

**SOCIETY OF FAMILY PLANNING
AND
SOCIETY OF FAMILY PLANNING RESEARCH FUND
Consolidated Financial Statements
December 31, 2021 and 2020
With Independent Auditor's Reports**

Society of Family Planning and Society of Family Planning Research Fund
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December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Society of Family Planning and Society of Family Planning Research Fund:

Opinion

We have audited the consolidated financial statements of Society of Family Planning and Society of Family Planning Research Fund (the "Society"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Society of Family Planning and Society of Family Planning Research Fund as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Withum Smith + Brown, PC

June 14, 2022

Society of Family Planning and Society of Family Planning Research Fund
Consolidated Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 2,210,610	\$ 8,681,166
Accounts receivable	10,070	66,389
Short-term investments	6,605,055	7,577,204
Prepaid expenses and deposits	<u>244,245</u>	<u>235,561</u>
Total current assets	<u>9,069,980</u>	<u>16,560,320</u>
Long-term investments	15,447,288	12,113,164
Property and equipment, net	<u>18,750</u>	<u>43,750</u>
	<u>15,466,038</u>	<u>12,156,914</u>
Total assets	<u>\$ 24,536,018</u>	<u>\$ 28,717,234</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 300,445	\$ 287,837
Deferred membership dues	105,113	100,834
Grants payable, current portion	<u>1,786,425</u>	<u>5,341,355</u>
Total current liabilities	2,191,983	5,730,026
Grants payable, net of current portion	<u>149,057</u>	<u>735,278</u>
Total liabilities	<u>2,341,040</u>	<u>6,465,304</u>
Net assets		
Without donor restrictions	16,542,415	14,953,201
With donor restrictions	<u>5,652,563</u>	<u>7,298,729</u>
Total net assets	<u>22,194,978</u>	<u>22,251,930</u>
Total liabilities and net assets	<u>\$ 24,536,018</u>	<u>\$ 28,717,234</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Society of Family Planning and Society of Family Planning Research Fund
Consolidated Statements of Activities
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, gains, and losses						
Contributions, net of returned funds	\$ 658,339	\$ 5,655,907	\$ 6,314,246	\$ 554,664	\$ 3,281,659	\$ 3,836,323
Membership dues	217,951	-	217,951	191,656	-	191,656
Annual meeting	163,399	-	163,399	174,715	-	174,715
Investment return, net	1,247	-	1,247	224,941	-	224,941
Other income	23,966	-	23,966	16,149	-	16,149
Net assets released from program restrictions	<u>7,302,073</u>	<u>(7,302,073)</u>	<u>-</u>	<u>15,705,939</u>	<u>(15,705,939)</u>	<u>-</u>
Total revenues, support, gains, and losses	<u>8,366,975</u>	<u>(1,646,166)</u>	<u>6,720,809</u>	<u>16,868,064</u>	<u>(12,424,280)</u>	<u>4,443,784</u>
Expenses						
Programs and services	6,523,547	-	6,523,547	382,588	-	382,588
General and administrative	<u>254,214</u>	<u>-</u>	<u>254,214</u>	<u>358,194</u>	<u>-</u>	<u>358,194</u>
Total expenses	<u>6,777,761</u>	<u>-</u>	<u>6,777,761</u>	<u>740,782</u>	<u>-</u>	<u>740,782</u>
Change in net assets	1,589,214	(1,646,166)	(56,952)	16,127,282	(12,424,280)	3,703,002
Net assets (deficit)						
Beginning of year	<u>14,953,201</u>	<u>7,298,729</u>	<u>22,251,930</u>	<u>(1,174,081)</u>	<u>19,723,009</u>	<u>18,548,928</u>
End of year	<u>\$ 16,542,415</u>	<u>\$ 5,652,563</u>	<u>\$ 22,194,978</u>	<u>\$ 14,953,201</u>	<u>\$ 7,298,729</u>	<u>\$ 22,251,930</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Society of Family Planning and Society of Family Planning Research Fund
Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	<u>Programs and Services</u>	<u>General and Administrative</u>	<u>Total</u>
Awards, grants, and other award expenses			
Medication and abortion research	\$ 1,931,365	\$ -	\$ 1,931,365
Fellowships and post-fellowships	602,216	-	602,216
Career development	170,542	-	170,542
Changemakers	495,676	-	495,676
Institutional review board	4,237	-	4,237
Innovations in medication abortion service delivery	445,651	-	445,651
Miscellaneous grants	39,770	-	39,770
Total awards, grants, and other award expenses	<u>3,689,457</u>	<u>-</u>	<u>3,689,457</u>
Personnel costs			
Salaries and wages	1,526,413	114,891	1,641,304
Fringe benefits and retirement	282,045	21,229	303,274
Payroll taxes	114,778	8,639	123,417
Total personnel costs	<u>1,923,236</u>	<u>144,759</u>	<u>2,067,995</u>
Other expenses			
Communications and website	1,132	85	1,217
Dues and subscriptions	36,568	-	36,568
Annual meeting	98,290	-	98,290
Grants management technology	37,748	-	37,748
Grants review honoraria	84,815	-	84,815
NIH navigation	51,578	-	51,578
CFP rotations	40,024	3,013	43,037
CME applications	697	53	750
Information technology	25,103	1,889	26,992
Insurance	12,213	919	13,132
Journal and publications	60,101	-	60,101
Bank fees	-	14,043	14,043
Office expenses and printing	63,432	4,774	68,206
Depreciation	25,000	-	25,000
Outreach and exhibits	22,510	-	22,510
Professional fees			
Accounting and legal	-	58,211	58,211
Consultants	330,208	24,854	355,062
Rent, utilities, and parking	13,573	1,022	14,595
Travel, meetings, and conferences	7,862	592	8,454
Total other expenses	<u>910,854</u>	<u>109,455</u>	<u>1,020,309</u>
	<u>\$ 6,523,547</u>	<u>\$ 254,214</u>	<u>\$ 6,777,761</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Society of Family Planning and Society of Family Planning Research Fund
Consolidated Statement of Functional Expenses
Year Ended December 31, 2020

