

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

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

For the Years Ended June 30, 2021 and 2020



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

JUNE 30, 2021 AND 2020

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying statements of financial position of the National Family Planning and Reproductive Health Association, Inc. (the Association) as of June 30, 2021 and 2020, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the 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 controls. 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 financial statements.

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



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2021 and 2020, 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.

Washington, D.C.
October 26, 2021

SB & Company, LLC

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

**Statements of Financial Position
As of June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 6,273,037	\$ 5,018,993
Investments	658,968	545,511
Investments - deferred compensation agreement	185,130	118,280
Grants and accounts receivable	1,356,750	1,419,486
Prepaid expenses and other assets	141,219	108,489
Furniture and equipment, net	40,906	47,574
Deposits	52,849	52,849
Total Assets	\$ 8,708,859	\$ 7,311,182
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 118,728	\$ 236,378
Deferred revenue	205,325	167,813
Deferred compensation agreement	185,130	118,280
Deferred rent	189,813	195,929
Total Liabilities	698,996	718,400
Net Assets		
Without donor restrictions:		
Unrestricted	2,024,856	1,524,215
Management designated	84,368	84,358
Board designated	671,764	550,310
Total without donor restrictions	2,780,988	2,158,883
With donor restrictions	5,228,875	4,433,899
Total Net Assets	8,009,863	6,592,782
Total Liabilities and Net Assets	\$ 8,708,859	\$ 7,311,182

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, 2021, with Comparative 2020 Totals**

	2021			2020 Totals
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue and Other Support				
Membership income	\$ 305,688	\$ -	\$ 305,688	\$ 304,413
National conference	79,420	-	79,420	206,389
Corporate grant	230,309	-	230,309	28,255
Contributions and grant revenue	1,225,184	3,998,615	5,223,799	6,700,351
Investment income, net	113,342	-	113,342	2,093
In-kind contributions	383,600	-	383,600	959,700
Miscellaneous	6,414	-	6,414	5,567
Total Revenue	2,343,957	3,998,615	6,342,572	8,206,768
Revenue released from restrictions	3,203,639	(3,203,639)	-	-
Total Revenue and Other Support	5,547,596	794,976	6,342,572	8,206,768
Expenses				
Program services:				
Policy and communication	798,681	-	798,681	677,955
Membership	176,900	-	176,900	132,620
National conference	469,536	-	469,536	900,809
Advocacy and education	2,020	-	2,020	14,031
Meetings/councils	210,698	-	210,698	109,894
Directed initiatives	1,234,498	-	1,234,498	1,736,338
Service delivery improvement	703,345	-	703,345	681,817
Health care strategy and analysis	455,811	-	455,811	1,233,221
Total program services	4,051,489	-	4,051,489	5,486,685
Supporting services:				
Management and general	404,624	-	404,624	556,731
Fundraising	469,378	-	469,378	426,337
Total supporting services	874,002	-	874,002	983,068
Total Expenses	4,925,491	-	4,925,491	6,469,753
Changes in net assets	622,105	794,976	1,417,081	1,737,015
Net assets, beginning of year	2,158,883	4,433,899	6,592,782	4,855,767
Net Assets, End of Year	\$ 2,780,988	\$ 5,228,875	\$ 8,009,863	\$ 6,592,782

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, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Other Support			
Membership income	\$ 304,413	\$ -	\$ 304,413
National conference	206,389	-	206,389
Corporate grant	28,255	-	28,255
Contributions and grant revenue	2,576,044	4,124,307	6,700,351
Investment income	2,093	-	2,093
In-kind contributions	959,700	-	959,700
Miscellaneous	5,567	-	5,567
Total revenue	<u>4,082,461</u>	<u>4,124,307</u>	<u>8,206,768</u>
Revenue released from restrictions	2,452,666	(2,452,666)	-
Total Revenue and Other Support	<u>6,535,127</u>	<u>1,671,641</u>	<u>8,206,768</u>
Expenses			
Program services:			
Policy and communication	677,955	-	677,955
Membership	132,620	-	132,620
National conference	900,809	-	900,809
Advocacy and education	14,031	-	14,031
Meetings/councils	109,894	-	109,894
Directed initiatives	1,736,338	-	1,736,338
Service delivery improvement	681,817	-	681,817
Health care strategy and analysis	1,233,221	-	1,233,221
Total program services	<u>5,486,685</u>	<u>-</u>	<u>5,486,685</u>
Supporting services:			
Management and general	556,731	-	556,731
Fundraising	426,337	-	426,337
Total supporting services	<u>983,068</u>	<u>-</u>	<u>983,068</u>
Total Expenses	<u>6,469,753</u>	<u>-</u>	<u>6,469,753</u>
Changes in net assets	65,374	1,671,641	1,737,015
Net assets, beginning of year	2,093,509	2,762,258	4,855,767
Net Assets, End of Year	<u>\$ 2,158,883</u>	<u>\$ 4,433,899</u>	<u>\$ 6,592,782</u>

