PLANNED PARENTHOOD
NORTH CENTRAL STATES

CONSOLIDATED FINANCIAL STATEMENTS
AND
SINGLE AUDIT COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2019

PLANNED PARENTHOOD
NORTH CENTRAL STATES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Planned Parenthood North Central States
St. Paul, Minnesota

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Planned Parenthood North Central States (the Organization), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activity and changes in net assets, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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. The financial statements of Planned Parenthood Minnesota, North Dakota, South Dakota Action Fund, Planned Parenthood Minnesota, North Dakota, South Dakota Fund, Planned Parenthood of Minnesota Political Action Fund, Planned Parenthood Minnesota PAC, Planned Parenthood Political Action Committee, Planned Parenthood of the Heartland Foundation, Planned Parenthood Voters of Iowa, Planned Parenthood Voters of Iowa Political Action Committee, Planned Parenthood Voters of Nebraska, and BRIDGE Healthcare Partners were not audited in accordance with *Government Auditing Standards.*

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.

Board of Directors
Planned Parenthood North Central States

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Planned Parenthood North Central States as of June 30, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Schedule of Expenditures of Federal Awards and Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of Planned Parenthood North Central States' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Planned Parenthood North Central States' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Planned Parenthood North Central States' internal control over financial reporting and compliance. The financial statements of Planned Parenthood Minnesota, North Dakota, South Dakota Action Fund, Planned Parenthood Minnesota, North Dakota, South Dakota Fund, Planned Parenthood of Minnesota Political Action Fund, Planned Parenthood Minnesota PAC, Planned Parenthood Political Action Committee, Planned Parenthood of the Heartland Foundation, Planned Parenthood Voters of Iowa, Planned Parenthood Voters of Iowa Political Action Committee, Planned Parenthood Voters of Nebraska, and BRIDGE Healthcare Partners were not audited in accordance with *Government Auditing Standards*.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 19, 2019

PLANNED PARENTHOOD NORTH CENTRAL STATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 14,671,153
Patient Accounts Receivable, Net	2,536,384
Grants Receivable, Net	1,840,275
Current Pledges Receivable, Net	1,690,504
Inventory of Materials and Supplies	828,603
Prepaid Expenses	915,597
Other Current Assets	3,727,375
Total Current Assets	26,209,891
PROPERTY AND EQUIPMENT, NET	31,758,021
LONG-TERM INVESTMENTS	
Held for Endowment	12,633,788
Preferred Stock, Cost	500,000
Other Long-Term Investments	34,902,108
Total Long-Term Investments	48,035,896
OTHER ASSETS	
Pledges Receivable, Net	1,946,945
Charitable Remainder Unitrust Receivables	51,353
Other Assets	1,532,240
Total Other Assets	3,530,538
Total Assets	$ 109,534,346

See accompanying Notes to Consolidated Financial Statements.

PLANNED PARENTHOOD NORTH CENTRAL STATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2019

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Current Portion of Long-Term Debt	$ 741,837
Accounts Payable	3,375,736
Accrued Expenses:	
Salaries, Wages, and Benefits	936,071
Paid Time Off	1,004,825
Other	1,091,747
Total Current Liabilities	7,150,216
LONG-TERM LIABILITIES	
Long-Term Debt, Net of Current Portion	8,591,699
Annuities Payable and Other Long-Term Liabilities	1,251,445
Total Long-Term Liabilities	9,843,144
Total Liabilities	16,993,360
NET ASSETS	
Without Donor Restrictions	20,075,576
Without Donor Restrictions - Board Designated	29,894,196
With Donor Restrictions - Time and Purpose	25,178,831
With Donor Restrictions - Endowment	17,392,383
Total Net Assets	92,540,986
Total Liabilities and Net Assets	$ 109,534,346

See accompanying Notes to Consolidated Financial Statements.

PLANNED PARENTHOOD NORTH CENTRAL STATES
CONSOLIDATED STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions Time and Purpose	With Donor Restrictions Endowment	Total
REVENUES				
Contributions	$ 11,617,642	$ 5,965,048	$ 993,917	$ 18,576,607
Net Patient Service Revenues	31,353,287	-	-	31,353,287
Service Revenue	1,568,226	-	-	1,568,226
Grants and Contracts from Government Agencies:				
Federal Department of Health & Human Services Bureau of Community Health Services Grant (Title X)	4,895,280	-	-	4,895,280
Other Grants and Contracts	2,475,595	-	-	2,475,595
Other Revenue	3,564,934	-	-	3,564,934
Net Assets Released from Program Restrictions	6,666,980	(6,666,980)	-	-
Total Revenues	62,141,944	(701,932)	993,917	62,433,929
EXPENSES				
Program Services:				
Patient Services	34,830,001	-	-	34,830,001
Public Education	2,583,523	-	-	2,583,523
Public Affairs	2,548,632	-	-	2,548,632
Total Program Services	39,962,156	-	-	39,962,156
Supporting Services:				
Management and General	16,745,928	-	-	16,745,928
Fundraising	3,594,622	-	-	3,594,622
Total Supporting Services	20,340,550	-	-	20,340,550
Total Expenses	60,302,706	-	-	60,302,706
CHANGES IN NET ASSETS FROM OPERATIONS	1,839,238	(701,932)	993,917	2,131,223
OTHER CHANGES				
Investment Returns	3,664,694	-	-	3,664,694
Other Losses	(360,290)	-	-	(360,290)
Integration of Planned Parenthood of the Heartland, Inc. and its Subsidiaries	11,796,153	3,995,707	3,207,448	18,999,308
Acquisition of Bridge Healthcare Partners	(685,332)	-	-	(685,332)
Total Other Changes	14,415,225	3,995,707	3,207,448	21,618,380
CHANGE IN NET ASSETS	16,254,463	3,293,775	4,201,365	23,749,603
Net Assets - Beginning of Year	33,715,309	21,885,056	13,191,018	68,791,383
NET ASSETS - END OF YEAR	$ 49,969,772	$ 25,178,831	$ 17,392,383	$ 92,540,986

See accompanying Notes to Consolidated Financial Statements.

