



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

Consolidated Financial Statements and Supplementary Information

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)

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

**Table of Contents**

	<b>Page(s)</b>
Independent Auditors' Report	1-2
Consolidated Financial Statements:	
Consolidated Balance Sheets	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-28
<b>Supplementary Information</b>	
Consolidating Schedule – Balance Sheet	29
Consolidating Schedule – Statement of Activities – Net Assets Without Donor Restrictions	30
Consolidating Schedule – Statement of Activities – Net Assets With Donor Restrictions	31



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. and related entities:

### *Opinion*

We have audited the consolidated financial statements of Planned Parenthood Federation of America, Inc. and related entities (the Organization), which comprise the consolidated balance sheets as of June 30, 2022 and June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and June 30, 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules as of an for the end year ended June 30, 2022 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 2022 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2022 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 2022 consolidated financial statements or to the 2022 consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the 2022 consolidated financial statements as a whole.

*KPMG LLP*

New York, New York  
December 22, 2022

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

Consolidated Balance Sheets

June 30, 2022 and 2021

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 107,811,995	55,031,966
Receivables, advances, and deposits:		
Affiliates	1,500,371	577,097
Other	531,637	1,144,386
Inventories, supplies, and prepaid expenses	10,662,804	4,130,971
Contributions and grants receivable, net (note 2)	43,185,706	57,157,612
Investments (note 3)	365,601,182	347,248,962
Loan receivable and related accrued interest (note 9)	8,777,003	—
Beneficial interest in perpetual trust (note 3)	3,738,641	4,463,954
Property and equipment, net (note 4)	8,267,324	9,971,389
Total assets	\$ 550,076,663	479,726,337
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 38,131,386	28,402,053
Deferred revenue	12,604	—
Due to related organizations (note 5)	64,035,822	33,630,631
Liability under split-interest agreements (note 3)	16,505,835	17,697,492
Amounts held on behalf of affiliates and others	3,536,036	4,817,408
Total liabilities	122,221,683	84,547,584
Commitments and contingencies (notes 6 and 7)		
Net assets (notes 9 and 10):		
Without donor restrictions	250,419,717	260,564,725
With donor restrictions	177,435,263	134,614,028
Total net assets	427,854,980	395,178,753
Total liabilities and net assets	\$ 550,076,663	479,726,337

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Activities

Year ended June 30, 2022

(with summarized comparative financial information for the  
year ended June 30, 2021)

	<b>2022</b>			<b>Total 2021</b>
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>	
Revenue, net gains (losses), and other support:				
Revenue and net gains (losses):				
Contributions and grants:				
Direct response	\$ 170,213,057	36,280,372	206,493,429	144,505,347
Major donors, foundations, and corporations	106,062,754	124,465,497	230,528,251	157,686,678
Bequests and other planned giving revenues	14,723,637	37,044,122	51,767,759	37,991,683
Affiliates, National Program Support (note 1(j))	4,429,462	—	4,429,462	—
Affiliates, other support	1,914,200	1,030,000	2,944,200	1,920,275
Federated fund-raising organizations	4,495,778	—	4,495,778	3,141,649
Total contributions and grants	<u>301,838,888</u>	<u>198,819,991</u>	<u>500,658,879</u>	<u>345,245,632</u>
Other revenue and net gains (losses):				
Sales of publications and commodities	130,318	—	130,318	93,585
Investment return, net	(30,162,962)	(10,608,028)	(40,770,990)	55,657,734
(Loss) gain on beneficial interest in perpetual trust	—	(725,313)	(725,313)	868,999
Change in value of split-interest agreements	1,139,399	(496,698)	642,701	2,196,056
Fees for services and other revenue	3,836,186	—	3,836,186	5,351,146
Total other revenue and net gains (losses)	<u>(25,057,059)</u>	<u>(11,830,039)</u>	<u>(36,887,098)</u>	<u>64,167,520</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>144,168,717</u>	<u>(144,168,717)</u>	<u>—</u>	<u>—</u>
Total revenue, net gains (losses), and other support	<u>420,950,546</u>	<u>42,821,235</u>	<u>463,771,781</u>	<u>409,413,152</u>
Expenses:				
Employee compensation and benefits	108,310,362	—	108,310,362	94,382,870
Professional fees and contract services	52,171,782	—	52,171,782	49,753,971
Awards and grants (note 5)	172,736,649	—	172,736,649	144,414,159
Conferences, meetings, and travel	4,983,027	—	4,983,027	1,477,225
Advertising and public service messages	42,793,972	—	42,793,972	27,294,821
Other	50,099,762	—	50,099,762	44,624,162
Total expenses	<u>431,095,554</u>	<u>—</u>	<u>431,095,554</u>	<u>361,947,208</u>
Change in net assets	(10,145,008)	42,821,235	32,676,227	47,465,944
Net assets at beginning of year	<u>260,564,725</u>	<u>134,614,028</u>	<u>395,178,753</u>	<u>347,712,809</u>
Net assets at end of year	<u>\$ 250,419,717</u>	<u>177,435,263</u>	<u>427,854,980</u>	<u>395,178,753</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, 2021

