

**SOCIETY OF FAMILY PLANNING AND
SOCIETY OF FAMILY PLANNING RESEARCH FUND
Consolidated Financial Statements
December 31, 2023 and 2022
With Independent Auditor's Reports**

Society of Family Planning and Society of Family Planning Research Fund
Table of Contents
December 31, 2023 and 2022

Independent Auditor’s Report	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Functional Expenses	5-6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-15
Supplementary Information	
Consolidating Statement of Financial Position	16
Consolidating Statement of Activities and Changes in Net Assets	17

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 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, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Society as of December 31, 2023 and 2022, 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.

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

June 15, 2024

Society of Family Planning and Society of Family Planning Research Fund
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 4,854,402	\$ 1,801,587
Accounts receivable	400	9,787
Contributions receivable	7,377,941	-
Short-term investments	10,574,618	5,864,592
Prepaid expenses and deposits	<u>76,683</u>	<u>196,300</u>
Total current assets	<u>22,884,044</u>	<u>7,872,266</u>
Long-term investments	<u>1,618,113</u>	<u>10,501,569</u>
Total assets	<u>\$ 24,502,157</u>	<u>\$ 18,373,835</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 529,849	\$ 489,489
Deferred membership dues	174,583	156,117
Grants payable, current portion	<u>1,133,057</u>	<u>3,638,025</u>
Total current liabilities	<u>1,837,489</u>	<u>4,283,631</u>
Grants payable, net of current portion	<u>275,387</u>	<u>157,108</u>
Total liabilities	<u>2,112,876</u>	<u>4,440,739</u>
Net assets		
Without donor restrictions	11,748,040	13,818,595
With donor restrictions	<u>10,641,241</u>	<u>114,501</u>
Total net assets	<u>22,389,281</u>	<u>13,933,096</u>
Total liabilities and net assets	<u>\$ 24,502,157</u>	<u>\$ 18,373,835</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 and Changes in Net Assets
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, gains, and losses						
Contributions, net of returned funds	\$ 215,602	\$ 16,630,778	\$ 16,846,380	\$ 282,144	\$ 311,607	\$ 593,751
Membership dues	341,230	-	341,230	274,998	-	274,998
Annual meeting	717,062	-	717,062	814,592	-	814,592
Investment return, net	611,019	-	611,019	(572,546)	-	(572,546)
Other income	27,696	-	27,696	33,819	-	33,819
Net assets released from restrictions	6,104,038	(6,104,038)	-	5,849,669	(5,849,669)	-
Total revenues, support, gains, and losses	<u>8,016,647</u>	<u>10,526,740</u>	<u>18,543,387</u>	<u>6,682,676</u>	<u>(5,538,062)</u>	<u>1,144,614</u>
Expenses						
Programs and services	9,064,985	-	9,064,985	8,890,601	-	8,890,601
General and administrative	968,678	-	968,678	506,201	-	506,201
Fundraising	53,539	-	53,539	9,694	-	9,694
Total expenses	<u>10,087,202</u>	<u>-</u>	<u>10,087,202</u>	<u>9,406,496</u>	<u>-</u>	<u>9,406,496</u>
Changes in net assets	(2,070,555)	10,526,740	8,456,185	(2,723,820)	(5,538,062)	(8,261,882)
Net assets						
Beginning 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>
End of year	<u>\$ 11,748,040</u>	<u>\$ 10,641,241</u>	<u>\$ 22,389,281</u>	<u>\$ 13,818,595</u>	<u>\$ 114,501</u>	<u>\$ 13,933,096</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, 2023

	2023			
	<u>Programs and Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Awards, grants, and other award expenses	\$ 4,221,468	\$ -	\$ -	\$ 4,221,468
Personnel costs				
Salaries and wages	1,628,191	281,984	42,145	1,952,320
Fringe benefits and retirement	245,658	47,803	5,624	299,085
Payroll taxes	138,726	21,369	3,659	163,754
Total personnel costs	<u>2,012,575</u>	<u>351,156</u>	<u>51,428</u>	<u>2,415,159</u>
Other expenses				
Dues and subscriptions	59,117	-	-	59,117
Annual meeting	1,157,261	-	-	1,157,261
Grants review honoraria	85,800	300	-	86,100
CFP rotations	14,938	-	-	14,938
CME applications	4,525	-	-	4,525
Journal and publications	60,404	-	-	60,404
Bank fees	-	36,158	-	36,158
Insurance	-	24,431	-	24,431
Office expenses and printing	72,286	198,484	1,864	272,634
Outreach and exhibits	32,783	-	-	32,783
Fellowship DEI activity	5,333	-	-	5,333
Professional fees				
Accounting and legal	-	53,572	-	53,572
Consultants	620,928	131,558	247	752,733
LMS maintenance and software	66,744	-	-	66,744
Research guidance development	53,443	-	-	53,443
CE faculty stipends and CE events	5,700	-	-	5,700
Training and workshops	195,035	-	-	195,035
Travel, meetings, and conferences	396,645	173,019	-	569,664
Total other expenses	<u>2,830,942</u>	<u>617,522</u>	<u>2,111</u>	<u>3,450,575</u>
	<u>\$ 9,064,985</u>	<u>\$ 968,678</u>	<u>\$ 53,539</u>	<u>\$ 10,087,202</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, 2022