PLANNED PARENTHOOD NORTH CENTRAL STATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services				Supporting Services			
	Patient Services	Public Education	Public Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Staffing Expenses	$ 13,677,840	$ 1,249,154	$ 814,800	$ 15,741,794	$ 9,462,048	$ 1,775,250	$ 11,237,298	$ 26,979,092
Fringe Benefits	2,794,837	252,353	215,603	3,262,793	1,992,442	420,217	2,412,659	5,675,452
Total Salaries and Related Expenses	16,472,677	1,501,507	1,030,403	19,004,587	11,454,490	2,195,467	13,649,957	32,654,544
Other Staff Expenses	44,887	15,922	1,462	62,271	34,410	13,740	48,150	110,421
Consultant Expenses	807,964	198,275	23,499	1,029,738	1,415,019	398,040	1,813,059	2,842,797
Clinical Supplies and Services	9,005,142	47,849	12,260	9,065,251	123,866	6,124	129,990	9,195,241
Media and Printing	1,699,745	189,196	1,375,857	3,264,798	328,032	230,393	558,425	3,823,223
Insurance	241,122	247	52	241,421	70,562	-	70,562	311,983
Communications	264,905	29,651	8,087	302,643	251,137	13,386	264,523	567,166
Facilities	3,295,486	69,823	31,841	3,397,150	425,777	73,161	498,938	3,896,088
Meetings and Travel	505,287	240,695	23,717	769,699	181,841	265,184	447,025	1,216,724
Financial Fees	1	-	-	1	400,124	95,855	495,979	495,980
MIS Expenses	1,317,153	18,949	11,268	1,347,370	489,360	51,014	540,374	1,887,744
Equipment Expenses	223,735	9,664	2,947	236,346	25,607	12,325	37,932	274,278
Payments to Title X Delegate Agencies	149,955	-	-	149,955	-	-	-	149,955
Miscellaneous	54,146	38,758	8,338	101,242	148,100	224,625	372,725	473,967
Donation Expense	665,110	222,987	18,901	906,998	296,339	15,023	311,362	1,218,360
Depreciation and Amortization	82,686	-	-	82,686	1,101,264	285	1,101,549	1,184,235
Total Program and Supporting Services Expenses	18,357,324	1,082,016	1,518,229	20,957,569	5,291,438	1,399,155	6,690,593	27,648,162
Total Expenses	$ 34,830,001	$ 2,583,523	$ 2,548,632	$ 39,962,156	$ 16,745,928	$ 3,594,622	$ 20,340,550	$ 60,302,706

See accompanying Notes to Consolidated Financial Statements.

PLANNED PARENTHOOD NORTH CENTRAL STATES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 23,749,603
Adjustments to Reconcile Change in Net Assets to Net	
Cash Provided by Operating Activities:	
Depreciation and Amortization	1,184,235
Restricted Contributions	(3,544,989)
Net Realized Gain on Investments	(1,614,832)
Net Unrealized Gain on Investments	(1,165,551)
Valuation Changes in Annuities Payable	26,902
Valuation Changes in Charitable Remainder Unitrust Receivable	3,356
Integration of Planned Parenthood of the Heartland, Inc. and its Subsidiaries	(13,367,156)
Acquisition of Bridge Healthcare Partners	1,205,580
Change in Operating Assets and Liabilities:	
Patient Accounts Receivable, Net	1,839,098
Pledges Receivable, Net	389,057
Grants Receivable, Net	(1,440,209)
Inventory of Materials and Supplies	354,613
Prepaid Expenses	(196,381)
Other Current Assets	(2,650,407)
Related Party Receivable	-
Other Assets	(548,363)
Accounts Payable	1,101,326
Accrued Compensation and Benefits	(127,501)
Other Accrued Expenses	(579,585)
Net Cash Provided by Operating Activities	4,618,796
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment	(2,107,158)
Proceeds from Sale of Investments	7,362,660
Purchase of Investments	(3,547,007)
Net Cash Provided by Investing Activities	1,708,495
CASH FLOWS FROM FINANCING ACTIVITIES	
Issuance of Long-Term Debt	6,885,000
Payments on Long-Term Debt	(7,576,361)
Proceeds from Restricted Contributions	3,544,989
Payments on Annuity Contracts	(175,538)
Net Cash Provided by Financing Activities	2,678,090
INCREASE IN CASH AND CASH EQUIVALENTS	9,005,381
Cash and Cash Equivalents - Beginning of Year	5,665,772
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 14,671,153
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid for Interest	$ 267,598
NONCASH INVESTING AND FINANCING ACTIVITIES	
Property and Equipment Held in Accounts Payable at Year-End	$ 124,788

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Planned Parenthood North Central States (PPNCS) is a voluntary nonprofit corporation exempt from federal income taxation under Sections 501(c)(3) and 5019(a)(3) that serves as the parent organization and provides high-quality management and administrative services to Planned Parenthood of Minnesota, North Dakota, South Dakota, and Planned Parenthood of the Heartland, Inc., whose purpose is to provide high quality, affordable reproductive health care services to their communities.

Effective July 1, 2018, Planned Parenthood of Minnesota, North Dakota, South Dakota, together with its affiliated entities (Planned Parenthood of Minnesota, North Dakota, South Dakota Fund, Planned Parenthood Minnesota, North Dakota, South Dakota Action Fund (the "Action Fund"), and the Action Fund's segregated Political Account Committee organizations, Planned Parenthood of Minnesota Political Action Fund, Planned Parenthood Minnesota PAC, and Planned Parenthood Political Action Committee), became an ancillary organization of PPNCS. PPMNS transferred all employees to PPNCS and entered into an Employee Leasing Agreement and Management Services Agreement with PPNCS.

Effective January 1, 2019, Planned Parenthood of the Heartland Inc., together with its affiliated entities, (Planned Parenthood of the Heartland Foundation, Planned Parenthood Voters of Iowa, its segregated Political Action Committee organizations, Planned Parenthood Voters of Iowa Political Action Committee, and Planned Parenthood Voters of Nebraska,) became an ancillary organization of PPNCS. PPH transferred all employees to PPNCS and entered into an Employee Leasing Agreement and Management Services Agreement with PPNCS.

Effective April 5, 2019, PPNCS became the sole member of BRIDGE Healthcare Partners (BHP), a nonprofit corporation whose purpose is to provide certain management and technology services.

Collectively, PPNCS and its wholly controlled subsidiaries are referred to in the consolidated financial statements as the Organization. PPNCS is an affiliate of Planned Parenthood Federation of America, Inc.

Principles of Financial Consolidation

The Organization's consolidated financial statements included the financial position, activity and changes in net assets, functional expenses, and cash flows of Planned Parenthood North Central States, Planned Parenthood of Minnesota, North Dakota, South Dakota, Planned Parenthood Minnesota, North Dakota, South Dakota Action Fund, Planned Parenthood Minnesota, North Dakota, South Dakota Fund, Planned Parenthood of Minnesota Political Action Fund, Planned Parenthood Minnesota PAC, Planned Parenthood Political Action Committee, Planned Parenthood of the Heartland, Inc., Planned Parenthood of the Heartland Foundation, Planned Parenthood Voters of Iowa, Planned Parenthood Voters of Iowa Political Action Committee, Planned Parenthood Voters of Nebraska, and BRIDGE Healthcare Partners. Intercompany transactions have been eliminated in the preparation of the accompanying consolidated financial statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The Organization prepares its consolidated financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when obligations are incurred.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market accounts. The Organization maintains cash balances with quality financial institutions. Cash is held at high credit quality financial institutions. At times the amount on deposit may be in excess of the FDIC insurance limit.

