



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

Consolidated Financial Statements and Supplementary Information

June 30, 2016

(with summarized comparative financial information for 2015)

(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, 2016, 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, 2016, 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 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 8, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Our audit were 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, 2016 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 14, 2016

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

Consolidated Balance Sheet

June 30, 2016

(with summarized comparative financial information as of
June 30, 2015)

Assets	2016	2015
Cash and cash equivalents	\$ 48,317,853	50,216,987
Receivables, advances, and deposits:		
Affiliates	1,352,158	2,826,188
Other	635,049	421,929
Inventories, supplies, and prepaid expenses	2,253,318	1,846,819
Contributions and grants receivable, net (note 3)	87,371,601	62,962,596
Investments (notes 2 and 5)	237,886,377	206,777,405
Beneficial interest in perpetual trust (note 2)	3,382,052	3,671,302
Property and equipment, net (note 4)	13,417,663	54,371,001
Total assets	\$ 394,616,071	383,094,227
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 39,107,992	28,450,558
Deferred revenue	1,739,764	1,663,530
Due to related organizations	11,909,510	19,786,740
Liability under split-interest agreements	14,211,246	13,390,322
Amounts held on behalf of affiliates and others	3,397,271	4,032,508
Long-term debt (note 5)	—	31,395,000
Total liabilities	70,365,783	98,718,658
Commitments and contingencies (notes 6 and 7)		
Net assets (notes 9 and 10):		
Unrestricted	161,921,823	142,909,039
Temporarily restricted	136,785,258	115,658,642
Permanently restricted	25,543,207	25,807,888
Total net assets	324,250,288	284,375,569
Total liabilities and net assets	\$ 394,616,071	383,094,227

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Activities

Year ended June 30, 2016

(with summarized comparative financial information for the
year ended June 30, 2015)

	2016			Total 2015
	Unrestricted	Temporarily restricted	Permanently restricted	
Revenue, net gains, and other support:				
Revenue and net gains:				
Contributions and grants:				
Direct response	\$ 68,602,272	11,735,507	—	80,337,779
Major donors, foundations, and corporations	38,024,667	115,953,164	—	153,977,831
Bequests and other planned giving revenues	12,163,895	654,213	25,482	12,843,590
Affiliates, National Program Support	12,937,120	—	—	12,937,120
Affiliates, other support	1,908,200	—	—	1,908,200
Federated fund-raising organizations	2,138,523	—	—	2,138,523
Total contributions and grants	135,774,677	128,342,884	25,482	264,143,043
Other revenue and net gains (losses):				
Sales of publications and commodities	670,527	—	—	670,527
Interest and dividends, net of fees of \$719,437 in 2016 and \$515,196 in 2015	3,139,806	279,635	—	3,419,441
Net realized and unrealized depreciation in fair value of investments	(5,411,231)	(1,261,246)	—	(6,672,477)
Loss on beneficial interest in perpetual trust	—	—	(289,250)	(289,250)
Change in value of split-interest agreements	665,249	(174,199)	(913)	490,137
Fees for services and other revenue	7,371,734	552,805	—	7,924,539
Total other revenue and net gains (losses)	6,436,085	(603,005)	(290,163)	5,542,917
Net assets released from restrictions due to satisfaction of program and time restrictions	106,571,263	(106,571,263)	—	—
Gain on sale of property (note 4)	19,112,003	—	—	19,112,003
Total revenue, net gains (losses), and other support	267,894,028	21,168,616	(264,681)	288,797,963
Expenses:				
Employee compensation and benefits	69,509,596	—	—	69,509,596
Professional fees and contract services	56,484,489	—	—	56,484,489
Awards and grants	71,241,464	—	—	71,241,464
Conferences, meetings, and travel	13,902,226	—	—	13,902,226
Advertising and public service messages	3,568,540	—	—	3,568,540
Other	32,260,730	—	—	32,260,730
Total expenses	246,967,045	—	—	246,967,045
Change in net assets before other changes	20,926,983	21,168,616	(264,681)	41,830,918
Other changes:				
Loss on contributions and other receivables	(98,980)	(42,000)	—	(140,980)
Loss on transfer of net assets to Voxent (note 1)	(1,815,219)	—	—	(1,815,219)
Total other changes	(1,914,199)	(42,000)	—	(1,956,199)
Change in net assets	19,012,784	21,126,616	(264,681)	39,874,719
Net assets at beginning of year	142,909,039	115,658,642	25,807,888	284,375,569
Net assets at end of year	\$ 161,921,823	136,785,258	25,543,207	284,375,569

