



**PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Financial Statements and Supplementary Information

June 30, 2018

(with summarized comparative financial information for 2017)

(With Independent Auditors' Report Thereon)

**PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC. AND RELATED ENTITIES**

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Membership and the Board of Directors
Planned Parenthood Federation of America, Inc.:

We have audited the accompanying consolidated financial statements of Planned Parenthood Federation of America, Inc. and related entities (the Organization), which comprise the consolidated balance sheet as of June 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditors' 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 auditors consider 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 financial position of Planned Parenthood Federation of America, Inc. and related entities as of June 30, 2018, and the changes in their net assets and their cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.



Report on Summarized Comparative Information

We have previously audited the Organization's 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 12, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules as of and for the year ended June 30, 2018 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 audit 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.

KPMG LLP

December 13, 2018

**PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Balance Sheet

June 30, 2018
(with comparative financial information as of
June 30, 2017)

Assets	2018	2017
Cash and cash equivalents	\$ 119,237,069	110,731,957
Receivables, advances, and deposits:		
Affiliates	104,258	175,210
Other	858,441	803,043
Inventories, supplies, and prepaid expenses	4,419,866	3,069,652
Contributions and grants receivable, net (note 3)	64,413,532	82,181,679
Investments (note 2)	283,912,485	269,849,987
Beneficial interest in perpetual trust (note 2)	3,595,302	3,495,296
Property and equipment, net (note 4)	19,359,256	18,049,083
Total assets	\$ 495,900,209	488,355,907
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 32,222,916	31,204,773
Deferred revenue	1,021,391	1,429,254
Due to related organizations	22,527,193	39,368,184
Liability under split-interest agreements	15,022,478	15,081,349
Amounts held on behalf of affiliates and others	3,824,016	3,948,827
Total liabilities	74,617,994	91,032,387
Commitments and contingencies (notes 5 and 6)		
Net assets (notes 8 and 9):		
Unrestricted	274,479,940	238,217,959
Temporarily restricted	120,505,235	132,923,694
Permanently restricted	26,297,040	26,181,867
Total net assets	421,282,215	397,323,520
Total liabilities and net assets	\$ 495,900,209	488,355,907

See accompanying notes to consolidated financial statements.

**PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Statement of Activities

Year ended June 30, 2018

(with summarized comparative financial information for the
year ended June 30, 2017)

	2018			Total 2017
	Unrestricted	Temporarily restricted	Permanently restricted	
Revenue, net gains (losses), and other support:				
Revenue and net gains:				
Contributions and grants:				
Direct response	\$ 129,202,047	22,124,636	—	151,326,683
Major donors, foundations, and corporations	40,974,830	65,033,487	4,000	106,012,317
Bequests and other planned giving revenues	22,066,349	16,439,445	11,000	38,516,794
Affiliates, National Program Support	—	—	—	5,489,175
Affiliates, other support	1,913,283	—	—	1,913,283
Special events, net of expenses	—	160,950	—	160,950
Federated fund-raising organizations	4,988,151	—	—	4,988,151
Total contributions and grants	<u>199,144,660</u>	<u>103,758,518</u>	<u>15,000</u>	<u>302,918,178</u>
Other revenue and net gains (losses):				
Sales of publications and commodities	224,618	—	—	224,618
Interest and dividends, net of fees	3,593,148	500,702	—	4,093,850
Net realized and unrealized appreciation in fair value of investments	3,631,002	3,489,322	—	7,120,324
Gain on beneficial interest in perpetual trust	—	—	100,006	100,006
Change in value of split-interest agreements	2,770,232	(451,286)	167	2,319,113
Fees for services and other revenue	1,528,961	1,811,201	—	3,340,162
Total other revenue and net gains (losses)	<u>11,747,961</u>	<u>5,349,939</u>	<u>100,173</u>	<u>17,198,073</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>121,526,916</u>	<u>(121,526,916)</u>	<u>—</u>	<u>—</u>
Total revenue, net gains (losses), and other support	<u>332,419,537</u>	<u>(12,418,459)</u>	<u>115,173</u>	<u>320,116,251</u>
Expenses:				
Employee compensation and benefits	80,362,178	—	—	80,362,178
Professional fees and contract services	53,310,152	—	—	53,310,152
Awards and grants	95,333,250	—	—	95,333,250
Conferences, meetings, and travel	15,549,792	—	—	15,549,792
Advertising and public service messages	13,506,752	—	—	13,506,752
Other	38,095,432	—	—	38,095,432
Total expenses	<u>296,157,556</u>	<u>—</u>	<u>—</u>	<u>296,157,556</u>
Change in net assets	36,261,981	(12,418,459)	115,173	23,958,695
Net assets at beginning of year	<u>238,217,959</u>	<u>132,923,694</u>	<u>26,181,867</u>	<u>397,323,520</u>
Net assets at end of year	<u>\$ 274,479,940</u>	<u>120,505,235</u>	<u>26,297,040</u>	<u>397,323,520</u>

See accompanying notes to consolidated financial statements.

**PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Statement of Functional Expenses

Year ended June 30, 2018
(with summarized comparative financial information for the
year ended June 30, 2017)

	2018									
	Program services					Supporting services				
	Healthcare	Education	Advocacy	Research	Total program services	Management and general	Fund-raising	Total supporting services	Total	Total 2017
Salaries and payroll taxes	\$ 16,802,117	1,678,261	20,278,421	1,123,597	39,882,396	13,167,032	13,717,310	26,884,342	66,766,738	71,185,472
Employee health and retirement benefits	3,504,570	339,523	4,075,585	225,609	8,145,287	2,714,542	2,735,611	5,450,153	13,595,440	11,218,922
Total employee compensation	20,306,687	2,017,784	24,354,006	1,349,206	48,027,683	15,881,574	16,452,921	32,334,495	80,362,178	82,404,394
Professional fees and contract services	13,218,065	1,311,314	21,634,818	603,000	36,767,197	6,279,809	10,263,146	16,542,955	53,310,152	66,425,598
Awards and grants	46,537,322	2,280,794	45,394,370	1,120,764	95,333,250	—	—	—	95,333,250	144,000,702
Conferences, meetings, and travel, including special events expenses	4,315,494	910,074	7,242,624	92,147	12,560,339	1,883,173	1,106,280	2,989,453	15,549,792	15,083,968
Advertising and public service messages	433,783	54,535	7,731,938	17,251	8,237,507	—	5,269,245	5,269,245	13,506,752	18,912,815
Other:										
Commodities, supplies, and minor equipment	807,151	145,976	1,328,636	23,728	2,305,491	76,347	199,040	275,387	2,580,878	4,291,585
Telephone and telecommunications	267,342	23,216	483,519	18,655	792,732	231,591	242,239	473,830	1,266,562	2,220,336
Postage and shipping	1,084,845	93,085	1,741,658	48,746	2,968,334	26,601	4,679,056	4,705,657	7,673,991	7,576,301
Occupancy	1,337,383	119,631	1,236,464	92,562	2,786,040	1,195,293	1,115,148	2,310,441	5,096,481	5,492,301
Outside printing and artwork	601,878	240,102	951,711	22,637	1,816,328	14,619	2,084,585	2,099,204	3,915,532	4,728,697
Subscriptions and reference publications	282,336	22,040	578,261	84,414	967,051	196,204	134,003	330,207	1,297,258	1,134,645
Repairs, maintenance, and systems	1,009,624	83,672	1,417,565	56,323	2,567,184	1,590,869	3,920,672	5,511,541	8,078,725	5,029,986
Interest, bank, and lockbox fees	22,837	1,410	45,634	6	69,887	144,536	3,372,900	3,517,436	3,587,323	4,141,131
Amortization and depreciation	801,430	76,786	722,083	64,022	1,664,321	821,157	774,366	1,595,523	3,259,844	2,436,521
Miscellaneous	480,517	44,769	406,778	9,404	941,468	207,575	189,795	397,370	1,338,838	755,922
	91,506,694	7,425,188	115,270,065	3,602,865	217,804,812	28,549,348	49,803,396	78,352,744	296,157,556	364,634,902
Investment management fees *	—	—	—	—	—	751,355	—	751,355	751,355	690,974
Special events**	—	—	—	—	—	—	2,935	2,935	2,935	737,289
	\$ 91,506,694	7,425,188	115,270,065	3,602,865	217,804,812	29,300,703	49,806,331	79,107,034	296,911,846	366,063,165

* Investment management fees are netted with interest and dividends in the accompanying consolidated statement of activities.

** Special events expenses are netted with special events revenue in the accompanying consolidated statement of activities.

See accompanying notes to consolidated financial statements.

**PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Statement of Cash Flows

Year ended June 30, 2018
(with comparative financial information for the
year ended June 30, 2017)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 23,958,695	73,073,232
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization and depreciation	3,259,844	2,436,521
Loss on contributions and other receivables	1,163,266	284,382
Net realized and unrealized appreciation in fair value of investments	(7,120,324)	(13,668,062)
Contributions for endowment and trust funds	(15,000)	(524,857)
Change in value of split-interest agreements	(2,319,113)	(2,075,729)
Gain on beneficial interest in perpetual trust	(100,006)	(113,244)
Loss on disposal of fixed assets	16,693	274,338
Changes in:		
Receivables, advances, and deposits	15,554	1,008,954
Inventories, supplies, and prepaid expenses	(1,350,214)	(816,334)
Contributions and grants receivable	16,604,881	4,905,540
Accounts payable and accrued expenses	1,018,143	(7,903,219)
Deferred revenue	(407,863)	(310,510)
Due to related organizations	(16,840,991)	27,458,674
Amounts held on behalf of affiliates and others	(124,811)	551,556
Net cash provided by operating activities	17,758,754	84,581,242
Cash flows from investing activities:		
Purchases of investments	(125,829,118)	(216,353,254)
Proceeds from sales of investments	121,200,597	201,052,930
Purchases of property and equipment	(4,586,710)	(7,342,279)
Net cash used in investing activities	(9,215,231)	(22,642,603)
Cash flows from financing activities:		
Contributions for endowment and trust funds	15,000	524,857
Proceeds from contributions and investment return under split-interest agreements in excess of amounts recognized as contributions	1,341,382	1,787,742
Payments to beneficiaries under split-interest agreements	(1,394,793)	(1,837,134)
Net cash (used in) provided by financing activities	(38,411)	475,465
Change in cash and cash equivalents	8,505,112	62,414,104
Cash and cash equivalents at beginning of year	110,731,957	48,317,853
Cash and cash equivalents at end of year	\$ 119,237,069	110,731,957
Supplemental disclosure of cash flows information:		
Income taxes paid	\$ 50,868	213,902

See accompanying notes to consolidated financial statements.

