



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

Consolidated Financial Statements and Supplementary Information

June 30, 2017

(with summarized comparative financial information for 2016)

(With Independent Auditors' Report Thereon)

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

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

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Planned Parenthood Federation of America, Inc. and related entities (the Organization), which comprise the consolidated balance sheet as of June 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Planned Parenthood Federation of America, Inc. and related entities as of June 30, 2017, and the changes in their net assets and their cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the Organization's 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 14, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended



June 30, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules as of and for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

KPMG LLP

December 12, 2017

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

Consolidated Balance Sheet

June 30, 2017

(with summarized comparative financial information as of
June 30, 2016)

Assets	2017	2016
Cash and cash equivalents	\$ 110,731,957	48,317,853
Receivables, advances, and deposits:		
Affiliates	175,210	1,352,158
Other	803,043	635,049
Inventories, supplies, and prepaid expenses	3,069,652	2,253,318
Contributions and grants receivable, net (note 3)	82,181,679	87,371,601
Investments (note 2)	269,849,987	237,886,377
Beneficial interest in perpetual trust (note 2)	3,495,296	3,382,052
Property and equipment, net (note 4)	18,049,083	13,417,663
Total assets	<u>\$ 488,355,907</u>	<u>394,616,071</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 31,204,773	39,107,992
Deferred revenue	1,429,254	1,739,764
Due to related organizations	39,368,184	11,909,510
Liability under split-interest agreements	15,081,349	14,211,246
Amounts held on behalf of affiliates and others	3,948,827	3,397,271
Total liabilities	<u>91,032,387</u>	<u>70,365,783</u>
Commitments and contingencies (notes 6 and 7)		
Net assets (notes 9 and 10):		
Unrestricted	238,217,959	161,921,823
Temporarily restricted	132,923,694	136,785,258
Permanently restricted	26,181,867	25,543,207
Total net assets	<u>397,323,520</u>	<u>324,250,288</u>
Total liabilities and net assets	<u>\$ 488,355,907</u>	<u>394,616,071</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Activities

Year ended June 30, 2017

(with summarized comparative financial information for the
year ended June 30, 2016)

	2017			Total 2016
	Unrestricted	Temporarily restricted	Permanently restricted	
Revenue, net gains, and other support:				
Revenue and net gains:				
Contributions and grants:				
Direct response	\$ 156,998,857	23,101,511	—	180,100,368
Major donors, foundations, and corporations	50,295,517	132,012,847	—	182,308,364
Bequests and other planned giving revenues	20,731,824	7,539,680	524,857	28,796,361
Affiliates, National Program Support	5,489,175	—	—	5,489,175
Affiliates, other support	1,914,950	—	—	1,914,950
Special events, net of expenses of \$737,289 in 2017	2,939,738	50,000	—	2,989,738
Federated fund-raising organizations	5,467,050	—	—	5,467,050
Total contributions and grants	<u>243,837,111</u>	<u>162,704,038</u>	<u>524,857</u>	<u>407,066,006</u>
Other revenue and net gains (losses):				
Sales of publications and commodities	261,482	—	—	261,482
Interest and dividends, net of fees of \$690,974 in 2017 and \$719,437 in 2016	3,253,572	289,435	—	3,543,007
Net realized and unrealized appreciation (depreciation) in fair value of investments	9,813,897	3,854,165	—	13,668,062
Gain (loss) on beneficial interest in perpetual trust	—	—	113,244	113,244
Change in value of split-interest agreements	1,628,175	446,995	559	2,075,729
Fees for services and other revenue	3,781,274	7,406,704	—	11,187,978
Total other revenue and net gains	<u>18,738,400</u>	<u>11,997,299</u>	<u>113,803</u>	<u>30,849,502</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	178,353,198	(178,353,198)	—	—
Gain on sale of property (note 4)	—	—	—	19,112,003
Total revenue, net gains (loses), and other support	<u>440,928,709</u>	<u>(3,651,861)</u>	<u>638,660</u>	<u>437,915,508</u>
Expenses:				
Employee compensation and benefits	82,404,394	—	—	82,404,394
Professional fees and contract services	66,425,598	—	—	66,425,598
Awards and grants	144,000,702	—	—	144,000,702
Conferences, meetings, and travel	15,083,968	—	—	15,083,968
Advertising and public service messages	18,912,815	—	—	18,912,815
Other	37,730,417	—	—	37,730,417
Total expenses	<u>364,557,894</u>	<u>—</u>	<u>—</u>	<u>364,557,894</u>
Change in net assets before other changes	<u>76,370,815</u>	<u>(3,651,861)</u>	<u>638,660</u>	<u>73,357,614</u>
Other changes:				
Loss on contributions and other receivables	(74,679)	(209,703)	—	(284,382)
Loss on transfer of net assets to Voxent (note 1)	—	—	—	(1,815,219)
Total other changes	<u>(74,679)</u>	<u>(209,703)</u>	<u>—</u>	<u>(284,382)</u>
Change in net assets	76,296,136	(3,861,564)	638,660	73,073,232
Net assets at beginning of year	<u>161,921,823</u>	<u>136,785,258</u>	<u>25,543,207</u>	<u>324,250,288</u>
Net assets at end of year	<u>\$ 238,217,959</u>	<u>132,923,694</u>	<u>26,181,867</u>	<u>397,323,520</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Functional Expenses