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, 2016

(with summarized comparative financial information for the
year ended June 30, 2015)

	2016										
	Program services (note 8)					Supporting services (note 8)					Total 2015
	Engage communities	Increase access	Build advocacy capacity	Renew leadership	Refresh our brand	Total program services	Management and general	Fund-raising	Total supporting services	Total	
Salaries and payroll taxes											
Employee health and retirement benefits	922,306	4,215,222	1,463,615	310,372	187,462	7,098,977	1,169,306	1,830,385	2,999,691	10,098,668	9,747,669
Total employee compensation	6,307,154	27,772,772	10,177,544	1,947,418	1,285,550	47,490,438	9,980,487	12,038,671	22,019,158	69,509,596	68,731,573
Professional fees and contract services, including investment management fees	5,843,063	31,084,089	2,724,992	697,176	1,277,578	41,626,898	6,466,027	9,111,001	15,577,028	57,203,926	40,095,792
Awards and grants	3,278,490	60,550,520	6,329,207	446,466	636,781	71,241,464	—	—	—	71,241,464	88,486,893
Conferences, meetings, and travel	1,451,474	6,438,100	3,297,083	299,505	300,495	11,786,657	1,297,715	817,854	2,115,569	13,902,226	10,867,914
Advertising and public service messages	511,825	1,187,959	1,817,789	12,797	20,396	3,550,766	2,130	15,644	17,774	3,568,540	3,050,237
Other:											
Commodities, supplies, and minor equipment	805,950	679,842	397,591	14,216	13,418	1,911,017	1,087,801	579,636	1,667,437	3,578,454	2,944,248
Telephone and telecommunications	104,718	558,042	565,845	36,750	24,375	1,289,730	168,543	224,138	392,681	1,682,411	1,457,689
Postage and shipping	282,293	1,608,975	610,218	49,624	50,563	2,601,673	33,928	4,120,061	4,153,989	6,755,662	5,084,836
Occupancy	545,699	2,337,069	485,827	162,130	109,557	3,640,282	787,959	968,351	1,756,310	5,396,592	1,892,991
Outside printing and artwork	323,370	1,400,149	527,739	38,506	87,044	2,376,808	98,288	2,218,962	2,317,250	4,694,058	3,674,256
Subscriptions and reference publications	145,748	280,714	391,138	49,851	66,507	933,958	182,283	192,020	374,303	1,308,261	1,414,356
Repairs, maintenance, and systems	147,703	1,252,697	10,658	327,773	3,467	1,742,298	1,220,796	374,784	1,595,580	3,337,878	2,505,253
Staff development and training	29,670	143,589	87,497	40,375	11,203	312,334	103,844	13,740	117,584	429,918	335,393
Interest, bank, and lockbox fees	151,699	687,778	142,154	50,898	34,497	1,067,026	247,317	324,333	571,650	1,638,676	2,239,875
Amortization and depreciation	175,633	795,787	154,409	59,281	39,984	1,225,094	288,110	354,069	642,179	1,867,273	2,150,083
Miscellaneous	84,466	367,152	210,022	28,204	26,384	716,228	645,055	210,264	855,319	1,571,547	956,187
	20,188,955	137,145,234	27,929,713	4,260,970	3,987,799	193,512,671	22,610,283	31,563,528	54,173,811	247,686,482	235,887,576
Investment management fees *	—	—	—	—	—	—	(719,437)	—	(719,437)	(719,437)	(515,196)
	\$ 20,188,955	137,145,234	27,929,713	4,260,970	3,987,799	193,512,671	21,890,846	31,563,528	53,454,374	246,967,045	235,372,380