**PLANNED PARENTHOOD FEDERATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

June 30, 2018

(with summarized comparative financial information as of
and for the year ended June 30, 2017)

(1) Organization and Summary of Significant Accounting Policies

Organization

(a) *Planned Parenthood Mission Statement – A Reason for Being*

Planned Parenthood Federation of America, Inc. (PPFA) believes in the fundamental right of each individual, throughout the world, to manage his or her fertility, regardless of the individual's income, marital status, race, ethnicity, sexual orientation, age, national origin, or residence. PPFA believes that respect and value for diversity in all aspects of its organization are essential to its well-being. PPFA believes that reproductive self-determination must be voluntary and preserve the individual's right to privacy. PPFA further believes that such self-determination will contribute to an enhancement of the quality of life, strong family relationships, and population stability.

Based on these beliefs, and reflecting the diverse communities within which PPFA operates, the mission of PPFA and its affiliates is:

- i. To provide comprehensive reproductive and complementary healthcare services in settings, which preserve and protect the essential privacy and rights of each individual;
- ii. To advocate public policies, which guarantee these rights and ensure access to such services;
- iii. To provide educational programs that enhance understanding of individual and societal implications of human sexuality; and
- iv. To promote research and advancement of technology in reproductive healthcare and to encourage understanding of their inherent bioethical, behavioral, and social implications.

(b) *Organizational Structure*

The accompanying consolidated financial statements as of and for the year ended June 30, 2018 include the financial position, changes in net assets, and cash flows of PPFA, Planned Parenthood Action Fund, Inc. and related entities (the Action Fund), and Planned Parenthood Global, Inc. and related entities (PP Global) (collectively, the Organization).

PPFA, which is the nation's oldest and largest voluntary family planning organization, maintains primary domestic offices in New York City and Washington, DC and several international offices that monitor the Organization's international programs. The Organization is also affiliated with 55 independent medical and related entities, Planned Parenthood Affiliates (PP Affiliates), all of which are separately incorporated in their respective states and which along with PPFA directors collectively constitute PPFA's membership. The PP Affiliates in turn control 110 ancillary entities (including 43 Political Action Committees and 51 501(c)(4) organizations). The Organization, PP Affiliates and the ancillary organizations together comprise Planned Parenthood. The accompanying consolidated financial statements do not include the financial position or the changes in net assets and cash flows of these independent PP Affiliates or their ancillary organizations.

**PLANNED PARENTHOOD FEDERATION
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and for the year ended June 30, 2017)

The Action Fund was incorporated in 1989 to encourage and protect informed individual choice regarding reproductive healthcare, to advocate public policies, which guarantee the right, as well as full and nondiscriminatory access, to such care, and to foster and preserve a social and political climate favorable to the exercise of reproductive choice.

On September 30, 2015, PP Global was incorporated to consolidate oversight and management of PPFA's international programs and to further its mission to support efforts to ensure that women, men, and young people in some of the world's most neglected areas have access to reproductive and sexual healthcare. PP Global operations commenced in July 2016.

The individual entities have interrelated directors/trustees and share common facilities and personnel. Various expenses, including occupancy costs and salaries, have been allocated among PPFA, the Action Fund, and PP Global based upon services rendered by common personnel and usage of common facilities.

PPFA and PP Global are not-for-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Code and from state and local taxes under comparable laws. The Action Fund is exempt from federal income taxes under Section 501(c)(4) of the Code and from state and local taxes under comparable laws. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Organization believes it has taken no significant uncertain tax positions.

Summary of Significant Accounting Policies

(c) Principles of Consolidation

All significant intercompany accounts and transactions have been eliminated in consolidation.

(d) Basis of Accounting

The accompanying consolidated financial statements of the Organization have been prepared using the accrual basis of accounting and to conform to U.S. generally accepted accounting principles as applicable to not-for-profit organizations.

(e) Functional Allocation of Expenses

The consolidated statement of functional expenses presents expenses classified according to the programs and supporting services for which they were incurred. The various programs and supporting services of the Organization are as follows:

Healthcare – programs designed to improve and protect the ability to provide high-quality reproductive healthcare for all.

Education - programs designed to educate the public regarding reproductive health.

Advocacy – programs designed to empower all people to build the future they want and change cultural attitudes about reproductive health.

**PLANNED PARENTHOOD FEDERATION
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Notes to Consolidated Financial Statements

June 30, 2018

(with summarized comparative financial information as of
and for the year ended June 30, 2017)

Research - programs designed to promote clinical research.

Management and general – involves the direction of the overall affairs of the Organization, which includes accounting, legal, administration, and related areas.

Fund-raising – involves the direction of the overall fund-raising affairs of the Organization and shared fund-raising with PP Affiliates, which includes development and related areas.

(f) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses, as well as the disclosure of contingent assets and liabilities. The significant estimates made in the preparation of these consolidated financial statements include the fair value of alternative investments, the allowance of uncollectible accounts and contributions receivables, the allocation of functional expenses and joint costs, and the liability under split-interest agreements. Actual results may differ from those estimates.

(g) Fair Value

Assets and liabilities, which are reported at fair value on a recurring basis by PPFA include investments and beneficial interest in perpetual trust.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are unadjusted quoted prices or published net asset value (NAV) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable inputs for the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

(h) Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents, except for those amounts held by investment managers for long-term investment purposes.

**PLANNED PARENTHOOD FEDERATION
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Notes to Consolidated Financial Statements

June 30, 2018

(with summarized comparative financial information as of
and for the year ended June 30, 2017)

(i) Investments

Investments with readily determinable fair values are reported at fair value based upon quoted market prices or published NAV for alternative investments in funds with characteristics similar to a mutual fund. Alternative investments without readily determinable fair value consisting primarily of hedge funds are reported at estimated fair value based on, as a practical expedient, net asset values provided by investment managers. Nonpublicly held securities are reported at their fair values, as determined by independent appraisals and/or management's financial review. These values are reviewed and evaluated by management for reasonableness. The reported values may differ from the values that would have been reported had a ready market for these investments existed.

