

**NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH
ASSOCIATION, INC.**

**Financial Statements Together with
Report of Independent Public Accountants**

For the Years Ended June 30, 2024 and 2023

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

JUNE 30, 2024 AND 2023

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Board of Directors
National Family Planning and Reproductive
Health Association, Inc.

Opinion

We have audited the statements of financial position of the National Family Planning and Reproductive Health Association, Inc. (the Association), as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of June 30, 2024 and 2023, 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 Financial Statements* section of our report. We are required to be independent of the Association 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements.
- Obtain an understanding of internal controls 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 Association'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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.

Washington, D.C.
November 19, 2024

SBC & Company, LLC

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Statements of Financial Position As of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 5,382,451	\$ 3,871,747
Investments	688,065	1,129,010
Investments - deferred compensation agreement	290,283	220,490
Grants and accounts receivable	26,923	1,358,337
Prepaid expenses and other assets	174,844	48,379
Furniture and equipment, net	50,427	60,983
Right of use asset, net	773,954	969,338
Deposits	52,849	52,849
Total Assets	<u><u>\$ 7,439,796</u></u>	<u><u>\$ 7,711,133</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 1,138,535	\$ 634,481
Deferred revenue	51,543	28,400
Deferred compensation agreement	290,283	220,490
Lease obligation	911,850	1,130,289
Total Liabilities	<u><u>2,392,211</u></u>	<u><u>2,013,660</u></u>
 Net Assets		
Without donor restrictions:		
Unrestricted	1,899,845	2,230,490
Management designated	1,142,131	1,130,204
Board designated	699,270	634,765
Total without donor restrictions	<u>3,741,246</u>	<u>3,995,459</u>
With donor restrictions	<u>1,306,339</u>	<u>1,702,014</u>
Total Net Assets	<u><u>5,047,585</u></u>	<u><u>5,697,473</u></u>
Total Liabilities and Net Assets	<u><u>\$ 7,439,796</u></u>	<u><u>\$ 7,711,133</u></u>

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

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2024, with Comparative 2023 Totals

	2024			2023 Totals
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue and Other Support				
Membership income	\$ 511,054	\$ -	\$ 511,054	\$ 568,283
National conference	151,270	-	151,270	134,235
Corporate grant	-	-	-	162
Contributions and grant revenue	4,175,051	1,201,028	5,376,079	5,500,864
Investment income, net	205,670	-	205,670	112,977
Contributed nonfinancial services	-	-	-	204,735
Other income	24,453	-	24,453	18,242
Total Revenue	5,067,498	1,201,028	6,268,526	6,539,498
Revenue released from restrictions	1,596,703	(1,596,703)	-	-
Total Revenue and Other Support	6,664,201	(395,675)	6,268,526	6,539,498
Expenses				
Program services:				
Advocacy and communication	1,451,592	-	1,451,592	1,616,976
Membership	311,224	-	311,224	193,419
National conference	1,082,690	-	1,082,690	1,029,667
Advocacy and education	16,790	-	16,790	-
Meetings/councils	1,172,092	-	1,172,092	754,712
Directed initiatives	1,271,430	-	1,271,430	418,048
Service delivery improvement	615,773	-	615,773	523,673
Total program services	5,921,591	-	5,921,591	4,536,495
Supporting services:				
Management and general	636,563	-	636,563	708,293
Fundraising	360,260	-	360,260	377,433
Total supporting services	996,823	-	996,823	1,085,726
Total Expenses	6,918,414	-	6,918,414	5,622,221
Changes in net assets	(254,213)	(395,675)	(649,888)	917,277
Net assets, beginning of year	3,995,459	1,702,014	5,697,473	4,780,196
Net Assets, End of Year	\$ 3,741,246	\$ 1,306,339	\$ 5,047,585	\$ 5,697,473

The accompanying notes are an integral part of this financial statement.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Statement of Activities and Changes in Net Assets For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Membership income	\$ 568,283	\$ -	\$ 568,283
National conference	134,235	-	134,235
Corporate grant	162	-	162
Contributions and grant revenue	4,240,186	1,260,678	5,500,864
Investment income, net	112,977	-	112,977
Contributed nonfinancial services	204,735	-	204,735
Other income	18,242	-	18,242
Total Revenue	5,278,820	1,260,678	6,539,498
Revenue released from restrictions	1,208,185	(1,208,185)	-
Total Revenue and Other Support	6,487,005	52,493	6,539,498
Expenses			
Program services:			
Advocacy and communication	1,616,976	-	1,616,976
Membership	193,419	-	193,419
National conference	1,029,667	-	1,029,667
Meetings/councils	754,712	-	754,712
Directed initiatives	418,048	-	418,048
Service delivery improvement	523,673	-	523,673
Total program services	4,536,495	-	4,536,495
Supporting services:			
Management and general	708,293	-	708,293
Fundraising	377,433	-	377,433
Total supporting services	1,085,726	-	1,085,726
Total Expenses	5,622,221	-	5,622,221
Changes in net assets	864,784	52,493	917,277
Net assets, beginning of year	3,130,675	1,649,521	4,780,196
Net Assets, End of Year	\$ 3,995,459	\$ 1,702,014	\$ 5,697,473

