

**Planned Parenthood League
of
Massachusetts, Inc. and Subsidiary**

Consolidated Financial Statements
and
Independent Auditors' Report

June 30, 2020

Planned Parenthood League of Massachusetts, Inc.
Table of Contents

	Page
Independent Auditors' Report	1
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplemental Information	23



DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
Planned Parenthood League of Massachusetts, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Planned Parenthood League of Massachusetts, Inc. and Subsidiary (the Organization) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2020, 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 accounting principles generally accepted in the United States of America; 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Planned Parenthood League of Massachusetts, Inc. and Subsidiary as of June 30, 2020, and the changes in its consolidated net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Adoption of Accounting Pronouncement

As discussed in Note 2 to the consolidated financial statements, the Organization has adopted Accounting Standards Update (ASU) 2014-09 – Revenue from Contracts with Customers (Topic 606) and ASU 2018-08 Not-For-Profit Entities (Topic 958) – *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited the Organization’s fiscal year 2019 consolidated financial statements, and our report dated November 12, 2019, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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 Schedule of Financial Position* and *Consolidating Schedule of Activities* on pages 23 and 24 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.

Daniel Dennis & Company LLP

December 9, 2020

Planned Parenthood League of Massachusetts, Inc. and Subsidiary

Consolidated Statement of Financial Position

June 30, 2020 with Comparative Totals as of June 30, 2019

	2020	2019
<i>Assets</i>		
<i>Current Assets:</i>		
Cash	\$ 3,510,582	\$ 3,521,505
Investments	20,223,375	19,140,828
Accounts receivable, net	1,384,444	1,549,949
Inventory	169,238	405,168
Prepaid expenses	<u>74,208</u>	<u>166,618</u>
Total current assets	<u>25,361,847</u>	<u>24,784,068</u>
<i>Noncurrent Assets:</i>		
Split interest agreements	23,374	25,939
Permanently restricted investment	1,130,108	1,069,642
Due from related party	180,529	92,260
Land, building and equipment less accumulated depreciation of \$12,314,963	<u>13,517,798</u>	<u>12,402,700</u>
Total noncurrent assets	<u>14,851,809</u>	<u>13,590,541</u>
Total assets	<u>\$ 40,213,656</u>	<u>\$ 38,374,609</u>
<i>Liabilities and Net Assets</i>		
<i>Current Liabilities:</i>		
Accounts payable	\$ 622,064	\$ 940,378
Accrued expenses	1,110,607	890,490
Advances on grants and contracts	237,642	393,790
Deferred rent	62,919	-
Notes payable, current portion	<u>56,882</u>	<u>54,992</u>
Total current liabilities	<u>2,090,114</u>	<u>2,279,650</u>
<i>Noncurrent Liabilities:</i>		
Notes payable	<u>4,006,397</u>	<u>1,763,114</u>
Total liabilities	<u>6,096,511</u>	<u>4,042,764</u>
<i>Net Assets:</i>		
Without donor restrictions:		
Plant	11,754,519	10,584,594
Board designated	2,137,648	2,137,648
Undesignated	<u>18,844,828</u>	<u>19,907,390</u>
Total without donor restrictions	32,736,995	32,629,632
With donor restrictions	<u>1,380,150</u>	<u>1,702,213</u>
Total net assets	<u>34,117,145</u>	<u>34,331,845</u>
Total liabilities and net assets	<u>\$ 40,213,656</u>	<u>\$ 38,374,609</u>

See accompanying notes to consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary

Consolidated Statement of Activities

For the Year Ended June 30, 2020

with Comparative Totals for the Year Ended June 30, 2019

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>2020 Total</i>	<i>2019 Total</i>
<i>Operating Support and Revenue:</i>				
Patient service revenue (net of contractual allowances and discounts):				
Greater Boston medical services	\$ 6,469,918	\$ -	\$ 6,469,918	\$ 7,119,928
Central Massachusetts medical services	2,669,100	-	2,669,100	1,549,722
Western Massachusetts medical services	2,112,873	-	2,112,873	3,628,962
Laboratory services	<u>1,066,632</u>	<u>-</u>	<u>1,066,632</u>	<u>1,336,683</u>
Net patient service revenue	12,318,523	-	12,318,523	13,635,295
Contract revenue	1,853,058	-	1,853,058	1,618,569
Other program service revenue	164,913	-	164,913	224,769
Contributions	6,165,201	356,082	6,521,283	6,473,543
Research grants	326,822	-	326,822	370,984
Contributed goods and services	94,327	-	94,327	90,566
Interest and dividends, net	397,381	24,159	421,540	891,831
Realized/unrealized gain on investments	704,214	14,692	718,906	281,787
Other income	2,002,384	-	2,002,384	1,513,883
Net assets released from restrictions	<u>716,996</u>	<u>(716,996)</u>	<u>-</u>	<u>-</u>
 Total operating support and revenue	 <u>24,743,819</u>	 <u>(322,063)</u>	 <u>24,421,756</u>	 <u>25,101,227</u>
 <i>Operating Expenses:</i>				
Program services:				
Medical services	14,191,280	-	14,191,280	14,106,106
Research center	419,940	-	419,940	473,800
Public affairs and communications	641,527	-	641,527	646,915
Education	1,151,847	-	1,151,847	1,486,354
Business development	<u>2,616,123</u>	<u>-</u>	<u>2,616,123</u>	<u>1,718,188</u>
Total program services	<u>19,020,717</u>	<u>-</u>	<u>19,020,717</u>	<u>18,431,363</u>
Supporting services:				
Management and general	3,105,016	-	3,105,016	3,055,553
Fundraising	<u>1,510,723</u>	<u>-</u>	<u>1,510,723</u>	<u>1,416,533</u>
Total supporting services	<u>4,615,739</u>	<u>-</u>	<u>4,615,739</u>	<u>4,472,086</u>
Total operating expenses	<u>23,636,456</u>	<u>-</u>	<u>23,636,456</u>	<u>22,903,449</u>
 Changes in net assets from operating activities	 1,107,363	 (322,063)	 785,300	 2,197,778
 <i>Non-operating activity:</i>				
Contribution expense	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Changes in net assets from non-operating activities	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>
Change in net assets	<u>107,363</u>	<u>(322,063)</u>	<u>(214,700)</u>	<u>2,197,778</u>
Net assets, beginning of year	<u>32,629,632</u>	<u>1,702,213</u>	<u>34,331,845</u>	<u>32,134,067</u>
Net assets, end of year	<u>\$ 32,736,995</u>	<u>\$ 1,380,150</u>	<u>\$ 34,117,145</u>	<u>\$ 34,331,845</u>