Unless temporarily or permanently restricted by a donor's explicit stipulation or by law, realized and unrealized gains and losses on investments, as well as dividends, interest, and other investment income are recorded as changes in unrestricted net assets.

(j) Contributions, Grants, Bequests, and National Program Support

Contributions and grants to the Organization, including unconditional promises to give, are recognized as revenue upon the receipt of the earlier of either (i) unconditional pledges or commitments or (ii) cash or other assets. Contributions are estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discounts is recorded as additional contribution revenue.

Contributions and grants are considered available for unrestricted use unless the donor restricts the use thereof, either on a temporary or permanent basis. Bequests are recorded when a will has been through probate and is declared valid and the amount to be received can be reasonably estimated and payment is probable. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met.

Donated securities are recorded at their fair market values on the date of the gift and, except where otherwise required by the donor, are immediately sold by the PPFA. Since it is PPFA's policy to sell donated securities upon receipt, the contributions are classified as operating activities in the statement of cash flows unless the donor restricts the use of the contributed resources to long-term purposes, in which case those cash receipts are classified as cash flows from financing activities.

The National Program Support Plan (NPS) is a membership program between PPFA and PP Affiliates. NPS requires affiliates to pay quarterly membership dues to PPFA for the support and national visibility PPFA provides as well as the right to use the PPFA brand. The revenue is recognized as an increase to unrestricted net assets as the membership fees become due.

**PLANNED PARENTHOOD FEDERATION
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Notes to Consolidated Financial Statements

June 30, 2018

(with summarized comparative financial information as of
and for the year ended June 30, 2017)

In December 2016, PPFA's Board of Directors (PPFA BOD) approved a one-year (December 1, 2016 to November 30, 2017) waiver of NPS dues for all PP Affiliates. In October 2017, PPFA BOD approved a seven-month (December 1, 2017 to June 30, 2018) extension of waiver of NPS dues for all PP Affiliates. Accordingly, the accompanying consolidated statement of activities do not include NPS membership dues for 2018 and include five months of NPS membership dues of \$5,489,175 for 2017.

In February 2018, PPFA BOD approved a one year (July 1, 2018 to June 30, 2019) waiver of NPS for all PP Affiliates.

(k) Awards and grants

Awards and grants expenses consist primarily of grants of one year or less awarded to affiliates and grants awarded to international partners. Grants are reported as an expense and liability in the period made, or if conditional, when the Organization deems that the terms and conditions of the grant agreements have been substantially met.

(l) Split-Interest Agreements and Perpetual Trust

The Organization's split-interest agreements with donors consist primarily of charitable remainder trusts for which the Organization serves as the trustee, charitable gift annuities, and a pooled income fund. Assets are invested and payments are made to donors and/or other beneficiaries, in accordance with the respective agreements.

Contribution revenue for charitable gift annuities and charitable remainder trusts is recognized at the date each agreement is established, net of the liability recorded for the present value of the estimated future payments to be made to the respective donor and/or other beneficiaries. Contribution revenue for pooled income funds is recognized upon the establishment of the agreement, at the fair value of the estimated future receipts discounted for the estimated time period necessary to complete the agreement.

The present value of payments to beneficiaries of charitable gift annuities and charitable remainder trusts and the estimated future receipts from pooled income funds are calculated using discount rates at the date of the gift. Changes in the value of split-interest agreements resulting from changes in actuarial assumptions and accretions of the discount are reported as increases or decreases in the respective net asset class and corresponding liabilities.

The Organization is also the beneficiary of a perpetual trust held and administered by a third party.

(m) Inventories

Inventories, which consist primarily of publications and contraceptive devices, are valued at the lower of cost or market value, using the first-in, first-out method of valuation.

(n) Property and Equipment

Property and equipment are stated at their cost at the dates of acquisition or at their fair values at the dates of donation.

**PLANNED PARENTHOOD FEDERATION
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Notes to Consolidated Financial Statements

June 30, 2018

(with summarized comparative financial information as of
and for the year ended June 30, 2017)

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, as follows:

Furniture and equipment	3–5 years
Leasehold improvements	Over the life of the lease or the estimated useful life of the asset, whichever is shorter

(o) Due to Related Organizations

The Organization's balance due to related organizations consisted primarily of amounts owed to affiliates in connection with the Organization's contribution-sharing arrangements and other grants.

(p) Net Assets

(i) Unrestricted

Unrestricted net assets represent those resources that are not subject to donor restrictions.

(ii) Temporarily Restricted

Temporarily restricted net assets represent those resources that are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or by the passage of time. Net assets released from restrictions represent the satisfaction of the purpose or time restriction specified by the donor.

(iii) Permanently Restricted

Permanently restricted net assets represent those resources that are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes.

Permanently restricted net assets for PPFA amounted to \$26,297,040 at June 30, 2018. There are no permanently restricted net assets for the Action Fund and PP Global at June 30, 2018.

(q) Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated balance sheet.

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(r) Presentation of Certain Prior Year Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class or functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2017 from which the summarized comparative information was derived.

(s) Reclassifications

Certain reclassifications have been made to the 2017 comparative financial information to conform to the 2018 presentation.