	2021		
	Without donor restrictions	With donor restrictions	Total
Revenue, net gains (losses), and other support:			
Revenue and net gains (losses):			
Contributions and grants:			
Direct response	\$ 123,239,801	21,265,546	144,505,347
Major donors, foundations, and corporations	45,427,570	112,259,108	157,686,678
Bequests and other planned giving revenues	26,631,912	11,359,771	37,991,683
Affiliates, National Program Support (note 1(j))	—	—	—
Affiliates, other support	1,920,275	—	1,920,275
Federated fund-raising organizations	3,141,649	—	3,141,649
Total contributions and grants	<u>200,361,207</u>	<u>144,884,425</u>	<u>345,245,632</u>
Other revenue and net gains (losses):			
Sales of publications and commodities	93,585	—	93,585
Investment return, net	44,900,404	10,757,330	55,657,734
Gain on beneficial interest in perpetual trust	—	868,999	868,999
Change in value of split-interest agreements	1,608,571	587,485	2,196,056
Fees for services and other revenue	5,351,146	—	5,351,146
Total other revenue and net gains (losses)	<u>51,953,706</u>	<u>12,213,814</u>	<u>64,167,520</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>136,818,332</u>	<u>(136,818,332)</u>	<u>—</u>
Total revenue, net gains (losses), and other support	<u>389,133,245</u>	<u>20,279,907</u>	<u>409,413,152</u>
Expenses:			
Employee compensation and benefits	94,382,870	—	94,382,870
Professional fees and contract services	49,753,971	—	49,753,971
Awards and grants (note 5)	144,414,159	—	144,414,159
Conferences, meetings, and travel	1,477,225	—	1,477,225
Advertising and public service messages	27,294,821	—	27,294,821
Other	44,624,162	—	44,624,162
Total expenses	<u>361,947,208</u>	<u>—</u>	<u>361,947,208</u>
Change in net assets	27,186,037	20,279,907	47,465,944
Net assets at beginning of year	<u>233,378,688</u>	<u>114,334,121</u>	<u>347,712,809</u>
Net assets at end of year	<u>\$ 260,564,725</u>	<u>134,614,028</u>	<u>395,178,753</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, 2022

(with summarized comparative financial information for the  
year ended June 30, 2021)

	2022										
	Program services					Supporting services					Total 2021
	Healthcare	Education	Advocacy	Research	Total program services	Management and general	Fund-raising	Total supporting services	Total		
Salaries and payroll taxes	\$ 25,823,423	997,727	22,277,797	1,377,705	50,476,652	21,682,041	16,739,509	38,421,550	88,898,202	81,570,962	
Employee health and retirement benefits	5,650,381	232,359	4,859,249	296,803	11,038,792	4,726,756	3,646,612	8,373,368	19,412,160	12,811,908	
Total employee compensation and benefits	31,473,804	1,230,086	27,137,046	1,674,508	61,515,444	26,408,797	20,386,121	46,794,918	108,310,362	94,382,870	
Professional fees and contract services	14,921,085	826,948	16,102,031	140,136	31,990,200	11,139,613	9,041,969	20,181,582	52,171,782	49,753,971	
Awards and grants	128,679,170	692,996	42,357,055	1,007,428	172,736,649	—	—	—	172,736,649	144,414,159	
Conferences, meetings, and travel	2,448,113	125,141	1,542,083	28,428	4,143,765	716,920	122,342	839,262	4,983,027	1,477,225	
Advertising and public service messages	20,029,172	76,990	5,091,777	3,875	25,201,814	—	17,592,158	17,592,158	42,793,972	27,294,821	
Other:											
Commodities, supplies, and minor equipment	5,401,258	82,152	586,999	31,007	6,101,416	245,766	97,825	343,591	6,445,007	1,907,531	
Telephone and telecommunications	174,055	6,452	344,165	2,573	527,245	364,940	191,310	556,250	1,083,495	1,359,702	
Postage and shipping	2,532,018	25,456	1,786,855	37,625	4,381,954	51,450	5,812,217	5,863,667	10,245,621	9,887,492	
Occupancy	953,617	36,704	1,098,520	15,057	2,103,898	2,163,004	1,133,715	3,296,719	5,400,617	5,245,247	
Outside printing and artwork	1,638,959	17,246	1,131,181	24,318	2,811,704	2,066	3,732,116	3,734,182	6,545,886	5,380,568	
Subscriptions and reference publications	104,044	623	610,659	88,883	804,209	312,674	176,303	488,977	1,293,186	1,285,694	
Repairs, maintenance, and systems	1,812,892	28,001	2,640,276	42,357	4,523,526	2,502,048	3,459,750	5,961,798	10,485,324	10,575,130	
Interest, bank, and lockbox fees	5,460	1,006	16,922	22	23,410	136,613	3,676,917	3,813,530	3,836,940	3,305,965	
Amortization and depreciation	305,989	6,436	318,290	5,225	635,940	1,423,965	1,265,578	2,689,543	3,325,483	3,764,687	
Miscellaneous	285,179	12,496	408,888	4,467	711,030	475,690	251,483	727,173	1,438,203	1,912,146	
	<u>\$ 210,764,815</u>	<u>3,168,733</u>	<u>101,172,747</u>	<u>3,105,909</u>	<u>318,212,204</u>	<u>45,943,546</u>	<u>66,939,804</u>	<u>112,883,350</u>	<u>431,095,554</u>	<u>361,947,208</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, 2021

	2021								
	Program services				Total program services	Supporting services			Total
	Healthcare	Education	Advocacy	Research		Management and general	Fund-raising	Total supporting services	
Salaries and payroll taxes	\$ 21,569,062	848,108	23,939,647	1,264,594	47,621,411	17,400,259	16,549,292	33,949,551	81,570,962
Employee health and retirement benefits	3,441,910	139,911	3,879,769	198,857	7,660,447	2,610,661	2,540,800	5,151,461	12,811,908
Total employee compensation and benefits	25,010,972	988,019	27,819,416	1,463,451	55,281,858	20,010,920	19,090,092	39,101,012	94,382,870
Professional fees and contract services	10,901,890	761,573	19,899,792	217,754	31,781,009	9,361,696	8,611,266	17,972,962	49,753,971
Awards and grants	104,538,545	228,739	38,410,238	1,236,637	144,414,159	—	—	—	144,414,159
Conferences, meetings, and travel	259,446	9,691	856,232	3,448	1,128,817	330,442	17,966	348,408	1,477,225
Advertising and public service messages	3,149,532	204,447	11,396,576	16,735	14,767,290	—	12,527,531	12,527,531	27,294,821
Other:									
Commodities, supplies, and minor equipment	225,479	72,039	1,229,572	46,562	1,573,652	215,166	118,713	333,879	1,907,531
Telephone and telecommunications	162,029	4,958	555,097	2,774	724,858	431,153	203,691	634,844	1,359,702
Postage and shipping	1,866,939	30,548	2,249,910	39,574	4,186,971	48,513	5,652,008	5,700,521	9,887,492
Occupancy	838,244	24,999	981,472	15,002	1,859,717	2,386,427	999,103	3,385,530	5,245,247
Outside printing and artwork	1,101,892	17,936	976,579	23,260	2,119,667	3,709	3,257,192	3,260,901	5,380,568
Subscriptions and reference publications	145,300	1,637	539,116	93,178	779,231	338,759	167,704	506,463	1,285,694
Repairs, maintenance, and systems	1,486,783	32,993	3,131,760	37,359	4,688,895	1,444,724	4,441,511	5,886,235	10,575,130
Interest, bank, and lockbox fees	4,299	397	13,280	3	17,979	225,269	3,062,717	3,287,986	3,305,965
Amortization and depreciation	311,158	7,381	355,142	6,092	679,773	1,807,076	1,277,838	3,084,914	3,764,687
Miscellaneous	222,751	6,100	321,651	18,109	568,611	209,844	1,133,691	1,343,535	1,912,146
	<u>\$ 150,225,259</u>	<u>2,391,457</u>	<u>108,735,833</u>	<u>3,219,938</u>	<u>264,572,487</u>	<u>36,813,698</u>	<u>60,561,023</u>	<u>97,374,721</u>	<u>361,947,208</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows

Years ended June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Change in net assets	\$ 32,676,227	47,465,944
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization and depreciation	3,325,483	3,764,687
Loss on contributions and other receivables	—	1,009,634
Net realized and unrealized depreciation (appreciation) in fair value of investments	47,647,322	(52,115,608)
Contributions received for endowment and trust funds	(26,549,475)	(209,369)
Change in value of split-interest agreements	(642,701)	(2,196,056)
Loss (gain) on beneficial interest in perpetual trust	725,313	(868,999)
Loss on disposal of fixed assets	31,524	—
Noncash contributions of securities held for investment	(12,270,312)	—
Changes in:		
Receivables, advances, and deposits	(310,525)	(514,847)
Inventories, supplies, and prepaid expenses	(6,531,833)	1,412,568
Loan interest receivable	(77,003)	—
Contributions and grants receivable, net	13,971,906	(27,188,537)
Accounts payable and accrued expenses	9,729,333	(1,763,305)
Due to related organizations	30,405,191	(5,810,848)
Deferred revenue	12,604	—
Amounts held on behalf of affiliates and others	(1,281,372)	1,544,447
Net cash provided by (used in) operating activities	90,861,682	(35,470,289)
Cash flows from investing activities:		
Purchases of investments	(206,570,724)	(319,676,706)
Proceeds from sales of investments	164,532,062	349,715,692
Purchases of property and equipment, net	(1,652,942)	(514,918)
Net cash (used in) provided by investing activities	(43,691,604)	29,524,068
Cash flows from financing activities:		
Loans made	(8,700,000)	—
Contributions received for endowment and trust funds	26,549,475	209,369
Proceeds from contributions and investment return under split-interest agreements (less than) in excess of amounts recognized as contributions	(606,796)	1,230,757
Payments to beneficiaries under split-interest agreements	(2,111,640)	(2,082,959)
Proceeds from line of credit	—	1,000,000
Payments on line of credit	—	(1,000,000)
Net cash provided by (used in) financing activities	15,131,039	(642,833)
Change in cash, cash equivalents and restricted cash	62,301,117	(6,589,054)
Cash, cash equivalents and restricted cash at beginning of year	99,655,910	106,244,964
Cash, cash equivalents and restricted cash at end of year	\$ 161,957,027	99,655,910
Supplemental disclosure of cash flow information:		
Income taxes paid	\$ 147,657	71,874
Donated services	5,127,950	1,868,058
Donated securities held for investment	12,270,312	—

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheet that sum to the total of the same such amounts shown in the statement of cash flows.

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 107,811,995	55,031,966
Cash included in investments	54,145,032	44,623,944
	\$ 161,957,027	99,655,910

See accompanying notes to consolidated financial statements.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(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 their 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 to provide leadership in:

- i. ensuring the provision of comprehensive reproductive and complementary health care services in settings which preserve and protect the essential privacy and rights of each individual;
- ii. advocating public policies which guarantee these rights and ensure access to such services;
- iii. providing educational programs which enhance understanding of individual and societal implications of human sexuality; and
- iv. promoting research and the advancement of technology in reproductive health care and encouraging the understanding of their inherent bioethical, behavioral, and social implications.

**(b) *Organizational Structure***

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

PPFA, which is the nation's oldest and largest voluntary family planning organization, maintains primary domestic offices in New York City, NY, Washington, DC and San Francisco, CA. The Organization is also affiliated with 49 independent medical and related entities, the Planned Parenthood Affiliates (PP Affiliates), all of which are separately incorporated in their respective states and which along with PPFA collectively constitute PPFA's membership. The PP Affiliates in turn control 115 ancillary entities (including 63 Political Action Committees and 45 501(c)(4) organizations). 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 as PPFA does not control or have an economic interest in the PP Affiliates.

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.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

On September 30, 2015, PP Global was incorporated to consolidate oversight and management of PPFA's international programs, maintain several international offices 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.

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

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

*Summary of Significant Accounting Policies*

**(c) Principles of Consolidation**

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

**(d) Basis of Accounting**

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

**(e) Functional Allocation of Expenses**

The consolidated statement of functional expenses presents expenses classified according to the programs and supporting services for which they were incurred. The Organization allocates a portion of general and administrative costs that benefit multiple functional areas across programs and supporting services based on square footage or headcount. The various programs and supporting services of the Organization are as follows:

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

*Education* – programs designed to educate the public regarding reproductive health.

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

*Research* – programs designed to promote clinical research.

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

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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

**(f) Use of Estimates**

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

**(g) Fair Value**

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

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

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

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

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

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

**(h) Cash and Cash Equivalents**

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

**(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.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Unless 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 net assets without donor restrictions.

**(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 receivable 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 general use unless the donor restricts the use thereof. Bequests are recorded when a will has been through probate, is declared valid and the amount to be received can be reasonably estimated and payment is probable. Contributions are conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Conditional contributions are recognized as revenue when the barriers on which they depend are met. As of June 30, 2022, there were approximately \$5,100,000 in conditional grants received by the Organization for which the conditions had not yet been met.