See accompanying notes to consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

	<i>Medical Services</i>	<i>Research Center</i>	<i>Public Affairs and Communications</i>	<i>Education</i>	<i>Business Development</i>	<i>Total Program Expense</i>	<i>Fundraising Expense</i>	<i>Management and General</i>	<i>2020 Total</i>	<i>2019 Total</i>
Salary	\$ 5,709,491	\$ 220,520	\$ 327,608	\$ 681,025	\$ 1,104,772	\$ 8,043,416	\$ 814,604	\$ 2,024,223	\$ 10,882,243	\$ 10,013,592
Fringe and payroll taxes	1,121,807	43,857	64,538	137,345	218,373	1,585,920	162,704	408,654	2,157,278	2,044,843
Contracted services and professional fees	2,376,291	116,995	65,982	124,566	966,504	3,650,338	262,796	474,784	4,387,918	4,176,029
Office supplies	51,556	668	386	3,535	1,096	57,241	33,513	5,961	96,715	105,693
Program supplies	2,389,266	4,878	4,996	34,602	9,481	2,443,223	1,266	320	2,444,809	2,803,054
Equipment rental and maintenance	44,038	432	644	779	11,506	57,399	897	1,311	59,607	62,498
Occupancy	406,994	972	1,392	2,873	1,846	414,077	3,676	-	417,753	420,634
Telephone	138,152	4,128	4,701	10,280	124,693	281,954	12,238	96	294,288	282,483
Depreciation	701,614	15,168	24,399	89,560	24,544	855,285	48,853	37,562	941,700	869,057
Conferences and meetings	47,476	659	1,765	3,759	11,740	65,399	30,018	32,013	127,430	152,238
Dues and fees	54,369	200	133,035	4,444	11,269	203,317	2,742	27,446	233,505	226,879
Travel	29,710	4,310	1,945	35,100	34,816	105,881	8,399	21,648	135,928	151,443
Insurance	328,412	1,623	2,323	4,794	3,080	340,232	6,124	425	346,781	336,014
Interest and fees	21,292	-	-	878	-	22,170	8,019	50,154	80,343	81,530
Advertising	-	99	-	500	75,364	75,963	-	-	75,963	178,304
Printing	5,124	61	212	179	7,115	12,691	95,142	537	108,370	94,637
Loss on disposals	2,399	-	-	-	-	2,399	-	7,095	9,494	45,952
PPFA national support	52,905	1,360	1,946	4,018	2,581	62,810	5,132	-	67,942	-
Repairs and maintenance	537,239	4,010	5,581	11,445	7,343	565,618	14,600	12,734	592,952	580,144
Bad debt	172,659	-	-	2,165	-	174,824	-	-	174,824	252,257
Miscellaneous	486	-	74	-	-	560	-	53	613	26,168
Total operating expenses	<u>14,191,280</u>	<u>419,940</u>	<u>641,527</u>	<u>1,151,847</u>	<u>2,616,123</u>	<u>19,020,717</u>	<u>1,510,723</u>	<u>3,105,016</u>	<u>23,636,456</u>	<u>22,903,449</u>
Contribution	-	-	-	-	-	-	-	1,000,000	1,000,000	-
Total expenses	<u>\$ 14,191,280</u>	<u>\$ 419,940</u>	<u>\$ 641,527</u>	<u>\$ 1,151,847</u>	<u>\$ 2,616,123</u>	<u>\$ 19,020,717</u>	<u>\$ 1,510,723</u>	<u>\$ 4,105,016</u>	<u>\$ 24,636,456</u>	<u>\$ 22,903,449</u>

See accompanying notes to consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2020