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, 2021, with Comparative Totals for 2020

	2021									2020				
	Program Services						Supporting Services			Total	2020 Totals			
Policy and Communication	Membership	National Conference	Advocacy and Education	Meetings/Councils	Directed Initiatives	Service Delivery Improvement	Health Care Strategy and Analysis	Total Program Services	Management and General			Fundraising	Total Supporting Services	
Salaries and wages	\$ 484,712	\$ 121,634	\$ 141,604	\$ 1,400	\$ 86,152	\$ 533,478	\$ 467,896	\$ 49,630	\$ 1,886,506	\$ 218,820	\$ 281,445	\$ 500,265	\$ 2,386,771	\$ 2,360,219
Fringe benefits	109,262	21,828	24,641	251	16,460	102,908	84,091	8,907	368,348	39,269	50,508	89,777	458,125	561,469
Representation/sponsorship	8,596	35	41	-	25	226	231	14	9,168	4,489	82	4,571	13,739	16,655
Office supplies	44	26	5	-	3	164	836	2	1,080	893	21	914	1,994	11,744
Postage and shipping	346	84	979	1	60	370	343	34	2,217	1,035	193	1,228	3,445	11,587
Design and printing	5,502	440	3,400	-	-	2,933	-	-	12,275	-	-	-	12,275	75,986
Office telephone	3,502	1,134	966	10	671	3,698	3,533	890	14,404	2,385	2,229	4,614	19,018	19,090
IT services	23,210	5,594	6,482	64	4,076	24,918	21,848	2,282	88,474	18,915	13,118	32,033	120,507	116,030
Business insurance	2,311	558	647	6	399	2,476	2,148	228	8,773	5,430	1,292	6,722	15,495	8,394
Bank and credit card fees	4,063	981	1,137	11	702	4,353	3,776	400	15,423	6,193	2,271	8,464	23,887	19,254
Travel	68	-	-	-	-	-	-	-	68	140	-	140	208	406,117
Meeting expenses	404	505	252,094	1	84,647	5,373	375	40	343,439	4,602	226	4,828	348,267	872,568
Miscellaneous expense	3,436	152	176	2	109	725	584	62	5,246	4,699	351	5,050	10,296	7,168
Consultants	30,155	2,211	12,312	25	1,932	451,175	26,458	902	525,170	12,830	65,312	78,142	603,312	485,007
Legal fees	7,219	1,744	2,020	20	1,247	7,875	6,708	384,311	411,144	7,563	4,034	11,597	422,741	1,001,456
Audit/accounting services	24,834	5,998	6,951	69	4,290	26,607	23,079	2,447	94,275	24,070	13,879	37,949	132,224	120,679
Dues and subscriptions	36,576	877	1,016	10	627	9,399	10,175	358	59,038	6,888	3,617	10,505	69,543	57,189
Equipment rental/maintenance	1,045	252	293	3	181	1,120	971	103	3,968	9,306	709	10,015	13,983	17,157
Professional development	1,637	345	285	3	176	1,245	2,193	100	5,984	1,328	1,165	2,493	8,477	3,539
Office rent	47,972	11,587	13,427	133	8,287	51,398	44,581	4,728	182,113	29,697	26,810	56,507	238,620	231,849
UBTI Tax expense	-	-	-	-	-	-	-	-	-	-	-	-	-	4,562
Depreciation	3,787	915	1,060	11	654	4,057	3,519	373	14,376	6,072	2,116	8,188	22,564	62,034
Total	\$ 798,681	\$ 176,900	\$ 469,536	\$ 2,020	\$ 210,698	\$ 1,234,498	\$ 703,345	\$ 455,811	\$ 4,051,489	\$ 404,624	\$ 469,378	\$ 874,002	\$ 4,925,491	\$ 6,469,753