Donated securities are recorded at their fair market values on the date of the gift and, except where otherwise required by the donor and/or approved by the Investment Sub-Committee, are immediately sold by PPFA. Since it is PPFA's policy to sell donated securities upon receipt, the contributions are classified as operating activities in the consolidated 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 Organization receives donated services related to consulting, legal and other professional services. Donated services are reported as contributions from corporations and expenses in amounts equal to their estimated fair value on the date of receipt. Approximately \$5,100,000 and \$1,900,000 of donated services were received during the years ended June 30, 2022 and 2021, respectively. This is recorded as revenue in the Major donors, foundations, and corporations line of the consolidated statement of 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 net assets without donor restrictions as the membership fees become due.

In April 2020, the Board of Directors (the Board) approved a waiver of NPS dues for the second half of fiscal year 2020 as well as the NPS dues for fiscal year 2021 (July 1, 2020 to June 30, 2021). In December 2020, the Board approved the waiver of dues through December 2021. Accordingly, the accompanying consolidated statement of activities include no dues for 2021 and 6 months of NPS membership dues for 2022.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(k) Fees for Services**

Fees for services include revenue earned by the Action Fund for providing services to entities that are members of PPFA and their respective ancillary organizations. Fees for services revenue is recognized as services are rendered over the term of the agreement. The term of the agreements is typically less than one year.

**(l) Split-Interest Agreements and Perpetual Trust**

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

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

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

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

**(m) Inventories**

Inventories, which consist primarily of publications 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
Capitalized software	3–5 years
Leasehold improvements	Over the life of the lease or the estimated useful life of the asset, whichever is shorter

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(o) Due to Related Organizations**

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

**(p) Net Assets**

*(i) Without Donor Restrictions*

Net assets without donor restrictions represent those resources that are not subject to donor restrictions as well as net assets designated by the Board.

*(ii) With Donor Restrictions*

Net assets with donor restrictions 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.

Also, included in this category are net assets 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) 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. Unconditional grants are reported as an expense and liability in the period made. Conditional grants are defined if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Conditional grants are recognized as expenses when the barriers on which they depend are met. As of June 30, 2022, there were approximately \$14,000,000 in conditional grants made to the affiliates for which the barriers have not yet been met.

**(r) 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.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(s) New Authoritative Accounting Pronouncements**

The FASB issued ASU No. 2016-02, *Leases* (Topic 842) – This guidance is designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing agreements. In 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842), which provided a one-year deferral of the mandatory effective dates of the new lease standard for private companies. This standard is now effective for the year ended June 30, 2023 for the Organization. Management is currently evaluating the impact of adoption of the new leasing standard on the Organization’s financial statements.

**(2) Contributions and Grants Receivable**

At June 30, 2022 and 2021, contributions and grants receivable are scheduled to be collected as follows:

	<b>2022</b>	<b>2021</b>
Less than one year	\$ 36,916,756	50,485,909
One to five years	6,640,520	6,946,550
	43,557,276	57,432,459
Less present value discount, using a discount rate between 2.46% and 4.99%	(371,570)	(274,847)
	\$ 43,185,706	57,157,612

At June 30, 2022 and 2021, the amounts receivable from three donors represent approximately 30% and 55%, respectively, of the gross contributions and grants receivable.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(3) 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, 2022 and 2021:

		<b>2022</b>			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:					
Investments:					
Money market funds	\$	3,380,816	3,380,816	—	—
Certificates of deposit		23,950,156	—	23,950,156	—
Government and corporate bonds and obligations		74,091,665	—	74,091,665	—
Common and preferred stock		54,766,577	54,766,577	—	—
Mutual funds – equity		135,046,524	135,046,524	—	—
Mutual funds – fixed income		10,015,130	10,015,130	—	—
		<u>301,250,868</u>	<u>\$ 203,209,047</u>	<u>98,041,821</u>	<u>—</u>
Cash included in investments		54,145,032			
Alternative investments reported at net asset value		<u>10,205,282</u>			
Total investments	\$	<u>365,601,182</u>			
Beneficial interest in perpetual trust	\$	3,738,641	—	3,738,641	—
		<b>2021</b>			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:					
Investments:					
Money market funds	\$	4,592,633	4,592,633	—	—
Government and corporate bonds and obligations		68,613,747	—	68,613,747	—
Common and preferred stock		37,457,575	37,457,575	—	—
Mutual funds – equity		155,289,217	155,289,217	—	—
Mutual funds – fixed income		30,991,554	30,991,554	—	—
		<u>296,944,726</u>	<u>\$ 228,330,979</u>	<u>68,613,747</u>	<u>—</u>

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

	2021			
	Fair value	Level 1	Level 2	Level 3
Cash included in investments	\$ 44,623,944			
Alternative investments reported at net asset value	5,680,292			
Total investments	\$ 347,248,962			
Beneficial interest in perpetual trust	\$ 4,463,954	—	4,463,954	—

As of June 30, 2022, the following table summarizes the various redemption provisions of alternative investments:

Redemption period	Amount
Semi-annually (with 95 days' notice)	\$ 4,052,389
Annually – December 31 (with 90 days' notification)	3,384,887
Illiquid	2,768,006
	\$ 10,205,282

Investments include assets under split interest agreements of \$34,605,242 and \$33,270,544 in 2022 and 2021, respectively, of which \$7,646,907 and \$9,008,866, respectively, relate to charitable remainder trusts. Such split interest agreements include certain segregated investment accounts relating to charitable gift annuities, in compliance with the insurance laws of various states. The Organization maintains separate and distinct reserve funds adequate to meet the future payments of all outstanding charitable gift annuities administered by the Organization since the balance of the reserve account is greater than the liability for charitable gift annuities of \$11,943,443 and \$12,118,382 in 2022 and 2021, respectively. The liability for other split interest agreements is \$4,562,392 and \$5,579,110 as of June 30, 2022 and 2021 respectively. The Organization complies with the annuity reserve requirements of all individual states that have such requirements, including Arkansas, California, Hawaii, Maryland, New Jersey, New York, Washington, and Florida. The balance of these reserve accounts aggregated \$25,055,882 and \$34,643,335 in 2022 and 2021, respectively.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(4) Property and Equipment**

At June 30, 2022 and 2021, the Organization's property and equipment consisted of the following:

	<b>2022</b>	<b>2021</b>
Leasehold improvements	\$ 12,006,979	12,078,659
Capitalized software	11,140,068	10,749,514
Furniture and equipment	8,324,728	7,364,269
	31,471,775	30,192,442
Less accumulated amortization and depreciation	(23,204,451)	(20,221,053)
	\$ 8,267,324	9,971,389

**(5) Related-Party Transactions**

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.

