

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

Consolidated Financial Statements
and
Independent Auditors' Report

June 30, 2021

Planned Parenthood League of Massachusetts, Inc.
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DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of Planned Parenthood League of Massachusetts, Inc. and Subsidiary (the Organization) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Planned Parenthood League of Massachusetts, Inc. and Subsidiary as of June 30, 2021, and the changes in its consolidated net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Report on Summarized Comparative Information

We have previously audited the Organization's fiscal year 2020 consolidated financial statements, and our report dated December 9, 2020, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The *Consolidating Schedule of Financial Position* and *Consolidating Schedule of Activities* on pages 22 and 23 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Daniel Dennis & Company LLP

December 7, 2021

Planned Parenthood League of Massachusetts, Inc. and Subsidiary

Consolidated Statement of Financial Position

June 30, 2021 with Comparative Totals as of June 30, 2020

	2021	2020
<i>Assets</i>		
<hr/>		
<i>Current Assets:</i>		
Cash	\$ 5,949,749	\$ 3,510,582
Investments	25,705,210	20,223,375
Accounts receivable, net	1,334,295	1,384,444
Pledges receivable	300,000	-
Inventory	367,243	169,238
Prepaid expenses	<u>119,509</u>	<u>74,208</u>
Total current assets	<u>33,776,006</u>	<u>25,361,847</u>
<i>Noncurrent Assets:</i>		
Split interest agreements	37,348	23,374
Pledges receivable, net	216,290	-
Permanently restricted investment	1,436,294	1,130,108
Due from related party	265,748	180,529
Land, building and equipment less accumulated depreciation of \$12,432,104	<u>14,429,592</u>	<u>13,517,798</u>
Total noncurrent assets	<u>16,385,272</u>	<u>14,851,809</u>
Total assets	<u>\$ 50,161,278</u>	<u>\$ 40,213,656</u>
<hr/> <i>Liabilities and Net Assets</i> <hr/>		
<i>Current Liabilities:</i>		
Accounts payable	\$ 536,675	\$ 622,064
Accrued expenses	1,533,402	1,110,607
Deferred revenue	1,018,514	237,642
Other current liabilities	15,593	62,919
Notes payable, current portion	<u>58,678</u>	<u>56,882</u>
Total current liabilities	<u>3,162,862</u>	<u>2,090,114</u>
<i>Noncurrent Liabilities:</i>		
Other liabilities	126,448	-
Notes payable	<u>3,947,579</u>	<u>4,006,397</u>
Total noncurrent liabilities	<u>4,074,027</u>	<u>4,006,397</u>
Total liabilities	<u>7,236,889</u>	<u>6,096,511</u>
<i>Net Assets:</i>		
<i>Without donor restrictions:</i>		
Plant	12,723,335	11,754,519
Board designated	3,532,204	2,137,648
Undesignated	<u>24,716,211</u>	<u>18,844,828</u>
Total without donor restrictions	40,971,750	32,736,995
With donor restrictions	<u>1,952,639</u>	<u>1,380,150</u>
Total net assets	<u>42,924,389</u>	<u>34,117,145</u>
Total liabilities and net assets	<u>\$ 50,161,278</u>	<u>\$ 40,213,656</u>

See accompanying notes to consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary

Consolidated Statement of Activities

For the Year Ended June 30, 2021

with Comparative Totals for the Year Ended June 30, 2020

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>2021 Total</i>	<i>2020 Total</i>
<i>Operating Support and Revenue:</i>				
Patient service revenue (net of contractual allowances and discounts):				
Greater Boston medical services	\$ 5,391,245	\$ -	\$ 5,391,245	\$ 6,469,918
Central Massachusetts medical services	2,780,604	-	2,780,604	2,669,100
Western Massachusetts medical services	2,235,470	-	2,235,470	2,112,873
Laboratory services	1,095,630	-	1,095,630	1,066,632
Telehealth services	608,304	-	608,304	-
	<u>12,111,253</u>	<u>-</u>	<u>12,111,253</u>	<u>12,318,523</u>
Provisions for bad debt	(120,606)	-	(120,606)	(174,824)
Net patient service revenue less provision for bad debts	11,990,647	-	11,990,647	12,143,699
Contract revenue	2,774,475	-	2,774,475	1,853,058
Other program service revenue	351,044	-	351,044	164,913
Contributions	7,746,911	1,262,635	9,009,546	6,521,283
Research grants	281,750	-	281,750	326,822
Contributed goods and services	80,899	-	80,899	94,327
Interest and dividends, net	372,451	23,068	395,519	421,540
Realized/unrealized gain on investments	5,391,449	15,028	5,406,477	718,906
Other income	1,717,689	-	1,717,689	2,002,384
Net assets released from restrictions	728,242	(728,242)	-	-
	<u>31,435,557</u>	<u>572,489</u>	<u>32,008,046</u>	<u>24,246,932</u>
<i>Operating Expenses:</i>				
Program services:				
Medical services	14,508,995	-	14,508,995	14,016,456
Research center	349,036	-	349,036	419,940
Public affairs and communications	543,893	-	543,893	641,527
Education	901,505	-	901,505	1,151,847
Business development	2,613,923	-	2,613,923	2,616,123
	<u>18,917,352</u>	<u>-</u>	<u>18,917,352</u>	<u>18,845,893</u>
Supporting services:				
Management and general	3,011,534	-	3,011,534	3,105,016
Fundraising	1,271,916	-	1,271,916	1,510,723
	<u>4,283,450</u>	<u>-</u>	<u>4,283,450</u>	<u>4,615,739</u>
Total operating expenses	<u>23,200,802</u>	<u>-</u>	<u>23,200,802</u>	<u>23,461,632</u>
Changes in net assets from operating activities	8,234,755	572,489	8,807,244	785,300
<i>Non-operating activity:</i>				
Contribution expense	-	-	-	1,000,000
Changes in net assets from non-operating activities	-	-	-	(1,000,000)
Change in net assets	<u>8,234,755</u>	<u>572,489</u>	<u>8,807,244</u>	<u>(214,700)</u>
Net assets, beginning of year	<u>32,736,995</u>	<u>1,380,150</u>	<u>34,117,145</u>	<u>34,331,845</u>
Net assets, end of year	<u>\$ 40,971,750</u>	<u>\$ 1,952,639</u>	<u>\$ 42,924,389</u>	<u>\$ 34,117,145</u>

See accompanying notes to consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

	<i>Medical Services</i>	<i>Research Center</i>	<i>Public Affairs and Communications</i>	<i>Education</i>	<i>Business Development</i>	<i>Total Program Expense</i>	<i>Fundraising Expense</i>	<i>Management and General</i>	<i>2021 Total</i>	<i>2020 Total</i>
Salary	\$ 5,955,624	\$ 189,651	\$ 382,869	\$ 564,265	\$ 1,082,421	\$ 8,174,830	\$ 743,473	\$ 2,105,757	\$ 11,024,060	\$ 10,882,243
Fringe and payroll taxes	1,178,846	37,920	75,825	115,095	217,034	1,624,720	148,165	372,926	2,145,811	2,157,278
Contracted services and professional fees	2,527,928	86,856	28,708	63,447	900,848	3,607,787	148,112	427,421	4,183,320	4,387,918
Office supplies	55,920	1,365	138	7,144	934	65,501	29,218	5,001	99,720	96,715
Program supplies	2,385,392	9,358	5,166	35,549	22,367	2,457,832	689	-	2,458,521	2,444,809
Equipment rental and maintenance	45,686	236	231	422	3,759	50,334	608	1,256	52,198	59,607
Occupancy	362,134	733	1,154	2,231	1,393	367,645	2,689	-	370,334	417,753
Telephone	178,628	4,633	5,668	10,111	251,605	450,645	13,732	5,952	470,329	294,288
Depreciation	743,342	11,889	18,347	80,772	23,320	877,670	43,186	32,387	953,243	941,700
Conferences and meetings	15,992	20	2,294	510	9,361	28,177	422	20,867	49,466	127,430
Dues	37,049	9	10,498	4,571	2,716	54,843	6,904	22,404	84,151	233,505
Travel	25,266	-	-	319	523	26,108	-	1,706	27,814	135,928
Insurance	340,811	1,633	2,571	4,334	3,104	352,453	5,991	-	358,444	346,781
Interest and fees	54,278	-	-	-	-	54,278	16,145	15,857	86,280	80,343
Advertising	14,354	-	-	-	85,727	100,081	-	-	100,081	75,963
Printing	979	11	105	29	121	1,245	95,081	-	96,326	108,370
Loss on disposals	36,357	843	4,210	2,408	1,315	45,133	3,267	-	48,400	9,494
PPFA national support	-	-	-	-	-	-	-	-	-	67,942
Repairs and maintenance	550,409	3,879	6,109	10,298	7,375	578,070	14,234	-	592,304	592,952
Miscellaneous	-	-	-	-	-	-	-	-	-	613
Total operating expenses	14,508,995	349,036	543,893	901,505	2,613,923	18,917,352	1,271,916	3,011,534	23,200,802	23,461,632
Contribution	-	-	-	-	-	-	-	-	-	1,000,000
Total expenses	<u>\$ 14,508,995</u>	<u>\$ 349,036</u>	<u>\$ 543,893</u>	<u>\$ 901,505</u>	<u>\$ 2,613,923</u>	<u>\$ 18,917,352</u>	<u>\$ 1,271,916</u>	<u>\$ 3,011,534</u>	<u>\$ 23,200,802</u>	<u>\$ 24,461,632</u>