Year ended June 30, 2017
(with summarized comparative financial information for the
year ended June 30, 2016)

	2017					2016					
	Program services (note 8)					Supporting services (note 8)					
	Promote health equity	Movement building	Deploy 21st century technology	Strengthen and secure Planned Parenthood	Global	Total program services	Management and general	Fund-raising	Total supporting services	Total	Total 2016
Salaries and payroll taxes	\$ 14,110,536	20,761,231	4,113,990	4,041,762	5,449,334	48,476,853	12,307,785	10,400,834	22,708,619	71,185,472	59,410,928
Employee health and retirement benefits	2,489,309	2,667,857	709,182	739,558	944,453	7,550,359	1,787,104	1,881,459	3,668,563	11,218,922	10,098,668
Total employee compensation	16,599,845	23,429,088	4,823,172	4,781,320	6,393,787	56,027,212	14,094,889	12,282,293	26,377,182	82,404,394	69,509,596
Professional fees and contract services, including investment management fees	10,808,634	17,912,033	6,905,992	14,281,414	1,209,449	51,117,522	5,220,999	10,778,051	15,999,050	67,116,572	57,203,926
Awards and grants	49,545,605	31,967,263	4,242,411	52,201,670	6,043,753	144,000,702	—	—	—	144,000,702	71,241,464
Conferences, meetings, and travel, including special events expenses	3,571,856	5,901,982	190,158	1,127,249	3,068,970	13,860,215	1,255,045	705,997	1,961,042	15,821,257	13,902,226
Advertising and public service messages	1,140,225	11,638,669	2,824,345	37,190	33,207	15,673,636	—	3,239,179	3,239,179	18,912,815	3,568,540
Other:											
Commodities, supplies, and minor equipment	367,037	2,702,142	37,815	43,155	318,423	3,468,572	609,966	213,047	823,013	4,291,585	3,578,454
Telephone and telecommunications	317,324	1,140,604	90,261	96,959	51,109	1,696,257	267,409	256,670	524,079	2,220,336	1,682,411
Postage and shipping	713,786	1,731,412	162,693	678,077	24,623	3,310,591	36,309	4,229,401	4,265,710	7,576,301	6,755,662
Occupancy	1,307,088	939,795	449,939	381,829	328,533	3,407,184	1,109,165	975,952	2,085,117	5,492,301	5,396,592
Outside printing and artwork	461,218	1,502,453	108,295	467,172	65,994	2,605,132	62,665	2,060,900	2,123,565	4,728,697	4,694,058
Subscriptions and reference publications	176,095	517,676	102,176	90,776	25,620	912,343	130,970	91,332	222,302	1,134,645	1,308,261
Repairs, maintenance, and systems	836,134	238,079	302,675	602,341	23,738	2,002,967	1,603,235	1,423,784	3,027,019	5,029,986	3,337,878
Interest, bank, and lockbox fees	18,095	18,412	5,206	43,151	36,660	121,524	26,888	3,992,719	4,019,607	4,141,131	1,638,676
Amortization and depreciation	634,896	386,765	186,167	188,141	15,774	1,411,743	547,691	477,087	1,024,778	2,436,521	1,867,273
Miscellaneous	129,285	133,364	48,638	69,795	135,713	516,795	18,367	143,752	162,119	678,914	2,001,465
	86,627,123	100,159,737	20,479,943	75,090,239	17,775,353	300,132,395	24,983,598	40,870,164	65,853,762	365,986,157	247,686,482
Investment management fees *	—	—	—	—	—	—	(690,974)	—	(690,974)	(690,974)	(719,437)
Special events expenses **	—	—	—	—	—	—	—	(737,289)	(737,289)	(737,289)	—
	\$ 86,627,123	100,159,737	20,479,943	75,090,239	17,775,353	300,132,395	24,292,624	40,132,875	64,425,499	364,557,894	246,967,045