(2) Investments and Fair Value

The following tables present the Organization's fair value hierarchy for those assets and liabilities measured at fair value as of June 30, 2018 and 2017:

	2018			
	Fair value	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Money market funds	\$ 48,809,142	48,809,142	—	—
Certificates of deposit	10,339,323	—	10,339,323	—
Government and corporate bonds and obligations	66,148,427	—	66,148,427	—
Common and preferred stock	17,065,351	17,065,351	—	—
Mutual funds – equity	105,898,642	105,898,642	—	—
Mutual funds – fixed income	25,591,296	25,591,296	—	—
Nonpublicly held companies	821,484	—	—	821,484
	<u>274,673,665</u>	<u>\$ 197,364,431</u>	<u>76,487,750</u>	<u>821,484</u>
Alternative investments reported at net asset value	<u>9,238,820</u>			
Total investments	<u>\$ 283,912,485</u>			
Beneficial interest in perpetual trust	\$ 3,595,302	—	3,595,302	—

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	2017			
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Investments:				
Money market funds	\$ 70,413,377	70,413,377	—	—
Certificates of deposit	10,248,835	—	10,248,835	—
Government and corporate bonds and obligations	65,009,470	—	65,009,470	—
Common and preferred stock	12,395,296	12,395,296	—	—
Mutual funds – equity	79,490,970	79,490,970	—	—
Mutual funds – fixed income	21,573,055	21,573,055	—	—
Nonpublicly held companies	644,937	—	—	644,937
	<u>259,775,940</u>	<u>\$ 183,872,698</u>	<u>75,258,305</u>	<u>644,937</u>
Alternative investments reported at net asset value	<u>10,074,047</u>			
Total investments	<u>\$ 269,849,987</u>			
Beneficial interest in perpetual trust	\$ 3,495,296	—	3,495,296	—

The following table presents a reconciliation for all Level 3 assets measured at fair value as of June 30, 2018 and 2017:

	<u>Nonpublicly held companies</u>
Balance at June 30, 2016	\$ 403,536
Realized and unrealized gains	<u>241,401</u>
Balance at June 30, 2017	644,937
Realized and unrealized gains	<u>176,547</u>
Balance at June 30, 2018	<u>\$ 821,484</u>

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As of June 30, 2018, the following table summarizes the various redemption provisions of alternative investments:

Redemption period	Amount
Monthly – 15 days' notice	\$ 4,728,930
Quarterly (with 135 days' notification)	1,075,108
Semi-annually (with 95 days' notice)	1,108,485
Annually – December 31 (with 90 days' notification)	2,225,959
At termination of fund	100,338
	\$ 9,238,820

Investments include assets under split-interest agreements of \$32,948,085 and \$30,353,260 in 2018 and 2017, respectively, of which \$7,620,607 and \$6,450,409, respectively, relate to charitable remainder trusts. Such split-interest agreements include certain segregated investment accounts relating to charitable gift annuities, in compliance with the insurance laws of various states. The Organization maintains separate and distinct reserve funds adequate to meet the future payments of all outstanding charitable gift annuities administered by the Organization since the balance of the reserve account is greater than the liability for charitable gift annuities of \$10,085,695 and \$10,927,366 in 2018 and 2017, respectively. The Organization complies with the annuity reserve requirements of all individual states that have such requirements, including Arkansas, California, Hawaii, Maryland, New Jersey, New York, Washington, and Florida. The balance of these charitable gift annuity reserve accounts aggregated \$22,977,378 and \$21,875,305 in 2018 and 2017, respectively.

(3) Contributions and Grants Receivable

At June 30, 2018 and 2017, contributions and grants receivable are scheduled to be collected as follows:

	2018	2017
Less than one year	\$ 39,838,495	41,957,118
One to five years	25,854,440	42,353,152
	65,692,935	84,310,270
Less present value discount, using a discount rate between 2.71% and 4.73%	(1,279,403)	(2,128,591)
	\$ 64,413,532	82,181,679

At June 30, 2018 and 2017, the amounts receivable from three donors represent approximately 21% and 24%, respectively, of the gross contributions and grants receivable.

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(4) Property and Equipment

At June 30, 2018 and 2017, the Organization's property and equipment consisted of the following:

	2018	2017
Leasehold improvements	\$ 11,784,762	11,592,574
Furniture and equipment	15,858,281	14,058,259
	27,643,043	25,650,833
Less accumulated amortization and depreciation	(8,283,787)	(7,601,750)
	\$ 19,359,256	18,049,083

(5) Commitments and Contingencies

(a) Litigation and Claims

From time to time, the Organization is involved in certain litigation and claims arising in the normal course of its activities. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the consolidated financial position of the Organization.

(b) Leases

As of June 30, 2018, the Organization is obligated under various noncancelable operating leases for its offices expiring 2018 through 2031. Minimum future lease payments under the lease agreements for each of the remaining years and in the aggregate are as follows:

	Lease commitments
Year ending June 30:	
2019	\$ 4,607,374
2020	4,607,397
2021	4,686,973
2022	5,090,612
2023	5,073,677
Thereafter	39,897,753
	\$ 63,963,786

Rent expense for 2018 and 2017 was approximately \$5,053,000 and \$5,396,000, respectively. The Organization signed a lease agreement in fiscal year 2015 for a New York office facility that commenced in fiscal year 2018 and expires on July 31, 2031. Rent expense is being recognized on a straight-line basis over the term of the lease.

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(c) Line of Credit

PPFA has a \$1,000,000 line of credit with maturity that has been extended to January 30, 2019, which was not drawn upon during the years ended June 30, 2018 and 2017. Borrowings under the line of credit bear interest at a variable rate based on LIBOR.

In addition, the Action Fund has a \$1,000,000 revolving line of credit with a bank with a maturity that has been extended through June 29, 2019, which was not drawn upon during the years ended June 30, 2018 and 2017. Borrowings under the line of credit bear interest at a variable interest rate equal to the LIBOR Daily Floating Rate plus 1.35%.