With Comparative Totals for the Year Ended June 30, 2019

	2020	2019
Cash Flows From Operating Activities		
Changes in net assets	\$ (214,700)	\$ 2,197,778
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	941,700	869,057
Change in discounts of pledges	-	(171)
Bad debt	174,824	252,257
Loss on disposals	9,494	45,952
Net unrealized gain on investment	(443,689)	(282,061)
Change in operating assets and liabilities:		
Accounts receivable	53,598	(363,096)
Unconditional promises to give	-	3,829
Prepays	92,410	45,826
Inventory	235,930	53,332
Other assets	2,565	4,580
Advances and deferred revenue	(156,148)	224,314
Change in due to/due from related party	(88,269)	110,576
Accounts payable and accrued expenses	<u>(98,197)</u>	<u>(89,734)</u>
Net cash provided by operating activities	<u>509,518</u>	<u>3,072,439</u>
Cash Flows From Investing Activities		
Purchase of investments	(699,324)	(891,831)
Purchase of fixed assets	<u>(2,066,290)</u>	<u>(2,457,145)</u>
Net cash used in investing activities	<u>(2,765,614)</u>	<u>(3,348,976)</u>
Cash Flows From Financing Activities		
Loan proceeds	2,300,000	-
Payments on notes payable	<u>(54,827)</u>	<u>(53,864)</u>
Net cash provided by/(used in) financing activities	<u>2,245,173</u>	<u>(53,864)</u>
Net change in cash	(10,923)	(330,401)
Cash at beginning of year	<u>3,521,505</u>	<u>3,851,906</u>
Cash at end of year	<u>\$ 3,510,582</u>	<u>\$ 3,521,505</u>
<i>Supplementary Disclosure of Cash Flow Information</i>		
Cash paid for interest	<u>\$ 56,273</u>	<u>\$ 57,237</u>

See accompanying notes to consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

1. *The Organization*

Planned Parenthood League of Massachusetts, Inc. (PPLM) is a not-for-profit organization whose mission is to protect and promote sexual and reproductive health and freedom of choice by providing clinical services, education and advocacy. PPLM operates out of four locations in Massachusetts, with its most significant location in Boston, Massachusetts. PPLM was established in January 1979 as a Massachusetts not-for-profit corporation while predecessor organizations date back to 1928.

PPLM's operations are funded largely by contributions from the general public, government contracts and revenues for services.

PPLM operates the following programs:

Medical Services – Provides medical reproductive health services and offers counseling, medical advice and referrals for health care.

Research Center – Conducts independent as well as collaborative clinical research on unintended pregnancy, family planning and abortion care methods.

Public Affairs and Communications – Leads coordinated strategies to build an environment among policymakers, donors and general public that supports Planned Parenthood services, programs and policy goals.

Education – Provides organization-based sex education curriculum, parent education programs and professional training.

Business Development – Focuses on new patient acquisition and strategic partnership development and includes marketing/advertising, stakeholder engagement, community outreach, brand/image alignment and shared services.

2. *Summary of Significant Accounting Policies*

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of PPLM and its wholly owned subsidiary 470 Pleasant Street Holdings Company, Inc. (470 Pleasant Street), collectively referred to as the Organization. All material intercompany transactions have been eliminated in these consolidated financial statements.

470 Pleasant Street was formed as a not-for-profit organization under the laws of the Commonwealth of Massachusetts on December 28, 2009 for the purpose of owning land and a building in Worcester, Massachusetts, which is exclusively rented to PPLM.

Accounting Method

The Organization uses the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

2. *Summary of Significant Accounting Policies - continued*

New Accounting Pronouncement

During fiscal year 2020, the Organization adopted the provisions of the Financial Accounting Standard Board's (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all related amendments. ASU 2014-09 supersedes most existing revenue recognition guidance. ASU 2014-09 provides a principles-based framework for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the Organization expects in exchange for the goods or services provided. It also requires enhanced disclosures to enable users of the consolidated financial statements to understand nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization has applied the ASU on a modified retrospective method applied to those contracts which were not completed as of July 1, 2019 (the practical expedient elected) and has concluded that the adoption of the new standard did not require an adjustment to the opening net asset balances.

During fiscal year 2020, the Organization adopted the provisions of the FASB's ASU 2018-08 *Not-for Entities (Topic 958) – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 requires transactions to be determined as an exchange or contribution and as conditional or unconditional when a contribution has taken place. The Organization has applied the ASU on a modified prospective basis and has concluded that the adoption of the new standard did not require an adjustment to the opening net asset balances.

Revenue Recognition

Contracts with Customers and Other Exchange Transactions

The Organization recognizes medical services revenue at the point in time the medical services are provided. Medical revenue is recognized at its standard charges with a reduction for contractual allowances for those patients with third party payer coverage. For uninsured patients, the Organization recognizes revenue on the basis of its standard rates for services provided with a reduction for a self-pay discount, which is expensed as a contractual allowance. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Therefore, the Organization records a significant allowance for doubtful accounts related to uninsured patients in the period the services are provided. Under the current revenue recognition model the provisions for bad debt related to medical services are recorded as an operating expense, and as such, the fiscal year 2019 provision for bad debt has been reclassified on the consolidated statement of activities from a contra revenue financial statement line item to an operating expense, this resulted in no effect on the change in net assets for the year ended June 30, 2019. At the beginning and end of the fiscal year ended June 30, 2020, contract assets related to medical service revenue consisted of accounts receivable in the amounts of \$641,725 and \$438,806, respectively. There were no contract liabilities related to medical services revenue at the beginning or end of the fiscal year ended June 30, 2020.