The accompanying notes are an integral part of this financial statement.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Statement of Functional Expenses For the Year Ended June 30, 2024, with Comparative Totals for 2023

	2024												
	Program Services								Supporting Services				
	Advocacy and Communication	Membership	National Conference	Advocacy and Education	Meetings and Councils	Directed Initiatives	Service Delivery Improvement	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	2023 Totals
Salaries and wages	\$ 859,679	\$ 168,636	\$ 162,541	\$ 10,866	\$ 228,881	\$ 144,815	\$ 347,432	\$ 1,922,850	\$ 365,751	\$ 225,113	\$ 590,864	\$ 2,513,714	\$ 2,573,793
Fringe benefits	191,119	37,459	35,176	2,417	49,951	30,402	77,205	423,729	52,738	50,070	102,808	526,537	494,445
Representation/sponsorship	10,041	33,620	1,572	108	2,232	1,380	3,450	52,403	3,399	2,238	5,637	58,040	24,331
Office supplies	1,687	710	673	9	1,586	110	284	5,059	271	233	504	5,563	4,552
Postage and shipping	1,784	1,274	1,962	23	3,650	288	734	9,715	710	467	1,177	10,892	14,434
Design and printing	4,995	3,593	29,797	-	5,044	-	1,783	45,212	98	-	98	45,310	57,630
Office telephone	5,061	874	821	56	1,181	721	2,402	11,116	1,775	1,419	3,194	14,310	37,576
IT services	69,192	14,247	12,735	875	18,103	11,176	27,951	154,279	27,536	18,127	45,663	199,942	149,207
Business insurance	6,406	1,256	1,179	81	1,674	1,035	2,588	14,219	2,549	1,678	4,227	18,446	18,206
Bank and credit card fees	8,793	1,723	1,618	111	2,298	1,420	3,552	19,515	3,499	2,304	5,803	25,318	23,507
Travel	6,927	12,819	185,463	-	384,215	7,463	13,358	610,245	107,615	-	107,615	717,860	432,254
Meeting expenses	45,274	9,019	614,223	567	410,016	12,698	42,099	1,133,896	17,840	11,744	29,584	1,163,480	901,409
Miscellaneous expense	1,798	174	163	11	232	143	359	2,880	353	233	586	3,466	13,445
Consultants	57,124	1,276	11,718	82	26,001	1,037,981	33,142	1,167,324	2,591	12,861	15,452	1,182,776	251,181
Legal fees	12,500	2,443	2,295	158	3,258	2,014	5,036	27,704	4,961	3,266	8,227	35,931	250,739
Audit/accounting services	15,650	3,067	2,880	198	4,090	2,528	6,322	34,735	6,228	4,100	10,328	45,063	31,864
Dues and subscriptions	59,080	657	617	42	876	892	7,893	70,057	1,335	1,474	2,809	72,866	73,142
Equipment rental/maintenance	3,820	749	703	48	5,099	617	1,543	12,579	1,520	1,001	2,521	15,100	10,845
Professional development	2,632	374	352	24	697	1,528	3,079	8,686	760	870	1,630	10,316	10,776
Office rent	80,444	15,767	14,806	1,018	21,025	12,994	32,497	178,551	32,014	21,075	53,089	231,640	229,008
Depreciation	7,586	1,487	1,396	96	1,983	1,225	3,064	16,837	3,020	1,987	5,007	21,844	19,877
Total	\$ 1,451,592	\$ 311,224	\$ 1,082,690	\$ 16,790	\$ 1,172,092	\$ 1,271,430	\$ 615,773	\$ 5,921,591	\$ 636,563	\$ 360,260	\$ 996,823	\$ 6,918,414	\$ 5,622,221

The accompanying notes are an integral part of this financial statement.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Statement of Functional Expenses For the Year Ended June 30, 2023