For the years ended June 30, 2022 and 2021, \$161,383,818 and \$134,950,909 of the total awards and grants expense are related to PP Affiliates and ancillary organizations.

In July 2020, PPFA entered into an agreement with a financial institution to pledge up to \$21,000,000 of collateral on revolving lines of credit for the Affiliates, if an Affiliate enters into an agreement with the financial institution by June 30, 2021. During fiscal year 2021, there were two Affiliates who entered into agreements under this arrangement for which PPFA pledged up to \$10,370,980 of collateral. There are no amounts outstanding on the lines of credit as of June 30, 2022 and June 30, 2021.

**(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.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(b) Leases**

As of June 30, 2022, the Organization is obligated under various noncancelable operating leases for its offices expiring 2022 through 2032. 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:	
2023	\$ 5,266,870
2024	5,309,018
2025	5,242,582
2026	5,493,173
2027	5,638,116
Thereafter	<u>13,047,995</u>
	<u>\$ 39,997,754</u>

Rent expense for 2022 and 2021 was approximately \$5,208,000 and \$5,059,000, respectively. 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, 2023, which was not drawn upon during the years ended June 30, 2022 and 2021. Borrowings under the line of credit bear interest at a variable rate based on LIBOR. As of June 30, 2022 and 2021, 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 29, 2023, which was drawn upon in 2021. The Action Fund repaid the full amount by June 30, 2021. Borrowings under the line of credit bear interest at a variable interest rate equal to the LIBOR Daily Floating Rate plus 1.65%. As of June 30, 2022 and 2021, 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 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.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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.

Due to the significant uncertainty around the breadth and duration of business disruptions related to the COVID-19 pandemic, the Board of Directors approved a suspension of the employer matching and discretionary contributions to the 401(k) for the first six months of fiscal year 2021.

Retirement plan expense for 2022 and 2021 was approximately \$3,326,118 and \$1,057,598, respectively.

**(8) Allocation of Joint Costs**

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

The Organization conducts activities that include appeals for contributions. These activities primarily include direct-response campaigns. For the years ended June 30, 2022 and 2021, joint costs for these activities were allocated to functional categories as follows:

	<u>2022</u>	<u>2021</u>
Fund-raising	\$ 10,197,980	9,991,102
Program services	<u>8,880,477</u>	<u>7,365,911</u>
	<u>\$ 19,078,457</u>	<u>17,357,013</u>

**(9) Net Assets**

At June 30, 2022 and 2021, net assets without donor restrictions are designated as follows:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ (12,881,054)	46,170,078
Net investment in plant	8,055,223	9,740,035
Planned Parenthood Global, Inc.	2,524,496	2,246,948
Board designated:		
Endowment:		
General	92,653,389	110,271,616
Fund for the Future	2,244,458	2,719,677
Line of Credit to CHN	20,000,000	20,000,000
Paid Family Leave for Affiliates	9,188,305	11,106,469
Epic Project	—	2,598,815
Mission Investment Fund	12,388,313	10,612,793
Gift annuity funds	5,042,572	7,517,244

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Restricted cash for lines of credit to affiliates	\$ 10,370,980	10,370,980
Planned Parenthood Initiatives	18,494,230	27,210,070
Together We Defend Fund	9,988,947	—
Abortion Access Fund	22,349,858	—
Black Health Equity Fund	50,000,000	—
Total net assets without donor restrictions	\$ 250,419,717	260,564,725

The Board has designated funds to be set aside to establish and maintain a quasi-endowment (or fund designated to function as endowment) for the purpose of securing future income for PPFA's operations. As per PPFA's policy the transfers to and from the board designated endowment are to be approved by the Board. The board designated endowment was established to provide future income for the Organization's operations, which otherwise relies heavily on annual fundraising. The board designated endowment provides strength to PPFA's balance sheet and is used for long-term programmatic and operational investments across the federation.

As part of PPFA's board designated endowment, the Board has designated funds to the Fund for the Future (the Fund) program established by the Organization in 1990 to help provide for the long-term development of the Organization's affiliates. The Fund's investment appropriations are used for development grants to affiliates. The Fund also received affiliate and general public contributions that are to be held in perpetuity.

In fiscal year 2020, the Board designated funds to establish three programs: the Line of Credit to Clinical Health Network for Transformation, Inc.(CHN) that will be used to fund CHN's start-up costs of the integrated shared services organization and working capital needs, the Paid Family Leave for Affiliates program to provide paid parental bonding leave to Planned Parenthood employees in the event of the arrival of a child by birth, surrogacy, adoption, or foster care within the first 12 months of the life event, and the Epic Project that is intended to implement an electronic health records system that facilitates a unified record across the PP Affiliates. The Organization closed on the CHN line of credit for \$20,000,000 in October 2021. CHN has drawn \$8,700,000 as of June 30, 2022.

In fiscal year 2020, PPFA's membership established the Mission Investment Fund which is primarily resourced through annual member payments and other contributions. The Mission Investment Fund is a membership-governed fund for PPFA and affiliate investments. Use of the funds will be determined by the Accreditation and Quality Committee or a successor committee that has these duties. The Mission Investment Fund operates with the highest standards of transparency and integrity and is intended for investments that are in the strategic interest of the membership.

The gift annuity funds net assets are board designated to meet the various state insurance reserve requirements for such gifts. PPFA's Board has also designated net assets without donor restrictions to provide additional funding for future assistance to various PP Affiliates' and PPFA's initiatives.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

In August 2021, the Executive Committee of the Board authorized the creation of the \$10,000,000 board designated Together We Defend Fund to cover defense costs for lawsuits brought against Planned Parenthood entities and, among others, their staff, Board members, and medical providers accused of providing or aiding or abetting in abortions in violation of Texas S.B. 8. Thereafter, the purpose of the fund was expanded to cover the costs of bringing affirmative legal challenges to additional state abortion bans.