Patient Accounts Receivable, Net

Patient accounts receivables are shown at the amount expected to be collectible after determining the allowance for doubtful accounts and contractual adjustments from third-party payors.

The Organization provides an allowance for bad debts, which is based on management judgment considering historical information. Services are provided on an unsecured basis. In addition, an allowance is provided for other accounts when a significant pattern of uncollectibility has occurred. At June 30, 2019, the allowance for third-party contractual adjustments and doubtful accounts was approximately $1,893,000. When all collection efforts have been exhausted, the account is written off against the allowance for bad debts.

Pledges Receivable, Net

Pledges to give that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of the amount expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in contribution revenue. Conditional pledges are not included as support until such time as the conditions are substantially met. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity. At June 30, 2019, the allowance for uncollectible contributions was approximately $47,900.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory of Materials and Supplies

Inventory of materials and supplies are valued at the lower of cost (first-in, first-out method) or net realizable value. Net realizable value is the estimated selling price (in the ordinary course of business) less reasonable expected costs for completion, disposal, and transportation.

Property and Equipment, Net

Property and equipment are carried at cost, less accumulated depreciation and amortization. Buildings and improvements are depreciated on a straight-line basis over an estimated useful life of 25 to 30 years. Furniture and equipment are depreciated on a straight-line basis over estimated lives of five to ten years. Leasehold improvements are amortized over the lesser of the terms of their respective leases or their estimated useful lives. The Organization capitalizes amounts over $5,000 that have useful lives greater than one year.

Impairment of Long-Lived Assets

Management periodically reviews the carrying value of long-lived assets for potential impairment by comparing the carrying value of these assets to the estimated undiscounted future cash flows expected to result from the use of these assets. Should the sum of the related expected future net cash flows be less than the carrying value, an impairment loss would be recognized. There were no impairments recorded in 2019.

Long-Term Investments

Investments with values based on public market quotations are recorded at fair value with unrealized gains and losses recognized in the consolidated statement of activity and changes in net assets. For other securities, for which no such quotations or valuations are readily available, value is estimated using net asset values provided by external investment managers. These can consist of equity investments, mutual funds, fixed income securities, and other funds and are recorded at approximate fair value as determined and approved by the managers or valuation committees of the alternative investments based upon judgements, which include, among other factors, restrictions affecting marketability and operating results.

Beneficial Interest in Assets Held by Others

Certain funds are held by The Greater Cedar Rapids Community Foundation (GCRCF), the Community Foundation of the Great River Bend, and Community Foundation of Greater Des Moines, in a board designated Operating Group endowment fund, for the benefit of PPHeartland. The transactions with these foundations are deemed to be reciprocal and, therefore, the value of the fund held by the foundations is recognized as an asset (beneficial interest in assets held by others) by PPHeartland. The beneficial interest in assets held by others is currently included in other assets.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Remainder Unitrust Receivables

The Organization is the beneficiary of several charitable remainder unitrusts. Each year the trustees pay the recipients during the recipients' life an annuity amount. Upon the death of the recipients, the trustee will distribute a percentage of the principal and income of the trust. The trust requires the Organization to set up a permanent endowment fund representing the value of the trust.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified into the following two categories:

Net Assets Without Donor Restrictions – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes.

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by a donor-imposed restriction. Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as an increase or decrease in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Donor-restricted contributions, the restrictions of which are met in the same year as the gift is made, are reported as contributions without donor restrictions in the current year. Contributions of assets other than cash are recorded at their estimated fair value.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payment to the Organization at amounts different from the Organization's established rate. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Functional Allocation of Expenses

Salaries and related expenses are allocated to the program and supporting services based on actual time employees spent on each function. Other expenses not directly related to specific functions are allocated to the various functions based upon a combination of patient visits and the percentage of direct labor expense.

Measure of Operations

In the consolidated statement of activity and changes in net assets, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Changes in net assets related to investment activities designated as nonoperating are excluded from changes in net assets from operations.

Unemployment Compensation

The Organization has elected to fund their unemployment tax claims through the Unemployment Services Trust. Contributions and unemployment payments are made through this Trust.

Tax-Exempt Status

The entities comprising the Organization are all classified by the Internal Revenue Service as tax-exempt organizations under the Internal Revenue Code and they are subjected to federal income tax only on net unrelated business income. The Organization currently has a limited amount of unrelated business income.

Planned Parenthood North Central States and Planned Parenthood of Minnesota, North Dakota, South Dakota Fund are nonprofit organizations exempt from federal income taxes under Section 509(a) of the Internal Revenue Code.

Planned Parenthood Minnesota, North Dakota, South Dakota Action Fund, Planned Parenthood Voters of Iowa, and Planned Parenthood Voters of Nebraska are nonprofit organizations exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax-Exempt Status (Continued)

Planned Parenthood of Minnesota Political Action Fund, Planned Parenthood Minnesota PAC, Planned Parenthood Political Action Committee, and Planned Parenthood Voters of Iowa Political Action Committee are Political Action Committee organizations exempt from federal taxes under Section 527 of the Internal Revenue Code.

Planned Parenthood of the Heartland, Inc. and Planned Parenthood of the Heartland Foundation are nonprofit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

BRIDGE Health Partners is a partnership exempt from federal taxes as the entity's member is a tax-exempt organization that is not subject to federal income taxes on its share of the entity's earnings.

The Organization follows guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The Organization follows the accounting standard for contingencies for evaluating uncertain tax positions.

Fair Value Measurements

The Organization follows the *Fair Value Measurements* accounting standard. The standard emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements – ASU 2016-14

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these consolidated financial statements accordingly. The adoption of this accounting standard did not have an impact on the Organization's financial position or changes in its net assets.

Recently Issued Accounting Guidance

In May 2014, the FASB issued changes to the accounting requirements for recognizing revenue from contracts with customers. These changes created a comprehensive framework for entities in all industries to apply in determination of when to recognize revenue and, therefore, supersede virtually all existing revenue recognition requirements and guidance. This framework is expected to provide a consistent and comparable methodology for revenue recognition. The core principal of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To achieve this principle, an entity will apply the following steps: (i) identify the contract(s), (ii) identify the performance obligations in the contract(s), (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract(s), and (v) recognize revenue when, or as, the entity satisfies a performance obligation. These changes are effective for fiscal years beginning after December 15, 2018. Management is evaluating the potential impact of these changes on the Organization's consolidated financial statements.