	<u>Programs and Services</u>	<u>General and Administrative</u>	<u>Total</u>
Awards, grants, and other award expenses (recoveries)			
Medication and abortion research	\$ (5,190,875)	\$ -	\$ (5,190,875)
Fellowships and post-fellowships	2,064,925	-	2,064,925
Career development	116,984	-	116,984
Changemakers	560,302	-	560,302
Institutional review board	8,102	-	8,102
Miscellaneous grants	<u>64,940</u>	<u>-</u>	<u>64,940</u>
Total awards, grants, and other award expenses (recoveries)	<u>(2,375,622)</u>	<u>-</u>	<u>(2,375,622)</u>
Personnel costs			
Salaries and wages	1,332,371	164,675	1,497,046
Fringe benefits and retirement	208,379	25,755	234,134
Payroll taxes	<u>111,963</u>	<u>13,838</u>	<u>125,801</u>
Total personnel costs	<u>1,652,713</u>	<u>204,268</u>	<u>1,856,981</u>
Other expenses			
Communications and website	553	68	621
Dues and subscriptions	83,406	-	83,406
Annual meeting	231,102	-	231,102
Grants management technology	38,962	-	38,962
Grants review honoraria	209,848	-	209,848
NIH navigation	32,752	-	32,752
CFP rotations	23,243	2,873	26,116
CME applications	14,592	1,804	16,396
Information technology	44,104	5,451	49,555
Insurance	7,100	878	7,978
Journal and publications	27,800	-	27,800
Bank fees	-	13,767	13,767
Office expenses and printing	49,629	6,134	55,763
Depreciation	25,000	-	25,000
Outreach and exhibits	22,828	-	22,828
Professional fees			
Accounting and legal	-	86,543	86,543
Consultants	195,996	24,224	220,220
Rent, utilities, and parking	8,718	1,077	9,795
Travel, meetings, and conferences	<u>89,864</u>	<u>11,107</u>	<u>100,971</u>
Total other expenses	<u>1,105,497</u>	<u>153,926</u>	<u>1,259,423</u>
	<u>\$ 382,588</u>	<u>\$ 358,194</u>	<u>\$ 740,782</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Society of Family Planning and Society of Family Planning Research Fund
Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating activities		
Change in net assets	\$ (56,952)	\$ 3,703,002
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	25,000	25,000
Net realized and unrealized loss in fair value of investments	201,538	57,209
Changes in		
Accounts receivable	56,319	(4,264)
Prepaid expenses and deposits	(8,684)	(138,617)
Accounts payable and accrued expenses	12,608	(247,949)
Deferred membership dues	4,279	3,734
Grants payable	<u>(4,141,151)</u>	<u>(6,695,222)</u>
Net cash used in operating activities	<u>(3,907,043)</u>	<u>(3,297,107)</u>
Investing activities		
Purchase of investments	(9,050,992)	(37,080,441)
Proceeds from sales of investments	<u>6,487,479</u>	<u>17,332,864</u>
Net cash used in investing activities	<u>(2,563,513)</u>	<u>(19,747,577)</u>
Net change in cash and cash equivalents	(6,470,556)	(23,044,684)
Cash and cash equivalents		
Beginning of year	<u>8,681,166</u>	<u>31,725,850</u>
End of year	<u>\$ 2,210,610</u>	<u>\$ 8,681,166</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

