

**SOCIETY OF FAMILY PLANNING
AND
SOCIETY OF FAMILY PLANNING RESEARCH FUND
Consolidated Financial Statements
December 31, 2020 and 2019
With Independent Auditor's Report**

Society of Family Planning and Society of Family Planning Research Fund
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December 31, 2020 and 2019

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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 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, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to consolidated financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Society of Family Planning and Society of Family Planning Research Fund as of December 31, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 1, the Society adopted Accounting Standards Update (“ASU”) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958), which became effective for resource providers in 2020. Our opinion is not modified with respect to this matter.

WithumSmith+Brown, PC

July 16, 2021

Society of Family Planning and Society of Family Planning Research Fund
Consolidated Statements of Financial Position
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 8,681,166	\$ 31,725,850
Accounts receivable	66,389	62,125
Short-term investments	7,577,204	-
Prepaid expenses and deposits	235,561	96,944
Total current assets	<u>16,560,320</u>	<u>31,884,919</u>
Long-term investments	12,113,164	-
Property and equipment, net	43,750	68,750
	<u>12,156,914</u>	<u>68,750</u>
Total assets	<u>\$ 28,717,234</u>	<u>\$ 31,953,669</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 287,837	\$ 535,786
Deferred membership dues	100,834	97,100
Grants payable, current portion	5,341,355	7,467,596
Total current liabilities	5,730,026	8,100,482
Grants payable, net of current portion	<u>735,278</u>	<u>5,304,259</u>
Total liabilities	<u>6,465,304</u>	<u>13,404,741</u>
Net assets		
Without donor restrictions	14,953,201	(1,174,081)
With donor restrictions	7,298,729	19,723,009
Total net assets	<u>22,251,930</u>	<u>18,548,928</u>
Total liabilities and net assets	<u>\$ 28,717,234</u>	<u>\$ 31,953,669</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, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, gains, and losses						
Contributions, net of returned funds	\$ 554,664	\$ 3,281,659	\$ 3,836,323	\$ 268,556	\$ 11,720,975	\$ 11,989,531
Membership dues	191,656	-	191,656	87,567	-	87,567
Annual meeting	174,715	-	174,715	631,792	-	631,792
Gain on sale of contributed stock	-	-	-	6,000	-	6,000
Investment returns, net	224,941	-	224,941	-	-	-
Other income	16,149	-	16,149	110,026	-	110,026
Net assets released from program restrictions	15,705,939	(15,705,939)	-	9,869,107	(9,869,107)	-
Total revenues, support, gains, and losses	<u>16,868,064</u>	<u>(12,424,280)</u>	<u>4,443,784</u>	<u>10,973,048</u>	<u>1,851,868</u>	<u>12,824,916</u>
Expenses						
Programs and services	382,588	-	382,588	12,207,687	-	12,207,687
General and administrative	358,194	-	358,194	476,240	-	476,240
Total expenses	<u>740,782</u>	<u>-</u>	<u>740,782</u>	<u>12,683,927</u>	<u>-</u>	<u>12,683,927</u>
Change in net assets	16,127,282	(12,424,280)	3,703,002	(1,710,879)	1,851,868	140,989
Net assets						
Beginning of year	<u>(1,174,081)</u>	<u>19,723,009</u>	<u>18,548,928</u>	<u>536,798</u>	<u>17,871,141</u>	<u>18,407,939</u>
End 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>

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, 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 Statement of Functional Expenses
Year Ended December 31, 2019