The Organization has additional revenue streams from educational and other programs and shared service agreements. These amounts are recognized as revenue at the point in time the services are provided or fees are incurred. At the beginning and end of the fiscal year ended June 30, 2020, contract assets related to educational and other programs and shared service agreements revenue consisted of accounts receivable in the amounts of \$170,988 and \$176,034, respectively. There were no contract liabilities related to educational and other programs and shared service agreements revenue at the beginning or end of the fiscal year ended June 30, 2020.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

2. *Summary of Significant Accounting Policies - continued*

Revenue Recognition - continued

Contributions, Grants and Government Contracts

The Organization distinguishes between contributions received for each net asset category in accordance with donor imposed restrictions. Contributions may include gifts of cash, collection items or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in net assets with donor restrictions. Conditional contributions are not included as support and revenue until the conditions are met.

The Organization receives revenue from cost reimbursement and unit based government grants and contracts. These grants and contracts are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenditures and are recognized as revenue when the conditions have been met. Amounts received prior to satisfying the grant or contract conditions are reported as advances on grants and contracts in the *Consolidated Statement of Financial Position*.

The Organization receives research grant revenue that is conditional upon performance of certain research requirements and/or the incurrence of allowable qualifying expenditures and are recognized as revenue when the conditions have been met. Amounts received prior to satisfying the grant or contract conditions are reported as advances on grants and contracts in the *Consolidated Statement of Financial Position*.

Net Asset Classification

Net assets of the Organization are classified into two categories based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Board of Directors has discretionary control over these net assets and may elect to designate such resources for specific purposes. This designation may be removed at the Board's direction.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For the purposes of the consolidated statement of financial position and the consolidated statement of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2020 and 2019.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

2. *Summary of Significant Accounting Policies - continued*

Accounts Receivable

Accounts receivables are presented net of the allowance for doubtful accounts. The Organization's periodic evaluation of the adequacy of the allowance is based on its past experience. Accounts receivable are charged off when all efforts to collect the account have been exhausted and the amounts have been sent to collection agencies. Any recovery is recorded when received.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue.

Inventories

Inventories purchased for use in program and supporting services are carried at the lower of cost or market. Cost is determined using the first-in, first-out method.

Investments

The Organization carries investments in marketable securities at fair value in the *Consolidated Statement of Financial Position*. Realized and unrealized gains and losses are reflected in the *Consolidated Statement of Activities*. Investment income and gains and losses are recorded as increases or decreases in net assets without donor restrictions unless a donor or law temporarily or permanently restricts their use.

Fair Value Measurements

Investments are reported using 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets.
- 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;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

2. *Summary of Significant Accounting Policies - continued*

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost or at fair market value at the date of donation. The Organization capitalizes all fixed assets costing greater than \$2,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are 40 years for buildings, 20 years or the remaining life of the lease for building/leasehold improvements and 3 to 10 years for equipment.

Long lived assets, such as buildings are reviewed on an ongoing basis for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated by the asset including any estimated proceeds from the eventual disposition of the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds its fair value. As of June 30, 2020 and 2019, management has determined that there has been no impairment of its long lived assets.

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services and Materials

The Organization records various types of in-kind support including professional services, advertising and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Such donations are recorded as contributions in the consolidated financial statements. Donated materials are recorded at the fair value at the date of the gift. For the fiscal years ended June 30, 2020 and 2019, the value of donated services and materials recognized was \$94,327 and \$90,566, respectively.

Additionally, the Organization receives a significant amount of skilled contributed services, which does not meet the two criteria described above. Accordingly, the value of these contributed services is not reflected in the accompanying consolidated financial statements. For the fiscal years ended June 30, 2020 and 2019, the Organization received \$36,535 and \$24,204, respectively, in non-professional volunteer services.

Income Tax Status

PPLM and 470 Pleasant Street are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. PPLM and 470 Pleasant Street are also exempt from Massachusetts income taxes, except for income taxes on unrelated business income, if any. For the year ended June 30, 2020, PPLM and 470 Pleasant Street had no unrelated business income subject to income taxes.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

2. *Summary of Significant Accounting Policies - continued*

Income Tax Status – continued

As of June 30, 2020, PPLM and 470 Pleasant Street have evaluated the tax positions taken in its previously filed returns and those expected to be taken in their fiscal year 2020 returns, and believes they are *more-likely-than-not* of being sustained if examined by Federal or state tax authorities. PPLM and 470 Pleasant Street's 2017 through 2019 tax years remain subject to examination by Federal and state tax authorities.

Functional Expenses

Expenses are charged directly to programs or general and administrative based on specific identification. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Accordingly, certain costs have been allocated among the programs based on personnel time estimates and patient visits. The *Consolidated Statement of Functional Expenses* discloses expenses by functional and natural classification.

Reclassifications

Certain fiscal year 2019 amounts have been reclassified to conform to the fiscal year 2020 consolidated financial statement presentation.

Summarized Comparative Information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2019, from which the summarized information was derived.