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and financing leases with lease terms greater than one year. The accounting for lessors will remain relatively unchanged. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standards. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The amendments in the guidance are effective for fiscal years beginning after December 15, 2020. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's consolidated financial statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Guidance (Continued)

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,* which clarifies when a transfer of cash or other assets received and made qualifies as a contribution or an exchange transaction and establishes criteria for determining whether the asset provider is receiving commensurate value in return for those assets. The ASU also provides guidance for determining whether a contribution is conditional. This standard is effective for annual reporting periods beginning after December 15, 2018. The Organization is currently evaluating the impact of ASU 2018-08 on the Organization's consolidated financial statements.

Subsequent Events

The Organization has evaluated subsequent events occurring through December 19, 2019, the date that the consolidated financial statements were available to be issued, for events requiring recording or disclosure in the Organization's consolidated financial statements.

NOTE 2 INTEGRATIONS

Planned Parenthood of the Heartland Inc.

Effective January 1, 2019, PPNCS entered into an affiliation agreement with Planned Parenthood of the Heartland (PPH) (see Note 1) with no consideration given. The integration was treated as an acquisition for accounting purposes. The agreement was entered into to provide geographic synergies in response to the consolidation that is occurring nationally within health care. The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date:

Cash	$ 5,632,152
Investments	6,267,213
Patient Accounts Receivable, Net	1,410,634
Pledges Receivable, Net	2,236,821
Inventory of Materials and Supplies	261,235
Prepaid Expenses	86,873
Property and Equipment, Net	9,137,672
Accounts Payable	(1,629,282)
Accrued Salaries, Wages, and Benefits	(598,487)
Accrued Other Expenses	(86,828)
Long-Term Debt	(3,581,820)
Other Long-Term Liabilities	(136,875)
Total Identifiable Net Assets	$ 18,999,308

NOTE 2 INTEGRATIONS (CONTINUED)

Effective April 5, 2019, PPNCS became the sole member of BRIDGE Healthcare Partners (BHP) (see Note 1) with no consideration given. The integration was treated as an acquisition for accounting purposes and occurred due to the withdrawal of membership of the other member from BHP. The following table summarizes the fair values of the assets acquired and liabilities assumed as the acquisition date:

Cash	$ 520,248
Accounts Receivable	451,417
Prepaid Expenses	100,887
Property and Equipment, Net	75,596
Accounts Payable	(7,425)
Accrued Salaries, Wages, and Benefits	(2,066)
Accrued Other Expenses	(1,823,989)
Total Identifiable Net Assets	$ (685,332)

NOTE 3 NET PATIENT SERVICE REVENUES

The Organization has agreements with third-party payors that provide payments to the Organization at amounts different from its established rates. The following is a summary of the net patient service revenues and contractual adjustments for the year ended June 30, 2019:

Gross Patient Service Revenues	$ 60,576,026
Less: Contractual Adjustments	(29,222,739)
Total Net Patient Service Revenues	$ 31,353,287

NOTE 4 PATIENT ACCOUNTS RECEIVABLE

The Organization reported patient accounts receivable that consist of the following amounts at June 30, 2019:

Receivable from Patients, Their Insurance Carriers, and Other Payors	$ 4,428,992
Less: Allowance for Contractuals and Doubtful Accounts	(1,892,608)
Total Patient Accounts Receivables, Net	$ 2,536,384

NOTE 5 PLEDGES RECEIVABLE

Included in pledges receivable at June 30, 2019 are the following unconditional promises to give:

Pledges Receivable	$ 3,823,579
Less: Allowance of Doubtful Pledges	(47,937)
Less: Discount	(138,193)
Net Pledges Receivable	$ 3,637,449
Amounts Due in:	
Less than One Year	$ 1,690,504
One to Five Years	1,946,945
Net Pledges Receivable	$ 3,637,449

The Organization applied a discount rate on pledges receivable of approximately 3.6% for the year ended June 30, 2019.

NOTE 6 INVESTMENTS

Long-term investments consist of the following at June 30, 2019:

Preferred Stock	$ 500,000
Mutual Funds	5,590,784
Exchange Traded Funds	924,906
Pooled Investments:	
Fixed Income Securities	20,423,637
Equity Securities	20,596,569
Total Long-Term Investments	$ 48,035,896

The composition of long-term investments is as follows at June 30, 2019:

Held for Endowment Investments	$ 13,133,788
457(f) Plan	636,073
Board Designated - Reserves	13,317,305
Board Designated - Accumulated Investment Income	20,948,730
Total Long-Term Investments	$ 48,035,896

The following is the return on investments for the year ended June 30, 2019:

Dividends and Interest	$ 969,431
Net Unrealized Gains on Investments	1,165,551
Net Realized Gains on Investments	1,614,832
Investment Fees	(85,120)
Total Investment Gains	$ 3,664,694

NOTE 7 GIFT ANNUITY AGREEMENTS

The Organization has entered into gift annuity agreements, which provide that the Organization shall pay to specified beneficiaries an annual amount until their death. The payments continue even if the assets of the gift annuity fund have been exhausted. The Organization records the contributions as the amount of the gift less payments to be made to the specified beneficiaries; the residual amount is recorded as contribution revenue using discount rates ranging from 1.2% to 7.62% for the purposes designated at the time the gift is received. Assets received in gift annuity agreements are held as general assets of the Organization and are currently included in other assets.

NOTE 8 PROPERTY AND EQUIPMENT

The following is summary of property and equipment including related accumulated depreciation at June 30, 2019:

Land	$ 5,390,007
Buildings and Building Improvements	39,682,638
Furniture and Equipment	12,637,814
Construction in Progress	2,362,186
Total Property and Equipment	60,072,645
Accumulated Depreciation	(28,314,624)
Property and Equipment, Net	$ 31,758,021

Construction in Progress as of June 30, 2019 represents costs relating to the Minneapolis Building Project renovation, which has an estimated completion cost of $14.4 million. The expected completion date of the Minneapolis Building Project is early 2020, with $2 million being financed through a debt issuance and the remainder being financed with internal funds.