	<u>Programs and Services</u>	<u>General and Administrative</u>	<u>Total</u>
Awards, grants, and other award expenses			
Medication and abortion research	\$ 7,433,457	\$ -	\$ 7,433,457
Fellowships and post-fellowships	1,410,566	-	1,410,566
Career development	136,869	-	136,869
Changemakers	737,427	-	737,427
Abortion Clinical Trials Network	<u>258,578</u>	-	<u>258,578</u>
Total awards, grants, and other award expenses	<u>9,976,897</u>	<u>-</u>	<u>9,976,897</u>
Personnel costs			
Salaries and wages	812,166	132,214	944,380
Fringe benefits and retirement	116,050	18,892	134,942
Payroll taxes	<u>63,453</u>	<u>10,329</u>	<u>73,782</u>
Total personnel costs	<u>991,669</u>	<u>161,435</u>	<u>1,153,104</u>
Other expenses			
Communications and website	13,665	2,224	15,889
Dues and subscriptions	96,960	-	96,960
Annual meeting	1,028,213	-	1,028,213
Grants management technology	30,089	-	30,089
Grants review honoraria	43,725	-	43,725
Information technology	23,749	3,866	27,615
Insurance	10,670	1,737	12,407
Journal and publications	25,226	-	25,226
Bank fees	-	53,917	53,917
Office expenses and printing	41,113	6,693	47,806
Depreciation	6,250	-	6,250
Outreach and exhibits	26,149	-	26,149
Professional fees:			
Accounting and legal	-	170,770	170,770
Consultants	205,824	33,506	239,330
Rent, utilities, and parking	29,201	4,754	33,955
Travel, meetings, and conferences	<u>229,362</u>	<u>37,338</u>	<u>266,700</u>
Total other expenses	<u>1,810,196</u>	<u>314,805</u>	<u>2,125,001</u>
	<u>\$ 12,778,762</u>	<u>\$ 476,240</u>	<u>\$ 13,255,002</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating activities		
Change in net assets	\$ 3,703,002	\$ 140,989
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	25,000	6,250
Gain on sale of contributed stock	-	(6,000)
Net realized and unrealized loss in fair value of investments	57,209	-
Changes in		
Accounts receivable	(4,264)	(56,438)
Prepaid expenses and deposits	(138,617)	(36,103)
Accounts payable and accrued expenses	(247,949)	486,937
Deferred membership dues	3,734	97,100
Grants payable	<u>(6,695,222)</u>	<u>3,420,538</u>
Net cash provided by (used in) operating activities	(3,297,107)	4,053,273
Investing activities		
Purchase of investments	(37,080,441)	-
Proceeds from sales of investments	<u>17,332,864</u>	<u>6,000</u>
Net cash provided by (used in) investing activities	(19,747,577)	6,000
Net change in cash and cash equivalents	(23,044,684)	4,059,273
Cash and cash equivalents		
Beginning of year	<u>31,725,850</u>	<u>27,666,577</u>
End of year	<u>\$ 8,681,166</u>	<u>\$ 31,725,850</u>
Supplemental disclosure of noncash transactions		
Disposal of fully depreciated property and equipment	<u>\$ -</u>	<u>\$ 6,820</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, 2020 and 2019

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 our 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 referred to as 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 consist of amounts paid by individuals for annual access to online forums, events, networking and publications. 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.

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.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

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 non-cash 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, 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, 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 are 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.

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 are expenses when incurred. The estimated useful life of the asset in service as of December 31, 2020 and 2019 was 12 years.

Grants Payable

Prior to the implementation of ASU 2018-08, the Society recorded a liability for grants payable at the time the grant agreement was signed by both parties when no significant conditions existed in the grant agreement. Unconditional awards and grants that are expected to be paid in future years are recorded at the present value of the expected future payments due.

With the implementation of ASU 2018-08, 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, are not recognized in expense until the conditions on which they depend have been substantially met. At December 31, 2020 and 2019, grants payable were discounted using the year end risk-free rate, ranging from 1.94% to 2.75%. 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.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

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, 2020 and 2019.

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 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, 2020 and 2019. There are no income tax related penalties or interest for the years ended December 31, 2020 and 2019.

Reclassification

Certain amounts in the 2019 financial statements have been reclassified to conform with the 2020 presentation.

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.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

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

Contributions Made

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Society previously implemented the provisions of ASU 2018-08 applicable to contributions received during the year ended December 31, 2019. Effective January 1, 2020, the Society implemented the provisions of ASU 2018-08 applicable to contributions made to other parties using the modified prospective method of application. As a result, no cumulative effect adjustment was recorded upon adoption.

The Society is not aware of any other accounting pronouncements, not yet adopted, that would have a material effect on its current or prospective consolidated financial statements.

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 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:

US 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 year ended December 31, 2020, there was no transfer in or out of levels 3.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
US 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 income, net, for the year ended December 31, 2020 consisted of the following:

Unrealized loss	\$ (77,079)
Realized gain	19,870
Interest and dividends, net of expenses	<u>282,150</u>
	<u>\$ 224,941</u>

There were no investments for the year ended December 31, 2019.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of a capitalized website costing \$75,000. The website is being depreciated over 3 years. Depreciation for each of the years ended December 31, 2020 and 2019 was \$25,000 and \$6,250, respectively.