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, 2020

	Program Services									Supporting Services			Total
	Policy and Communication	Membership	National Conference	Advocacy and Education	Meetings/ Councils	Directed Initiatives	Service Delivery Improvement	Health Care Strategy and Analysis	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 341,537	\$ 76,300	\$ 193,382	\$ 6,960	\$ 41,586	\$ 611,134	\$ 368,918	\$ 174,341	\$ 1,814,158	\$ 322,935	\$ 223,126	\$ 546,061	\$ 2,360,219
Fringe benefits	81,248	18,151	46,003	1,656	9,893	145,381	87,761	41,474	431,567	76,823	53,079	129,902	561,469
Representation/sponsorship	9,000	4,750	-	-	-	-	810	-	14,560	2,095	-	2,095	16,655
Office supplies	1,130	277	1,545	23	213	4,786	1,376	577	9,927	1,068	749	1,817	11,744
Postage and shipping	442	2,682	2,782	9	204	3,553	761	213	10,646	395	546	941	11,587
Design and printing	20,965	1,072	29,148	736	3,125	18,292	1,048	-	74,386	1,600	-	1,600	75,986
Office telephone	2,922	558	1,414	51	554	5,553	2,947	1,499	15,498	1,861	1,731	3,592	19,090
IT services	16,669	3,827	9,382	338	2,093	35,748	17,973	8,483	94,513	10,667	10,850	21,517	116,030
Business insurance	1,146	256	649	23	140	2,256	1,507	585	6,562	1,083	749	1,832	8,394
Bank and credit card fees	2,756	616	1,561	56	336	5,638	2,977	1,407	15,347	2,106	1,801	3,907	19,254
Travel	16,601	3,392	137,538	2,441	524	209,655	17,049	542	387,742	17,047	1,328	18,375	406,117
Meeting expenses	2,166	1,400	414,594	-	37,759	343,941	30,117	-	829,977	42,361	230	42,591	872,568
Miscellaneous expense	1,072	-	2,797	-	2,488	11	-	-	6,368	512	288	800	7,168
Consultants	81,567	3,785	21,330	345	2,063	204,292	63,400	8,648	385,430	16,019	83,558	99,577	485,007
Legal fees	5,434	1,214	3,077	111	662	10,912	5,870	962,474	989,754	5,138	6,564	11,702	1,001,456
Audit/accounting services	17,394	3,886	9,849	354	2,118	34,825	18,788	8,879	96,093	13,223	11,363	24,586	120,679
Dues and subscriptions	31,896	331	840	31	181	8,143	11,227	1,634	54,283	1,404	1,502	2,906	57,189
Equipment rental/maintenance	2,370	821	1,342	48	289	5,403	2,560	1,210	14,043	1,491	1,623	3,114	17,157
Professional development	-	-	-	-	595	1,140	1,753	-	3,488	-	51	51	3,539
Office rent	33,200	7,416	18,798	677	4,043	66,789	35,860	16,947	183,730	26,430	21,689	48,119	231,849
UBTI Tax expense	-	-	-	-	-	68	-	-	68	4,494	-	4,494	4,562
Depreciation	8,440	1,886	4,778	172	1,028	18,818	9,115	4,308	48,545	7,979	5,510	13,489	62,034
Total	\$ 677,955	\$ 132,620	\$ 900,809	\$ 14,031	\$ 109,894	\$ 1,736,338	\$ 681,817	\$ 1,233,221	\$ 5,486,685	\$ 556,731	\$ 426,337	\$ 983,068	\$ 6,469,753