	Program Services							Supporting Services			
	Advocacy and Communication	Membership	National Conference	Meetings and Council	Directed Initiatives	Service Delivery Improvement	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and wages	\$ 883,572	\$ 118,747	\$ 163,275	\$ 176,290	\$ 198,055	\$ 323,488	\$ 1,863,427	\$ 463,055	\$ 247,311	\$ 710,366	\$ 2,573,793
Fringe benefits	169,715	22,809	31,361	33,861	38,119	62,135	358,000	88,942	47,503	136,445	494,445
Representation/sponsorship	4,834	10,900	893	964	1,084	1,770	20,445	2,533	1,353	3,886	24,331
Office supplies	1,452	860	441	200	224	556	3,733	524	295	819	4,552
Postage and shipping	4,623	668	1,470	917	1,031	1,967	10,676	2,409	1,349	3,758	14,434
Design and printing	8,018	4,568	21,128	21,971	-	1,351	57,036	595	-	595	57,630
Office telephone	12,863	1,751	2,201	2,577	2,671	5,386	27,449	6,243	3,884	10,127	37,576
IT services	51,670	6,944	9,548	10,509	11,586	18,917	109,174	25,571	14,462	40,033	149,207
Business insurance	6,250	840	1,155	1,247	1,401	2,288	13,181	3,276	1,749	5,025	18,206
Bank and credit card fees	8,073	1,084	1,491	1,610	1,809	2,954	17,021	4,228	2,258	6,486	23,507
Travel	13,456	3,321	182,246	200,541	2,454	4,828	406,846	25,381	27	25,408	432,254
Meeting expenses	29,232	3,897	555,355	266,886	6,502	16,223	878,095	15,197	8,117	23,314	901,409
Miscellaneous expense	1,410	230	8,003	539	1,765	568	12,515	606	324	930	13,445
Consultants	44,121	909	29,250	12,649	116,956	29,126	233,011	3,544	14,626	18,170	251,181
Legal fees	219,474	1,915	2,634	2,844	3,196	5,218	235,281	11,469	3,989	15,458	250,739
Audit/accounting services	10,863	1,460	2,007	2,167	2,436	3,977	22,910	5,913	3,041	8,954	31,864
Dues and subscriptions	54,458	528	726	784	4,135	8,322	68,953	2,060	2,129	4,189	73,142
Equipment rental/maintenance	3,706	498	685	739	831	1,357	7,816	1,942	1,087	3,029	10,845
Professional development	3,747	7	10	371	4,635	1,962	10,732	29	15	44	10,776
Office rent	78,616	10,566	14,527	15,685	17,628	28,782	165,804	41,200	22,004	63,204	229,008
Depreciation	6,823	917	1,261	1,361	1,530	2,498	14,390	3,576	1,910	5,486	19,877
Total	\$ 1,616,976	\$ 193,419	\$ 1,029,667	\$ 754,712	\$ 418,048	\$ 523,673	\$ 4,536,495	\$ 708,293	\$ 377,433	\$ 1,085,726	\$ 5,622,221

The accompanying notes are an integral part of this financial statement.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ (649,888)	\$ 917,277
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	21,844	19,877
Amortization of right to use asset	195,384	189,339
Realized and unrealized gain on investments	(19,353)	(32,353)
Reinvested dividends	(186,317)	(80,624)
Effect of changes in non-cash operating and liabilities:		
Grants and accounts receivable	1,331,414	(998,593)
Prepaid expenses and other assets	(126,465)	59,281
Accounts payable and accrued liabilities	504,054	307,129
Deferred revenue	23,143	(86,200)
Deferred compensation agreement	69,793	52,730
Payments on lease obligation	(218,439)	(206,362)
Net Cash Flow from Operating Activities	<u>945,170</u>	<u>141,501</u>
Cash Flow from Investing Activities		
Purchase of equipment	(11,288)	(41,078)
Purchase of investments	(20,379)	(4,074,082)
Proceeds from sale of investments	597,201	3,579,298
Net Cash from Investing Activities	<u>565,534</u>	<u>(535,862)</u>
Net change in cash and cash equivalents	1,510,704	(394,361)
Cash and cash equivalents, beginning of year	3,871,747	4,266,108
Cash and Cash Equivalents, End of Year	<u>\$ 5,382,451</u>	<u>\$ 3,871,747</u>

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

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Notes to the Financial Statements June 30, 2024 and 2023

1. BACKGROUND OF THE ORGANIZATION

The National Family Planning and Reproductive Health Association, Inc. (the Association) is a non-profit membership organization founded in 1971 and incorporated on July 18, 1973. The general purpose of the Association is to coordinate and improve the distribution of family planning services and materials.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investment funds, which have a maturity of 90 days or less. Cash equivalents as of June 30, 2024 and 2023, consisted of money market funds.