3. *Significant Concentrations*

Credit Risk

Cash balances at the financial institutions with which the Organization maintains its accounts are insured by the Federal Deposit Insurance Corporation (FDIC). At times these accounts exceed the FDIC insurance limit. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

4. *Investments*

As of June 30, 2020 and 2019, the Organization's investment accounts are maintained at one financial institution. The investments are subject to market fluctuations and due to the level of risk associated with investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

4. Investments - continued

At June 30, 2020 and 2019, investments are measured at fair value on a recurring basis and consisted of the following:

<i>Description</i>	<i>Level 1</i>	
	<i>2020</i>	<i>2019</i>
<i>Mutual funds:</i>		
Corporate Bond	\$ 1,574,163	\$ 1,048,399
Mid-Cap Growth	581,115	596,538
Large Growth	1,520,184	1,481,276
Short Term Bond	1,270,878	1,379,251
Mid-Cap Blend	550,832	521,876
World Bond	1,959,239	1,870,161
Foreign Large Blend	5,465,344	4,807,849
Intermediate-Term Bond	2,837,706	2,897,465
Large Blend	4,195,985	4,212,533
Large Value	1,398,037	1,395,122
Total	\$ 21,353,483	\$ 20,210,470

The following schedule summarizes the investment returns for the fiscal years ended June 30, 2020 and 2019:

<i>Description</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>June 30, 2020</i>			
Interest and dividends	\$ 432,540	\$ 24,159	\$ 456,699
Realized/Unrealized gains on investments	704,214	14,692	718,906
Investment fees	(35,159)	-	(35,159)
Total	\$ 1,101,595	\$ 38,851	\$ 1,140,446
 <i>June 30, 2019</i>			
Interest and dividends	\$ 876,397	\$ 48,972	\$ 925,369
Realized/Unrealized gains on investments	281,787	-	281,787
Investment fees	(33,538)	-	(33,538)
Total	\$ 1,124,646	\$ 48,972	\$ 1,173,618

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

5. *Property and Equipment*

Property and equipment consisted of the following at June 30, 2020 and 2019:

<i>Description</i>	<i>2020</i>	<i>2019</i>
Land	\$ 1,595,669	\$ 1,595,669
Buildings and improvements	18,149,670	16,696,528
Leasehold improvements	1,363,217	1,350,654
Equipment	<u>4,724,205</u>	<u>4,661,889</u>
Total	25,832,761	24,304,740
Less: accumulated depreciation	<u>(12,314,963)</u>	<u>(11,902,040)</u>
Net	<u>\$ 13,517,798</u>	<u>\$ 12,402,700</u>

Depreciation expense was \$941,702 and \$869,057 for the years ended June 30, 2020 and 2019, respectively.

6. *Inventory*

Inventories are comprised of supplies in the amount of \$169,238 and \$405,168 at June 30, 2020 and 2019, respectively.

7. *Accounts Receivable*

Accounts receivable consisted of the following at June 30, 2020 and 2019:

<i>Description</i>	<i>2020</i>	<i>2019</i>
Patient service accounts receivable	\$ 629,895	\$ 897,427
Less: Allowance for doubtful accounts	<u>(191,089)</u>	<u>(255,702)</u>
Net patient service accounts receivable	438,806	641,725
Government contracts	303,953	185,972
Other	<u>641,685</u>	<u>722,252</u>
Net accounts receivable	<u>\$ 1,384,444</u>	<u>\$ 1,549,949</u>

8. *Conditional Promise to Give*

The Organization has cost reimbursement and unit rate government contracts from the Commonwealth of Massachusetts, whose revenue is conditional upon delivering specific services to patients or incurring qualifying expenditures. These conditional contracts will be recognized in the consolidated financial statements when the conditions on which they depended are satisfied. The conditional promises to give at June 30, 2020 for the cost reimbursement and the unit rate government contracts are \$1,909,472 and \$342,000, respectively.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

9. Notes Payable

Eastern Bank

PPLM had a \$4,400,000 loan payable with Eastern Bank, which was refinanced during fiscal year 2017 to extend the maturity date from July 1, 2017 to June 26, 2027. The note bears interest at 3.07% per annum. The loan is secured by the Worcester facility and is guaranteed by 470 Pleasant Street. As of June 30, 2020 and 2019, the outstanding balance was \$1,763,279 and \$1,818,106, respectively and interest expense for the years ended June 30, 2020 and 2019 was \$56,273 and \$57,237, respectively.

Paycheck Protection Program Loan

PPLM entered into a note agreement with Eastern Bank under the Paycheck Protection Program (PPP) on April 15, 2020 in the amount of \$2,300,000. The note bears interest at 1% per annum and matures on April 15, 2022. The note requires no payments for the first sixteen months and thereafter payments of principal and interest of \$128,792 are due monthly. Under the terms of the loan, if PPLM utilizes the loan proceeds to fund qualifying expenses over a twenty-four-week period, PPLM can apply for loan forgiveness. As of June 30, 2020 and 2019, the outstanding balance was \$2,300,000 and \$0, respectively.

Aggregate maturities of the long-term debt for the next five years and thereafter are as follows:

<i>Fiscal Year</i>	<i>Amount</i>
2021	\$ 56,882
2022	2,358,678
2023	62,308
2024	64,408
2025	64,409
Thereafter	<u>1,456,594</u>
Total	<u>\$ 4,063,279</u>

10. Operating Leases

PPLM leases office space in Springfield, Massachusetts under a non-cancelable operating lease. During fiscal year 2020, PPLM amended the lease agreement to extend the lease term until November 2029. Under the terms of the operating lease, PPLM pays for certain pass through costs associated with the operation of the building.

