

**SOCIETY OF FAMILY PLANNING  
AND  
SOCIETY OF FAMILY PLANNING RESEARCH FUND  
Consolidated Financial Statements  
December 31, 2022 and 2021  
With Independent Auditor's Reports**

**Society of Family Planning and Society of Family Planning Research Fund**  
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**December 31, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
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, 2022 and 2021, 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, 2022 and 2021, 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 consolidated 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*

July 10, 2023

**Society of Family Planning and Society of Family Planning Research Fund**  
**Consolidated Statements of Financial Position**  
**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,801,587	\$ 2,210,610
Accounts receivable	9,787	10,070
Short-term investments	5,864,592	6,605,055
Prepaid expenses and deposits	<u>196,300</u>	<u>244,245</u>
Total current assets	<u>7,872,266</u>	<u>9,069,980</u>
Long-term investments	10,501,569	15,447,288
Property and equipment, net	<u>-</u>	<u>18,750</u>
	<u>10,501,569</u>	<u>15,466,038</u>
Total assets	<u>\$ 18,373,835</u>	<u>\$ 24,536,018</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 489,489	\$ 300,445
Deferred membership dues	156,117	105,113
Grants payable, current portion	<u>3,638,025</u>	<u>1,786,425</u>
Total current liabilities	4,283,631	2,191,983
Grants payable, net of current portion	<u>157,108</u>	<u>149,057</u>
Total liabilities	<u>4,440,739</u>	<u>2,341,040</u>
Net assets		
Without donor restrictions	13,818,595	16,542,415
With donor restrictions	<u>114,501</u>	<u>5,652,563</u>
Total net assets	<u>13,933,096</u>	<u>22,194,978</u>
Total liabilities and net assets	<u>\$ 18,373,835</u>	<u>\$ 24,536,018</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, 2022 and 2021**

	2022			2021		
	<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>
<b>Revenues, support, gains, and losses</b>						
Contributions, net of returned funds	\$ 282,144	\$ 311,607	\$ 593,751	\$ 658,339	\$ 5,655,907	\$ 6,314,246
Membership dues	274,998	-	274,998	217,951	-	217,951
Annual meeting	814,592	-	814,592	163,399	-	163,399
Investment return, net	(572,546)	-	(572,546)	1,247	-	1,247
Other income	33,819	-	33,819	23,966	-	23,966
Net assets released from program restrictions	5,849,669	(5,849,669)	-	7,302,073	(7,302,073)	-
Total revenues, support, gains, and losses	<u>6,682,676</u>	<u>(5,538,062)</u>	<u>1,144,614</u>	<u>8,366,975</u>	<u>(1,646,166)</u>	<u>6,720,809</u>
<b>Expenses</b>						
Programs and services	8,890,601	-	8,890,601	6,523,547	-	6,523,547
General and administrative	506,201	-	506,201	254,214	-	254,214
Fundraising	9,694	-	9,694	-	-	-
Total expenses	<u>9,406,496</u>	<u>-</u>	<u>9,406,496</u>	<u>6,777,761</u>	<u>-</u>	<u>6,777,761</u>
<b>Change in net assets</b>	(2,723,820)	(5,538,062)	(8,261,882)	1,589,214	(1,646,166)	(56,952)
<b>Net assets</b>						
Beginning 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>
End of year	<u>\$ 13,818,595</u>	<u>\$ 114,501</u>	<u>\$ 13,933,096</u>	<u>\$ 16,542,415</u>	<u>\$ 5,652,563</u>	<u>\$ 22,194,978</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, 2022**

