantially met. As of June 30, 2021 and 2020, contributions receivable, net of allowance for doubtful accounts of \$54,000 and \$0, respectively, amounted to \$114,909 and \$1,187,885, respectively, and are due in less than one year.
- F. **Allowance for Doubtful Accounts** - NIRH determines whether an allowance for uncollectible receivables should be provided for contributions receivable and government grants receivable. Such an estimate is based on management's assessment of the aged basis of its receivables, current economic conditions, creditworthiness of its donors, historical experience and collections subsequent to year end. As of June 30, 2021 and 2020, NIRH determined that an allowance of \$54,000 and \$0, respectively, was necessary for contributions receivable, and none was necessary for government grants receivable.
- G. **Government Grants** - NIRH receives funding for many of its programs through contracts with New York State and New York City, which usually run for a period of one year or longer. This support is restricted to operations within the terms of the grants and, accordingly, recognition of grant support is deferred until qualifying expenditures are incurred. Excess of grant receipts over expenses incurred is recorded and reflected as refundable advances. Revenues from government agencies are subject to audit by the agencies. No provision for any disallowance is reflected in the financial statements, since management does not anticipate any material adjustments.

Cost reimbursement type government grants are accounted for under Accounting Standards Update ("ASU") 2018- 08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Grants and contracts are recognized as revenue when barriers within the contract are overcome, and there is no right of return / release from obligation. Government grants amounted to \$206,750 and \$176,000 for the years ended June 30, 2021 and 2020, respectively.

As of June 30, 2021 and 2020, NIRH received conditional grants and contracts from government agencies in the aggregate amounts of \$0 and \$61,875, respectively, that have not been recorded in the accompanying financial statements, as they have not been earned. These grants and contracts require NIRH to provide certain services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and NIRH may be required to return the funds already remitted.

- H. **Investments** - Investments are stated at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.
- I. **Property and Equipment** - Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Depreciation and amortization is calculated on a straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the life of the lease or the improvement. NIRH capitalizes property and equipment with a cost of \$1,000 or more and a useful life of greater than one year. Upon retirement or disposal, the asset cost and related accumulated depreciation and amortization are eliminated from the respective accounts, and the resulting gain or loss is included in the changes in net assets for the period.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- J. **Deferred Rent** - NIRH records an adjustment to rent expense each year to reflect the straight-line method. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying statements of financial position.
- K. **Special Events** - NIRH conducts a special event in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. All proceeds received are recorded as special events revenue in the accompanying statements of activities. For the years ended June 30, 2021 and 2020, there were no costs of direct benefit to donors as the events were held virtually.
- L. **Grant Awards** - Grants to NIRHAF and other organizations are made pursuant to authorization of the Board of Directors of NIRH. Grant awards are expensed in the year grants are approved.
- M. **Functional Allocation of Expenses** - NIRH allocates expenses on a functional basis among its various programs and supporting services. Identifiable expenses incurred by specific programs or the supporting service are directly attributed to that function according to their nature; these expenses include programmatic consultant fees, stipends, staff travel costs and grants to other organizations. The costs that are common to multiple functions are allocated between those based on time and effort and estimates made by NIRH's management; these include salaries, space-related expenses, insurance, equipment and office supplies, depreciation and amortization, among others.

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES**

NIRH strives to maintain liquid financial assets sufficient to cover at least three months of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, treasuries, money market funds and other short-term investments.