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

	<u>2020</u>	<u>2019</u>
Website	\$ 75,000	\$ 75,000
Less: Accumulated depreciation	<u>(31,250)</u>	<u>(6,250)</u>
Net value of property and equipment	<u>\$ 43,750</u>	<u>\$ 68,750</u>

4. GRANTS PAYABLE

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

	<u>2020</u>	<u>2019</u>
Grants payable balance, beginning of year	\$ 12,930,447	\$ 9,542,036
Current year activity		
New grants awarded	2,352,354	7,465,830
Grants cancelled	(5,115,746)	-
Payments	<u>(4,068,772)</u>	<u>(4,077,419)</u>
Grants payable balance, end of year	<u>\$ 6,098,283</u>	<u>\$ 12,930,447</u>

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

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

	<u>2020</u>	<u>2019</u>
To be paid in 1 year or less	\$ 5,341,355	\$ 7,467,596
To be paid in 2-5 years	<u>756,928</u>	<u>5,462,851</u>
Grants authorized but unpaid	6,098,283	12,930,447
Less: Discount to reflect grants payable at present value	<u>(21,650)</u>	<u>(158,592)</u>
Grants payable, net	6,076,633	12,771,855
Grants payable reported as current liabilities	5,341,355	7,467,596
Grants payable reported as non-current, net	<u>735,278</u>	<u>5,304,259</u>
Gross grants authorized but unpaid	<u>\$ 6,076,633</u>	<u>\$ 12,771,855</u>

5. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Purpose restrictions		
Contraceptive access and COVID-19	\$ 25,000	\$ -
Clinical Trials	-	114,595
Time restrictions		
Grant # 3767.07	<u>7,273,729</u>	<u>19,608,414</u>
Total net assets with donor restrictions	<u>\$ 7,298,729</u>	<u>\$ 19,723,009</u>

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

	<u>2020</u>	<u>2019</u>
Purpose restrictions	\$ 344,771	\$ 7,545,143
Time expiration	<u>15,361,168</u>	<u>2,323,964</u>
Total net assets with donor restrictions	<u>\$ 15,705,939</u>	<u>\$ 9,869,107</u>

6. RETIREMENT PLAN

The Society has established a SIMPLE IRA Plan for its eligible employees. For the year ended December 31, 2020 and 2019, discretionary employer contributions totaled \$20,483 and \$9,392, respectively, and are included in fringe benefit and retirement expenses on the consolidated statements of functional expenses.

Society of Family Planning and Society of Family Planning Research Fund
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

7. RISKS AND UNCERTAINTIES

Concentration of Credit Risk

During the year ended December 31, 2020, 76% of revenue was received from two donors. During the year ended December 31, 2019, 86% of revenue was received from one donor.

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 FDIC 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 risk.

COVID-19

Management is currently evaluating 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, results of its operations, the specific impact is not readily determinable as of the date of these consolidated financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

8. LIQUIDITY AND AVAILABILITY OF RESOURCES

As of December 31, 2020 and 2019, the Society's financial assets available within one year for general operations are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 8,681,166	\$ 31,725,850
Accounts receivable	66,389	62,125
Short-term investments	<u>7,577,204</u>	<u>-</u>
Total financial assets	16,324,759	31,787,975
Less: Donor restricted funds	<u>(7,298,729)</u>	<u>(19,723,009)</u>
Total financial assets available to management for general operations	<u>\$ 9,026,030</u>	<u>\$ 12,064,966</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 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 statements of financial position date through the date of July 16, 2021, the date the consolidated financial statements was 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, 2020 and 2019 and have issued our report thereon dated July 16, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed 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, 2020 and 2019 on pages 16-20 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.

WithumSmith+Brown, PC

July 16, 2021

**Society of Family Planning
Statements of Financial Position
December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 2,995,460	\$ 898,444
Accounts receivable	26,289	5,344,554
Short-term investments	1,518,516	-
Prepaid expenses and deposits	<u>41,302</u>	<u>34,600</u>
Total current assets	4,581,567	6,277,598
Long-term investments	<u>3,951,394</u>	<u>-</u>
Total assets	<u>\$ 8,532,961</u>	<u>\$ 6,277,598</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 312,937	\$ 3,650
Deferred membership dues	<u>100,834</u>	<u>97,100</u>
Total current liabilities	<u>413,771</u>	<u>100,750</u>
Net assets		
Without donor restrictions	3,930,650	578,244
With donor restrictions	<u>4,188,540</u>	<u>5,598,604</u>
Total net assets	<u>8,119,190</u>	<u>6,176,848</u>
Total liabilities and net assets	<u>\$ 8,532,961</u>	<u>\$ 6,277,598</u>

See Independent Auditor's Report on Supplementary Information.