* Investment management fees are netted with interest and dividends 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, 2016

(with summarized comparative financial information for the
year ended June 30, 2015)

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 39,874,719	(2,647,660)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization and depreciation	1,867,273	2,150,083
Net realized and unrealized depreciation in fair value of investments	6,672,477	1,136,328
Contributions for endowment and trust funds	(25,482)	(841,861)
Change in value of split-interest agreements	(490,137)	(1,973,408)
Loss on beneficial interest in perpetual trust	289,250	65,235
Loss on disposal of fixed assets	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	1,260,910	(576,812)
Inventories, supplies, and prepaid expenses	(406,499)	182,354
Contributions and grants receivable, net	(24,409,005)	(10,444,863)
Accounts payable and accrued expenses	10,657,434	8,961,828
Deferred revenue	76,234	(1,164,120)
Due to related organizations	(7,877,230)	13,506,793
Amounts held on behalf of affiliates and others	(635,237)	(318,804)
Net cash provided by operating activities	9,934,100	8,035,093
Cash flows from investing activities:		
Purchases of investments	(46,905,895)	(32,421,770)
Proceeds from sales of investments	9,466,992	29,259,654
Purchases of property and equipment	(11,620,253)	(1,520,823)
Proceeds from sale of property, net	69,300,926	—
Net cash provided by (used in) investing activities	20,241,770	(4,682,939)
Cash flows from financing activities:		
Repayment of bonds	(31,395,000)	(2,110,000)
Contributions for endowment and trust funds	25,482	841,861
Proceeds from contributions and investment return under split-interest agreements in excess of amounts recognized as contributions	1,202,242	1,106,515
Payments to beneficiaries under split-interest agreements	(1,907,728)	(1,783,521)
Net cash used in financing activities	(32,075,004)	(1,945,145)
Change in cash and cash equivalents	(1,899,134)	1,407,009
Cash and cash equivalents at beginning of year	50,216,987	48,809,978
Cash and cash equivalents at end of year	\$ 48,317,853	50,216,987
Supplemental disclosures of cash flows information:		
Interest paid	\$ 29,734	974,035
Income taxes paid	94,149	10,200

See accompanying notes to consolidated financial statements.

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

Notes to Consolidated Financial Statements

June 30, 2016

(with summarized comparative financial information as of
and for the year ended June 30, 2015)

(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, 2016 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 Voxent (from July 1, 2015 through March 31, 2016) (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 PPFA's international programs. The Organization is also affiliated with 58 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, which in turn control 106 ancillary entities (including 42 Political Action Committees and 52-501(c)(4) organizations). Accordingly, the accompanying consolidated financial statements do not include the financial position or the changes in net assets and cash flows of these independent affiliated organizations.

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

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and nondiscriminatory access, to such care, and to foster and preserve a social and political climate favorable to the exercise of reproductive choice.

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 2016 accompanying consolidated statements of activities, functional expenses, and cash flows include the financial results of Voxent from July 1, 2015 through March 31, 2016.

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.

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, and the Action Fund, 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

(a) Principles of Consolidation

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

(b) 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.

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(c) 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:

Engage communities – programs designed to engage broad and diverse communities to reduce health disparities and improve sexual health for the next generation.

Increase access – programs designed to improve access to reproductive health services and information by leveraging technology, enhancing existing capacity, and securing the role of women's health centers in the evolving healthcare system.

Build advocacy capacity – programs designed to build the organizational capacity and expertise necessary to be effective in protecting and expanding access to the full range of reproductive health services.