	<b>Programs and Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
<b>Awards, grants, and other award expenses</b>				
Medication and abortion research	\$ 636,143	\$ -	\$ -	\$ 636,143
Career development	79,036	-	-	79,036
Changemakers	421,426	-	-	421,426
Institutional review board	14,555	-	-	14,555
In their hands	248,945	-	-	248,945
Inequities in abortion access	448,726	-	-	448,726
Community based organizations	1,896,739	-	-	1,896,739
Miscellaneous grants	99,984	-	-	99,984
Total awards, grants, and other award expenses	<u>3,845,554</u>	<u>-</u>	<u>-</u>	<u>3,845,554</u>
<b>Personnel costs</b>				
Salaries and wages	1,470,712	220,589	7,836	1,699,137
Fringe benefits and retirement	232,576	34,884	1,239	268,699
Payroll taxes	116,187	17,427	619	134,233
Total personnel costs	<u>1,819,475</u>	<u>272,900</u>	<u>9,694</u>	<u>2,102,069</u>
<b>Other expenses</b>				
Dues and subscriptions	102,336	5,034	-	107,370
Annual meeting	779,916	-	-	779,916
Grants management technology	44,507	-	-	44,507
Grants review honoraria	67,555	-	-	67,555
Grant support	889,645	-	-	889,645
NIH navigation	53,659	-	-	53,659
CFP rotations	69,367	-	-	69,367
CME applications	13,194	-	-	13,194
Information technology	-	31,501	-	31,501
Insurance	10,213	-	-	10,213
Journal and publications	50,719	-	-	50,719
Bank fees	-	34,750	-	34,750
Office expenses and printing	82,066	8,204	-	90,270
Bad debt	-	11,415	-	11,415
Depreciation	18,750	-	-	18,750
Outreach and exhibits	14,351	-	-	14,351
Fellowship DEI activity	1,500	-	-	1,500
Professional fees				
Accounting and legal	-	42,194	-	42,194
Consultants	500,720	50,060	-	550,780
LMS maintenance and software	15,624	-	-	15,624
CE faculty stipends and CE events	9,900	-	-	9,900
Travel, meetings, and conferences	501,550	50,143	-	551,693
Total other expenses	<u>3,225,572</u>	<u>233,301</u>	<u>-</u>	<u>3,458,873</u>
	<u>\$ 8,890,601</u>	<u>\$ 506,201</u>	<u>\$ 9,694</u>	<u>\$ 9,406,496</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, 2021**

	<b>Programs and Services</b>	<b>General and Administrative</b>	<b>Total</b>
<b>Awards, grants, and other award expenses</b>			
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 (recoveries)	<u>3,689,457</u>	<u>-</u>	<u>3,689,457</u>
<b>Personnel costs</b>			
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>
<b>Other expenses</b>			
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 Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Operating activities</b>		
Change in net assets	\$ (8,261,882)	\$ (56,952)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	18,750	25,000
Bad debt expense	11,415	-
Net realized and unrealized loss in fair value of investments	866,027	189,191
Changes in		
Accounts receivable	(11,132)	56,319
Prepaid expenses and deposits	47,945	(8,684)
Accounts payable and accrued expenses	189,044	12,608
Deferred membership dues	51,004	4,279
Grants payable	<u>1,859,651</u>	<u>(4,141,151)</u>
Net cash used in operating activities	<u>(5,229,178)</u>	<u>(3,919,390)</u>
<b>Investing activities</b>		
Purchase of investments	(2,766,385)	(9,038,645)
Proceeds from sales of investments	<u>7,586,540</u>	<u>6,487,479</u>
Net cash provided by (used in) investing activities	<u>4,820,155</u>	<u>(2,551,166)</u>
Net change in cash and cash equivalents	(409,023)	(6,470,556)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>2,210,610</u>	<u>8,681,166</u>
End of year	<u>\$ 1,801,587</u>	<u>\$ 2,210,610</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, 2022 and 2021**

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**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. 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, 2022, 2021, and 2020:

	<u>Receivables</u>	<u>Contract Liabilities</u>
December 31, 2022	\$ 9,787	\$ 156,117
December 31, 2021	\$ 10,070	\$ 105,113
December 31, 2020	\$ 66,389	\$ 100,834

# Society of Family Planning and Society of Family Planning Research Fund

## Notes to Consolidated Financial Statements

### December 31, 2022 and 2021

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#### **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 consolidated 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.

#### **Contributions of Nonfinancial Assets**

The Society records the value of donated services and materials at the fair market value on the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Society.

#### **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, 2022, 2021, or 2020.

#### **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.

**Society of Family Planning and Society of Family Planning Research Fund**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

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**Grants Payable and Expense**

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, 2022 and 2021, grants payable were discounted using the year-end risk-free rate, ranging from 0.10% to 2.80%. Amortization of the discount is included in awards, grants, and other award 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
Dues and subscriptions	Time and effort

**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, 2022 and 2021. There are no income tax related penalties or interest for the years ended December 31, 2022 and 2021.