NOTE 9 LONG-TERM DEBT

The following is summary of long-term debt obligations at June 30, 2019:

Description	Amount
Note Payable, Variable Interest Rate of 4.04% through June 29, 2029, decreasing to 2.05% in excess of the 10 Year Interest Rate Swaps; Original loan of $11,500,000; Secured by Headquarters Building, $6,500,000 drawn prior to year-end, due in Monthly Installments including Interest of $39,731, due on June 29, 2039.	$ 6,500,000
Note Payable, two equal installments of $50,000 due On November 15, 2019 and November 15, 2020, no Interest payments, unsecured.	100,000
Note payable for the purchase and improvement of land and buildings. The note requires monthly principal and interest payments of $15,122, bears interest of 4.8%, and requires payment of unpaid principal and interest due in July 2020. The note is secured by real estate.	1,004,164
Note Payable, Secured by Clinic Building, Original loan of $1,622,042, monthly installments of $10,001, including annual interest at 4.20%, balloon payment due March 5, 2022.	1,444,372
Note Payable, Original Loan of $285,000, due on April 5, 2020, no interest payments, unsecured.	285,000
Total Long-Term Debt	9,333,536
Less: Current Portion of Long-Term Debt	(741,837)
Total Long-Term Debt, Net of Current Portion	$ 8,591,699

NOTE 9 LONG-TERM DEBT (CONTINUED)

Scheduled principal repayments on long-term debt obligations through maturity are as follows:

Year Ending June 30,	Amount
2020	$ 741,837
2021	1,204,240
2022	1,555,509
2023	242,343
2024	251,839
Thereafter	5,337,768
Total Long-Term Debt	$ 9,333,536

Interest expense was $334,601 for the year ended June 30, 2019.

Certain notes payable subject the Organization to various restricted covenants. Management believes that the Organization was in compliance with these covenants as of June 30, 2019.

NOTE 10 LINE OF CREDIT

The Organization had a revolving line of credit of $1,750,000 which expired in February 2019. The Organization did not renew the agreement. The line of credit carried a variable interest rate charged at the prime rate set by lender from time-to-time. The line of credit was secured by the Organization's accounts receivable. The Organization has a letter of credit of $80,000 with a scheduled expiration date of October 15, 2023. The obligation under this letter of credit is reduced annually by $20,000. The Organization had no borrowing as of June 30, 2019.

NOTE 11 RESTRICTED NET ASSETS

Net Assets Without Donor Restrictions – Board Designated

Net assets without donor restrictions – board designated consist of unrestricted bequests, grants, other gifts, and investment returns of $29,894,196 to be used for future capital projects and operations.

Net Assets With Donor Restrictions – Time and Purpose

Net assets with donor restrictions – time and purpose consist of pledges that will be received in future periods and restrictions on uses for supporting the various projects. As the pledges are received and programming occurs, the restrictions will be met.

Net assets with donor restrictions – time and purpose consist of the following at June 30, 2019:

	Balances July 1, 2018	Support Revenues and Grants	Expenses for Programs and Supporting Services	Balances June 30, 2019
Contributions Restricted by Purpose:				
Capital Campaign	$ 16,003,241	$ 3,544,989	$ (2,656,079)	$ 16,892,151
Centro Clinic Relocation	141,469	-	(61,660)	79,809
Lagoon Clinic Remodel	196,241	-	(196,241)	-
Rice Street Relocation	609,389	-	(159,276)	450,113
SD Sustainability Grant	355,590	-	(363,532)	(7,942)
Security	418,539	-	(87,274)	331,265
Technology Capital Investments	150,000	-	-	150,000
Development Campaign Support	151,247	-	(151,247)	-
PPAF - MN, SD, and ND	56,321	124,000	(41,214)	139,107
Women's Foundation	49,779	20,000	(56,316)	13,463
Transformational	-	151,349	(24,157)	127,192
Foundation Spending Plan Grant	-	215,425	(215,425)	-
Other Purposes	2,897,763	1,463,049	(686,949)	3,673,863
Contributions Restricted by Time	605,647	4,054,010	(1,776,232)	2,883,425
Contributions Restricted by Purpose and Time:				
TELEMAB Grant	-	27,112	(1,639)	25,473
Martin and Brown Foundation	-	247,821	-	247,821
SPF & FR Bigelow	-	60,000	(79)	59,921
Training Center Planning Grant	-	50,000	(30,005)	19,995
Included Grant	60,137	-	(60,137)	-
PPFA	189,693	3,000	(99,518)	93,175
Donor Restricted Net Assets	$ 21,885,056	$ 9,960,755	$ (6,666,980)	$ 25,178,831

NOTE 11 RESTRICTED NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions - Endowment

Net assets with donor restrictions – endowment consist of contributions that have been restricted by the donor that stipulate the investments be maintained in perpetuity. The income from the investments is expendable to support operational expenses of the clinics, education, and outreach and advocacy activities of the Organization.

Interpretation of Relevant Law

The Organization has complied with the State Prudent Management of Institutional Funds Act (the Act) in 2008. The board of directors of the Organization has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor restricted endowment net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in donor restricted endowment net assets is classified as time and purpose donor restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed in the Act. In accordance with the Act, 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 policy of the Organization

NOTE 11 RESTRICTED NET ASSETS (CONTINUED)

Interpretation of Relevant Law (Continued)

The following were the changes in the endowment net assets for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions Time and Purpose	With Donor Restrictions Endowment	Total
Endowment Net Assets - July 1, 2018	$ 6,712,229	$ -	$ 13,191,018	$ 19,903,247
Contributions	-	-	993,917	993,917
Integration of Planned Parenthood of the Heartland, Inc.	-	-	3,207,448	3,207,448
Investment Returns	-	2,719,708	-	2,719,708
Investment Returns Released	2,719,708	(2,719,708)	-	-
Endowment Net Assets - June 30, 2019	$ 9,431,937	$ -	$ 17,392,383	$ 26,824,320

Funds with Deficiencies

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 the Act requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America (GAAP), any deficiencies of this nature that are reported in net assets without restrictions. The Organization had no such deficiencies at June 30, 2019.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to preserve and grow capital, strive for consistent absolute returns, preserve purchasing power by striving for long-term returns which either match or exceed the set payout, fees, and inflation without putting the principal value at imprudent risk. Equity and fixed income performance is expected to exceed capital market indices through opportunistic and diversified investments.

NOTE 11 RESTRICTED NET ASSETS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on an investment strategy that allocates its investments among a number of asset classes. These asset classes may include: domestic equity, domestic fixed income, international equity, international fixed income, real estate, venture capital, private equity, and cash. The purpose of allocating among asset classes is to ensure the proper level of diversification to achieve the portfolio's investment objectives. The Organization feels that this investment strategy meets the Organization's long-term rate-of-return objectives while avoiding undue risk from imprudent concentration in any single asset class or investment vehicle.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's spending policy is consistent with its objective of preservation of the fair value of the original gift of the endowment assets that are being held in perpetuity. The Organization's spending policy is also consistent with donor restrictions to use investment income for operational expenses of the clinics, education and outreach, and advocacy activities.

During the year ended June 30, 2019, the Organization earned $2,719,708 of investment gains into its pool of unrestricted accumulated earnings. From this pool, the Organization sold $-0- of endowment earnings and $-0- of board-designated earnings to support operational expenses for the year ended June 30, 2019. This was done in accordance with the investment spending policy and was approved by the board.