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ 1,417,081	\$ 1,737,015
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	22,564	62,034
Unrealized gains on investments	(72,790)	(16,001)
Effect of changes in non-cash operating and liabilities:		
Grants and accounts receivable	62,736	(948,988)
Prepaid expenses and other assets	(32,730)	(22,146)
Accounts payable and accrued liabilities	(117,650)	60,697
Deferred revenue	37,512	(77,541)
Deferred compensation agreement	66,850	29,239
Deferred rent	(6,116)	(513)
Net Cash Flow from Operating Activities	<u>1,377,457</u>	<u>823,796</u>
Cash Flow from Investing Activities		
Purchase of equipment	(15,896)	(6,143)
Purchase of investments	(1,563,053)	(2,225,101)
Sale of investments	1,455,536	3,252,183
Net Cash from Investing Activities	<u>(123,413)</u>	<u>1,020,939</u>
Net change in cash and cash equivalents	1,254,044	1,844,735
Cash and cash equivalents, beginning of year	<u>5,018,993</u>	<u>3,174,258</u>
Cash and cash equivalents, End of Year	<u>\$ 6,273,037</u>	<u>\$ 5,018,993</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, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020, and a reserve for estimated losses has not been recorded.

Notes to the Financial Statements
June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

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 and depreciated over the estimated useful lives of the assets using the straight-line method.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

Notes to the Financial Statements June 30, 2021 and 2020

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, 2021 and 2020, were designated by the Board for future spending as they deem appropriate. The management designated net assets as of June 30, 2021 and 2020, represent a gift received from an estate during fiscal year 2019 which management will invest in long-term vehicles 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 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 reported as deferred revenue in the accompanying statements of financial position. There were no sponsorships paid in advance for the years ended June 30, 2021 and 2020.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

Notes to the Financial Statements June 30, 2021 and 2020

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.

The Association is supported primarily through membership income, corporate grants, and contributions and grant revenue, which represented 91% and 86% of revenue for the years ended June 30, 2021 and 2020, respectively.

In-Kind Contributions

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, 2021 and 2020, were \$383,600 and \$959,700, 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.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax (continued)

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, 2021 and 2020, 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, 2021, the statute of limitations for fiscal years 2018 through 2021, 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.

Liquidity and Availability of Resources

The following reflects the Association's financial assets as of June 30, 2021, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	2021
Cash and cash equivalents	\$ 6,273,037
Investments	658,968
Grants and accounts receivable	1,356,750
	<u>8,288,755</u>
Less: net assets with donor restrictions	674,474
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 7,614,281</u>

As of June 30, 2021, the Association has working capital of \$7,614,281, an average of 612 days of cash on hand.

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.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

Notes to the Financial Statements June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity and Availability of Resources (continued)

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.

Accounting Pronouncements Implemented

In September 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-13, *Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)*. The recognition of revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or service.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirement in Topic 820 by removing, modifying, and adding disclosure requirements.

The Association adopted these ASUs for the year ended June 30, 2021. The adoption of these ASUs did not have a material effect on the accompanying financial statements.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which creates a singular reporting model for leases. This standard will require the entity to record changes to its statement of financial position to reflect balances for current leases that are not shown in the statement of financial position. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases and Leases (Topic 842): Targeted Improvements*, which provide further clarity and transition options for adoption of FASB ASU No. 2016-02. These standards will be effective for periods beginning after December 15, 2021.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. This standard will require the Association to present gifts-in-kind as a separate line item on the statement of activities and changes in net assets. Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received, with required disclosures made for each category. This standard will be effective for periods beginning after June 15, 2021.

Notes to the Financial Statements
June 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements (continued)

Management is evaluating the effects of these pronouncements on the financial statements and will implement these pronouncements by their effective dates. Management does not believe the adoption of these pronouncements will have a material effect on the financial statements.

Subsequent Events

The Association evaluated the accompanying financial statements for subsequent events and transactions through October 26, 2021, 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, 2021 and 2020.