**Society of Family Planning and Society of Family Planning Research Fund**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

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**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.

**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.

**New Accounting Pronouncements Adopted in the Current Year**

*Leases*

During 2022, the Society adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, *Leases*. The ASU requires that a lessee recognizes a right-of-use asset and a corresponding liability with limited exceptions for its obligation under an operating lease, as well as expands disclosure requirements for both lessors and lessees. The adoption of the ASU did not have a material impact on the consolidated financial statements.

*Gifts In-Kind*

During 2022, the Society adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The adoption of the ASU did not have a material impact on the consolidated financial statements as there were no gifts in-kind for the years ended December 31, 2022 and 2021.

**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.

**Society of Family Planning and Society of Family Planning Research Fund**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

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, 2022 and 2021, there were no transfers in or out of Level 3.

As of December 31, 2022 and 2021, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	<b>2022</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
U.S. Treasury notes	\$ 14,011,936	\$ -	\$ -	\$ 14,011,936
Agency securities	-	2,354,225	-	2,354,225
	<u>\$ 14,011,936</u>	<u>\$ 2,354,225</u>	<u>\$ -</u>	<u>\$ 16,366,161</u>
	<b>2021</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
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>

Investment return, net, for the years ended December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Unrealized loss	\$ (633,485)	\$ (273,122)
Realized (loss) gain	(232,542)	83,931
Interest and dividends, net of expenses	293,481	190,438
	<u>\$ (572,546)</u>	<u>\$ 1,247</u>

**Society of Family Planning and Society of Family Planning Research Fund**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

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**3. PROPERTY AND EQUIPMENT**

Property and equipment consists of a capitalized website costing \$75,000. The website is being depreciated over three years. Depreciation expense for the years ended December 31, 2022 and 2021 was \$18,750 and \$25,000, respectively.

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

	<u>2022</u>	<u>2021</u>
Website	\$ 75,000	\$ 75,000
Less: Accumulated depreciation	<u>(75,000)</u>	<u>(56,250)</u>
Net value of property and equipment	<u>\$ -</u>	<u>\$ 18,750</u>

**4. GRANTS PAYABLE**

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

	<u>2022</u>	<u>2021</u>
Grants payable balance, beginning of year	\$ 1,937,893	\$ 6,098,283
Current year activity		
New grants awarded	3,895,953	3,623,973
Grants canceled	(16,082)	(8,510)
Payments	<u>(2,015,657)</u>	<u>(7,775,853)</u>
Grants payable balance, end of year	<u>\$ 3,802,107</u>	<u>\$ 1,937,893</u>

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

	<u>2022</u>	<u>2021</u>
To be paid in 1 year or less	\$ 3,638,025	\$ 1,786,425
To be paid in 2-5 years	<u>164,082</u>	<u>151,468</u>
Grants authorized but unpaid	3,802,107	1,937,893
Less: Discount to reflect grants payable at present value	<u>(6,974)</u>	<u>(2,411)</u>
Grants payable, net	<u>3,795,133</u>	<u>1,935,482</u>
Grants payable reported as current liabilities	3,638,025	1,786,425
Grants payable reported as noncurrent, net	<u>157,108</u>	<u>149,057</u>
Gross grants authorized but unpaid	<u>\$ 3,795,133</u>	<u>\$ 1,935,482</u>

**Society of Family Planning and Society of Family Planning Research Fund**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

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**5. NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2022</u>	<u>2021</u>
Purpose restrictions		
Contraceptive access and COVID-19	\$ 14,285	\$ 27,118
Contraception research to elevate contraception care	50,216	167,539
Complex family planning research	-	40,292
Research grants	50,000	-
Time restrictions		
Grant # 3767.07	-	1,937,423
Grant # 5412.01	-	3,480,191
Total net assets with donor restrictions	<u>\$ 114,501</u>	<u>\$ 5,652,563</u>

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

	<u>2022</u>	<u>2021</u>
Purpose restrictions	\$ 432,055	\$ 28,343
Time expiration	<u>5,417,614</u>	<u>7,273,730</u>
Total net assets released from donor restrictions	<u>\$ 5,849,669</u>	<u>\$ 7,302,073</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, 2022 and 2021, discretionary employer contributions to both plans totaled \$49,104 and \$51,358, 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**

*Cash and Cash Equivalents*

The Society has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Society's consolidated financial condition, results of operations, and cash flows.