Society of Family Planning
Statements of Activities
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, gains, and losses						
Contributions, net of returned funds	\$ 54,664	\$ 3,098,247	\$ 3,152,911	\$ 268,556	\$ 5,684,009	\$ 5,952,565
Membership dues	191,656	-	191,656	87,567	-	87,567
Annual meeting	640	-	640	567,957	-	567,957
Investment returns, net	(16,543)	-	(16,543)	-	-	-
Other income	16,149	-	16,149	53	-	53
Net assets released from program restrictions	4,508,311	(4,508,311)	-	332,145	(332,145)	-
Total revenues, support, gains, and losses	<u>4,754,877</u>	<u>(1,410,064)</u>	<u>3,344,813</u>	<u>1,256,278</u>	<u>5,351,864</u>	<u>6,608,142</u>
Expenses						
Programs and services	1,264,976	-	1,264,976	1,005,681	-	1,005,681
General and administrative	137,495	-	137,495	113,748	-	113,748
Total expenses	<u>1,402,471</u>	<u>-</u>	<u>1,402,471</u>	<u>1,119,429</u>	<u>-</u>	<u>1,119,429</u>
Change in net assets	3,352,406	(1,410,064)	1,942,342	136,849	5,351,864	5,488,713
Net assets						
Beginning of year	<u>578,244</u>	<u>5,598,604</u>	<u>6,176,848</u>	<u>441,395</u>	<u>246,740</u>	<u>688,135</u>
End 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>

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	613,416	75,815	689,231
Fringe benefits and retirement	68,382	8,452	76,834
Payroll taxes	<u>47,354</u>	<u>5,853</u>	<u>53,207</u>
Total personnel costs	<u>729,152</u>	<u>90,120</u>	<u>819,272</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	23,144	2,860	26,004
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	<u>12,330</u>	<u>1,524</u>	<u>13,854</u>
Total other expenses	<u>527,722</u>	<u>47,375</u>	<u>575,097</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
Statement of Functional Expenses
Year Ended December 31, 2019**

	<u>Programs and Services</u>	<u>General and Administrative</u>	<u>Total</u>
Personnel costs			
Salaries and wages	\$ 192,753	\$ 31,379	\$ 224,132
Fringe benefits and retirement	25,891	4,215	30,106
Payroll taxes	<u>16,450</u>	<u>2,678</u>	<u>19,128</u>
Total personnel costs	<u>235,094</u>	<u>38,272</u>	<u>273,366</u>
Other expenses			
Dues and subscriptions	76,510	-	76,510
Annual meeting	573,310	-	573,310
Grants review honoraria	1,200	-	1,200
Journal and publications	25,226	-	25,226
Bank fees	-	25,372	25,372
Office expenses and printing	18,653	3,036	21,689
Outreach and exhibits	6,910	-	6,910
Professional fees			
Accounting and legal	-	35,872	35,872
Consultants	27,325	4,448	31,773
Rent, utilities, and parking	11,997	1,953	13,950
Travel, meetings, and conferences	<u>29,456</u>	<u>4,795</u>	<u>34,251</u>
Total other expenses	<u>770,587</u>	<u>75,476</u>	<u>846,063</u>
	<u>\$ 1,005,681</u>	<u>\$ 113,748</u>	<u>\$ 1,119,429</u>

See Independent Auditor's Report on Supplementary Information.

**Society of Family Planning
Statements of Cash Flows
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Operating activities		
Change in net assets	\$ 1,942,342	\$ 5,488,713
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized loss in fair value of investments	36,644	-
Changes in		
Accounts receivable	5,318,265	(5,338,867)
Prepaid expenses and deposits	(6,702)	(30,319)
Accounts payable and accrued expenses	90,649	3,650
Due from Society of Family Planning Research Fund	218,638	213,100
Deferred membership dues	<u>3,734</u>	<u>97,100</u>
Net cash provided by operating activities	<u>7,603,570</u>	<u>433,377</u>
Investing activities		
Proceeds from investments	1,536,711	-
Purchase of investments	<u>(7,043,265)</u>	<u>-</u>
Net cash used in investing activities	<u>(5,506,554)</u>	<u>-</u>
Net change in cash and cash equivalents	2,097,016	433,377
Cash and cash equivalents		
Beginning of year	<u>898,444</u>	<u>465,067</u>
End of year	<u>\$ 2,995,460</u>	<u>\$ 898,444</u>

See Independent Auditor's Report on Supplementary Information.