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

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

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Cash Flows

Year ended June 30, 2017

(with summarized comparative financial information for the
year ended June 30, 2016)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 73,073,232	39,874,719
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization and depreciation	2,436,521	1,867,273
Loss on contributions and other receivables	284,382	140,980
Net realized and unrealized (appreciation) depreciation in fair value of investments	(13,668,062)	6,672,477
Contributions for endowment and trust funds	(524,857)	(25,482)
Change in value of split-interest agreements	(2,075,729)	(490,137)
(Gain) loss on beneficial interest in perpetual trust	(113,244)	289,250
Loss on disposal of fixed assets	274,338	376,177
Gain on sale of property	—	(19,112,003)
Transfer of net assets to Voxent	—	1,815,219
Changes in:		
Receivables, advances, and deposits	1,008,954	1,260,910
Inventories, supplies, and prepaid expenses	(816,334)	(406,499)
Contributions and grants receivable	4,905,540	(24,549,985)
Accounts payable and accrued expenses	(7,903,219)	10,657,434
Deferred revenue	(310,510)	76,234
Due to related organizations	27,458,674	(7,877,230)
Amounts held on behalf of affiliates and others	551,556	(635,237)
Net cash provided by operating activities	84,581,242	9,934,100
Cash flows from investing activities:		
Purchases of investments	(216,353,254)	(188,753,044)
Proceeds from sales of investments	201,052,930	151,314,141
Purchases of property and equipment	(7,342,279)	(11,620,253)
Proceeds from sale of property, net	—	69,300,926
Net cash (used in) provided by investing activities	(22,642,603)	20,241,770
Cash flows from financing activities:		
Repayment of bonds	—	(31,395,000)
Contributions for endowment and trust funds	524,857	25,482
Proceeds from contributions and investment return under split-interest agreements in excess of amounts recognized as contributions	1,787,742	1,202,242
Payments to beneficiaries under split-interest agreements	(1,837,134)	(1,907,728)
Net cash provided by (used in) financing activities	475,465	(32,075,004)
Change in cash and cash equivalents	62,414,104	(1,899,134)
Cash and cash equivalents at beginning of year	48,317,853	50,216,987
Cash and cash equivalents at end of year	\$ 110,731,957	48,317,853
Supplemental disclosures of cash flows information:		
Interest paid	\$ —	29,734
Income taxes paid	213,902	94,149

See accompanying notes to consolidated financial statements.

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

Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information as of
and for the year ended June 30, 2016)

(1) Organization and Summary of Significant Accounting Policies

Organization

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

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

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

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

(b) *Organizational Structure*

The accompanying consolidated financial statements as of and for the year ended June 30, 2017 include the financial position, changes in net assets, and cash flows of PPFA, Planned Parenthood Action Fund, Inc. and related entity (the Action Fund), and Planned Parenthood Global, Inc. (PP Global) (together, the Organization).

PPFA, which is the nation's oldest and largest voluntary family planning organization, maintains primary domestic offices in New York City and Washington, DC and several international offices that monitor the Organization's international programs. The Organization is also affiliated with 56 independent medical and related entities, Planned Parenthood Affiliates (PP Affiliates), all of which are separately incorporated in their respective states and which along with PPFA directors collectively constitute PPFA's membership. The PP Affiliates in turn control 108 ancillary entities (including 51 Political Action Committees and 49-501(c)(4) organizations). The Organization, PP Affiliates and the ancillary organizations together comprise Planned Parenthood. The accompanying consolidated financial statements do not include the financial position or the changes in net assets and cash flows of these independent PP Affiliates or their ancillary organizations.

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Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information as of
and for the year ended June 30, 2016)

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

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

Until April 1, 2016, PPFA was the sole member of Voxent, a corporation incorporated as of May 28, 2010 to provide technology support services to certain PP Affiliates. In accordance with the bylaws of Voxent, PPFA resigned as, and relinquished all rights and obligations accruing in connection with being a sole member effective March 31, 2016. In connection with the resignation, each of the individuals appointed by PPFA to the Voxent board resigned effective as of the same time. As such, Voxent is no longer affiliated with PPFA, and accordingly, net assets of \$1,815,219 were transferred to Voxent as of March 31, 2016. The accompanying summarized comparative financial information as of and for the year ended June 30, 2016 include the financial results of Voxent from July 1, 2015 through March 31, 2016.

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

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

Summary of Significant Accounting Policies

(c) Principles of Consolidation

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

(d) Basis of Accounting

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

**PLANNED PARENTHOOD FEDERATION
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Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information as of
and for the year ended June 30, 2016)

(e) Functional Allocation of Expenses

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

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

Movement building – programs designed to change the culture surrounding reproductive health issues.

Deploy 21st century technology – programs designed to expand the reach of reproductive health services and advocacy through the deployment of digital tools.

Strengthen and secure Planned Parenthood – programs designed to invest in the future of Planned Parenthood by promoting best practices, and providing financial support to PP Affiliates.

Global – programs designed to improve reproductive health outcomes internationally by supporting the Organization's international partners in health care advocacy, service delivery and sex education.

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

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

(f) Use of Estimates

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

(g) Fair Value

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

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Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information as of
and for the year ended June 30, 2016)

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

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

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

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

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

(h) Cash and Cash Equivalents

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

(i) Investments

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

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

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

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

**PLANNED PARENTHOOD FEDERATION
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Notes to Consolidated Financial Statements

June 30, 2017

(with summarized comparative financial information as of
and for the year ended June 30, 2016)

the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discounts is recorded as additional contribution revenue.