**Society of Family Planning and Society of Family Planning Research Fund**  
**Notes to Consolidated Financial Statements**  
**December 31, 2022 and 2021**

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*Investments*

The Society invests in instruments which comprise U.S. Treasury notes and agency securities. The fair values reported in the consolidated financial statements are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that amounts reported in the consolidated financial statements could change materially in the near term. The Society mitigates risk by diversifying its portfolio among many instruments.

**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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,801,587	\$ 2,210,610
Accounts receivable	9,787	10,070
Short-term investments	<u>5,864,592</u>	<u>6,605,055</u>
Total financial assets	7,675,966	8,825,735
Less: Donor restricted funds	<u>(114,501)</u>	<u>(5,652,563)</u>
Total financial assets available to management for general operations	<u>\$ 7,561,465</u>	<u>\$ 3,173,172</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 October 2023. 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**

On January 1, 2023, the Society of Family Planning and the Society of Family Planning Research Fund merged into one entity. All activity including assets, liabilities and net assets were transferred from the Society of Family Planning Research Fund to the Society of Family Planning in 2023. Going forward, all operations will occur within the Society of Family Planning and will be presented as a single reporting entity.

The Society has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of July 10, 2023, the date the consolidated financial statements were available for issuance. Based upon this evaluation, the Society identified no subsequent events requiring disclosure, other than the event noted above.

## **SUPPLEMENTARY INFORMATION**

## REPORT ON SUPPLEMENTARY INFORMATION

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
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, 2022 and 2021, and have issued our report thereon dated July 10, 2023, 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, 2022 and 2021 on pages 17-21 is presented for purposes of additional analysis and is 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.

*Withum Smith + Brown, PC*

July 10, 2023

**Society of Family Planning  
Statements of Financial Position  
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,362,963	\$ 1,531,172
Short-term investments	1,520,507	2,066,807
Prepaid expenses and deposits	<u>12,759</u>	<u>47,386</u>
Total current assets	2,896,229	3,645,365
Long-term investments	<u>4,301,100</u>	<u>7,649,044</u>
Total assets	<u>\$ 7,197,329</u>	<u>\$ 11,294,409</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 802,083	\$ 2,877,256
Deferred membership dues	156,117	105,113
Grants payable	<u>1,897,764</u>	<u>-</u>
Total current liabilities	2,855,964	2,982,369
Grants payable, net of current portion	<u>99,475</u>	<u>-</u>
Total liabilities	<u>2,955,439</u>	<u>2,982,369</u>
Net assets		
Without donor restrictions	4,177,605	4,764,439
With donor restrictions	<u>64,285</u>	<u>3,547,601</u>
Total net assets	<u>4,241,890</u>	<u>8,312,040</u>
Total liabilities and net assets	<u>\$ 7,197,329</u>	<u>\$ 11,294,409</u>

See Independent Auditor's Report on Supplementary Information.

**Society of Family Planning**  
**Statements of Activities**  
**Years Ended December 31, 2022 and 2021**

	2022			2021		
	<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>
<b>Revenues, support, gains, and losses</b>						
Contributions, net of returned funds	\$ 282,144	\$ 311,607	\$ 593,751	\$ 638,339	\$ 3,550,484	\$ 4,188,823
Membership dues	274,998	-	274,998	217,951	-	217,951
Annual meeting	-	-	-	141,619	-	141,619
Investment return, net	(253,211)	-	(253,211)	13,097	-	13,097
Other income	23,819	-	23,819	23,966	-	23,966
Net assets released from program restrictions	3,794,923	(3,794,923)	-	4,191,423	(4,191,423)	-
Total revenues, support, gains, and losses	<u>4,122,673</u>	<u>(3,483,316)</u>	<u>639,357</u>	<u>5,226,395</u>	<u>(640,939)</u>	<u>4,585,456</u>
<b>Expenses</b>						
Programs and services	4,298,262	-	4,298,262	4,260,398	-	4,260,398
General and administrative	406,665	-	406,665	132,208	-	132,208
Fundraising	4,580	-	4,580	-	-	-
Total expenses	<u>4,709,507</u>	<u>-</u>	<u>4,709,507</u>	<u>4,392,606</u>	<u>-</u>	<u>4,392,606</u>
<b>Change in net assets</b>	(586,834)	(3,483,316)	(4,070,150)	833,789	(640,939)	192,850
<b>Net assets</b>						
Beginning 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>
End of year	<u>\$ 4,177,605</u>	<u>\$ 64,285</u>	<u>\$ 4,241,890</u>	<u>\$ 4,764,439</u>	<u>\$ 3,547,601</u>	<u>\$ 8,312,040</u>