	2022			
	<u>Programs and Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Awards, grants, and other award expenses	\$ 3,845,554	\$ -	\$ -	\$ 3,845,554
Personnel costs				
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>
Other expenses				
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
Training and workshops	-	-	-	-
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 Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating activities		
Changes in net assets	\$ 8,456,185	\$ (8,261,882)
Adjustments to reconcile changes in net assets to net cash used in operating activities		
Depreciation	-	18,750
Bad debt expense	-	11,415
Net realized and unrealized (gain) loss in fair value of investments	(219,144)	866,027
Changes in operating assets and liabilities		
Accounts receivable	9,387	(11,132)
Contributions receivable	(7,377,941)	-
Prepaid expenses and deposits	119,617	47,945
Accounts payable and accrued expenses	40,360	189,044
Deferred membership dues	18,466	51,004
Grants payable	<u>(2,386,689)</u>	<u>1,859,651</u>
Net cash used in operating activities	<u>(1,339,759)</u>	<u>(5,229,178)</u>
Investing activities		
Purchase of investments	(10,883,415)	(2,766,385)
Proceeds from sales of investments	<u>15,275,989</u>	<u>7,586,540</u>
Net cash provided by investing activities	<u>4,392,574</u>	<u>4,820,155</u>
Net change in cash and cash equivalents	3,052,815	(409,023)
Cash and cash equivalents		
Beginning of year	<u>1,801,587</u>	<u>2,210,610</u>
End of year	<u>\$ 4,854,402</u>	<u>\$ 1,801,587</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, 2023 and 2022

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.

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

Basis of Consolidation

The consolidated financial statements include the accounts of SFP and SFP Research Fund (collectively, the “Society”). All 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.

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.

Revenue Recognition

Contribution Revenue and Receivable

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.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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 receivable are stated at the amounts earned under the contract or pledge agreement. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give 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-free interest rates applicable to the years in which the promises are received and recognized in the consolidated financial statements, if material. Amortization of the discounts is included in contribution revenue. The Society did not record discounts during the years ended December 31, 2023 and 2022.

Contributions receivable are considered to be fully collectible at year-end. Accordingly, no allowance for doubtful accounts has been recorded.

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 are 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.

Membership Dues

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.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Management continually monitors accounts receivable for collectability issues and if applicable, the accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. Management separates receivables into risk pools based on their aging. In determining the amount of the allowance as of December 31, 2023, management develops a loss rate of each risk pool. This rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. At December 31, 2023, management believes its historical loss rates for each aging category are reasonable and supportable forecasts for current and future economic and industry conditions and estimated the allowance for credit loss to be \$0 as of January 1, 2023 and December 31, 2023. Any variation from this estimate is expected to be immaterial to these consolidated financial statements.

Contract balances relating to receivables and deferred revenue (contract liabilities) from contracts with customers were as follows at December 31, 2023, 2022, and 2021:

	<u>Receivables</u>	<u>Contract Liabilities</u>
December 31, 2023	\$ 400	\$ 174,583
December 31, 2022	\$ 9,787	\$ 156,117
December 31, 2021	\$ 66,389	\$ 105,113

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 and changes in net assets as net assets released from restrictions.

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, 2023 and 2022, grants payable were discounted using the year-end risk-free rate, ranging from 2.80% to 5.08%. Amortization of the discount is included in awards, grants, and other award expenses.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets 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
Grants review honoraria	Personnel costs
Office expenses and printing	Time and effort
Consultants	Time and effort
Travel, meetings, and conferences	Time and effort

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP 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

Prior to 2023, SFP was 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). SFP Research Fund is exempt from federal income taxes under IRS Code Section 501(c)(4), except on unrelated business income.