In April 2022, the board designated \$50,000,000 to establish the Black Health Equity Fund to support the Federation's strategic plan of achieving health equity with a foundation in achieving race equity.

The board also designated \$35,000,000 for the Abortion Access Fund in April 2022 for the purpose of financing strategic investments in abortion access in the United States.

The board designated funds to establish the Affiliate Loan Program, effective for fiscal year 2023, to pledge \$20,000,000 to be used as collateral to offer convenient, low-cost financing options to affiliates in need of emergency funds for working capital, expansion, construction and/or an acquisition.

At June 30, 2022 and 2021, net assets with donor restrictions consisted of the following:

	<u>2022</u>	<u>2021</u>
Operating activities:		
Subject to expenditure for specified purposes:		
Healthcare	\$ 33,834,487	26,698,015
Education	339,364	1,249,851
Advocacy	4,808,856	3,382,517
Research	284,404	774,565
Subject to passage of time	<u>30,235,995</u>	<u>11,027,190</u>
Total net assets for operating activities	<u>69,503,106</u>	<u>43,132,138</u>
Long-term investment:		
Pooled income fund	269,783	304,166
Unitrust and annuity trust funds	2,857,043	3,324,655
Charitable gift annuities with purpose restrictions	<u>553,167</u>	<u>711,682</u>
Total net assets for long-term investments	<u>3,679,993</u>	<u>4,340,503</u>
Donor restricted endowments:		
Original gifts	50,403,475	48,854,000
Accumulated gains (loss) subject to spending policy and appropriation for the following purposes:		
Healthcare	4,286,246	7,163,802
Advocacy	200,302	355,572
Education	<u>(1,063,562)</u>	<u>4,810,690</u>

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
Fund for the Future	\$ 2,500,057	3,699,007
General purposes	3,084,718	5,217,196
Total donor restricted endowments	59,411,236	70,100,267
Beneficial interest in perpetual trust – distributions available for general purposes	3,738,641	4,463,954
Planned Parenthood Action Fund, Inc.	38,489,426	9,058,976
Planned Parenthood Global, Inc.	2,612,861	3,518,190
Total net assets with donor restrictions	\$ 177,435,263	134,614,028

**(10) Endowment Funds**

At June 30, 2022, the Organization's endowment consists of 54 individual funds established for a variety of purposes and includes both donor restricted endowment funds and funds designated by the Board 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 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. As a result of this interpretation, the Organization classifies as net asset with donor restrictions (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 on the permanent endowment. Accumulation of income on the permanent endowment is 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

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

The following tables present the Organization's donor restricted endowment funds and funds designated by the Board to function as endowments, excluding perpetual trusts and including contributions receivable as of June 30, 2022 and 2021, respectively, and the changes for the years ended June 30, 2022 and 2021:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>		
		<b>Historical gift value</b>	<b>Accumulated gains (losses)</b>	<b>Total</b>
2022:				
Donor-restricted endowment funds	\$ —	50,403,475	9,007,761	59,411,236
Board-designated endowment funds	<u>124,086,152</u>	<u>—</u>	<u>—</u>	<u>124,086,152</u>
Total funds	<u>\$ 124,086,152</u>	<u>50,403,475</u>	<u>9,007,761</u>	<u>183,497,388</u>
Endowment net assets, June 30, 2021	\$ 144,097,762	48,854,000	21,246,267	214,198,029
Investment return, net	(17,982,479)	—	(10,436,509)	(28,418,988)
Contributions and transfers	—	1,549,475	—	1,549,475
Additional appropriation	(1,918,164)	—	—	(1,918,164)
Appropriation of endowment assets for expenditures	<u>(110,967)</u>	<u>—</u>	<u>(1,801,997)</u>	<u>(1,912,964)</u>
Endowment net assets, June 30, 2022	<u>\$ 124,086,152</u>	<u>50,403,475</u>	<u>9,007,761</u>	<u>183,497,388</u>
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>		
		<b>Historical gift value</b>	<b>Accumulated gains (losses)</b>	<b>Total</b>
2021:				
Donor-restricted endowment funds	\$ —	48,854,000	21,246,267	70,100,267
Board-designated endowment funds	<u>144,097,762</u>	<u>—</u>	<u>—</u>	<u>144,097,762</u>
Total funds	<u>\$ 144,097,762</u>	<u>48,854,000</u>	<u>21,246,267</u>	<u>214,198,029</u>

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

	Without donor restrictions	With donor restrictions		Total
		Historical gift value	Accumulated gains (losses)	
Endowment net assets, June 30, 2020	\$ 116,255,605	23,651,230	13,174,080	153,080,915
Investment return, net	29,488,895	—	10,546,686	40,035,581
Contributions and transfers	—	25,209,369	—	25,209,369
Additional appropriation	(1,493,531)	—	—	(1,493,531)
Change in value of split-interest agreements	—	(6,599)	—	(6,599)
Appropriation of endowment assets for expenditures	<u>(153,207)</u>	<u>—</u>	<u>(2,474,499)</u>	<u>(2,627,706)</u>
Endowment net assets, June 30, 2021	\$ <u>144,097,762</u>	<u>48,854,000</u>	<u>21,246,267</u>	<u>214,198,029</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 net assets with donor restrictions. As of June 30, 2022, there were seven funds with a total principal amount of \$26,529,758 and a total market value of \$21,901,949. The Organization has interpreted NYPMIFA to permit spending from a fund with those deficiencies in accordance with the prudent measures required under the law. There were no deficiencies as of June 30, 2021.

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, 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. PPFA has implemented a spending policy of appropriating for distribution up to 7% of the donor restricted 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 \$1,912,964 and \$2,627,706 in 2022 and 2021, respectively.