See Independent Auditor's Report on Supplementary Information.

**Society of Family Planning  
Statement of Functional Expenses  
Year Ended December 31, 2022**

	<b>Programs and Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
<b>Awards, grants, and other award expenses</b>				
Institutional review board	\$ 14,555	\$ -	\$ -	\$ 14,555
In their hands	248,945	-	-	248,945
Inequities in abortion access	448,726	-	-	448,726
Community based organizations	<u>1,896,739</u>	<u>-</u>	<u>-</u>	<u>1,896,739</u>
	<u>2,608,965</u>	<u>-</u>	<u>-</u>	<u>2,608,965</u>
<b>Personnel costs</b>				
Salaries and wages	675,956	101,385	3,602	780,943
Fringe benefits and retirement	123,115	18,466	656	142,237
Payroll taxes	<u>60,362</u>	<u>9,054</u>	<u>322</u>	<u>69,738</u>
Total personnel costs	<u>859,433</u>	<u>128,905</u>	<u>4,580</u>	<u>992,918</u>
<b>Other expenses</b>				
Dues and subscriptions	98,563	-	-	98,563
Annual meeting	22,543	-	-	22,543
Grants review honoraria	67,415	-	-	67,415
Grant support	38,550	-	-	38,550
CFP rotations	69,367	-	-	69,367
CME applications	13,194	-	-	13,194
Journal and publications	50,719	-	-	50,719
Bank fees	-	34,750	-	34,750
Insurance	-	10,906	-	10,906
Office expenses and printing	2,386	61,876	-	64,262
Outreach and exhibits	14,351	-	-	14,351
Fellowship DEI activity	1,500	-	-	1,500
Professional fees			-	
Accounting and legal	-	22,440	-	22,440
Consultants	159,763	126,560	-	286,323
LMS maintenance and software	15,624	-	-	15,624
CE faculty stipends and CE events	9,900	-	-	9,900
Training and workshops	53,659	-	-	53,659
Travel, meetings, and conferences	<u>212,330</u>	<u>21,228</u>	<u>-</u>	<u>233,558</u>
Total other expenses	<u>829,864</u>	<u>277,760</u>	<u>-</u>	<u>1,107,624</u>
	<u>\$ 4,298,262</u>	<u>\$ 406,665</u>	<u>\$ 4,580</u>	<u>\$ 4,709,507</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>
<b>Awards, grants, and other award expenses</b>			
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>
<b>Personnel costs</b>			
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>
<b>Other expenses</b>			
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  
Statements of Cash Flows  
Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Operating activities</b>		
Change in net assets	\$ (4,070,150)	\$ 192,850
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Net realized and unrealized loss in fair value of investments	361,328	39,575
Changes in		
Accounts receivable	-	26,289
Prepaid expenses and deposits	34,627	(6,084)
Accounts payable and accrued expenses	(2,775,930)	(222,102)
Due from Society of Family Planning Research Fund	700,757	2,786,421
Deferred membership dues	51,004	4,279
Grants payable	1,997,239	-
Net cash provided by (used in) operating activities	<u>(3,701,125)</u>	<u>2,821,228</u>
<b>Investing activities</b>		
Proceeds from investments	3,686,540	-
Purchase of investments	<u>(153,624)</u>	<u>(4,285,516)</u>
Net cash provided by (used in) investing activities	<u>3,532,916</u>	<u>(4,285,516)</u>
Net change in cash and cash equivalents	(168,209)	(1,464,288)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>1,531,172</u>	<u>2,995,460</u>
End of year	<u>\$ 1,362,963</u>	<u>\$ 1,531,172</u>

See Independent Auditor's Report on Supplementary Information.