The Society of Family Planning (“SFP”) and the Society of Family Planning Research Fund (“SFP Research Fund”) strive together for just and equitable abortion and contraception informed by science.

SFP was incorporated in 2005 and is organized as a nonprofit Pennsylvania membership organization. SFP is the source for abortion and contraception science. SFP’s programs include developing clinical guidelines, producing the annual scientific meeting, the SFP Annual Meeting, and supporting its members.

SFP Research Fund was founded in 2011 in Pennsylvania and is a nonprofit organization. The SFP Research Fund provides support for abortion and contraception research. Grant mechanisms funded by the SFP Research Fund include research grants, career development awards, and grants for fellows who are enrolled in the Fellowship in Family Planning two-year post-residency training program or have recently completed the Fellowship in Family Planning.

Basis of Consolidation

The consolidated financial statements include the accounts of the SFP and SFP Research Fund (collectively, the “Society”). All significant intercompany transactions have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements of the Society have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), whereby revenue is recognized when earned and expenses are recognized when incurred.

Membership Dues and Other Receivables

Membership dues are recognized as an exchange transaction and consist of amounts paid by individuals for annual access to online forums, events, networking, and publications, which are considered to be one performance obligation. Members pay the annual dues in advance and cancellations are not allowed. Membership dues are recognized ratably over the period the membership is provided on a straight-line basis. Membership dues paid to the Society in advance are recorded as deferred membership dues on the consolidated statements of financial position.

Contract balances relating to receivables and deferred revenue (contract liabilities) from contracts with customers were as follows at December 31, 2021, 2020, and 2019:

	<u>Receivables</u>	<u>Contract Liabilities</u>
December 31, 2021	\$ 10,070	\$ 105,113
December 31, 2020	\$ 66,389	\$ 100,834
December 31, 2019	\$ 62,125	\$ 97,100

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

Net Assets

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

Net assets without donor restrictions: Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions: Net assets with donor restrictions are subject to donor-imposed restrictions that will be met either by the actions of the Society or through the passage of time. The Society reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contribution Revenue

Contributions are recognized as revenue in the period received or pledged. Contributions are classified and reported based on the existence or absence of donor-imposed restrictions. Contributions received in securities or other noncash contributions are recorded at fair value at the date of the gift.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right to return or release, are not recognized as revenue until the conditions on which they depend have been substantially met. Payments received in advance of conditions being met are recorded as refundable advances on the statements of financial position. Refunds of unexpended grant funds are reported as either revenues without donor restrictions or revenues with donor restrictions, which are dependent on the donor's initial restrictions.

Annual Meeting Revenue

The Society receives revenue from the registrations and sponsorships to its Annual Meeting which is held every year and is considered exchange transactions. Revenues for registrations and sponsorships is recognized at a point in time once the conference begins. The revenue is based on what is explicitly outlined within the sponsorship contract as obligations, services, or other items owed to the sponsor that would normally otherwise generate revenue, valued at their cost. No amounts were recognized as receivables or deferred revenue at December 31, 2021, 2020, or 2019.