PPLM leases office space in Marlborough, Massachusetts under a non-cancelable operating lease agreement originally expiring in May 2020. During fiscal year 2020, PPLM extended the lease agreement until March 2021.

Rent expense for the years ended June 30, 2020 and 2019 was \$206,656 and \$144,141, respectively.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

10. Operating Leases - continued

The minimum payments due over the remaining terms of the leases are as follows:

<i>Fiscal Year</i>	<i>Amount</i>
2021	\$ 187,948
2022	170,360
2023	174,619
2024	178,984
2025	<u>183,459</u>
Total	<u>\$ 895,370</u>

11. Line of Credit

The Organization has a \$1,000,000 line of credit with a financial institution with an interest rate of prime. As of June 30, 2020 and 2019, there was no outstanding balance on the line.

12. Tax Deferred Savings

The Organization offers a tax-deferred savings plan, which qualifies as a voluntary contribution savings plan under Internal Revenue Code Section 403(b). The plan is administered by a financial institution. Employees may provide tax-deferred contributions to fully vested individual retirement accounts up to the Internal Revenue Code limit. The plan covers all employees over age of eighteen and employees are eligible to contribute from the date of hire. The Board of Directors approved a 100% match of participants' contributions up to 3% of their compensation. Pension expense for the years ended June 30, 2020 and 2019 was \$174,642 and \$204,875, respectively.

13. Related Party Transactions

Planned Parenthood Advocacy Fund (“PPAF”) was incorporated on January 6, 1984 as a social welfare organization whose purpose includes studying aspects of family planning, promoting public interest in comprehensive reproductive health services and conducting lobbying efforts related to issues of reproductive health. PPAF and the Organization have overlapping members of their boards of directors, however the Organization does not have control over PPAF. The Organization purchases services on behalf of PPAF and is reimbursed for these services. In addition, the Organization provides PPAF with certain support services. During fiscal years 2020 and 2019, the Organization provided a grant to PPAF in the amount of \$125,000 and \$100,000, respectively to continue its advocacy activities. As of June 30, 2020 and 2019, the Organization had an amount receivable from PPAF of \$180,529 and \$92,260, respectively.

PPLM is a member of Planned Parenthood Federation of America (PPFA), which requires payment of dues to the national organization for certain support services. For fiscal year 2019, PPFA waived the payment of dues for all members. For the year ended June 30, 2020, dues paid to PPFA were \$67,938.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

14. Insurance Captive

PPLM is a participant in Affiliated Risk Management Services, Inc. (“ARMS”) which is a self-insurance fund for the PPFA family of affiliates. ARMS provides comprehensive, stable, and affordable insurance, risk management, and quality management services to Planned Parenthood entities so they can better advance their mission. The program offers a wide range of insurance coverages formulated to meet the needs of those participating Planned Parenthood entities. An entity must participate in all coverages provided by the program and cannot opt for selective coverages.

PPLM purchases its professional liability insurance, excess professional liability insurance, general liability, non-owned and hired automobile liability, umbrella liability, directors and officers insurance, employment practices liability, media special perils policy, and group travel accident insurance from ARMS through PPFA.

15. Endowment

On July 2, 2009, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) was signed into law in Massachusetts and was effective for endowments held as of June 30, 2009. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. However, one of the Organization’s donors provided the following restriction on the net appreciation; a portion of interest and dividends earned on the net assets with donor restrictions, not to exceed 5% annually, may be used to support the operations of the Organization.

The Board Designated Endowment may be used for operations at the Board of Director’s discretion. The endowment activity for fiscal years 2020 and 2019 are as follows:

<i>2020</i>	<i>Donor Restricted Endowment</i>	<i>Board-Designated Endowment</i>	<i>Total</i>
Endowment net assets - beginning of year	\$ 1,090,356	\$ 2,137,648	\$ 3,228,004
Investment return:			
Investment income	24,159	-	24,159
Net appreciation (realized and unrealized)	<u>14,692</u>	<u>-</u>	<u>14,692</u>
Total investment return	<u>38,851</u>	<u>-</u>	<u>38,851</u>
Appropriation of endowment assets for expenses	<u>(1,943)</u>	<u>-</u>	<u>(1,943)</u>
Endowment net assets - end of year	<u>\$ 1,127,264</u>	<u>\$ 2,137,648</u>	<u>\$ 3,264,912</u>

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

15. Endowment - continued

<i>2019</i>	<i>Donor Restricted Endowment</i>	<i>Board-Designated Endowment</i>	<i>Total</i>
Endowment net assets - beginning of year	\$ 1,043,833	\$ 1,948,592	\$ 2,992,425
Investment return:			
Investment income	<u>48,972</u>	<u>-</u>	<u>48,972</u>
Total investment return	<u>48,972</u>	<u>-</u>	<u>48,972</u>
Contributions to the endowment	-	189,056	189,056
Appropriation of endowment assets for expenses	<u>(2,449)</u>	<u>-</u>	<u>(2,449)</u>
Endowment net assets - end of year	<u>\$ 1,090,356</u>	<u>\$ 2,137,648</u>	<u>\$ 3,228,004</u>

16. Net Assets with Donor Restrictions

The Organization's net assets restricted for purpose of the programs at June 30, 2020 and 2019 were as follows:

<i>Description</i>	<i>2020</i>	<i>2019</i>
Sexual Health Matters Campaign	\$ 87,134	\$ 129,581
Education	25,000	62,500
Health centers	23,200	5,000
Innovation fund	32,345	347,712
Strategic Plan Campaign	12,000	-
Other initiatives	<u>73,207</u>	<u>67,064</u>
	<u>\$ 252,886</u>	<u>\$ 611,857</u>

Additionally, the Organization has received public gifts with specific donor stipulations requiring that the principal be held in perpetuity and that only a portion of the income therefrom be used for operations. These resources are, by act of Congress, under the control of the board of directors who are required to maintain and invest the funds. The balance of net assets with donor restrictions held in perpetuity at June 30, 2020 and 2019 are follows:

<i>Description</i>	<i>2020</i>	<i>2019</i>
Held in perpetuity	<u>\$ 1,127,264</u>	<u>\$ 1,090,356</u>

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

16. Net Assets with Donor Restrictions - continued

Net assets released from net assets with donor restrictions during fiscal years 2020 and 2019 comprised of:

<i>Description</i>	<i>2020</i>	<i>2019</i>
Sexual Health Matters Campaign	\$ 42,447	\$ -
Education	110,500	592,155
Health centers	74,447	27,850
Innovation fund	315,367	76,601
Strategic Plan Campaign	160,000	-
Appropriation of endowment		
earnings for operations	1,943	2,449
Other initiatives	<u>12,292</u>	<u>18,444</u>
	<u>\$ 716,996</u>	<u>\$ 717,499</u>

Lastly, the Board of Directors has designated a portion of the without donor restricted net assets for future capital needs and operations at their discretion. The balance of the board designated net assets was \$2,137,648 for the years ended June 30, 2020 and 2019.

17. Contingencies

Government Grants and Contracts

The Organization’s various grants and contracts are subject to audit by appropriate governmental agencies. Acceptance of final costs incurred under these grants and contracts resides with these grantor agencies. As of the date of these financial statements, the materiality of adjustments to final costs, if any, cannot be determined although management does not anticipate any. Therefore, no adjustment has been made to the consolidated financial statements.

Litigation

The Organization is a defendant in two legal cases. While the final outcome cannot be determine at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on the Organization’s consolidated financial statements. Accordingly, no provision has been made in the accompanying consolidated financial statements since the ultimate liability cannot be reasonably estimated.

The Organization filed a civil action against a vendor and subsequently entered into settlement negotiations. While the final outcome of the settlement cannot be determined at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on the Organization’s consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

17. Contingencies – continued

COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a novel strain of coronavirus (COVID-19) as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. During fiscal year 2020, COVID-19 resulted in the Organization having to reduce clinic hours in order to comply with health and safety standards. Future potential impacts may include disruptions or restrictions on the ability to serve patients and employee’s ability to work. The future impact of these issues cannot be reasonably estimated.

18. Commitment

During fiscal year 2020, PPLM entered into an operating agreement with Clinical Health Network for Transformation, Inc. (CHN), a not-for-profit organization whose mission is to develop a transformational healthcare operating model for Planned Parenthood affiliates by standardizing clinical, operating, financial and human resources policies and procedures. PPLM provided a contribution to CHN in the amount of \$1,000,000, which is recorded as a non-operating expense in the *Consolidated Statement of Activities*, for the purpose of building infrastructure to render services to PPLM in the future. PPLM is committed to paying fees to CHN, in accordance with the operating agreement, in exchange for future services rendered by CHN.

19. Availability and Liquidity

The table below presents the Organization’s financial assets available within one year to meet its general expenditures at June 30, 2020 and 2019:

	2020	2019
<i>Financial assets at year end</i>		
Cash	\$ 3,510,582	\$ 3,521,505
Accounts receivable, net	1,384,444	1,549,949
Investments not limited to use	<u>20,223,375</u>	<u>19,140,828</u>
Total financial assets	25,118,401	24,212,282
<i>Less amounts not available to be used within one year</i>		
Net assets with donor restrictions	(252,886)	(611,857)
Net assets with board designations	<u>(2,137,648)</u>	<u>(2,137,648)</u>
	(2,390,534)	(2,749,505)
Financial assets available to meet general expenditures within one year	<u>\$ 22,727,867</u>	<u>\$ 21,462,777</u>

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization maintains a line of credit in the amount of \$1,000,000, which could be drawn upon in the event of an unanticipated liquidity need (see Note 11).

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2020 with Comparative Totals for the Year Ended June 30, 2019

20. *Subsequent Events*

The Organization has performed an evaluation of subsequent events through December 9, 2020, which is the date the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2020 that requires recognition or disclosure in these financial statements.