NOTE 12 GRANTS AND CONTRACTS FROM GOVERNMENT AGENCIES

The Organization receives grants and contracts from a number of state and county agencies. These agencies include the Minnesota Department of Health, Minnesota Department of Welfare, Community Health Services, Minnesota county social services departments, and the Federal Department of Health and Human Services.

The Federal Department of Health and Human Services funds family planning projects in Minnesota communities. For the year ended June 30, 2019, this grant constituted approximately 4.9% of the Organization's total operating revenue and support.

NOTE 12 GRANTS AND CONTRACTS FROM GOVERNMENT AGENCIES (CONTINUED)

Grants and contracts received are as follows:

Title X Federal Grant:	
Grant from Federal Department of Health and Human Services Bureau of Community Health Services Grant (Title X)	$ 4,895,280
Other Grants and Contracts:	
Grants and Contracts from State and County Agencies:	
Minnesota Family Planning Special Projects	$ 1,402,982
Minnesota County Social Service Departments	389,884
Minnesota Department of Health - Eliminating Health Disparities Grant	206,300
MNSure Consumer Assistance Grant	75,000
Grants from North Dakota State University	142,586
Other Grants	258,843
Total Other Grants and Contracts	$ 2,475,595

NOTE 13 OPERATING LEASES

At June 30, 2019, the Organization was obligated under a number of noncancelable operating leases for clinics, offices, and equipment. Lease expense was $1,694,200 for the year ended June 30, 2019.

Future minimum lease payments under noncancelable operating leases with terms of more than one year at June 30, 2019 are as follows:

Year Ending June 30,	Amount
2020	$ 1,010,541
2021	847,719
2022	691,637
2023	548,884
2024	291,085
Thereafter	580,489
Total	$ 3,970,355

NOTE 14 AFFILIATION WITH PLANNED PARENTHOOD FEDERATION OF AMERICA, INC.

The Organization is affiliated with Planned Parenthood Federation of America, Inc. As an affiliate, the Organization is required to pay an assessment to the national organization. For the year ended June 30, 2019, the assessment was $-0-.

NOTE 15 RETIREMENT PLAN

Certain eligible full-time employees have elected to participate in the Organization's defined contribution plan. Employees become eligible for the Plan when they reach 19 years of age and have completed one year of service. Matching contributions made by the Organization are based on a specified percentage of employee contributions. Contributions to the plan for the year ended June 30, 2019 was $389,938.

The Organization also has a 457(f) Nonqualified Flexible Benefit Plan that is available to eligible participants. This plan is 100% employee funded. The Organization does not make contributions to this plan. The asset and liability are included on the balance sheet as Other Assets and Other Long-Term Liabilities, respectively.

NOTE 16 PROFESSIONAL LIABILITY INSURANCE

The Organization's professional liability insurance is carried through Affiliates Risk Management Services, Inc. The total policy limit is for claim losses up to $1,000,000 per claim and $3,000,000 per year which covers professional liability claims made during the policy year (claims-made coverage). Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured.

NOTE 17 FUNDS HELD BY COMMUNITY FOUNDATION

The Organization is a beneficiary of a designated fund at a community foundation. Pursuant to the terms of the agreement establishing this fund, property contributed to the community foundation is held as a separate fund designated for the benefit of the Organization. In accordance with its spending policy, the community foundation makes distributions from the fund to the Organization based on their discretion. The fund is not included in these consolidated financial statements, since all property in the fund was contributed by a third party to the community foundation to be held and administered for the benefit of the Organization. The amounts received from this fund for the year ended June 30, 2019 was $127,369.

NOTE 18 CONCENTRATION OF RISK

The Organization usually grants credit without collateral to its patients, most of whom are insured third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2019 is as follows:

Medicaid	33.8 %
Blue Cross Blue Shield	6.0
Self-Pay	26.1
Commercial and Other	34.1
Total	100.0 %

NOTE 19 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

The Organization invests funds with an investment management company that pools funds from other organizations and invests the funds according to their investment strategy. The Organizations is able to contribute or take disbursements from the fund at the end of each month.

In situations where the investment fund does not have a readily determinable fair value and meets other eligibility criteria, the Organization measures fair value based on net asset value per share or its equivalent.

The following table lists investments in the investment funds by major category as of June 30, 2019:

	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities	$ 20,596,569	$ -	Quarterly to Annually	5 business days prior to last day of the month
Fixed Income Securities	20,423,637	-	Quarterly to Annually	5 business days prior to last day of the month

Equity securities include commingled funds containing investments in domestic or foreign stocks that value their investments daily but impose certain liquidity restrictions on investors through periodic fund openings ranging from weekly to quarterly. Investing in equity securities provides diversification, dividend income, and growth potential to the overall portfolio.

NOTE 19 FAIR VALUE MEASUREMENTS (CONTINUED)

Fixed income securities include commingled funds containing investments in domestic or foreign stocks that value their investments daily but impose certain liquidity restrictions on investors through periodic fund openings ranging from weekly to quarterly. Investing in equity securities provides diversification, dividend income, and growth potential to the overall portfolio.

The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Organization measured at fair value on a recurring basis as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Assets:				
Charitable Remainder Unitrust Receivables	$ -	$ -	$ 51,353	$ 51,353
Mutual Funds	5,590,784	-	-	5,590,784
Exchange Traded Funds	924,906	-	-	924,906
Total Assets Measured at Fair Value	6,515,690	-	51,353	6,567,043
Investments Measured at Net Asset Value or its Equivalent	41,020,206	-	-	41,020,206
Total Assets Measured at Fair Value	$ 47,535,896	$ -	$ 51,353	$ 47,587,249

Long-Term Investments

Long-term investments are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Securities valued using Level 2 inputs include private collateralized mortgage obligations, municipal bonds, corporate debt securities, and certain pooled equity securities. Securities valued using a Level 3 inputs are based upon information received from the broker. The broker conducts an independent review of fund valuation, pricing, and performance information.

NOTE 19 FAIR VALUE MEASUREMENTS (CONTINUED)

Charitable Remainder Unitrust Receivables

Fair values of the charitable remainder unitrust receivables is determined based upon good faith estimates of the trust's assets less the present value of estimated future payments to the recipients. The present value is based upon estimated discount rates and applicable mortality tables and, accordingly, is classified as using a Level 3 input. The following table provides a summary of changes to fair value of the Organization's Level 3 financial assets and liabilities for the year ended June 30, 2019.

	Charitable Remainder Unitrust Receivables
Fair Value at June 30, 2018	$ 54,709
Change in Value of Charitable Remainder Unitrust Receivables	(3,356)
Fair Value at June 30, 2019	$ 51,353

NOTE 20 RELATED PARTY TRANSACTIONS

Effective April 5, 2019, Planned Parenthood North Central States became the sole member of BRIDGE Healthcare Partners (the Company). The Company provided $1,520,518 of certain general and administrative services to the Organization from July 1, 2018 through March 31, 2019. The Organization's receivable from the Company at June 30, 2019 is $-0-.