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

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

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

In December 2016, PPFA's Board of Directors approved a one year (December 1, 2016 to November 30, 2017) waiver of NPS dues for all PP Affiliates. Accordingly, the 2017 accompanying consolidated statement of activities include five months of NPS membership dues of \$5,849,175.

(k) Awards and grants

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

(l) Split-Interest Agreements and Perpetual Trust

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

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

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

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

(m) Inventories

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

(n) Property and Equipment

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

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

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

(o) Due to Related Organizations

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

(p) Net Assets and Changes Therein

Unrestricted

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

Temporarily Restricted

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

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Permanently Restricted

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

(q) Risks and Uncertainties

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

(r) Presentation of Certain Prior Year Information

The consolidated financial statements include certain prior year summarized, comparative information in total but not by net asset class or functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2016 from which the summarized information was derived.

(s) Reclassifications

Certain reclassifications have been made to the 2016 comparative financial information to conform to the 2017 presentation.

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(2) Investments and Fair Value

The following tables present the Organization's fair value hierarchy for those assets and liabilities measured at fair value as of June 30, 2017 and 2016:

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

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	2016			
	Fair value	Level 1	Level 2	Level 3
Financial assets:				
Investments:				
Money market funds	\$ 41,207,430	41,207,430	—	—
Certificates of deposit	222,027	—	222,027	—
Government and corporate bonds and obligations	54,993,103	—	54,993,103	—
Common and preferred stock	26,381,838	26,381,838	—	—
Mutual funds – equity	77,589,266	77,589,266	—	—
Mutual funds – fixed income	27,723,599	27,723,599	—	—
Nonpublicly held companies	403,536	—	—	403,536
	<u>228,520,799</u>	<u>\$ 172,902,133</u>	<u>55,215,130</u>	<u>403,536</u>
Alternative investments reported at net asset value	<u>9,365,578</u>			
Total investments	<u>\$ 237,886,377</u>			
Beneficial interest in perpetual trust	\$ 3,382,052	—	—	3,382,052

The following table presents a reconciliation for all Level 3 assets measured at fair value as of June 30, 2017 and 2016:

	Nonpublicly held companies	Beneficial interest in perpetual trust	Total
Balance at June 30, 2015	\$ 403,536	3,671,302	4,074,838
Realized and unrealized losses	<u>—</u>	<u>(289,250)</u>	<u>(289,250)</u>
Balance at June 30, 2016	403,536	3,382,052	3,785,588
Realized and unrealized gains	<u>241,401</u>	<u>113,244</u>	<u>354,645</u>
Balance at June 30, 2017	<u>\$ 644,937</u>	<u>3,495,296</u>	<u>4,140,233</u>

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As of June 30, 2017, the following table summarizes the various redemption provisions of alternative investments:

Redemption period	Amount
Monthly – 15 days' notice	\$ 5,922,586
Quarterly (with 135 days' notification)	1,028,878
Semi-annually (with 95 days' notice)	1,032,230
Annually – December 31 (with 90 days' notification)	1,969,941
At termination of fund	120,412
	\$ 10,074,047

Investments include assets under split-interest agreements of \$30,353,260 and \$25,427,379 in 2017 and 2016, respectively, of which \$6,450,409 and \$4,254,616, respectively, relate to charitable remainder trusts. Such split-interest agreements include certain segregated investment accounts relating to charitable gift annuities, in compliance with the insurance laws of various states. The Organization maintains separate and distinct reserve funds adequate to meet the future payments of all outstanding charitable gift annuities administered by the Organization. The Organization complies with the annuity reserve requirements of all individual states that have such requirements, including Arkansas, California, Hawaii, Maryland, New Jersey, New York, Washington, and Florida. The balance of these reserve accounts aggregated \$21,875,305 and \$19,418,880 in 2017 and 2016, respectively.

(3) Contributions and Grants Receivable

At June 30, 2017 and 2016, contributions and grants receivable are scheduled to be collected as follows:

	2017	2016
Less than one year	\$ 41,957,118	48,779,232
One to five years	42,353,152	40,759,927
	84,310,270	89,539,159
Less present value discount, using a discount rate between 2.71% and 3.89%	(2,128,591)	(2,167,558)
	\$ 82,181,679	87,371,601

At June 30, 2017 and 2016, approximately 21% and 50% of the outstanding contributions and grants receivable were from two donors, respectively.

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(4) Property and Equipment

At June 30, 2017 and 2016, the Organization's property and equipment consisted of the following:

	2017	2016
Leasehold improvements	\$ 11,592,574	9,598,415
Furniture and equipment	14,058,259	9,154,753
	25,650,833	18,753,168
Less accumulated amortization and depreciation	(7,601,750)	(5,335,505)
	\$ 18,049,083	13,417,663

On July 1, 2015, the Organization sold its ownership of a condominium unit that was being used as the Organization's New York office facility for approximately \$69,300,000 net of closing costs, realizing a gain of approximately \$19,100,000.