Renew leadership – programs designed to recruit and develop young, diverse leaders dedicated to providing sexual healthcare and education.

Refresh our brand – programs designed to raise visibility so that diverse communities and individuals are aware of and understand the full range of health services offered.

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.

(d) 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.

(e) Early Adoption of New Authoritative Accounting Pronouncements

In 2016, the Organization early adopted Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical

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expedient and removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient.

In 2016, the Organization early adopted ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which amends the guidance on the classification and measurement of financial instruments. The guidance amends certain disclosure requirements associated with the fair value of financial instruments. ASU No 2016-01 is effective for fiscal years beginning after December 15, 2018. Entities that are not public business entities may early adopt the provisions of the standard that eliminate certain previously required disclosures. The Organization chose to early adopt this standard to simplify the reporting for financial instruments and as such is no longer required to provide the disclosures related to the fair value of financial instruments carried at amortized cost.

(f) Fair Value

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

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

Level 1 – Inputs are 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.

(g) 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.

(h) 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

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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.

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

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

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

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

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

(j) 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

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future payments to be made to the respective donor and/or other beneficiaries. Contribution revenue for pooled income funds is recognized upon the establishment of the agreement, at the fair value of the estimated future receipts discounted for the estimated time period necessary to complete the agreement.

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

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

(k) 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.

(l) 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

(m) 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 arrangement.

(n) Net Assets and Changes Therein

(i) Unrestricted

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

(ii) Temporarily Restricted

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

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assets released from restrictions represent the satisfaction of the purpose or time restriction specified by the donor.

(iii) Permanently Restricted

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

(o) 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.

(p) 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, 2015 from which the summarized information was derived.

(q) Reclassifications

Certain reclassifications have been made to the 2015 comparative financial information to conform to the 2016 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, 2016 and 2015:

	2016			
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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

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	2015			
	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Investments:				
Money market funds	\$ 37,308,121	37,308,121	—	—
Certificates of deposit	15,204,438	—	15,204,438	—
Government and corporate bonds and obligations	22,743,830	—	22,743,830	—
Common and preferred stock	24,397,830	24,397,830	—	—
Mutual funds – equity	71,346,249	71,346,249	—	—
Mutual funds – fixed income	25,409,181	25,409,181	—	—
Nonpublicly held companies	403,536	—	—	403,536
	<u>196,813,185</u>	<u>\$ 158,461,381</u>	<u>37,948,268</u>	<u>403,536</u>
Alternative investments reported at net asset value	<u>9,964,220</u>			
Total investments	<u>\$ 206,777,405</u>			
Beneficial interest in perpetual trust	\$ 3,671,302	—	—	3,671,302

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The following table presents a reconciliation for all Level 3 assets measured at fair value as of June 30, 2016 and 2015:

	<u>Nonpublicly held companies</u>	<u>Beneficial interest in perpetual trust</u>	<u>Total</u>
Balance at June 30, 2014	\$ 389,124	3,736,537	4,125,661
Realized and unrealized gains (losses)	<u>14,412</u>	<u>(65,235)</u>	<u>(50,823)</u>
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	<u>\$ 403,536</u>	<u>3,382,052</u>	<u>3,785,588</u>

As of June 30, 2016, the following table summarizes the various redemption provisions of alternative investments:

<u>Redemption period</u>	<u>Amount</u>
Monthly – 15 days' notice	\$ 6,167,110
Quarterly (with 30 days' notification)	1,748,037
Annually – December 31 (with 90 days' notification)	1,244,906
At termination of fund	<u>205,525</u>
	<u>\$ 9,365,578</u>

Investments include assets under split-interest agreements of \$25,427,379 and \$25,336,133 in 2016 and 2015, respectively, of which \$4,254,616 and \$3,917,839, 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 \$19,418,880 and \$19,408,683 in 2016 and 2015, respectively.