NOTE 21 LIQUIDITY AND AVAILABILITY

The Organization invests cash in excess of short-term requirements in short-term investments.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial Assets at Year-End:	
Cash and Cash Equivalents	$ 14,671,153
Patient Accounts Receivable, Net	2,536,384
Grants Receivable, Net	1,840,275
Current Pledges Receivable, Net	1,690,504
Other Current Assets	3,727,375
Total Financial Assets	24,465,691
Less: Amounts Not Available to be Used Within One Year	
Current Pledges Receivable, Net	(1,690,504)
457(f) Plan	(942,786)
Total Amounts Not Available to be Used Within One Year	(2,633,290)
Total Financial Assets Available Within One Year	$ 21,832,401

The Organization has other assets limited as to use related to pledges receivable and the 457(f) plan. These assets limited to use are not available for general expenditure within the next year and are not reflected in the amounts above.

NOTE 22 COMMITMENTS AND CONTINGENCIES

Compliance

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violation of these laws and regulations could result in expulsion from government healthcare programs together with imposition of significant fines and penalties, as well as significant repayments for patient services billed.

Management believes that the Organization is in substantial compliance with fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations is subject to government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

NOTE 22 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant reduction in insurance coverage from the previous year in any of the Organization's policies.

The Organization is subject to legal proceedings which arise in the normal course of providing health care services. The Organization maintains malpractice insurance on a claims-made basis for claims made during the term of the policy. The potential loss related to any outstanding claims cannot currently be estimated; however, in management's opinion adequate provision has been made for any amounts that it may require to be paid under the policies deductible limits.

NOTE 23 SUBSEQUENT EVENTS

Subsequent to June 30, 2019, the Organization entered into a term note on July 15, 2019. The Organization can draw up to $2,400,000 with a maturity date of July 15, 2039. The term note will have monthly principal payments of $14,670 with an interest rate of 4.04% through July 15, 2029 and decreasing to 2.05% through July 15, 2039.

Subsequent to June 30, 2019, the Organization no longer receives funding from the Federal Department of Health & Human Services Bureau of Community Health Services Grant (Title X).

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

Board of Directors
Planned Parenthood of Minnesota, North Dakota, South Dakota
St. Paul, Minnesota

We have audited the consolidated financial statements of Planned Parenthood North Central States as of and for the year ended June 30, 2019, and our report thereon dated December 19, 2019, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules 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 June 30, 2019 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 for the year ended June 30, 2019, as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 19, 2019

PLANNED PARENTHOOD NORTH CENTRAL STATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	PPNCS	Consolidated PPMNS	Consolidated PPH	BRIDGE Healthcare Partners	Elimination	PPNCS Consolidation
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	$ 111,593	$ 9,782,147	$ 4,283,827	$ 493,586	$ -	$ 14,671,153
Patient Accounts Receivable, Net	-	2,147,166	389,218	-	-	2,536,384
Grant Receivable, Net	-	1,385,182	455,093	-	-	1,840,275
Current Pledges Receivable, Net	-	1,009,135	681,369	-	-	1,690,504
Inventory of Materials and Supplies	-	608,150	220,453	-	-	828,603
Prepaid Expenses	331,222	373,075	81,666	129,634	-	915,597
Other Current Assets	596,727	2,509,227	-	621,421	-	3,727,375
Related Party Receivable	1,375,337	-	-	-	(1,375,337)	-
Total Current Assets	2,414,879	17,814,082	6,111,626	1,244,641	(1,375,337)	26,209,891
PROPERTY AND EQUIPMENT, NET	-	22,857,898	8,822,575	77,548	-	31,758,021
LONG-TERM INVESTMENTS						
Held for Endowment	-	12,633,788	-	-	-	12,633,788
Preferred Stock, Cost	-	500,000	-	-	-	500,000
Other Long-Term Investments	636,073	28,386,418	5,879,617	-	-	34,902,108
Total Long-Term Investments	636,073	41,520,206	5,879,617	-	-	48,035,896
OTHER ASSETS						
Pledges Receivable, Net	-	1,460,000	486,945	-	-	1,946,945
Charitable Remainder Unitrust Receivable	-	51,353	-	-	-	51,353
Other Assets	306,713	783,759	714,186	-	(272,418)	1,532,240
Total Other Assets	306,713	2,295,112	1,201,131	-	(272,418)	3,530,538
Total Assets	$ 3,357,665	$ 84,487,298	$ 22,014,949	$ 1,322,189	$ (1,647,755)	$ 109,534,346
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Current Portion of Long-Term Debt	$ -	$ 321,372	$ 135,465	$ 285,000	$ -	$ 741,837
Accounts Payable	21,973	2,214,586	1,080,027	54,150	-	3,370,736
Accrued Expenses:						
Salaries, Wages, and Benefits	783,405	-	26,833	125,833	-	936,071
Paid Time Off	603,524	-	245,282	156,019	-	1,004,825
Other	301,262	590,798	199,687	272,418	(272,418)	1,091,747
Related Party Payable	8,158	1,286,950	85,229	-	(1,375,337)	5,000
Total Current Liabilities	1,718,322	4,413,706	1,772,523	893,420	(1,647,755)	7,150,216
LONG-TERM LIABILITIES						
Long-Term Debt, Net of Current Portion	-	7,723,000	868,699	-	-	8,591,699
Annuities Payable and Other Long-Term Liabilities	942,786	308,659	-	-	-	1,251,445
Total Long-Term Liabilities	942,786	8,031,659	868,699	-	-	9,843,144
Total Liabilities	2,661,108	12,445,365	2,641,222	893,420	(1,647,755)	16,993,360
NET ASSETS						
Without Donor Restrictions	663,639	8,252,741	10,730,427	428,769	-	20,075,576
Without Donor Restrictions - Board Designated	-	27,153,275	2,740,921	-	-	29,894,196
With Donor Restrictions - Time and Purpose	32,918	22,704,090	2,441,823	-	-	25,178,831
With Donor Restrictions - Endowment	-	13,931,827	3,460,556	-	-	17,392,383
Total Net Assets	696,557	72,041,933	19,373,727	428,769	-	92,540,986
Total Liabilities and Net Assets	$ 3,357,665	$ 84,487,298	$ 22,014,949	$ 1,322,189	$ (1,647,755)	$ 109,534,346