The Board approved an additional appropriation of \$1,918,164 and \$1,493,531 of board designated endowment for spending related to paid family leave for affiliates in 2022 and 2021, respectively.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(11) Liquidity and Availability of Resources**

The Organization actively manages its resources, utilizing a combination of short, medium and long-term operating investment strategies, to align its cash inflows with anticipated outflows, in accordance with policies approved by the Board. PPFA regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also aiming to maximize the investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over the next 12-month period, the Organization considers all expenditures related to its ongoing mission related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2022 and 2021, the following financial assets could readily be made available within one year of the consolidated balance sheet date to meet general expenditures:

	<b>2022</b>	<b>2021</b>
Financial assets at year-end:		
Cash and cash equivalents	\$ 107,811,995	55,031,966
Receivables, advances and deposits	2,032,008	1,721,483
Contributions and grants receivable, net	43,185,706	57,157,612
Investments	365,601,182	347,248,962
Loan receivable	8,777,003	—
Total financial assets at year-end	527,407,894	461,160,023
Less:		
Amounts unavailable for general expenditures within one year:		
Contributions and grants receivable due beyond one year	(6,268,950)	(6,671,703)
Deposits and funds held for PP Affiliates other than split interest held for affiliates	(9,249,145)	(7,035,739)
Split interest agreements investments	(34,605,242)	(33,270,544)
Board designated and donor restricted endowment	(183,497,388)	(214,198,029)
Loan receivable	(8,777,003)	—
Mission Investment Fund	(12,388,313)	(10,612,793)
Restricted cash for lines of credit to affiliates	(10,370,980)	(10,370,980)
Board designated Planned Parenthood initiatives	(18,494,230)	(27,210,070)
Together We Defend Fund	(9,988,947)	—
Abortion Access Fund	(22,349,858)	—
Black Health Equity Fund	(50,000,000)	—

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Add:		
Endowment spending amount available for redemption	\$ 2,165,015	1,801,997
Board designated endowment spending amount available for redemption	119,035	110,967
Approved spend on board designated initiatives	8,149,542	—
Approved spend on Abortion Access Fund	22,349,858	—
Approved spend on board designated endowment:		
Line of Credit to CHN	11,300,000	20,000,000
Paid Family Leave for Affiliates	<u>1,040,312</u>	<u>11,106,469</u>
Total financial assets available for general expenditures within one year	<u>206,541,600</u>	<u>184,809,598</u>
Other resources available:		
Line of credit	2,000,000	2,000,000
Amounts available to management with Board's approval:		
Board designated endowment, net of approved spend	111,626,805	112,880,326
Board designated Planned Parenthood initiatives	10,344,688	27,210,071
Board designated Together We Defund Fund	9,988,947	—
Board designated Black Health Equity Fund	<u>50,000,000</u>	<u>—</u>
Total amount available to management with Board's approval	<u>181,960,440</u>	<u>140,090,397</u>
Total financial assets and other liquid resources available for general expenditures within one year	<u>\$ 390,502,040</u>	<u>326,899,995</u>

In addition to available financial assets, the Organization manages its availability of resources by developing and adopting an annual operating budget that provides sufficient funds for general expenditures. Throughout the year regular actual-to-budget comparisons are conducted and budget is adjusted to ensure adequate availability of resources.

The Board has designated a portion of its resources to function as endowments (a quasi-endowment fund) and for Planned Parenthood's strategic initiatives. The quasi-endowment fund is invested for long-term appreciation and current income, and the board designated funds for Planned Parenthood's strategic initiatives are invested short-term, but those funds remain available and may be spent at the discretion of the Board. See note 9 for detail of these funds.

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

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

**(12) Subsequent Events**

The Organization evaluated subsequent events after the balance sheet date of June 30, 2022 through December 22, 2022, which was the date the consolidated financial statements were available to be issued, and concluded that, other than the below, no additional disclosures are required.

As of the issuance of these consolidated financial statements, CHN has drawn the remaining \$11,300,000 on their \$20,000,000 line of credit discussed in note 9.

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

Consolidating Schedule – Balance Sheet

June 30, 2022

<b>Assets</b>	<b>Planned Parenthood Federation of America, Inc.</b>	<b>Planned Parenthood Action Fund, Inc.</b>	<b>Planned Parenthood Global, Inc.</b>	<b>Eliminations</b>	<b>Consolidated Planned Parenthood Federation of America, Inc.</b>
Cash and cash equivalents	\$ 68,887,713	35,312,686	3,611,596	—	107,811,995
Receivables, advances, and deposits:					
Affiliates	757,886	2,050,171	2,010,054	(3,317,740)	1,500,371
Other	378,022	99,154	54,461	—	531,637
Inventories, supplies, and prepaid expenses	5,761,734	4,763,930	137,140	—	10,662,804
Contributions and grants receivable, net	38,898,471	4,287,235	—	—	43,185,706
Investments	365,601,182	—	—	—	365,601,182
Loan receivable	8,777,003	—	—	—	8,777,003
Beneficial interest in perpetual trust	3,738,641	—	—	—	3,738,641
Property and equipment, net	8,055,223	40,497	171,604	—	8,267,324
<b>Total assets</b>	<b>\$ 500,855,875</b>	<b>46,553,673</b>	<b>5,984,855</b>	<b>(3,317,740)</b>	<b>550,076,663</b>
<b>Liabilities and Net Assets</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 33,968,443	3,425,731	737,212	—	38,131,386
Deferred revenue	—	12,604	—	—	12,604
Due to related organizations	62,617,364	4,625,912	110,286	(3,317,740)	64,035,822
Liability under split-interest agreements	16,505,835	—	—	—	16,505,835
Amounts held on behalf of affiliates and others	3,536,036	—	—	—	3,536,036
<b>Total liabilities</b>	<b>116,627,678</b>	<b>8,064,247</b>	<b>847,498</b>	<b>(3,317,740)</b>	<b>122,221,683</b>
Net assets:					
Without donor restrictions:					
Undesignated	(12,881,054)	—	2,524,496	—	(10,356,558)
Designated by the board of directors	252,721,052	—	—	—	252,721,052
Net investment in property and equipment	8,055,223	—	—	—	8,055,223
<b>Total without donor restrictions</b>	<b>247,895,221</b>	<b>—</b>	<b>2,524,496</b>	<b>—</b>	<b>250,419,717</b>
With donor restrictions:					
For operating activities	82,190,860	—	—	—	82,190,860
Planned Parenthood Action Fund, Inc.	—	38,489,426	—	—	38,489,426
Planned Parenthood Global, Inc.	—	—	2,612,861	—	2,612,861
Endowment corpus and beneficial interest in perpetual trust	54,142,116	—	—	—	54,142,116
<b>Total with donor restrictions</b>	<b>136,332,976</b>	<b>38,489,426</b>	<b>2,612,861</b>	<b>—</b>	<b>177,435,263</b>
<b>Total net assets</b>	<b>384,228,197</b>	<b>38,489,426</b>	<b>5,137,357</b>	<b>—</b>	<b>427,854,980</b>
<b>Total liabilities and net assets</b>	<b>\$ 500,855,875</b>	<b>46,553,673</b>	<b>5,984,855</b>	<b>(3,317,740)</b>	<b>550,076,663</b>

See accompanying independent auditors' report.