Effective for 2023, SFP requested and received a reclassification from the IRS to the exempt operating foundation status as described in IRS Code Section 4940(d)(2). SFP Research Fund was dissolved during 2023. Accordingly, the consolidated financial statements do not reflect a provision for federal income taxes. There were no uncertain tax positions at December 31, 2023 and 2022. There are no income tax related penalties or interest for the years ended December 31, 2023 and 2022.

New Accounting Pronouncements Adopted in the Current Year

Credit Losses on Financial Instruments

In June 2016, the Financial Accounting Standards Board issued an Accounting Standards Update ("ASU") amending the accounting for credit losses on financial instruments. This methodology replaced the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposure and other financial instruments recorded at amortized cost. The Society adopted the new standard effective January 1, 2023, using the modified retrospective approach. The implementation of this ASU had no material impact on the consolidated financial statements.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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.

Exchange traded funds, equities, bond funds and other assets: Shares of exchange traded funds, equities, bond funds and other assets are valued at quoted market prices at the Society's fiscal year end.

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, 2023 and 2022, there were no transfers in or out of Level 3.

As of December 31, 2023 and 2022, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	2023			
	Level 1	Level 2	Level 3	Total Fair Value
U.S. Treasury notes	\$ 7,852,936	\$ -	\$ -	\$ 7,852,936
Agency securities	-	1,966,472	-	1,966,472
Exchange traded funds	1,389,297	-	-	1,389,297
Equities	904,053	-	-	904,053
Bond funds	61,132	-	-	61,132
Other assets	18,841	-	-	18,841
	<u>\$ 10,226,259</u>	<u>\$ 1,966,472</u>	<u>\$ -</u>	<u>\$ 12,192,731</u>

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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

Investment return, net, for the years ended December 31, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Unrealized gain (loss)	\$ 407,842	\$ (633,485)
Realized loss	(188,698)	(232,542)
Interest and dividends	409,443	314,480
Investment expenses	<u>(17,568)</u>	<u>(20,999)</u>
	<u>\$ 611,019</u>	<u>\$ (572,546)</u>

3. GRANTS PAYABLE

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

	<u>2023</u>	<u>2022</u>
Grants payable balance, beginning of year	\$ 3,802,107	\$ 1,937,893
Current year activity		
New grants awarded	3,381,131	3,895,953
Grants canceled	(20,759)	(16,082)
Payments	<u>(5,740,041)</u>	<u>(2,015,657)</u>
Grants payable balance, end of year	<u>\$ 1,422,438</u>	<u>\$ 3,802,107</u>

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

	<u>2023</u>	<u>2022</u>
To be paid in 1 year or less	\$ 1,133,057	\$ 3,638,025
To be paid in 2-5 years	<u>289,381</u>	<u>164,082</u>
Grants authorized but unpaid	1,422,438	3,802,107
Less: Discount to reflect grants payable at present value	<u>(13,994)</u>	<u>(6,974)</u>
Grants payable, net	<u>1,408,444</u>	<u>3,795,133</u>
Grants payable reported as current liabilities	1,133,057	3,638,025
Grants payable reported as noncurrent, net	<u>275,387</u>	<u>157,108</u>
Gross grants authorized but unpaid	<u>\$ 1,408,444</u>	<u>\$ 3,795,133</u>

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

4. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Purpose restrictions		
Contraceptive access and COVID-19	\$ 9,076	\$ 14,285
Contraception research to elevate contraception care	67,938	50,216
Research grants	46,800	50,000
Time restrictions		
2024 Operations	<u>10,517,427</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 10,641,241</u>	<u>\$ 114,501</u>

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

	<u>2023</u>	<u>2022</u>
Purpose restrictions	\$ 136,144	\$ 432,055
Time expiration	<u>5,967,894</u>	<u>5,417,614</u>
Total net assets released from donor restrictions	<u>\$ 6,104,038</u>	<u>\$ 5,849,669</u>

5. RETIREMENT PLAN

Effective January 1, 2021, the Society established 401(k) Profit Sharing Plan and Trust. 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, 2023 and 2022, discretionary employer contributions to both plans totaled \$58,388 and \$49,104, respectively, and are included in fringe benefit and retirement expenses on the consolidated statements of functional expenses.

6. 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 financial condition, changes in net assets, and cash flows.

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.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Concentration of Revenue and Receivables

One grantor made up 96% of contribution revenue for the year ended December 31, 2023. One grantor made up 100% of contributions receivable for the year ended December 31, 2023. Two grantors made up 84% of contribution revenue for the year ended December 31, 2022.