(6) Employee Retirement Plan and Deferred Compensation Plan

The Organization has a 401(k) defined-contribution retirement plan. Eligible employees are immediately able to make voluntary pretax contributions to the plan through a salary reduction agreement. Eligible employees of the Organization who have performed one year of service and are age 19 or older are also eligible to receive employer contributions in their plan accounts. The Organization makes a matching contribution to the plan equal to 50% of each participant's voluntary contribution, up to a maximum of 3% of the participant's salary. In addition, the Organization makes a discretionary employer contribution to the plan equal to 3% of each participant's salary, which does not require the participant to contribute.

All participant voluntary contributions and investment earnings are fully vested at all times. Employer contributions and investment earnings are fully vested once the participant has completed two years of service.

Retirement plan expense for 2018 and 2017 was approximately \$2,402,000 and \$2,198,000, respectively.

(7) Allocation of Joint Costs

Joint costs are expenses of materials and activities that combine fund-raising activities with activities that have elements of another function, such as program services.

The Organization conducts activities that include appeals for contributions. These activities primarily include direct-response campaigns. For the years ended June 30, 2018 and 2017, joint costs for these activities were allocated to functional categories as follows:

	<u>2018</u>	<u>2017</u>
Fund-raising	\$ 11,274,262	12,529,964
Program services	7,896,011	8,059,062
	<u>\$ 19,170,273</u>	<u>20,589,026</u>

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(8) Net Assets

At June 30, 2018 and 2017, unrestricted net assets are designated as follows:

	<u>2018</u>	<u>2017</u>
Undesignated	\$ 34,388,014	27,975,832
Net investment in property and equipment	19,228,965	17,976,562
Planned Parenthood Global, Inc.	2,233,332	1,895,704
Board-designated:		
Endowment:		
General	123,897,552	117,739,896
Fund for the Future	2,259,107	2,117,941
Gift annuity funds	4,739,787	4,440,457
Planned Parenthood initiatives	87,733,183	66,071,567
	<u>\$ 274,479,940</u>	<u>238,217,959</u>

At June 30, 2018 and 2017, temporarily restricted net assets consisted of the following:

	<u>2018</u>	<u>2017</u>
Operating activities:		
Healthcare	\$ 44,637,972	56,414,858
Education	2,059,979	967,356
Advocacy	9,742,069	20,319,418
Research	4,350,139	2,290,796
Program support	1,080,495	1,345,660
Time restrictions	16,074,158	2,769,963
Total	<u>77,944,812</u>	<u>84,108,051</u>
Long-term investment:		
Pooled income fund	412,583	407,583
Unitrust and annuity trust funds	2,772,787	2,382,298
Fund for the Future	2,536,965	2,180,671
Charitable gift annuities with purpose restrictions	520,928	475,718
Accumulated gains on permanently restricted net assets	10,848,503	8,948,738
	<u>17,091,766</u>	<u>14,395,008</u>
Planned Parenthood Action Fund, Inc.	22,872,096	22,323,781
Planned Parenthood Global, Inc.	2,596,561	12,096,854
	<u>\$ 120,505,235</u>	<u>132,923,694</u>

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For the years ended June 30, 2018 and 2017, the income from permanently restricted net assets was available for the following:

	2018	2017
Permanently restricted:		
Healthcare	\$ 8,454,327	8,454,327
Advocacy	533,130	533,130
Education	4,678,083	4,678,083
Fund For the Future	3,162,580	3,162,580
General purposes	5,873,618	5,858,451
Beneficial interest in perpetual trust – for general purposes	3,595,302	3,495,296
	\$ 26,297,040	26,181,867

The Fund for the Future (the Fund) is a program established by the Organization in 1990 to help provide for the long-term development of the Organization's affiliates. The Fund receives board-designated resources, as well as affiliate and general public contributions. The Fund's investment returns are used for development grants to affiliates.

(9) Endowment Funds

The Organization's endowment consists of 41 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act (NYPMIFA) imposes guidelines on the management and investment of endowment funds. The board of directors has interpreted NYPMIFA as allowing the Organization to appropriate for expenditure or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the board of directors. As a result of this interpretation, the Organization continues to classify as permanently restricted net asset (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of income to the permanent endowment made in accordance with the direction of the applicable donor gift instruments. Accounting guidance associated with the enactment of NYPMIFA requires the portion of a donor-restricted endowment fund that is not classified as permanently restricted to be classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

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In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

The following tables present the Organization's donor-restricted endowment funds and funds designated by the board of directors to function as endowments, excluding perpetual trusts and including contributions receivable as of June 30, 2018 and 2017, respectively, and the changes for the years ended June 30, 2018 and 2017:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
2018:				
Donor-restricted endowment funds	\$ —	13,385,468	22,701,738	36,087,206
Board-designated endowment funds	<u>126,156,659</u>	<u>—</u>	<u>—</u>	<u>126,156,659</u>
Total funds	<u>\$ 126,156,659</u>	<u>13,385,468</u>	<u>22,701,738</u>	<u>162,243,865</u>
Endowment net assets, June 30, 2017	\$ 119,857,837	11,105,710	22,686,571	153,650,118
Investment return:				
Interest and dividends, net of fees	1,782,996	454,673	—	2,237,669
Net realized and unrealized appreciation in fair value of investments	4,615,516	3,363,422	—	7,978,938
Contributions and transfers	—	—	15,000	15,000