(5) Long-Term Debt

As a result of the sale of the Organization's ownership of a condominium unit in fiscal year 2016 (note 4), the Organization redeemed and retired the Public Finance Authority (PFA) Revenue bonds in the amount of \$26,500,000 and defeased the New York City Industrial Development Agency Civil Facility Variable Rate Revenue Bonds (NYCIDA) in the amount of \$4,895,000 on July 1, 2015 and September 1, 2015, respectively.

Total interest expense for the year ended June 30, 2016 amounted to \$29,734.

(6) Commitments and Contingencies

(a) *Litigation and Claims*

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

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(b) Leases

As of June 30, 2017, the Organization is obligated under various noncancelable operating leases for its offices expiring 2017 through 2031. Minimum future lease payments under the lease agreements for each of the remaining years and in the aggregate are as follows:

	<u>Lease commitments</u>
Year ending June 30:	
2018	\$ 4,452,638
2019	4,508,169
2020	4,565,905
2021	4,675,892
2022	5,089,635
Thereafter	<u>44,971,268</u>
	<u>\$ 68,263,507</u>

Rent expense for 2017 and 2016 was approximately \$5,396,000 and \$4,815,000, respectively. The Organization signed a lease agreement in fiscal year 2015 for a New York office facility that commenced in fiscal year 2017 and expires on July 31, 2031. Rent expense is being recognized on a straight-line basis over the term of the lease.

(c) Line of Credit

PPFA has a \$1,000,000 line of credit with maturity that has been extended to January 30, 2018, which was not drawn upon during the years ended June 30, 2017 and 2016. Borrowings under the line of credit bear interest at a variable rate based on LIBOR. As of June 30, 2017 and 2016, no balance was outstanding under this line of credit.

In addition, the Action Fund has a \$1,000,000 revolving line of credit with a bank with a maturity that has been extended through June 30, 2018, which was not drawn upon during the years ended June 30, 2017 and 2016. Borrowings under the line of credit bear interest at a variable interest rate equal to the LIBOR Daily Floating Rate plus 1.35%. As of June 30, 2017 and 2016, no balance was outstanding under this line of credit.

(7) Employee Retirement Plan and Deferred Compensation Plan

The Organization has a 401(k) defined-contribution retirement plan. Eligible employees are immediately able to make voluntary pretax contributions to the plan through a salary reduction agreement. Eligible employees of the Organization who have performed one year of service and are age 19 or older are also eligible to receive employer contributions in their plan accounts. The Organization makes a matching contribution to the plan equal to 50% of each participant's voluntary contribution, up to a maximum of 3% of

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the participant's salary. In addition, the Organization makes a discretionary employer contribution to the plan equal to 3% of each participant's salary, which does not require the participant to contribute.

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

Retirement plan expense for 2017 and 2016 was approximately \$2,198,000 and \$1,995,000, respectively.

(8) Allocation of Joint Costs

The Organization conducts activities that include appeals for contributions. These activities primarily include direct-response campaigns. For the years ended June 30, 2017 and 2016, joint costs were allocated to functional categories as follows:

	2017	2016
Fund-raising	\$ 12,529,964	10,796,059
Program services	8,059,062	7,142,421
	\$ 20,589,026	17,938,480

(9) Net Assets

At June 30, 2017 and 2016, unrestricted net assets are designated as follows:

	2017	2016
Undesignated	\$ 29,871,536	36,741,801
Net investment in property and equipment	17,976,562	13,417,663
Board-designated:		
Endowment:		
General	117,739,896	106,200,325
Fund for the future	2,117,941	1,954,442
Gift annuity funds	4,440,457	3,607,592
Planned Parenthood initiatives	66,071,567	—
	\$ 238,217,959	161,921,823

Subsequent to June 30, 2017, PPFA's Board of Directors designated approximately \$6,200,000 of its undesignated net assets as of June 30, 2017, to provide additional funding for future assistance to various PP Affiliates' initiatives.

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At June 30, 2017 and 2016, temporarily restricted net assets consisted of the following:

	<u>2017</u>	<u>2016</u>
Operating activities:		
Promote health equity	\$ 26,448,566	44,813,676
Movement building	17,595,163	4,189,224
Deploy 21st century technology	23,630,452	20,689,156
Strengthen and secure the organization	10,860,363	1,228,716
Global	4,803,545	24,086,388
Time restrictions	769,962	13,391,862
Total	<u>84,108,051</u>	<u>108,399,022</u>
Long-term investment:		
Pooled income fund	407,583	371,474
Unitrust and annuity trust funds	2,382,298	1,265,905
Fund for the future	2,180,671	1,767,956
Charitable gift annuities with purpose restrictions	475,718	409,906
Accumulated gains on permanently restricted net assets	<u>8,948,738</u>	<u>6,688,297</u>
	14,395,008	10,503,538
Planned Parenthood Action Fund, Inc.	22,323,781	17,882,698
Planned Parenthood Global, Inc.	<u>12,096,854</u>	<u>—</u>
	<u>\$ 132,923,694</u>	<u>136,785,258</u>