7. 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,854,402	\$ 1,801,587
Accounts receivable	400	9,787
Contributions receivable	7,377,941	-
Short-term investments	<u>10,574,618</u>	<u>5,864,592</u>
Total financial assets	22,807,361	7,675,966
Less: Donor restricted funds	<u>(10,641,241)</u>	<u>(114,501)</u>
Total financial assets available to management for general operations	<u>\$ 12,166,120</u>	<u>\$ 7,561,465</u>

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

8. HOTEL COMMITMENTS

The Society has entered into a hotel contract for the Annual Meeting to be held in October 2024. 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.

9. SUBSEQUENT EVENTS

The Society has evaluated subsequent events occurring after the consolidated statement of financial position date through June 15, 2024, the date the consolidated financial statements were available for issuance. Based upon this evaluation, the Society identified no subsequent events requiring disclosure in or adjustment to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Society of Family Planning and Society of Family Planning Research Fund
Consolidating Statement of Financial Position
December 31, 2023

	<u>Society of Family Planning</u>	<u>Society of Family Planning Research Fund</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 4,854,402	\$ -	\$ -	\$ 4,854,402
Accounts receivable, net	400	-	-	400
Contributions receivable, net	7,377,941	-	-	7,377,941
Short-term investments	10,574,618	-	-	10,574,618
Prepaid expenses and deposits	76,683	-	-	76,683
Total current assets	<u>22,884,044</u>	<u>-</u>	<u>-</u>	<u>22,884,044</u>
Long-term investments	<u>1,618,113</u>	<u>-</u>	<u>-</u>	<u>1,618,113</u>
Total assets	<u>\$ 24,502,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,502,157</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 529,849	\$ -	\$ -	\$ 529,849
Deferred membership dues	174,583	-	-	174,583
Grants payable	1,133,057	-	-	1,133,057
Total current liabilities	<u>1,837,489</u>	<u>-</u>	<u>-</u>	<u>1,837,489</u>
Grants payable, net of current portion	<u>275,387</u>	<u>-</u>	<u>-</u>	<u>275,387</u>
Total liabilities	<u>2,112,876</u>	<u>-</u>	<u>-</u>	<u>2,112,876</u>
Net assets - Without donor restrictions	11,748,040	-	-	11,748,040
Net assets - With donor restrictions	10,641,241	-	-	10,641,241
Total net assets	<u>22,389,281</u>	<u>-</u>	<u>-</u>	<u>22,389,281</u>
Total liabilities and net assets	<u>\$ 24,502,157</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,502,157</u>

See Independent Auditor's Report.

Society of Family Planning and Society of Family Planning Research Fund
Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2023

	<u>Society of Family Planning</u>		<u>Society of Family Planning Research Fund</u>		<u>Eliminations</u>	<u>Total</u>
	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Without Restrictions</u>	<u>With Restrictions</u>		
Revenues, support, gains, and losses						
Contributions, net of returned funds	\$ 215,602	\$ 16,630,778	\$ -	\$ -	\$ -	\$ 16,846,380
Membership dues	341,230	-	-	-	-	341,230
Annual meeting	717,062	-	-	-	-	717,062
Investment return, net	611,019	-	-	-	-	611,019
Other income	27,696	-	-	-	-	27,696
Net assets released from restrictions	<u>6,104,038</u>	<u>(6,104,038)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue, support, gains, and losses	<u>8,016,647</u>	<u>10,526,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,543,387</u>
Expenses						
Programs and services	9,064,985	-	-	-	-	9,064,985
General and administrative	968,678	-	-	-	-	968,678
Fundraising	<u>53,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,539</u>
Total expenses	<u>10,087,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,087,202</u>
Changes in net assets from operations	(2,070,555)	10,526,740	-	-	-	8,456,185
Other changes in net assets						
Transfer of net assets from merger	<u>9,640,990</u>	<u>50,216</u>	<u>(9,640,990)</u>	<u>(50,216)</u>	<u>-</u>	<u>-</u>
Changes in net assets	7,570,435	10,576,956	(9,640,990)	(50,216)	-	8,456,185
Net assets, beginning of year	<u>4,177,605</u>	<u>64,285</u>	<u>9,640,990</u>	<u>50,216</u>	<u>-</u>	<u>13,933,096</u>
Net assets, end of year	<u>\$ 11,748,040</u>	<u>\$ 10,641,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,389,281</u>

See Independent Auditor's Report.