Property and Equipment

Property and equipment are stated at cost. Property and equipment with a cost in excess of \$5,000 and a useful life of over one year are depreciated on the straight-line basis over the estimated useful lives of the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in income. The cost of repairs and maintenance is expensed when incurred. The estimated useful life of the asset in service as of December 31, 2021 and 2020 was three years.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

Grants Payable

The Society recognizes grants made, including unconditional promises, as expenses in the period made. Conditional promises, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in expense until the conditions on which they depend have been substantially met. At December 31, 2021 and 2020, grants payable were discounted using the year-end risk-free rate, ranging from 0.10% to 1.94%. Amortization of the discount is included in the awards and grants expenses.

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 detailed in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated financial statements report expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are recorded based upon the following:

<u>Expense Category</u>	<u>Allocation Methodology</u>
Personnel costs	Time and effort
Communications and website	Personnel costs
Information technology	Personnel costs
Insurance	Personnel costs
Office expenses and printing	Personnel costs
Consultants	Personnel costs
Rent, utilities, and parking	Personnel costs
Travel, meetings, and conferences	Personnel costs

No fundraising expense was noted for the years ended December 31, 2021 and 2020.

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

SFP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRS Code"), except on unrelated business income. SFP qualifies for the charitable contributions deduction under IRS Code Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under IRS Code Section 501(a)(2). The SFP Research Fund is exempt from federal income taxes under IRS Code Section 501(c)(4), except on unrelated business income. Accordingly, the consolidated financial statements do not reflect a provision for federal income taxes. There were no uncertain tax positions at December 31, 2021 and 2020. There are no income tax related penalties or interest for the years ended December 31, 2021 and 2020.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Society considers all highly liquid investments purchased with an initial maturity date of three months or less to be cash equivalents, including checking, savings, and money market accounts. Cash reserve certificates which have a three-month guaranteed interest rate are also considered cash equivalents since they provide liquidity with no withdrawal penalties. Cash equivalents are reported at cost which equals fair value.

Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the consolidated statements of financial position based on the quoted market values of the underlying securities. Investment income or loss, including realized and unrealized gains and losses and interest and dividends, net is included in net assets without donor restrictions, unless the income or loss is restricted by the donor or the law.

2. INVESTMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

U.S. Treasury notes and agency securities: Valued at the closing price reported on the active market on which the individual securities are traded.

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. For the years ended December 31, 2021 and 2020, there were no transfers in or out of Level 3.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

As of December 31, 2021 and 2020, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	2021			Total Fair Value
	Level 1	Level 2	Level 3	
U.S. Treasury notes	\$ 17,805,633	\$ -	\$ -	\$ 17,805,633
Agency securities	-	4,246,710	-	4,246,710
	<u>\$ 17,805,633</u>	<u>\$ 4,246,710</u>	<u>\$ -</u>	<u>\$ 22,052,343</u>

	2020			Total Fair Value
	Level 1	Level 2	Level 3	
U.S. Treasury notes	\$ 14,893,586	\$ -	\$ -	\$ 14,893,586
Agency securities	-	4,796,782	-	4,796,782
	<u>\$ 14,893,586</u>	<u>\$ 4,796,782</u>	<u>\$ -</u>	<u>\$ 19,690,368</u>

Investment return, net, for the years ended December 31, 2021 and 2020 consisted of the following:

	2021	2020
Unrealized loss	\$ (273,122)	\$ (77,079)
Realized gain	83,931	19,870
Interest and dividends, net of expenses	190,438	282,150
	<u>\$ 1,247</u>	<u>\$ 224,941</u>

3. PROPERTY AND EQUIPMENT

Property and equipment consists of a capitalized website costing \$75,000. The website is being depreciated over three years. Depreciation for both of the years ended December 31, 2021 and 2020 was \$25,000.