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	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Change in value of split-interest agreements	\$ —	—	167	167
Appropriation of endowment assets for expenditures	<u>(99,690)</u>	<u>(1,538,337)</u>	<u>—</u>	<u>(1,638,027)</u>
Endowment net assets, June 30, 2018	\$ <u>126,156,659</u>	<u>13,385,468</u>	<u>22,701,738</u>	<u>162,243,865</u>
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
2017:				
Donor-restricted endowment funds	\$ —	11,105,710	22,686,571	33,792,281
Board-designated endowment funds	<u>119,857,837</u>	<u>—</u>	<u>—</u>	<u>119,857,837</u>
Total funds	\$ <u>119,857,837</u>	<u>11,105,710</u>	<u>22,686,571</u>	<u>153,650,118</u>
Endowment net assets, June 30, 2016	\$ 108,154,767	8,456,253	22,161,155	138,772,175
Investment return:				
Interest and dividends, net of fees	1,824,713	243,158	—	2,067,871
Net realized and unrealized appreciation in fair value of investments	9,977,064	3,887,987	—	13,865,051
Contributions and transfers	—	—	524,857	524,857
Change in value of split-interest agreements	—	—	559	559
Appropriation of endowment assets for expenditures	<u>(98,707)</u>	<u>(1,481,688)</u>	<u>—</u>	<u>(1,580,395)</u>
Endowment net assets, June 30, 2017	\$ <u>119,857,837</u>	<u>11,105,710</u>	<u>22,686,571</u>	<u>153,650,118</u>

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or law requires the Organization to retain as a fund for the perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature would be reported in temporarily restricted net assets to the extent there are accumulated gains available to absorb such loss or otherwise unrestricted net assets. There were no deficiencies as of June 30, 2018 and 2017.

PPFA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to protect the original value of the gift. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to meet or exceed the market index utilizing prudent levels of risk. PPFA expects the endowment fund to generate a long-term average rate of return of 5% above the rate of inflation, plus the costs of managing the investments. Actual returns in any given year may vary from this amount.

PPFA has a policy of appropriating a percentage of the endowment market value for spending, unless otherwise explicitly stipulated by the donor. The endowment's spending policy governs the rate at which funds are released for grant making. The Organization has implemented a spending policy of appropriating for distribution up to 5% of the endowment funds' average fair value of the preceding 12 quarters through the calendar year preceding the fiscal year in which the distribution is planned. The amount appropriated for spending was \$1,638,027 and \$1,580,395 in 2018 and 2017, respectively.

(10) Subsequent Events

The Organization evaluated subsequent events after the balance sheet date of June 30, 2018 through December 13, 2018, which was the date the consolidated financial statements were available to be issued, and concluded that no additional disclosures are required.

**PLANNED PARENTHOOD FEDERATION
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Consolidating Schedule - Balance Sheet

June 30, 2018

Assets	Planned Parenthood Federation of America, Inc.	Planned Parenthood Action Fund, Inc.	Planned Parenthood Global, Inc.	Eliminations	Consolidated Planned Parenthood Federation of America, Inc.
Cash and cash equivalents	\$ 101,052,833	16,809,649	1,374,587	—	119,237,069
Receivables, advances, and deposits:					
Affiliates	104,258	157,240	3,962,549	(4,119,789)	104,258
Other	357,674	441,188	59,579	—	858,441
Inventories, supplies, and prepaid expenses	3,434,077	888,154	97,635	—	4,419,866
Contributions and grants receivable, net	55,722,356	8,691,176	—	—	64,413,532
Investments	283,912,485	—	—	—	283,912,485
Beneficial interest in perpetual trust	3,595,302	—	—	—	3,595,302
Property and equipment, net	19,228,965	41,826	88,465	—	19,359,256
	<u>\$ 467,407,950</u>	<u>27,029,233</u>	<u>5,582,815</u>	<u>(4,119,789)</u>	<u>495,900,209</u>
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 30,181,194	1,325,151	716,571	—	32,222,916
Deferred revenue	47,280	974,111	—	—	1,021,391
Due to related organizations	24,752,756	1,857,875	36,351	(4,119,789)	22,527,193
Liability under split-interest agreements	15,022,478	—	—	—	15,022,478
Amounts held on behalf of affiliates and others	3,824,016	—	—	—	3,824,016
Total liabilities	<u>73,827,724</u>	<u>4,157,137</u>	<u>752,922</u>	<u>(4,119,789)</u>	<u>74,617,994</u>
Net assets:					
Unrestricted:					
Undesignated	34,388,014	—	2,233,332	—	36,621,346
Designated by the board of directors	218,629,629	—	—	—	218,629,629
Net investment in property and equipment	19,228,965	—	—	—	19,228,965
	<u>272,246,608</u>	<u>—</u>	<u>2,233,332</u>	<u>—</u>	<u>274,479,940</u>
Temporarily restricted:					
For operating activities	95,036,578	—	—	—	95,036,578
Planned Parenthood Action Fund, Inc.	—	22,872,096	—	—	22,872,096
Planned Parenthood Global, Inc.	—	—	2,596,561	—	2,596,561
	<u>95,036,578</u>	<u>22,872,096</u>	<u>2,596,561</u>	<u>—</u>	<u>120,505,235</u>
Permanently restricted	26,297,040	—	—	—	26,297,040
Total net assets	<u>393,580,226</u>	<u>22,872,096</u>	<u>4,829,893</u>	<u>—</u>	<u>421,282,215</u>
	<u>\$ 467,407,950</u>	<u>27,029,233</u>	<u>5,582,815</u>	<u>(4,119,789)</u>	<u>495,900,209</u>

See accompanying independent auditors' report.