For the years ended June 30, 2017 and 2016, the income from permanently restricted net assets was available for the following:

	<u>2017</u>	<u>2016</u>
Permanently restricted:		
Promote health equity	\$ 5,849,191	5,341,100
Global	7,816,349	7,816,349
Fund for the future	3,162,580	3,162,580
General purposes	5,858,451	5,841,126
Beneficial interest in perpetual trust – for general purposes	<u>3,495,296</u>	<u>3,382,052</u>
	<u>\$ 26,181,867</u>	<u>25,543,207</u>

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

(10) Endowment Funds

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

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

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

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

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The following tables present the Organization's donor-restricted endowment funds and funds designated by the board of directors to function as endowments, excluding perpetual trusts and including contributions receivable as of June 30, 2017 and 2016, respectively, and the changes for the years ended June 30, 2017 and 2016:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
2017:				
Donor-restricted endowment funds	\$ —	11,105,710	22,686,571	33,792,281
Board-designated endowment funds	<u>119,857,837</u>	<u>—</u>	<u>—</u>	<u>119,857,837</u>
Total funds	<u>\$ 119,857,837</u>	<u>11,105,710</u>	<u>22,686,571</u>	<u>153,650,118</u>
Endowment net assets, June 30, 2016	\$ 108,154,767	8,456,253	22,161,155	138,772,175
Investment return:				
Interest and dividends, net of fees	1,824,713	243,158	—	2,067,871
Net realized and unrealized appreciation in fair value of investments	9,977,064	3,887,987	—	13,865,051
Contributions and transfers	—	—	524,857	524,857
Change in value of split-interest agreements	—	—	559	559
Appropriation of endowment assets for expenditures	<u>(98,707)</u>	<u>(1,481,688)</u>	<u>—</u>	<u>(1,580,395)</u>
Endowment net assets, June 30, 2017	<u>\$ 119,857,837</u>	<u>11,105,710</u>	<u>22,686,571</u>	<u>153,650,118</u>
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
2016:				
Donor-restricted endowment funds	\$ —	8,456,253	22,161,155	30,617,408
Board-designated endowment funds	<u>108,154,767</u>	<u>—</u>	<u>—</u>	<u>108,154,767</u>
Total funds	<u>\$ 108,154,767</u>	<u>8,456,253</u>	<u>22,161,155</u>	<u>138,772,175</u>

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	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2015	\$ 82,130,112	10,440,427	22,136,586	114,707,125
Investment return:				
Interest and dividends, net of fees	1,872,094	279,635	—	2,151,729
Net realized and unrealized appreciation in fair value of investments	(2,753,507)	(949,098)	—	(3,702,605)
Contributions and transfers	27,000,000	—	25,482	27,025,482
Change in value of split-interest agreements	—	—	(913)	(913)
Appropriation of endowment assets for expenditures	<u>(93,932)</u>	<u>(1,314,711)</u>	<u>—</u>	<u>(1,408,643)</u>
Endowment net assets, June 30, 2016	<u>\$ 108,154,767</u>	<u>8,456,253</u>	<u>22,161,155</u>	<u>138,772,175</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or law requires the Organization to retain as a fund for the perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature would be reported in temporarily restricted net assets to the extent there are accumulated gains available to absorb such loss, or otherwise unrestricted net assets. There were no deficiencies as of June 30, 2017 and 2016.

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

PPFA has a policy of appropriating a percentage of the endowment market value for spending, unless otherwise explicitly stipulated by the donor. The endowment's spending policy governs the rate at which funds are released for grant making. The Organization has implemented a spending policy of appropriating for distribution up to 5% of the endowment funds' average fair value of the preceding 12 quarters through the calendar year preceding the fiscal year in which the distribution is planned. The amount appropriated for spending was \$1,580,395 and \$1,408,643 in 2017 and 2016, respectively.

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(11) Subsequent Events

The Organization evaluated subsequent events after the balance sheet date of June 30, 2017 through December 12, 2017, which was the date the consolidated financial statements were available to be issued, and concluded that no additional disclosures are required.