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(3) Contributions and Grants Receivable

At June 30, 2016 and 2015, contributions and grants receivable are scheduled to be collected as follows:

	<u>2016</u>	<u>2015</u>
Less than one year	\$ 48,779,232	28,400,080
One to five years	<u>40,759,927</u>	<u>36,774,389</u>
	89,539,159	65,174,469
Less present value discount, using a discount rate between 2.71% and 3.63%	<u>(2,167,558)</u>	<u>(2,211,873)</u>
	<u>\$ 87,371,601</u>	<u>62,962,596</u>

At June 30, 2016 and 2015, approximately, 50% and 76% of the outstanding contributions and grants receivable were from two donors.

(4) Property and Equipment

At June 30, 2016 and 2015, the Organization's property and equipment consisted of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ —	29,700,000
Building	—	12,072,491
Building and leasehold improvements	9,598,415	17,800,900
Furniture and equipment	<u>9,154,753</u>	<u>13,923,167</u>
	18,753,168	73,496,558
Less accumulated amortization and depreciation	<u>(5,335,505)</u>	<u>(19,125,557)</u>
	<u>\$ 13,417,663</u>	<u>54,371,001</u>

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.

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(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 years ended June 30, 2016 and 2015 amounted to \$29,734 and \$969,926, respectively.

The NYCIDA bonds were collateralized by a letter of credit with the Bank that expired July 1, 2015. At June 30, 2015, restricted assets of \$1,312,308, held by the trustee, were invested in money market funds and are included with investments in the accompanying comparative consolidated balance sheet information.

(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.

(b) *Leases*

As of June 30, 2016, the Organization is obligated under various noncancelable operating leases for its offices expiring 2016 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:	
2017	\$ 3,453,170
2018	3,944,584
2019	3,987,883
2020	4,060,683
2021	4,157,167
Thereafter	<u>46,921,797</u>
	<u>\$ 66,525,284</u>

Rent expense for 2016 and 2015 was approximately \$4,815,000 and \$817,000, respectively. The Organization signed a lease agreement in fiscal year 2015 for a New York office facility that

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commenced in fiscal year 2016 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 a bank expiring in January 2017, which was not drawn upon during the years ended June 30, 2016 and 2015. Borrowings under the line of credit bear interest at a variable rate based on LIBOR. As of June 30, 2016 and 2015, no balance was outstanding under this line of credit.

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, 2017, which was not drawn upon during the years ended June 30, 2016 and 2015. Borrowings under the line of credit bear interest at a variable interest rate equal to the LIBOR Daily Floating Rate plus 1.35%. At June 30, 2016 and 2015, no balances were 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 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 2016 and 2015 was approximately \$1,995,000 and \$1,830,000, 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, 2016 and 2015, joint costs were allocated to functional categories as follows:

	2016	2015
Fund-raising	\$ 10,796,059	8,067,528
Program services	7,142,421	5,279,356
	\$ 17,938,480	13,346,884

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(9) Net Assets

At June 30, 2016 and 2015, unrestricted net assets are designated as follows:

	<u>2016</u>	<u>2015</u>
Undesignated	\$ 36,741,801	32,435,948
Net investment in property and equipment	13,417,663	24,288,309
Board-designated:		
Endowment:		
General	106,200,325	80,038,502
Fund for the future	1,954,442	2,091,610
Gift annuity funds	<u>3,607,592</u>	<u>4,054,670</u>
	<u>\$ 161,921,823</u>	<u>142,909,039</u>

At June 30, 2016 and 2015, temporarily restricted net assets consisted of the following:

	<u>2016</u>	<u>2015</u>
Operating activities:		
Engage communities	\$ 21,865,316	30,002,871
Increase access	72,579,500	52,910,914
Build advocacy capacity	562,344	9,101,914
Renew leadership	—	18,000
Time restrictions	<u>13,391,862</u>	<u>4,304,040</u>
Total	<u>108,399,022</u>	<u>96,337,739</u>
	<u>2016</u>	<u>2015</u>
Long-term investment:		
Pooled income fund	\$ 371,474	424,588
Unitrust and annuity trust funds	1,265,905	1,268,106
Fund for the future	1,767,956	2,113,734
Charitable gift annuities with purpose restrictions	409,906	521,926
Accumulated gains on permanently restricted net assets	<u>6,688,297</u>	<u>8,326,693</u>
	10,503,538	12,655,047
Planned Parenthood Action Fund, Inc.	<u>17,882,698</u>	<u>6,665,856</u>
	<u>\$ 136,785,258</u>	<u>115,658,642</u>

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For the years ended June 30, 2016 and 2015, the income from permanently restricted net assets was available for the following:

	2016	2015
Permanently restricted:		
Increase access	\$ 13,157,449	13,137,449
Fund for the future	3,162,580	3,162,580
General purposes	5,841,126	5,836,557
Beneficial interest in perpetual trust – for general purposes	3,382,052	3,671,302
	\$ 25,543,207	25,807,888

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

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

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

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

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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, 2016 and 2015, respectively, and the changes for the years ended June 30, 2016 and 2015:

	<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>
Endowment net assets, beginning of year	\$ 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 depreciation 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, end of year	<u>\$ 108,154,767</u>	<u>8,456,253</u>	<u>22,161,155</u>	<u>138,772,175</u>

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	Unrestricted	Temporarily restricted	Permanently restricted	Total
2015:				
Donor-restricted endowment funds	\$ —	10,440,427	22,136,586	32,577,013
Board-designated endowment funds	82,130,112	—	—	82,130,112
Total funds	\$ 82,130,112	10,440,427	22,136,586	114,707,125
Endowment net assets, beginning of year	\$ 65,423,006	10,608,489	21,274,535	97,306,030
Investment return:				
Interest and dividends, net of fees	1,618,904	311,303	—	1,930,207
Net realized and unrealized depreciation in fair value of investments	175,472	631,175	—	806,647
Contributions and transfers	15,000,000	—	841,861	15,841,861
Change in value of split-interest agreements	—	—	20,190	20,190
Appropriation of endowment assets for expenditures	(87,270)	(1,110,540)	—	(1,197,810)
Endowment net assets, end of year	\$ 82,130,112	10,440,427	22,136,586	114,707,125

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, 2016 and 2015.

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.

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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 \$1,408,643 and \$1,197,810 in 2016 and 2015, respectively.

(11) Subsequent Events

The Organization evaluated subsequent events after the balance sheet date of June 30, 2016 through December 14, 2016, 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, 2016

Assets	Planned Parenthood Federation of America, Inc.	Planned Parenthood Action Fund, Inc.	Eliminations	Planned Parenthood Federation of America, Inc. (consolidated)
Cash and cash equivalents	\$ 36,334,007	11,983,846	—	48,317,853
Receivables, advances, and deposits:				
Affiliates	1,205,030	857,725	(710,597)	1,352,158
Other	449,713	185,336	—	635,049
Inventories, supplies, and prepaid expenses	1,836,980	416,338	—	2,253,318
Contributions and grants receivable, net	76,232,112	11,139,489	—	87,371,601
Investments	237,886,377	—	—	237,886,377
Beneficial interest in perpetual trust	3,382,052	—	—	3,382,052
Property and equipment, net	13,417,663	—	—	13,417,663
	<u>\$ 370,743,934</u>	<u>24,582,734</u>	<u>(710,597)</u>	<u>394,616,071</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 36,770,491	2,337,501	—	39,107,992
Deferred revenue	71,930	1,667,834	—	1,739,764
Due to related organizations	12,003,521	616,586	(710,597)	11,909,510
Liability under split-interest agreements	14,211,246	—	—	14,211,246
Amounts held on behalf of affiliates and others	3,397,271	—	—	3,397,271
Total liabilities	<u>66,454,459</u>	<u>4,621,921</u>	<u>(710,597)</u>	<u>70,365,783</u>
Net assets:				
Unrestricted:				
Undesignated	34,663,686	—	2,078,115	36,741,801
Designated by the board of directors	111,762,359	—	—	111,762,359
Net investment in property and equipment	13,417,663	—	—	13,417,663
	<u>159,843,708</u>	<u>—</u>	<u>2,078,115</u>	<u>161,921,823</u>
Temporarily restricted:				
For operating activities	118,902,560	—	—	118,902,560
Planned Parenthood Action Fund, Inc.	—	19,960,813	(2,078,115)	17,882,698
	<u>118,902,560</u>	<u>19,960,813</u>	<u>(2,078,115)</u>	<u>136,785,258</u>
Permanently restricted				
	<u>25,543,207</u>	<u>—</u>	<u>—</u>	<u>25,543,207</u>
Total net assets	<u>304,289,475</u>	<u>19,960,813</u>	<u>—</u>	<u>324,250,288</u>
	<u>\$ 370,743,934</u>	<u>24,582,734</u>	<u>(710,597)</u>	<u>394,616,071</u>