SUPPLEMENTAL INFORMATION

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Consolidating Schedule of Financial Position
June 30, 2020

	<i>Planned Parenthood</i>	<i>470 Pleasant Street</i>	<i>Eliminations</i>	<i>Consolidated</i>
Assets:				
<i>Current Assets:</i>				
Cash	\$ 3,510,582	\$ -	\$ -	\$ 3,510,582
Investments	20,223,375	-	-	20,223,375
Accounts receivable, net	1,384,444	-	-	1,384,444
Inventory	169,238	-	-	169,238
Prepaid expenses	<u>74,208</u>	<u>-</u>	<u>-</u>	<u>74,208</u>
Total current assets	<u>25,361,847</u>	<u>-</u>	<u>-</u>	<u>25,361,847</u>
<i>Noncurrent Assets:</i>				
Split interest agreements	23,374	-	-	23,374
Permanently restricted investment	1,130,108	-	-	1,130,108
Due from related party	180,529	323,205	(323,205)	180,529
Land, building and equipment less accumulated depreciation	<u>7,706,062</u>	<u>5,984,888</u>	<u>(173,152)</u>	<u>13,517,798</u>
Total noncurrent assets	<u>9,040,073</u>	<u>6,308,093</u>	<u>(496,357)</u>	<u>14,851,809</u>
Total assets	<u>\$ 34,401,920</u>	<u>\$ 6,308,093</u>	<u>\$ (496,357)</u>	<u>\$ 40,213,656</u>
Liabilities and Net Assets:				
<i>Current Liabilities:</i>				
Accounts payable	\$ 622,064	\$ -	\$ -	\$ 622,064
Accrued expenses	1,110,607	-	-	1,110,607
Advances on grants and contracts	237,642	-	-	237,642
Deferred rent	62,919	-	-	62,919
Notes payable, current portion	<u>56,882</u>	<u>-</u>	<u>-</u>	<u>56,882</u>
Total current liabilities	<u>2,090,114</u>	<u>-</u>	<u>-</u>	<u>2,090,114</u>
<i>Noncurrent Liabilities:</i>				
Due to related party	323,205	-	(323,205)	-
Notes payable	<u>4,006,397</u>	<u>-</u>	<u>-</u>	<u>4,006,397</u>
Total noncurrent liabilities	<u>4,329,602</u>	<u>-</u>	<u>(323,205)</u>	<u>4,006,397</u>
Total liabilities	<u>6,419,716</u>	<u>-</u>	<u>(323,205)</u>	<u>6,096,511</u>
<i>Net Assets:</i>				
Without donor restrictions	26,602,054	6,308,093	(173,152)	32,736,995
With donor restrictions	<u>1,380,150</u>	<u>-</u>	<u>-</u>	<u>1,380,150</u>
Total net assets	<u>27,982,204</u>	<u>6,308,093</u>	<u>(173,152)</u>	<u>34,117,145</u>
Total liabilities and net assets	<u>\$ 34,401,920</u>	<u>\$ 6,308,093</u>	<u>\$ (496,357)</u>	<u>\$ 40,213,656</u>

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Consolidating Schedule of Activities
For the Year Ended June 30, 2020

	<i>Planned Parenthood</i>	<i>470 Pleasant Street</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>Operating Support and Revenue:</i>				
Patient service revenue (net of contractual allowances and discounts):				
Greater Boston medical services	\$ 6,469,918	\$ -	\$ -	\$ 6,469,918
Central Massachusetts medical services	2,669,100	-	-	2,669,100
Western Massachusetts medical services	2,112,873	-	-	2,112,873
Laboratory services	<u>1,066,632</u>	<u>-</u>	<u>-</u>	<u>1,066,632</u>
Net patient service revenue	12,318,523	-	-	12,318,523
Contract revenue	1,853,058	-	-	1,853,058
Other program service revenue	164,913	-	-	164,913
Contributions	6,521,283	-	-	6,521,283
Research grants	326,822	-	-	326,822
Contributed goods and services	94,327	-	-	94,327
Interest and dividends, net	421,540	-	-	421,540
Realized/unrealized gain on investments	718,906	-	-	718,906
Rental income	-	150,000	(150,000)	-
Other income	<u>2,002,384</u>	<u>-</u>	<u>-</u>	<u>2,002,384</u>
 Total operating support and revenue	 <u>24,421,756</u>	 <u>150,000</u>	 <u>(150,000)</u>	 <u>24,421,756</u>
 <i>Operating Expenses:</i>				
Program services:				
Medical services	14,176,421	170,536	(155,677)	14,191,280
Research center	419,940	-	-	419,940
Public affairs and communications	641,527	-	-	641,527
Education	1,151,847	-	-	1,151,847
Business development	<u>2,616,123</u>	<u>-</u>	<u>-</u>	<u>2,616,123</u>
Total program services	<u>19,005,858</u>	<u>170,536</u>	<u>(155,677)</u>	<u>19,020,717</u>
Supporting services:				
Management and general	3,105,016	-	-	3,105,016
Fundraising	<u>1,510,723</u>	<u>-</u>	<u>-</u>	<u>1,510,723</u>
Total supporting services	<u>4,615,739</u>	<u>-</u>	<u>-</u>	<u>4,615,739</u>
Total operating expenses	<u>23,621,597</u>	<u>170,536</u>	<u>(155,677)</u>	<u>23,636,456</u>
Changes in net assets from operating activities	800,159	(20,536)	5,677	785,300
 <i>Non-operating activity:</i>				
Contribution expense	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Changes in net assets from non-operating activities	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
Change in net assets	(199,841)	(20,536)	5,677	(214,700)
Net assets, beginning of year	<u>28,182,045</u>	<u>6,328,629</u>	<u>(178,829)</u>	<u>34,331,845</u>
Net assets, end of year	<u>\$ 27,982,204</u>	<u>\$ 6,308,093</u>	<u>\$ (173,152)</u>	<u>\$ 34,117,145</u>