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Consolidating Balance Sheet

June 30, 2017

Assets	Planned Parenthood Federation of America, Inc.	Planned Parenthood Action Fund, Inc.	Planned Parenthood Global, Inc.	Eliminations	Planned Parenthood Federation of America, Inc. (consolidated)
Cash and cash equivalents	\$ 83,863,983	13,918,697	12,949,277	—	110,731,957
Receivables, advances, and deposits:					
Affiliates	236,792	—	1,235,037	(1,296,619)	175,210
Other	505,395	189,571	108,077	—	803,043
Inventories, supplies, and prepaid expenses	2,254,404	755,416	59,832	—	3,069,652
Contributions and grants receivable, net	68,163,159	14,018,520	—	—	82,181,679
Investments	269,849,987	—	—	—	269,849,987
Beneficial interest in perpetual trust	3,495,296	—	—	—	3,495,296
Property and equipment, net	17,976,562	72,521	—	—	18,049,083
	<u>\$ 446,345,578</u>	<u>28,954,725</u>	<u>14,352,223</u>	<u>(1,296,619)</u>	<u>488,355,907</u>
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 27,523,784	3,334,724	346,265	—	31,204,773
Deferred revenue	114,405	1,314,849	—	—	1,429,254
Due to related organizations	38,670,032	1,981,371	13,400	(1,296,619)	39,368,184
Liability under split-interest agreements	15,081,349	—	—	—	15,081,349
Amounts held on behalf of affiliates and others	3,948,827	—	—	—	3,948,827
Total liabilities	<u>85,338,397</u>	<u>6,630,944</u>	<u>359,665</u>	<u>(1,296,619)</u>	<u>91,032,387</u>
Net assets:					
Unrestricted:					
Undesignated	27,975,832	—	1,895,704	—	29,871,536
Designated by the board of directors	190,369,861	—	—	—	190,369,861
Net investment in property and equipment	17,976,562	—	—	—	17,976,562
	<u>236,322,255</u>	<u>—</u>	<u>1,895,704</u>	<u>—</u>	<u>238,217,959</u>
Temporarily restricted:					
For operating activities	98,503,059	—	—	—	98,503,059
Planned Parenthood Action Fund, Inc.	—	22,323,781	—	—	22,323,781
Planned Parenthood Global, Inc.	—	—	12,096,854	—	12,096,854
	<u>98,503,059</u>	<u>22,323,781</u>	<u>12,096,854</u>	<u>—</u>	<u>132,923,694</u>
Permanently restricted	26,181,867	—	—	—	26,181,867
Total net assets	<u>361,007,181</u>	<u>22,323,781</u>	<u>13,992,558</u>	<u>—</u>	<u>397,323,520</u>
	<u>\$ 446,345,578</u>	<u>28,954,725</u>	<u>14,352,223</u>	<u>(1,296,619)</u>	<u>488,355,907</u>

See accompanying independent auditors' report.

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

Year ended June 30, 2017

	<u>Planned Parenthood Federation of America, Inc.</u>	<u>Planned Parenthood Action Fund, Inc.</u>	<u>Planned Parenthood Global, Inc.</u>	<u>Eliminations</u>	<u>Planned Parenthood Federation of America, Inc. (consolidated)</u>
Revenue, net gains, and other support:					
Revenue and net gains:					
Contributions and grants:					
Direct response	\$ 156,998,857	—	—	—	156,998,857
Major donors, foundations, and corporations	50,295,517	—	—	—	50,295,517
Bequests and other planned giving revenue	20,731,824	—	—	—	20,731,824
Affiliates, National Program Support	5,489,175	—	—	—	5,489,175
Affiliates, other support	1,914,950	—	2,284,766	(2,284,766)	1,914,950
Special events, net of expenses of \$437,289	2,939,738	—	—	—	2,939,738
Federated fund-raising organizations	5,467,050	—	—	—	5,467,050
Total contributions and grants	<u>243,837,111</u>	<u>—</u>	<u>2,284,766</u>	<u>(2,284,766)</u>	<u>243,837,111</u>
Other revenue and net gains:					
Sales of publications and commodities	261,482	—	—	—	261,482
Interest and dividends, net of fees	3,253,572	—	—	—	3,253,572
Net realized and unrealized appreciation in fair value of investments	9,813,897	—	—	—	9,813,897
Change in value of split-interest agreements	1,628,175	—	—	—	1,628,175
Fees for services and other revenue	11,106,926	—	—	(7,325,652)	3,781,274
Total other revenue and net gains	<u>26,064,052</u>	<u>—</u>	<u>—</u>	<u>(7,325,652)</u>	<u>18,738,400</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	127,220,951	67,029,417	18,344,711	(34,241,881)	178,353,198
Total revenue, net gains, and other support	<u>397,122,114</u>	<u>67,029,417</u>	<u>20,629,477</u>	<u>(43,852,299)</u>	<u>440,928,709</u>
Expenses:					
Employee compensation and benefits	61,423,467	17,462,291	6,610,446	(3,091,810)	82,404,394
Professional fees and contract services	55,883,736	9,994,554	1,138,638	(591,330)	66,425,598
Awards and grants	155,373,104	16,869,687	5,679,414	(33,921,503)	144,000,702
Conferences, meetings, and travel	8,436,929	3,590,484	3,056,555	—	15,083,968
Advertising and public service messages	9,757,105	9,122,676	33,034	—	18,912,815
Other	29,694,547	9,989,725	2,215,686	(4,169,541)	37,730,417
Total expenses	<u>320,568,888</u>	<u>67,029,417</u>	<u>18,733,773</u>	<u>(41,774,184)</u>	<u>364,557,894</u>
Change in net assets before other changes	<u>76,553,226</u>	<u>—</u>	<u>1,895,704</u>	<u>(2,078,115)</u>	<u>76,370,815</u>
Other changes:					
Loss on contributions and other receivables	(74,679)	—	—	—	(74,679)
Total other changes	<u>(74,679)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(74,679)</u>
Change in net assets	76,478,547	—	1,895,704	(2,078,115)	76,296,136
Net assets at beginning of year	159,843,708	—	—	2,078,115	161,921,823
Net assets at end of year	<u>\$ 236,322,255</u>	<u>—</u>	<u>1,895,704</u>	<u>—</u>	<u>238,217,959</u>