Grants and Accounts Receivable

The Association receives grants from various entities and records amounts due as a receivable when earned. Estimated losses are based on historical collection experience and the review of the current status of existing receivables. Management believes all grants receivable are collectible as of June 30, 2024 and 2023, and a reserve for estimated losses has not been recorded.

Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Notes to the Financial Statements June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Furniture and Equipment

Furniture and equipment purchases in excess of \$1,000 with an estimated useful life of more than one year are capitalized at cost if purchased, or estimated fair market value as of the date of gift, if donated. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets.

Right of Use Asset and Lease Liability

The Association records a right of use asset related to the office facility where the Association conducts its operations. The right of use asset is being amortized over the term of the lease. As of June 30, 2024 and 2023, the net carrying value of the right of use assets was \$773,954 and \$969,338, respectively.

The lease liability represents the future commitments for the Association's office facility. The term of a lease is assessed as the non-cancellable period of the lease, plus any extension options that the Association is reasonably certain to exercise. The lease liabilities are discounted using the Association's estimated borrowing rate.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Notes to the Financial Statements June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired. The board designated net asset amounts as of June 30, 2024 and 2023, were designated by the Board for future spending as they deem appropriate. The management designated net assets as of June 30, 2024 and 2023, represent a membership fund and a gift received from an estate during fiscal year 2019, which management will invest in long-term investment for future needs.

Net assets with donor restrictions are those whose use by the Association has been restricted by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contributions (to the extent that the restrictions have been met) are reported as net assets without donor restrictions.

Support and Revenue

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as revenue released from restrictions.

Contributions and gifts of investments are liquidated upon receipt.

Revenue Recognition

Membership dues are recognized as revenue in the membership period to which the dues relate. Accordingly, dues paid by members in advance of the membership period are deemed conditional and are reported as deferred revenue in the accompanying statements of financial position.

Revenue and the related costs of the conference are recognized in the year in which the conference or seminars are held. Accordingly, sponsorships paid by sponsors in advance of the conference year are deemed conditional and are reported as deferred revenue in the accompanying statements of financial position. There were no sponsorships paid in advance for the years ended June 30, 2024 and 2023.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Notes to the Financial Statements June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Unrestricted contributions and grants are reported as revenue in the year in which the payments are received and/or unconditional promises are made. Conditional grants are recognized when the condition has been met.

Contributed Nonfinancial Services

Contributed services are recognized when they require specialized skills and would be paid for if they were not provided. In-kind contributions for the years ended June 30, 2024 and 2023, were \$0 and \$204,735, respectively, and were related to donated legal services. Management of the Association obtained the value of the in-kind services based on the hours donated and the market rate for the value of the time based on information provided by the donor of the services.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services that benefit from those costs. Management and general expenses include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of the Association.

The Association reports certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, and office rent are allocated to a function based on time worked.

Income Tax

The Association is exempt from the payment of income taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. The provisions included in accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The Association performed an evaluation of uncertain tax positions as of June 30, 2024 and 2023, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of June 30, 2024, the statute of limitations for fiscal years 2021 through 2024, remain open with the U.S. Federal jurisdiction or the state and local jurisdiction in which the Association files tax returns. It is the Association's policy to recognize interest and/or penalties related to uncertain tax positions, if any, as income tax expense.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Notes to the Financial Statements June 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity and Availability of Resources

The following reflects the Association's financial assets as of June 30, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	2024	2023
Cash and cash equivalents	\$ 5,382,451	\$ 3,871,747
Investments	688,065	1,129,010
Grants and accounts receivable	26,923	1,358,337
	6,097,439	6,359,094
Less: net assets with donor restrictions	1,306,339	1,347,190
Financial assets available to meet cash needs for general expenses within one year	\$ 4,791,100	\$ 5,011,904

The Association receives contributions, which may be restricted by donors. The Association considers contributions restricted when they are to be used in a specific manner or future period, as outlined in the grant agreement. The Association manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability, and maintaining adequate liquid assets to fund near-term operating needs. As part of the Association's liquidity management plan, cash in excess of the 180-day requirements are invested in short-term investments and money market funds. The Board designated funds can be drawn down by management upon approval from the Board of directors, if necessary, to meet unexpected liquidity needs. The management designated funds are set aside for long-term investments and future use when needed and a membership fund.