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

Consolidating Schedule – Statement of Activities – Net Assets Without Donor Restrictions

Year ended June 30, 2022

	<u>Planned Parenthood Federation of America, Inc.</u>	<u>Planned Parenthood Action Fund, Inc.</u>	<u>Planned Parenthood Global, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Planned Parenthood Federation of America, Inc.</u>
Revenue, net gains (losses), and other support:					
Revenue and net gains (losses):					
Contributions and grants:					
Direct response	\$ 170,183,641	—	29,416	—	170,213,057
Major donors, foundations, and corporations	106,056,852	—	5,902	—	106,062,754
Bequests and other planned giving revenue	14,723,637	—	—	—	14,723,637
Affiliates, National Program Support	4,429,462	—	—	—	4,429,462
Affiliates, other support	1,914,200	—	10,953,677	(10,953,677)	1,914,200
Federated fund-raising organizations	4,495,778	—	—	—	4,495,778
Total contributions and grants	<u>301,803,570</u>	<u>—</u>	<u>10,988,995</u>	<u>(10,953,677)</u>	<u>301,838,888</u>
Other revenue and net gains (losses):					
Sales of publications and commodities	130,318	—	—	—	130,318
Investment return, net	(30,162,962)	—	—	—	(30,162,962)
Change in value of split-interest agreements	1,139,399	—	—	—	1,139,399
Fees for services and other revenue	8,795,789	4,435,315	—	(9,394,918)	3,836,186
Total other revenue and net gains (losses)	<u>(20,097,456)</u>	<u>4,435,315</u>	<u>—</u>	<u>(9,394,918)</u>	<u>(25,057,059)</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	105,239,537	37,958,851	6,713,239	(5,742,910)	144,168,717
Total revenue, net gains (losses), and other support	<u>386,945,651</u>	<u>42,394,166</u>	<u>17,702,234</u>	<u>(26,091,505)</u>	<u>420,950,546</u>
Expenses:					
Employee compensation and benefits	98,109,388	8,298,830	6,663,294	(4,761,150)	108,310,362
Professional fees and contract services	46,427,361	4,281,315	4,105,956	(2,642,850)	52,171,782
Awards and grants	171,093,540	13,765,392	4,534,320	(16,656,603)	172,736,649
Conferences, meetings, and travel	3,913,094	543,569	602,631	(76,267)	4,983,027
Advertising and public service messages	34,744,270	8,024,707	24,995	—	42,793,972
Other	43,080,554	7,480,353	1,493,490	(1,954,635)	50,099,762
Total expenses	<u>397,368,207</u>	<u>42,394,166</u>	<u>17,424,686</u>	<u>(26,091,505)</u>	<u>431,095,554</u>
Change in net assets	(10,422,556)	—	277,548	—	(10,145,008)
Net assets at beginning of year	258,317,777	—	2,246,948	—	260,564,725
Net assets at end of year	<u>\$ 247,895,221</u>	<u>—</u>	<u>2,524,496</u>	<u>—</u>	<u>250,419,717</u>

See accompanying independent auditors' report.

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

Consolidating Schedule – Statement of Activities – Net Assets With Donor Restrictions

Year ended June 30, 2022

	<u>Planned Parenthood Federation of America, Inc.</u>	<u>Planned Parenthood Action Fund, Inc.</u>	<u>Planned Parenthood Global, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Planned Parenthood Federation of America, Inc.</u>
Revenue, net gains (losses), and other support:					
Revenue and net gains (losses):					
Contributions and grants:					
Direct response	\$ 3,774,132	32,506,240	—	—	36,280,372
Major donors, foundations, and corporations	90,039,936	34,360,561	65,000	—	124,465,497
Bequests and other planned giving revenue	36,521,622	522,500	—	—	37,044,122
Affiliates, other support	1,030,000	—	5,742,910	(5,742,910)	1,030,000
Total contributions and grants	<u>131,365,690</u>	<u>67,389,301</u>	<u>5,807,910</u>	<u>(5,742,910)</u>	<u>198,819,991</u>
Other revenue and net gain (losses):					
Investment return, net	(10,608,028)	—	—	—	(10,608,028)
Loss on beneficial interest in perpetual trust	(725,313)	—	—	—	(725,313)
Change in value of split-interest agreements	(496,698)	—	—	—	(496,698)
Total other revenue and net gains (losses)	<u>(11,830,039)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(11,830,039)</u>
Net assets released from restrictions due to satisfaction of program and time restrictions	<u>(105,239,537)</u>	<u>(37,958,851)</u>	<u>(6,713,239)</u>	<u>5,742,910</u>	<u>(144,168,717)</u>
Total revenue, net gains (losses), and other support	<u>14,296,114</u>	<u>29,430,450</u>	<u>(905,329)</u>	<u>—</u>	<u>42,821,235</u>
Change in net assets	14,296,114	29,430,450	(905,329)	—	42,821,235
Net assets at beginning of year	<u>122,036,862</u>	<u>9,058,976</u>	<u>3,518,190</u>	<u>—</u>	<u>134,614,028</u>
Net assets at end of year	<u>\$ 136,332,976</u>	<u>38,489,426</u>	<u>2,612,861</u>	<u>—</u>	<u>177,435,263</u>

See accompanying independent auditors' report.