See accompanying independent auditors' report.

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

Year ended June 30, 2016

	Planned Parenthood Federation of America, Inc.	Voxent	Planned Parenthood Action Fund, Inc.	Eliminations	Planned Parenthood Federation of America, Inc. (consolidated)
Revenue, net gains, and other support:					
Revenue and net gains:					
Contributions and grants:					
Direct response	\$ 68,602,272	—	—	—	68,602,272
Major donors, foundations, and corporations	38,024,667	—	—	—	38,024,667
Bequests and other planned giving revenue	12,163,895	—	—	—	12,163,895
Affiliates, National Program Support	12,937,120	—	—	—	12,937,120
Affiliates, other support	1,908,200	—	—	—	1,908,200
Federated fund-raising organizations	2,138,523	—	—	—	2,138,523
Total contributions and grants	<u>135,774,677</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>135,774,677</u>
Other revenue and net gains (losses):					
Sales of publications and commodities	670,527	—	—	—	670,527
Interest and dividends, net of fees	3,097,132	42,674	—	—	3,139,806
Net realized and unrealized depreciation in fair value of investments	(5,355,294)	(55,937)	—	—	(5,411,231)
Change in value of split-interest agreements	665,249	—	—	—	665,249
Fees for services and other revenue	5,196,621	3,782,214	—	(1,607,101)	7,371,734
Total other revenue and net gains (losses)	<u>4,274,235</u>	<u>3,768,951</u>	<u>—</u>	<u>(1,607,101)</u>	<u>6,436,085</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	79,905,103	—	31,865,896	(5,199,736)	106,571,263
Gain on sale of property	19,112,003	—	—	—	19,112,003
Total revenue, net gains (losses), and other support	<u>239,066,018</u>	<u>3,768,951</u>	<u>31,865,896</u>	<u>(6,806,837)</u>	<u>267,894,028</u>
Expenses:					
Employee compensation and benefits	57,975,220	2,940,144	8,594,232	—	69,509,596
Professional fees and contract services	52,601,125	394,512	6,678,716	(3,189,864)	56,484,489
Awards and grants	69,175,810	—	5,146,654	(3,081,000)	71,241,464
Conferences, meetings, and travel	9,960,513	145,806	3,795,907	—	13,902,226
Advertising and public service messages	1,307,557	5,736	2,255,247	—	3,568,540
Other	26,967,985	1,032,174	5,395,140	(1,134,569)	32,260,730
Total expenses	<u>217,988,210</u>	<u>4,518,372</u>	<u>31,865,896</u>	<u>(7,405,433)</u>	<u>246,967,045</u>
Change in net assets before other changes	<u>21,077,808</u>	<u>(749,421)</u>	<u>—</u>	<u>598,596</u>	<u>20,926,983</u>
Other changes:					
Loss on contributions and other receivables	(55,653)	(43,327)	—	—	(98,980)
Loss on transfer of net assets to Voxent	—	(1,815,219)	—	—	(1,815,219)
Total other changes	<u>(55,653)</u>	<u>(1,858,546)</u>	<u>—</u>	<u>—</u>	<u>(1,914,199)</u>
Change in net assets	21,022,155	(2,607,967)	—	598,596	19,012,784
Net assets at beginning of year	<u>138,821,553</u>	<u>2,607,967</u>	<u>—</u>	<u>1,479,519</u>	<u>142,909,039</u>
Net assets at end of year	<u>\$ 159,843,708</u>	<u>—</u>	<u>—</u>	<u>2,078,115</u>	<u>161,921,823</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, 2016