Subsequent Events

The Association evaluated the accompanying financial statements for subsequent events and transactions through November 19, 2024, the date these financial statements were available for issue and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

3. INVESTMENTS

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used as of June 30, 2024 and 2023.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Notes to the Financial Statements June 30, 2024 and 2023

3. INVESTMENTS (continued)

Exchange-traded funds and mutual funds: Valued at the investments' values of shares held by the Association at year end, based on the active markets on which they trade.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level, the fair value hierarchy of the Association's investments at fair value as of June 30, 2024 and 2023:

June 30, 2024				
	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$ 431,659	\$ -	\$ -	\$ 431,659
Mutual funds	256,406	-	-	256,406
Deferred compensation-mutual funds	290,283	-	-	290,283
Total	\$ 978,348	\$ -	\$ -	\$ 978,348

June 30, 2023				
	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$ 394,744	\$ -	\$ -	\$ 394,744
Mutual funds	734,266	-	-	734,266
Deferred compensation-mutual funds	220,490	-	-	220,490
Total	\$ 1,349,500	\$ -	\$ -	\$ 1,349,500

For the years ended June 30, 2024 and 2023, investment income consisted of the following:

	2024	2023
Interest and dividends, net	\$ 186,317	\$ 80,624
Unrealized and realized gain, net	19,353	32,353
Total	\$ 205,670	\$ 112,977

As of June 30, 2024 and 2023, investments consisted of the following fair values:

June 30, 2024			
	Cost	Unrealized Gain/(loss)	Market Value
Exchange-traded funds	\$ 75,773	\$ 76,064	\$ 151,837
Mutual funds	851,973	(25,462)	826,511
Total	\$ 927,746	\$ 50,602	\$ 978,348

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Notes to the Financial Statements June 30, 2024 and 2023

3. INVESTMENTS (continued)

	June 30, 2023		
	Cost	Unrealized Gain	Market Value
Exchange-traded funds	\$ 87,179	\$ 307,565	\$ 394,744
Mutual funds	1,249,775	(295,019)	954,756
Total	\$ 1,336,954	\$ 12,546	\$ 1,349,500

4. FURNITURE AND EQUIPMENT

As of June 30, 2024 and 2023, furniture and equipment consisted of the following:

	2024	2023	Useful Life
Leasehold improvements	\$ 32,143	\$ 32,143	Life of lease
Furniture and equipment	693,226	681,938	3-5 years
	725,369	714,081	
Less: accumulated depreciation	674,942	653,098	
Furniture and Equipment, Net	\$ 50,427	\$ 60,983	

Depreciation expense was \$21,844 and \$19,877, for the years ended June 30, 2024 and 2023, respectively.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2024 and 2023, consisted of the following:

	2024	2023
Time restricted	\$ 405,313	\$ 1,616,061
Purpose restricted	901,026	85,953
Total	\$ 1,306,339	\$ 1,702,014

6. LEASE OBLIGATION

In September 2016, the Association entered into a lease for its office facility. As part of this agreement, the Association received a rent abatement for the first 10 months of this lease. Thus, the rent was straight lined. The deferred rent balance was \$137,896 and \$160,951 as of June 30, 2024 and 2023, respectively. Rent expense was \$231,640 and \$229,008, for the years ended June 30, 2024 and 2023, respectively. The balance is net in the right of use asset on the statements of financial position.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, INC.

Notes to the Financial Statements June 30, 2024 and 2023

6. LEASE OBLIGATION (continued)

As of June 30, 2024, the future minimum payments for the office space and equipment are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2025	\$ 253,400
2026	259,742
2027	266,239
2028	180,426
Total	959,807
Less amounts representing interest	47,957
Total	\$ 911,850

7. RETIREMENT PLANS

The Association maintains a 403(b)-tax deferred annuity plan for all eligible employees. In order to participate in the plan an employee must have six months of service and have attained age 20½. Each plan year (July 1, through June 30), the Association makes a discretionary contribution to each eligible participant's account in the amount of 6% of the plan participant's compensation. The Association's contribution to the plan for the years ended June 30, 2024 and 2023, was \$140,310 and \$141,924, respectively.

The Association also maintains a non-qualified Section 457 Supplemental Employee Pension Plan (the Plan). Under the Plan, the Association defers compensation to the President/CEO. During the years ended June 30, 2024 and 2023, the Association contributed \$22,708 and \$21,125, respectively. The liability related to the deferred compensation and the investment balance funding that liability of \$290,283 and \$220,490, has been recorded in the accompanying statements of financial position as of June 30, 2024 and 2023, respectively.