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.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

Notes to the Financial Statements
June 30, 2021 and 2020

3. INVESTMENTS (continued)

The following table sets forth, by level, the fair value hierarchy of the Association's investments at fair value as of June 30, 2021 and 2020, as follows:

June 30, 2021				
	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$ 137,407	\$ -	\$ -	\$ 137,407
Mutual funds	706,691	-	-	706,691
Total	\$ 844,098	\$ -	\$ -	\$ 844,098

June 30, 2020				
	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$ 114,093	-	-	\$ 114,093
Mutual funds	549,698	-	-	549,698
Total	\$ 663,791	\$ -	\$ -	\$ 663,791

For the years ended June 30, 2021 and 2020, investment income consisted of the following:

	2021	2020
Interest and dividends, net	\$ 19,685	\$ 48,392
Realized gain (loss)	20,867	(62,300)
Unrealized gain	72,790	16,001
Total	\$ 113,342	\$ 2,093

As of June 30, 2021 and 2020, investments consisted of the following fair values:

June 30, 2021			
	Cost	Unrealized Gain	Market Value
Exchange-traded funds	\$ 87,179	\$ 50,228	\$ 137,407
Mutual Funds	654,875	51,816	706,691
Total	\$ 742,054	\$ 102,044	\$ 844,098

June 30, 2020			
	Cost	Unrealized Gain	Market Value
Exchange-traded funds	\$ 100,487	\$ 13,606	\$ 114,093
Mutual funds	534,050	15,648	549,698
Total	\$ 634,537	\$ 29,254	\$ 663,791

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

Notes to the Financial Statements June 30, 2021 and 2020

4. FURNITURE AND EQUIPMENT

As of June 30, 2021 and 2020, furniture and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>	<u>Useful Life</u>
Leasehold improvements	\$ 21,436	\$ 21,436	Life of lease
Furniture and equipment	629,021	613,125	3-5 years
	<u>650,457</u>	<u>634,561</u>	
Less: accumulated depreciation	609,551	586,987	
Furniture and equipment, net	<u>\$ 40,906</u>	<u>\$ 47,574</u>	

Depreciation expense was \$22,564 and \$62,034, for the years ended June 30, 2021 and 2020, respectively.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Time restricted	\$ 4,970,388	\$ 4,034,172
Telehealth Project	72,360	-
Anonymous I	107,210	131,863
Anonymous II	13,233	88,907
Legal Research	43,101	150,664
Anonymous III	20,000	20,000
Oral history	2,583	8,293
Total	<u>\$ 5,228,875</u>	<u>\$ 4,433,899</u>

The Association released \$3,173,639 and \$2,452,666, from restrictions during the years ended June 30, 2021 and 2020, respectively.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

Notes to the Financial Statements June 30, 2021 and 2020

6. COMMITMENTS AND CONTINGENCIES

In September 2016, the Association entered into a lease that expires on January 1, 2028. The minimum future lease payments as of June 30, 2021, were as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 235,788
2023	241,679
2024	247,724
2025	253,924
2026	260,279
Thereafter	424,662
Total	<u>\$ 1,664,056</u>

As part of this agreement the Association received a rent abatement for the first 10 months of this lease. The effects of this abatement will be recognized as rent expense over the life of the lease and is recorded as deferred rent in the accompanying statements of financial position.

The Association also had a lease for office space that expired on January 31, 2019, which was subleased. The Association did not renew the lease. The rent revenue for the year ended June 30, 2020, was \$2,909, and is included in the miscellaneous revenue on the statements of activities and changes in net assets.

The rent expense for the years ended June 30, 2021 and 2020, was \$238,620 and \$231,849, respectively, for the two leases.

Contingencies

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. As a result, widespread shutdowns of states, cities, schools, and businesses began to take place, impacting the United States as the number of people infected grew at an unprecedented rate. The COVID-19 outbreak is still evolving, and its financial impact remains unknown. Management of the Association continues to evaluate the impact of the pandemic on its programs, especially its national conference and contribution and grant revenues.

NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSOCIATION, iNC.

Notes to the Financial Statements June 30, 2021 and 2020

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 attain age 20 ½. 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, 2021 and 2020, was \$146,141 and \$132,537, 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, 2021 and 2020, the Association contributed \$21,125 and \$17,625, respectively. The liability related to the deferred compensation and the investment balance funding that liability of \$185,130 and \$118,280, has been recorded in the accompanying statements of financial position as of June 30, 2021 and 2020, respectively.