PLANNED PARENTHOOD NORTH CENTRAL STATES
CONSOLIDATING STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

	PPNCS	Consolidated PPMNS	Consolidated PPH	BRIDGE Healthcare Partners	Elimination	PPNCS Consolidation
REVENUES						
Contributions	$ 34,001	$ 15,744,322	$ 2,798,284	$ -	$ -	$ 18,576,607
Net Patient Service Revenues	-	27,220,543	4,132,744	-	-	31,353,287
Contracted Service Revenue	29,922,177	-	-	2,294,473	(30,648,424)	1,568,226
Grants from Government Agencies :						
Federal Department of Health & Human Service Bureau of Community Health Services Grant (Title X)	-	3,736,624	1,158,656	-	-	4,895,280
State and County Grants and Contracts	-	2,475,595	-	-	-	2,475,595
Other	377,700	943,699	2,243,535	-	-	3,564,934
Total Revenues	30,333,878	50,120,783	10,333,219	2,294,473	(30,648,424)	62,433,929
EXPENSES						
Program Services:						
Patient Services	15,579,971	32,443,718	6,010,471	-	(19,204,159)	34,830,001
Education	1,454,875	2,237,207	1,139,628	-	(2,248,187)	2,583,523
Public Affairs	971,902	2,496,496	-	-	(919,766)	2,548,632
Total Program Services	18,006,748	37,177,421	7,150,099	-	(22,372,112)	39,962,156
Supporting Services:						
Management and General	8,879,873	8,310,951	2,651,010	2,180,626	(5,276,532)	16,745,928
Fundraising	2,133,463	3,360,582	1,100,357	-	(2,999,780)	3,594,622
Total Supporting Services	11,013,336	11,671,533	3,751,367	2,180,626	(8,276,312)	20,340,550
Total Expenses	29,020,084	48,848,954	10,901,466	2,180,626	(30,648,424)	60,302,706
CHANGE IN NET ASSETS FROM OPERATIONS	1,313,794	1,271,829	(568,247)	113,847	-	2,131,223
OTHER CHANGES						
Investment Returns	-	2,721,774	942,666	254	-	3,664,694
Other Losses	-	(360,290)	-	-	-	(360,290)
Integration of Planned Parenthood of the Heartland, Inc. and its Subsidiaries	-	-	18,999,308	-	-	18,999,308
Acquisition of Bridge Healthcare Partners	-	-	-	(685,332)	-	(685,332)
Equity Transfer	(617,237)	(382,763)	-	1,000,000	-	-
Total Other Changes	(617,237)	1,978,721	19,941,974	314,922	-	21,618,380
CHANGE IN NET ASSETS	696,557	3,250,550	19,373,727	428,769	-	23,749,603
Net Assets - Beginning of Year	-	68,791,383	-	-	-	68,791,383
NET ASSETS - END OF YEAR	$ 696,557	$ 72,041,933	$ 19,373,727	$ 428,769	$ -	$ 92,540,986

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Planned Parenthood North Central States
St. Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Planned Parenthood North Central States (the Organization), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activity and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 19, 2019. The financial statements of Planned Parenthood of Minnesota, North Dakota, South Dakota Action Fund, Planned Parenthood Minnesota, North Dakota, South Dakota Fund, Planned Parenthood of Minnesota Political Action Fund, Planned Parenthood Minnesota PAC, Planned Parenthood Political Action Committee, Planned Parenthood of the Heartland Foundation, Planned Parenthood Voters of Iowa, Planned Parenthood Voters of Iowa Political Action Committee, Planned Parenthood Voters of Nebraska, and BRIDGE Healthcare Partners were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 19, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Planned Parenthood North Central States
St. Paul, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Planned Parenthood North Central States (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Organization's consolidated financial statements include the operations of Planned Parenthood of the Heartland, Inc. and Affiliates. Planned Parenthood of the Heartland, Inc. and Affiliates had $2,074,889 in federal expenditures that are not included in the Organization's schedule of expenditures of federal awards for the year ended June 30, 2019. Our audit of the major federal programs of the Organization did not include the major federal programs of Planned Parenthood of the Heartland, Inc. and Affiliates as they had a separate compliance audit performed.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Board of Directors
Planned Parenthood North Central States

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 19, 2019

PLANNED PARENTHOOD NORTH CENTRAL STATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services				
Family Planning Services - Title X	93.217		$ 152,679	$ 3,736,624
Total for CFDA 93.217			152,679	3,736,624
Temporary Assistance for Needy Families - Teen Pregnancy Prevention Youth Power Program (Passed through City of Minneapolis)				
7/1/18 - 6/30/19	93.558	FAN 83-1	-	24,021
Temporary Assistance for Needy Families - Family Planning Special Projects (Passed through State of Minnesota)	93.558	2017G996115	-	290,770
Total for CFDA 93.558			-	314,791
Affordable Care Act (ACA) Personal Responsibility Education Program (Passed through North Dakota State University)				
9/30/17 - 9/29/18	93.092	FAR0028658	-	40,262
9/30/18 - 9/29/19	93.092	FAR0030171	-	100,570
Total for CFDA 93.092			-	140,832
Affordable Care Act (ACA) Abstinence Education Program - It's That Easy (Passed through Hennepin County)				
10/1/17 - 9/30/18	93.235	HS000000002	-	24,726
10/1/18 - 12/31/18	93.235	HS000000002	-	17,904
1/1/19 - 9/30/20	93.235	HS000000002	-	35,382
Total for CFDA 93.235			-	78,012
Better Together Hennepin Safer Sex Programs (Passed through Hennepin County)	93.297	TP1AH000111-01-00	-	34,825
Better Together Hennepin School Based Programs (Passed through Hennepin County)	93.297	TP1AH000111-01-00	-	140,768
Teenage Pregnancy Prevention Program (Passed through Planned Parenthood of Great Northwest & Hawaiian Islands)	93.297	TP2AH000030-02-01	-	60,451
Total for CFDA 93.297			-	236,044
Total U.S. Department of Health and Human Services			152,679	4,506,303
Total Expenditures of Federal Awards			$ 152,679	$ 4,506,303

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant award activity of Planned Parenthood North Central States under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

PLANNED PARENTHOOD NORTH CENTRAL STATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

1. Type of Auditors' Report Issued: *Unmodified*

2. Internal Control over Financial Reporting:

   - Material Weakness(es) Identified _____ Yes ___X___ No
   - Significant Deficiency(ies) Identified _____ Yes ___X___ None Reported

3. Noncompliance material to financial statements noted? _____ Yes ___X___ No

Federal Awards

1. Internal Control over Major Programs:

   - Material Weakness(es) Identified _____ Yes ___X___ No
   - Significant Deficiency(ies) Identified _____ Yes ___X___ None Reported

2. Type of Auditors' Report Issued on Compliance for the Major Programs: *Unmodified*

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes ___X___ No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.217	Family Planning Services - Title X

Dollar threshold used to distinguish between Type A and Type B programs: Type A - $750,000

Auditee qualified as low-risk auditee? ___X___ Yes _____ No

Section II - Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III - Findings and Questioned Costs - Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).