See accompanying independent auditors' report.

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

Consolidating Statement of Activities – Temporarily Restricted Net Assets

Year ended June 30, 2017

	<u>Planned Parenthood Federation of America, Inc.</u>	<u>Planned Parenthood Action Fund, Inc.</u>	<u>Planned Parenthood Global, Inc.</u>	<u>Eliminations</u>	<u>Planned Parenthood Federation of America, Inc. (consolidated)</u>
Revenue, net gains, and other support:					
Revenue and net gains:					
Contributions and grants:					
Direct response	\$ 305,244	22,796,267	—	—	23,101,511
Major donors, foundations, and corporations	94,512,462	37,495,557	4,828	—	132,012,847
Special Events, net of expenses of \$300,000	50,000	—	—	—	50,000
Bequests and other planned giving revenue	7,470,523	69,157	—	—	7,539,680
Affiliates, other support	—	1,200,000	30,436,737	(31,636,737)	—
Total contributions and grants	<u>102,338,229</u>	<u>61,560,981</u>	<u>30,441,565</u>	<u>(31,636,737)</u>	<u>162,704,038</u>
Other revenue and net gain (losses):					
Interest and dividends, net of fees	289,435	—	—	—	289,435
Net realized and unrealized appreciation in fair value of investments	3,854,165	—	—	—	3,854,165
Change in value of split-interest agreements	446,995	—	—	—	446,995
Fees for services and other revenue	—	7,933,733	—	(527,029)	7,406,704
Total other revenue and net gains	<u>4,590,595</u>	<u>7,933,733</u>	<u>—</u>	<u>(527,029)</u>	<u>11,997,299</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>(127,220,951)</u>	<u>(67,029,417)</u>	<u>(18,344,711)</u>	<u>34,241,881</u>	<u>(178,353,198)</u>
Total revenue, net gains (losses), and other support	<u>(20,292,127)</u>	<u>2,465,297</u>	<u>12,096,854</u>	<u>2,078,115</u>	<u>(3,651,861)</u>
Change in net assets	<u>(20,292,127)</u>	<u>2,465,297</u>	<u>12,096,854</u>	<u>2,078,115</u>	<u>(3,651,861)</u>
Other changes:					
Loss on contributions and other receivables	<u>(107,374)</u>	<u>(102,329)</u>	<u>—</u>	<u>—</u>	<u>(209,703)</u>
Total other changes	<u>(107,374)</u>	<u>(102,329)</u>	<u>—</u>	<u>—</u>	<u>(209,703)</u>
Change in net assets	<u>(20,399,501)</u>	<u>2,362,968</u>	<u>12,096,854</u>	<u>2,078,115</u>	<u>(3,861,564)</u>
Net assets at beginning of year	118,902,560	19,960,813	—	(2,078,115)	136,785,258
Net assets at end of year	<u>\$ 98,503,059</u>	<u>22,323,781</u>	<u>12,096,854</u>	<u>—</u>	<u>132,923,694</u>

See accompanying independent auditors' report.

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

Consolidating Statement of Activities – Permanently Restricted Net Assets

Year ended June 30, 2017

	Planned Parenthood Federation of America, Inc.	Planned Parenthood Federation of America, Inc. (consolidated)
	<u> </u>	<u> </u>
Revenue, net gains, and other support:		
Revenue and net gains:		
Contributions and grants:		
Bequests and other planned giving revenue	\$ 524,857	524,857
Total contributions and grants	<u>524,857</u>	<u>524,857</u>
Other revenue and net gains:		
Gain on beneficial interest in perpetual trust	113,244	113,244
Change in value of split-interest agreements	<u>559</u>	<u>559</u>
Total other revenue and net gains	<u>113,803</u>	<u>113,803</u>
Change in net assets	638,660	638,660
Net assets at beginning of year	<u>25,543,207</u>	<u>25,543,207</u>
Net assets at end of year	<u>\$ 26,181,867</u>	<u>26,181,867</u>

See accompanying independent auditors' report.