Property and equipment consists of the following as of December 31:

	2021	2020
Website	\$ 75,000	\$ 75,000
Less: Accumulated depreciation	(56,250)	(31,250)
Net value of property and equipment	<u>\$ 18,750</u>	<u>\$ 43,750</u>

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

4. GRANTS PAYABLE

Grants payable activity consists of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Grants payable balance, beginning of year	\$ 6,098,283	\$ 12,930,447
Current year activity		
New grants awarded	3,623,973	2,352,354
Grants canceled	(8,510)	(5,115,746)
Payments	<u>(7,775,853)</u>	<u>(4,068,772)</u>
Grants payable balance, end of year	<u>\$ 1,937,893</u>	<u>\$ 6,098,283</u>

The following is a summary of future grant payments per the signed agreements which are due as of December 31:

	<u>2021</u>	<u>2020</u>
To be paid in 1 year or less	\$ 1,786,425	\$ 5,341,355
To be paid in 2-5 years	<u>151,468</u>	<u>756,928</u>
Grants authorized but unpaid	1,937,893	6,098,283
Less: Discount to reflect grants payable at present value	<u>(2,411)</u>	<u>(21,650)</u>
Grants payable, net	<u>1,935,482</u>	<u>6,076,633</u>
Grants payable reported as current liabilities	1,786,425	5,341,355
Grants payable reported as noncurrent, net	<u>149,057</u>	<u>735,278</u>
Gross grants authorized but unpaid	<u>\$ 1,935,482</u>	<u>\$ 6,076,633</u>

5. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, net assets with donor restrictions are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Purpose restrictions		
Contraceptive access and COVID-19	\$ 27,118	\$ 25,000
Contraception research to elevate contraception care	167,539	-
Complex family planning research	40,292	-
Time restrictions		
Grant # 3767.07	1,937,423	7,273,729
Grant # 5412.01	<u>3,480,191</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 5,652,563</u>	<u>\$ 7,298,729</u>

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

Components of net assets with donor restrictions released from restrictions at December 31 consisted of the following:

	<u>2021</u>	<u>2020</u>
Purpose restrictions	\$ 28,343	\$ 344,771
Time expiration	<u>7,273,730</u>	<u>15,361,168</u>
Total net assets with donor restrictions	<u>\$ 7,302,073</u>	<u>\$ 15,705,939</u>

6. RETIREMENT PLAN

Effective July 1, 2009, The Society established a SIMPLE IRA Plan for its eligible employees. Employees may receive an employer match up to 3% of their annual salary based on the percentage of salary contributed by employees. This plan was closed effective December 31, 2020 and replaced by the Society of Family Planning Research Fund 401(k) Profit Sharing Plan and Trust beginning January 1, 2021. Under the terms of the 401(k) plan, employees may receive an employer match up to 6% of their annual salary based on the percentage of salary contributed by employees.

For the years ended December 31, 2021 and 2020, discretionary employer contributions to both plans totaled \$51,385 and \$20,483, respectively, and are included in fringe benefit and retirement expenses on the consolidated statements of functional expenses.

7. RISKS AND UNCERTAINTIES

Concentration of Credit Risk

During the year ended December 31, 2021, 87% of contribution revenue was received from one donor. During the year ended December 31, 2020, 76% of contribution revenue was received from two donors.

The Society's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash and cash equivalents. At times during the year, cash of the Society deposited in financial institutions exceeds the Federal Deposit Insurance Corporation limit of \$250,000. The management of the Society deposits cash funds in high quality institutions to lessen the amount of uninsured exposure and, accordingly, does not anticipate nonperformance and has experienced no losses to date. The cash equivalents are backed by reserves of Ameriprise Certificate Company, but may include investment risks, including credit risk, interest rate risk, prepayment, and extension risks.

COVID-19

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Society's financial position and changes in net assets, the specific impact is not readily determinable as of the date of these consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

8. LIQUIDITY AND AVAILABILITY OF RESOURCES

As of December 31, the Society's financial assets available within one year for general operations are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,210,610	\$ 8,681,166
Accounts receivable	10,070	66,389
Short-term investments	<u>6,605,055</u>	<u>7,577,204</u>
Total financial assets	8,825,735	16,324,759
Less: Donor restricted funds	<u>(5,652,563)</u>	<u>(7,298,729)</u>
Total financial assets available to management for general operations	<u>\$ 3,173,172</u>	<u>\$ 9,026,030</u>

The Society maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

9. HOTEL COMMITMENTS

The Society has entered into a hotel contract for the Annual Meeting to be held in December 2022. In the event of a cancellation, SFP is required to pay various costs of the hotel rooms as stipulated in the contract, the amounts of which are dependent upon the date of cancellation.