**PLANNED PARENTHOOD FEDERATION
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Consolidating Schedule - Statement of Activities – Unrestricted Net Assets

Year ended June 30, 2018

	Planned Parenthood Federation of America, Inc.	Planned Parenthood Action Fund, Inc.	Planned Parenthood Global, Inc.	Eliminations	Consolidated Planned Parenthood Federation of America, Inc.
Revenue, net gains, and other support:					
Revenue and net gains:					
Contributions and grants:					
Direct response	\$ 129,202,047	—	—	—	129,202,047
Major donors, foundations, and corporations	40,974,830	—	—	—	40,974,830
Bequests and other planned giving revenue	22,066,349	—	—	—	22,066,349
Affiliates, other support	1,913,283	—	4,081,213	(4,081,213)	1,913,283
Federated fund-raising organizations	4,988,151	—	—	—	4,988,151
Total contributions and grants	<u>199,144,660</u>	<u>—</u>	<u>4,081,213</u>	<u>(4,081,213)</u>	<u>199,144,660</u>
Other revenue and net gains:					
Sales of publications and commodities	224,618	—	—	—	224,618
Interest and dividends, net of fees	3,593,148	—	—	—	3,593,148
Net realized and unrealized appreciation in fair value of investments	3,631,002	—	—	—	3,631,002
Change in value of split-interest agreements	2,770,232	—	—	—	2,770,232
Fees for services and other revenue	11,957,686	—	—	(10,428,725)	1,528,961
Total other revenue and net gains	<u>22,176,686</u>	<u>—</u>	<u>—</u>	<u>(10,428,725)</u>	<u>11,747,961</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>69,198,509</u>	<u>43,157,489</u>	<u>24,010,099</u>	<u>(14,839,181)</u>	<u>121,526,916</u>
Total revenue, net gains, and other support	<u>290,519,855</u>	<u>43,157,489</u>	<u>28,091,312</u>	<u>(29,349,119)</u>	<u>332,419,537</u>
Expenses:					
Employee compensation and benefits	66,615,117	9,708,845	8,748,645	(4,710,429)	80,362,178
Professional fees and contract services	44,994,817	6,697,686	2,510,403	(892,754)	53,310,152
Awards and grants	92,305,308	12,537,258	9,038,573	(18,547,889)	95,333,250
Conferences, meetings, and travel	9,669,564	2,431,274	3,448,954	—	15,549,792
Advertising and public service messages	9,664,475	3,747,624	94,653	—	13,506,752
Other	31,346,221	8,034,802	3,912,456	(5,198,047)	38,095,432
Total expenses	<u>254,595,502</u>	<u>43,157,489</u>	<u>27,753,684</u>	<u>(29,349,119)</u>	<u>296,157,556</u>
Change in net assets	35,924,353	—	337,628	—	36,261,981
Net assets at beginning of year	<u>236,322,255</u>	<u>—</u>	<u>1,895,704</u>	<u>—</u>	<u>238,217,959</u>
Net assets at end of year	<u>\$ 272,246,608</u>	<u>—</u>	<u>2,233,332</u>	<u>—</u>	<u>274,479,940</u>

See accompanying independent auditors' report.

**PLANNED PARENTHOOD FEDERATION
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Consolidating Schedule - Statement of Activities – Temporarily Restricted Net Assets

Year ended June 30, 2018

	<u>Planned Parenthood Federation of America, Inc.</u>	<u>Planned Parenthood Action Fund, Inc.</u>	<u>Planned Parenthood Global, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Planned Parenthood Federation of America, Inc.</u>
Revenue, net gains, and other support:					
Revenue and net gains:					
Contributions and grants:					
Direct response	\$ 374,912	21,749,724	—	—	22,124,636
Major donors, foundations, and corporations	48,232,328	16,758,029	43,130	—	65,033,487
Bequests and other planned giving revenue	13,586,050	2,853,395	—	—	16,439,445
Affiliates, other support	—	—	14,466,676	(14,466,676)	—
Special events, net of expenses of \$2,935	—	160,950	—	—	160,950
Total contributions and grants	<u>62,193,290</u>	<u>41,522,098</u>	<u>14,509,806</u>	<u>(14,466,676)</u>	<u>103,758,518</u>
Other revenue and net gain (losses):					
Interest and dividends, net of fees	500,702	—	—	—	500,702
Net realized and unrealized appreciation in fair value of investments	3,489,322	—	—	—	3,489,322
Change in value of split-interest agreements	(451,286)	—	—	—	(451,286)
Fees for services and other revenue	—	2,183,706	—	(372,505)	1,811,201
Total other revenue and net gains	<u>3,538,738</u>	<u>2,183,706</u>	<u>—</u>	<u>(372,505)</u>	<u>5,349,939</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>(69,198,509)</u>	<u>(43,157,489)</u>	<u>(24,010,099)</u>	<u>14,839,181</u>	<u>(121,526,916)</u>
Total revenue, net gains (losses), and other support	<u>(3,466,481)</u>	<u>548,315</u>	<u>(9,500,293)</u>	<u>—</u>	<u>(12,418,459)</u>
Change in net assets	<u>(3,466,481)</u>	<u>548,315</u>	<u>(9,500,293)</u>	<u>—</u>	<u>(12,418,459)</u>
Net assets at beginning of year	<u>98,503,059</u>	<u>22,323,781</u>	<u>12,096,854</u>	<u>—</u>	<u>132,923,694</u>
Net assets at end of year	<u>\$ 95,036,578</u>	<u>22,872,096</u>	<u>2,596,561</u>	<u>—</u>	<u>120,505,235</u>

See accompanying independent auditors' report.