Below are categories within NIRH's cash assets:

1. **Operating Cash:** These are the funds that NIRH needs to have immediate access to. This category is defined as an average of 1 1/2 months of gross operating expenditures. The financial objective for the investment of operating cash is to maintain sufficient liquidity to enable NIRH to have access to these funds on a short-term basis. To maintain adequate liquidity, the operating cash will be invested in a fund or other account that invests in short-term investments, with minimal risk to the principal, and immediate access to funds as needed. The investments of the operating cash place an emphasis on the preservation of principal.
2. **Operating Reserves:** These are funds over and above the "Operating Cash". These funds may be needed at a later point in the year but can be used in short-term investments. These "Operating Reserves" should be equal to approximately three months of gross operating expenditures. The financial objective for the Operating Reserves is to maintain sufficient liquidity to enable NIRH to access these funds on a short-term basis. To maintain adequate liquidity and to generate some nominal revenue, the Operating Reserves will be invested in a fund or other account that invests in short-term investments, with minimal risk to the principal, and access to funds when needed. The investments of the Operating Reserves place an emphasis on the preservation of principal.
3. **Long-Term Reserves:** Long-term reserves is cash that is without donor restrictions and is in excess of the "Operating Cash" and the "Operating Reserves". These "Long-Term Reserves" are not expected to be utilized by NIRH for at least six months or longer.

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**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES (Continued)**

The following table reflects NIRH’s financial assets as of June 30 reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of contractual restrictions:

	2021	2020
Cash and cash equivalents	\$ 3,551,406	\$ 3,676,056
Contributions receivable, net	114,909	1,187,885
Government grants receivable	642,466	759,750
Investments, at fair value	1,518,516	1,518,369
Total financial assets	\$ 5,827,297	\$ 7,142,060

For purposes of analyzing resources available to meet general expenditures over a 12-month period, NIRH considers all expenditures related to its ongoing activities of NIRH’s Women’s Health Programs (“WHP”) as well as the conduct of services undertaken to support those activities to be general expenditures. Donor restricted funds for WHP are considered as general expenditures as well as those time restricted funds that were restricted to be available in the next 12 months.

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments consist of the following as of June 30 and were classified as Level 1 in the fair value hierarchy (as defined below) as follows:

	2021	2020
Money market funds	\$ 1,518,516	\$ 1,518,369

Investments are subject to market volatility that could change their carrying value in the near term.

Investment activity consists of the following for the years ended June 30:

	2021	2020
Interest and dividends	\$ 2,148	\$ 23,902
Net realized and unrealized (loss) gain	(15,863)	23
Investment (loss) return	\$ (13,715)	\$ 23,925

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. Level 1 valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

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**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, NIRH utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. Investments in U.S. treasury bills and money market funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended June 30, 2021 and 2020, there were no transfers in or out of levels 1, 2, or 3.

**NOTE 5 – PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	\$ 98,980	\$ 98,980	3-10.5 years
Office equipment and furniture	79,930	79,930	5-7 years
Office software	<u>75,286</u>	<u>42,286</u>	3 years
	254,196	221,196	
Less: accumulated depreciation	<u>(197,450)</u>	<u>(186,061)</u>	
Net book value	<u>\$ 56,746</u>	<u>\$ 35,135</u>	

Depreciation and amortization expense amounted to \$11,389 and \$20,376 for the years ended June 30, 2021 and 2020, respectively.

**NOTE 6 – PENSION PLAN**

NIRH has a 401(k) defined contribution plan covering all employees who have been employed for at least six months and are at least 21 years of age. NIRH makes matching contributions to the Plan equal to 100% of the first 3% of compensation, as defined, and 50% of the next 2% of compensation, as defined, for eligible employees. Pension expense for the years ended June 30, 2021 and 2020 amounted to \$64,108 and \$58,702, respectively.

**NOTE 7 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE**

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”) sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

NIRH applied for this loan through an SBA authorized lender. The loan, amounting to \$434,000, was approved and received in May 2020. NIRH has opted to account for the proceeds as a loan under FASB Accounting Standards Codification (“ASC”) 470, *Debt*, until the loan is, in part or wholly, forgiven and NIRH has been “legally released.” During fiscal year 2021, NIRH applied for forgiveness of the loan and on November 2, 2021, NIRH received full forgiveness from the SBA of its PPP loan amounting to \$434,000.