10. SUBSEQUENT EVENTS

The Society has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of June 14, 2022, the date the consolidated financial statements were available for issuance. Based upon this evaluation, the Society identified no subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

REPORT ON SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Society of Family Planning and Society of Family Planning Research Fund:

We have audited the accompanying consolidated financial statements of the Society of Family Planning and the Society of Family Planning Research Fund as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon dated June 14, 2022, which contained an unmodified opinion on those consolidated financial statements.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as of and for the years ended December 31, 2021 and 2020 on pages 17-21 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 audits 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.



June 14, 2022

**Society of Family Planning
Statements of Financial Position
December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,531,172	\$ 2,995,460
Accounts receivable	-	26,289
Short-term investments	2,066,807	1,518,516
Prepaid expenses and deposits	<u>47,386</u>	<u>41,302</u>
Total current assets	3,645,365	4,581,567
Long-term investments	<u>7,649,044</u>	<u>3,951,394</u>
Total assets	<u>\$ 11,294,409</u>	<u>\$ 8,532,961</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,877,256	\$ 312,937
Deferred membership dues	<u>105,113</u>	<u>100,834</u>
Total current liabilities	<u>2,982,369</u>	<u>413,771</u>
Net assets		
Without donor restrictions	4,764,439	3,930,650
With donor restrictions	<u>3,547,601</u>	<u>4,188,540</u>
Total net assets	<u>8,312,040</u>	<u>8,119,190</u>
Total liabilities and net assets	<u>\$ 11,294,409</u>	<u>\$ 8,532,961</u>

See Independent Auditor's Report on Supplementary Information.

Society of Family Planning
Statements of Activities
Years Ended December 31, 2021 and 2020

	2021			2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, support, gains, and losses						
Contributions, net of returned funds	\$ 638,339	\$ 3,550,484	\$ 4,188,823	\$ 54,664	\$ 3,098,247	\$ 3,152,911
Membership dues	217,951	-	217,951	191,656	-	191,656
Annual meeting	141,619	-	141,619	640	-	640
Loss on sale of contributed stock	-	-	-	(16,543)	-	(16,543)
Investment return, net	13,097	-	13,097	-	-	-
Other income	23,966	-	23,966	16,149	-	16,149
Net assets released from program restrictions	<u>4,191,423</u>	<u>(4,191,423)</u>	<u>-</u>	<u>4,508,311</u>	<u>(4,508,311)</u>	<u>-</u>
Total revenues, support, gains, and losses	<u>5,226,395</u>	<u>(640,939)</u>	<u>4,585,456</u>	<u>4,754,877</u>	<u>(1,410,064)</u>	<u>3,344,813</u>
Expenses						
Programs and services	4,260,398	-	4,260,398	1,264,976	-	1,264,976
General and administrative	<u>132,208</u>	<u>-</u>	<u>132,208</u>	<u>137,495</u>	<u>-</u>	<u>137,495</u>
Total expenses	<u>4,392,606</u>	<u>-</u>	<u>4,392,606</u>	<u>1,402,471</u>	<u>-</u>	<u>1,402,471</u>
Change in net assets	833,789	(640,939)	192,850	3,352,406	(1,410,064)	1,942,342
Net assets						
Beginning of year	<u>3,930,650</u>	<u>4,188,540</u>	<u>8,119,190</u>	<u>578,244</u>	<u>5,598,604</u>	<u>6,176,848</u>
End of year	<u>\$ 4,764,439</u>	<u>\$ 3,547,601</u>	<u>\$ 8,312,040</u>	<u>\$ 3,930,650</u>	<u>\$ 4,188,540</u>	<u>\$ 8,119,190</u>

See Independent Auditor's Report on Supplementary Information.