	Planned Parenthood Federation of America, Inc.	Planned Parenthood Action Fund, Inc.	Eliminations	Planned Parenthood Federation of America, Inc. (consolidated)
Revenue, net gains, and other support:				
Revenue and net gains:				
Contributions and grants:				
Direct response	\$ 429,569	11,305,938	—	11,735,507
Major donors, foundations, and corporations	89,858,405	26,094,759	—	115,953,164
Bequests and other planned giving revenue	643,713	10,500	—	654,213
Affiliates, other support	81,000	3,000,000	(3,081,000)	—
Total contributions and grants	<u>91,012,687</u>	<u>40,411,197</u>	<u>(3,081,000)</u>	<u>128,342,884</u>
Other revenue and net gains (losses):				
Interest and dividends, net of fees	279,635	—	—	279,635
Net realized and unrealized depreciation in fair value of investments	(1,261,246)	—	—	(1,261,246)
Change in value of split-interest agreements	(174,199)	—	—	(174,199)
Fees for services and other revenue	—	3,270,137	(2,717,332)	552,805
Total other revenue and net gains (losses)	<u>(1,155,810)</u>	<u>3,270,137</u>	<u>(2,717,332)</u>	<u>(603,005)</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>(79,905,103)</u>	<u>(31,865,896)</u>	<u>5,199,736</u>	<u>(106,571,263)</u>
Total revenue, net gains (losses), and other support	<u>9,951,774</u>	<u>11,815,438</u>	<u>(598,596)</u>	<u>21,168,616</u>
Change in net assets	<u>9,951,774</u>	<u>11,815,438</u>	<u>(598,596)</u>	<u>21,168,616</u>
Other changes:				
Loss on contributions and other receivables	<u>(42,000)</u>	<u>—</u>	<u>—</u>	<u>(42,000)</u>
Total other changes	<u>(42,000)</u>	<u>—</u>	<u>—</u>	<u>(42,000)</u>
Change in net assets	9,909,774	11,815,438	(598,596)	21,126,616
Net assets at beginning of year	<u>108,992,786</u>	<u>8,145,375</u>	<u>(1,479,519)</u>	<u>115,658,642</u>
Net assets at end of year	<u>\$ 118,902,560</u>	<u>19,960,813</u>	<u>(2,078,115)</u>	<u>136,785,258</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, 2016

	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	\$ <u>25,482</u>	<u>25,482</u>
Total contributions and grants	<u>25,482</u>	<u>25,482</u>
Other revenue and net losses:		
Loss on beneficial interest in perpetual trust	(289,250)	(289,250)
Change in value of split-interest agreements	<u>(913)</u>	<u>(913)</u>
Total other revenue and net losses	<u>(290,163)</u>	<u>(290,163)</u>
Change in net assets	(264,681)	(264,681)
Net assets at beginning of year	<u>25,807,888</u>	<u>25,807,888</u>
Net assets at end of year	<u><u>\$ 25,543,207</u></u>	<u><u>25,543,207</u></u>

See accompanying independent auditors' report.