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**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
General operating support (time restricted)	\$ 250,000	\$ 85,000
State infrastructure project	504,367	1,158,775
LARC project	120,000	70,000
Vision First project	68,500	-
Cybersecurity project	<u>-</u>	<u>50,000</u>
	<u>\$ 942,867</u>	<u>\$ 1,363,775</u>

Net assets with donor restrictions that were released from restrictions by incurring expenses satisfying the restricted purposes or passage of time were as follows:

	<u>2021</u>	<u>2020</u>
General operating support (time restricted)	\$ 250,000	\$ 1,275,000
State infrastructure project	1,408,775	1,237,425
LARC project	450,000	250,000
Vision First project	50,000	-
Abortion Care Reality project	35,000	-
Cybersecurity project	<u>1,800</u>	<u>5,000</u>
	<u>\$ 2,195,575</u>	<u>\$ 2,767,425</u>

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

A. NIRH has a lease agreement for its office location. The lease is a ten-year lease expiring August 31, 2026.

Under the lease agreement, for each of the years ended June 30, 2021 and 2020, NIRH was required to provide the landlord with a \$192,163 letter of credit as a security deposit during the lease term. Such letter of credit was issued to the landlord by a bank. As of both June 30, 2021 and 2020, the collateral for the letter of credit maintained at the bank amounted to \$201,770 and is included as restricted cash in the accompanying statements of financial position.

Rent expense for the years ended June 30, 2021 and 2020 amounted to \$556,471 and \$527,719, respectively. Minimum rental payments under the lease as of June 30, are as follows:

2022	\$ 610,026
2023	626,801
2024	648,406
2025	714,278
2026	733,920
Thereafter	<u>125,396</u>
	<u>\$ 3,458,827</u>

B. NIRH believes it has no uncertain tax positions as of June 30, 2021 and 2020, in accordance with FASB Accounting Standards Codification (“ASC”) Topic 740 “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

C. NIRH is responsible for reporting to the New York State Department of Health (“DOH”). DOH, as well as the New York State Office of the Attorney General, the Internal Revenue Service and the New York State Department of Charities Registration, have the right to audit NIRH. No provision has been recorded for possible adjustments that may arise from these audits, since management does not anticipate a material adjustment.



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**NOTE 10 – RELATED-PARTY TRANSACTIONS**

As of June 30, 2021 and 2020, NIRH owed NIRHAF and its affiliates \$24,474 and \$246,062, respectively. These represent the grant payable to NIRHAF, net of operating expenses paid by NIRH on behalf of NIRHAF's affiliates.

NIRH provided a grant of \$453,708 and \$919,769 to NIRHAF for the years ended June 30, 2021 and 2020, respectively, for educating women in New York State about the availability of safe, legal and accessible abortions. Such amounts are recorded as grants to NIRHAF in the accompanying statements of functional expenses. The grant also included support to build both a stronger, more robust base of pro-choice activists and a grassroots infrastructure with an eye toward securing and advancing reproductive rights in New York.

In addition, NIRH allocates a portion of its office space (Note 9) to NIRHAF. In 2021 and 2020, NIRH allocated rent and other expenses, as outlined in the table below:

	2021	2020
Rent, real estate taxes and utility expenses	\$ 36,412	\$ 58,765
Salaries, fringe benefits and other expenses	380,067	614,263

**NOTE 11 – CONCENTRATIONS**

- A. Cash and cash equivalents that potentially subject NIRH to a concentration of credit risk include cash accounts with various financial institutions that exceeded the Federal Deposit Insurance Corporation ("FDIC") insurance limit of \$250,000 by approximately \$3,230,000 and \$3,330,000 at two banks as of June 30, 2021 and 2020, respectively.
- B. For each of the years ended June 30, 2021 and 2020, approximately 79% of NIRH's revenues are from three individuals/private foundations. As of June 30, 2021 and 2020, approximately 0% and 84%, respectively, of contributions receivable, are due from one individual/private foundation.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through May 9, 2022, the date the financial statements were available to be issued.

As mentioned in Note 7, on November 2, 2021, NIRH received full forgiveness from the SBA of its PPP loan amounting to \$434,000.