**Society of Family Planning
Statement of Functional Expenses
Year Ended December 31, 2021**

	<u>Programs and Services</u>	<u>General and Administrative</u>	<u>Total</u>
Awards, grants, and other award expenses			
Institutional review board	\$ 4,237	\$ -	\$ 4,237
Fellowship and post fellowship	<u>2,667,141</u>	<u>-</u>	<u>2,667,141</u>
	<u>2,671,378</u>	<u>-</u>	<u>2,671,378</u>
Personnel costs			
Salaries and wages	762,296	57,377	819,673
Fringe benefits and retirement	142,554	10,730	153,284
Payroll taxes	<u>57,924</u>	<u>4,360</u>	<u>62,284</u>
Total personnel costs	<u>962,774</u>	<u>72,467</u>	<u>1,035,241</u>
Other expenses			
Dues and subscriptions	31,924	-	31,924
Annual meeting	188,815	-	188,815
Grants review honoraria	59,075	-	59,075
CFP rotations	43,037	-	43,037
CME applications	750	-	750
Journal and publications	60,101	-	60,101
Bank fees	-	13,918	13,918
Office expenses and printing	47,667	3,588	51,255
Outreach and exhibits	22,495	-	22,495
Professional fees			
Accounting and legal	-	29,259	29,259
Consultants	155,439	11,700	167,139
Rent, utilities, and parking	13,573	1,022	14,595
Travel, meetings, and conferences	<u>3,370</u>	<u>254</u>	<u>3,624</u>
Total other expenses	<u>626,246</u>	<u>59,741</u>	<u>685,987</u>
	<u>\$ 4,260,398</u>	<u>\$ 132,208</u>	<u>\$ 4,392,606</u>

See Independent Auditor's Report on Supplementary Information.

**Society of Family Planning
Statement of Functional Expenses
Year Ended December 31, 2020**

	<u>Programs and Services</u>	<u>General and Administrative</u>	<u>Total</u>
Awards, grants, and other award expenses			
Institutional review board	\$ 8,102	\$ -	\$ 8,102
Personnel costs			
Salaries and wages	614,335	75,929	690,264
Fringe benefits and retirement	68,382	8,452	76,834
Payroll taxes	47,354	5,853	53,207
Total personnel costs	<u>730,071</u>	<u>90,234</u>	<u>820,305</u>
Other expenses			
Dues and subscriptions	54,120	-	54,120
Annual meeting	170,931	-	170,931
Grants review honoraria	89,138	-	89,138
CFP rotations	26,116	-	26,116
CME applications	16,396	-	16,396
Journal and publications	27,800	-	27,800
Bank fees	-	13,717	13,717
Office expenses and printing	22,225	2,746	24,971
Outreach and exhibits	10,884	-	10,884
Professional fees			
Accounting and legal	-	17,303	17,303
Consultants	88,145	10,894	99,039
Rent, utilities, and parking	8,718	1,077	9,795
Travel, meetings, and conferences	12,330	1,524	13,854
Total other expenses	<u>526,803</u>	<u>47,261</u>	<u>574,064</u>
	<u>\$ 1,264,976</u>	<u>\$ 137,495</u>	<u>\$ 1,402,471</u>

See Independent Auditor's Report on Supplementary Information.

**Society of Family Planning
Statements of Cash Flows
Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Operating activities		
Change in net assets	\$ 192,850	\$ 1,942,342
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized loss in fair value of investments	39,575	36,644
Changes in		
Accounts receivable	26,289	5,318,265
Prepaid expenses and deposits	(6,084)	(6,702)
Accounts payable and accrued expenses	(222,102)	90,649
Due from Society of Family Planning Research Fund	2,786,421	218,638
Deferred membership dues	<u>4,279</u>	<u>3,734</u>
Net cash provided by operating activities	<u>2,821,228</u>	<u>7,603,570</u>
Investing activities		
Proceeds from investments	-	1,536,711
Purchase of investments	<u>(4,285,516)</u>	<u>(7,043,265)</u>
Net cash used in investing activities	<u>(4,285,516)</u>	<u>(5,506,554)</u>
Net change in cash and cash equivalents	(1,464,288)	2,097,016
Cash and cash equivalents		
Beginning of year	<u>2,995,460</u>	<u>898,444</u>
End of year	<u>\$ 1,531,172</u>	<u>\$ 2,995,460</u>

See Independent Auditor's Report on Supplementary Information.