See accompanying notes to consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2021

With Comparative Totals for the Year Ended June 30, 2020

	2021	2020
Cash Flows From Operating Activities		
Changes in net assets	\$ 8,807,244	\$ (214,700)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	953,243	941,700
Bad debt	120,606	174,824
Loss on disposals	48,400	9,494
Net unrealized gain on investment	(5,088,697)	(443,689)
Change in operating assets and liabilities:		
Accounts receivable	27,840	53,598
Contributions and pledges receivable	(516,290)	-
Prepays	(45,301)	92,410
Inventory	(198,005)	235,930
Other assets	(13,974)	2,565
Deferred revenue	780,872	(156,148)
Change in due to/due from related party	(85,219)	(88,269)
Other liabilities	79,122	-
Accounts payable and accrued expenses	<u>337,406</u>	<u>(98,197)</u>
Net cash provided by operating activities	<u>5,207,247</u>	<u>509,518</u>
Cash Flows From Investing Activities		
Purchase of investments	-	(699,324)
Purchase of fixed assets	<u>(2,713,253)</u>	<u>(2,066,290)</u>
Net cash used in investing activities	<u>(2,713,253)</u>	<u>(2,765,614)</u>
Cash Flows From Financing Activities		
Loan proceeds	-	2,300,000
Payments on notes payable	<u>(54,827)</u>	<u>(54,827)</u>
Net cash (used in)/provided by financing activities	<u>(54,827)</u>	<u>2,245,173</u>
Net change in cash	2,439,167	(10,923)
Cash at beginning of year	<u>3,510,582</u>	<u>3,521,505</u>
Cash at end of year	<u>\$ 5,949,749</u>	<u>\$ 3,510,582</u>
<i>Supplementary Disclosure of Cash Flow Information</i>		
Cash paid for interest	<u>\$ 54,078</u>	<u>\$ 56,273</u>

See accompanying notes to consolidated financial statements.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

1. The Organization

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

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

PPLM operates the following programs:

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

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

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

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

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

2. Summary of Significant Accounting Policies

Principles of Consolidation

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

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

Accounting Method

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

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

2. *Summary of Significant Accounting Policies - continued*

Revenue Recognition

Patient service revenue is recognized at what the Organization expects to receive in exchange for providing the patient medical services. These amounts are due from patients, third party payers and others and include a reduction for contractual allowances with third-party payers. The contractual allowances are estimated based on the terms of the contractual agreements with the third-party payers and historical settlement activity. Estimated contractual allowances are adjusted in future periods as the adjustments become known. The patient service revenue is billed monthly and collections are expected within 30 to 60 days. At the beginning and end of the fiscal year ended June 30, 2021, contract assets related to patient service revenue consisted of accounts receivable in the amounts of \$438,806 and \$620,659, respectively. There were no contract liabilities related to patient services revenue at the beginning or end of the fiscal year ended June 30, 2021.

The Organization has revenue streams from educational and other programs and shared service agreements. These amounts are recognized as revenue at the point in time the services are provided or fees are incurred. At the beginning and end of the fiscal year ended June 30, 2021, contract assets related to educational and other programs and shared service agreements revenue consisted of accounts receivable in the amounts of \$109,408 and \$168,553, respectively. There were no contract liabilities related to educational and other programs and shared service agreements revenue at the beginning or end of the fiscal year ended June 30, 2021.

The Organization receives revenue from cost reimbursement and unit rate based government grants and contracts. These grants and contracts are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenditures and are included in contractual revenue in the accompanying *Consolidated Statement of Activities*. Amounts received under cost-reimbursement grants and contracts are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant or contract provisions. Under unit rate contracts, a fixed rate per client served becomes the basis for billing and recognizing revenue. Amounts received prior to satisfying the grant or contract conditions are reported as deferred revenue in the *Consolidated Statement of Financial Position*. The Organization received federal and state grant and contract awards of \$686,269 that have not been recognized as revenue at June 30, 2021, because the grant or contract conditions were not met.

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

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

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

2. *Summary of Significant Accounting Policies – continued*

Revenue Recognition – continued

Net Asset Classification

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

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

Cash and Cash Equivalents

For the purposes of the consolidated statement of financial position and the consolidated statement of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2021 and 2020.

Accounts Receivable

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

Promises to Give

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

Inventories

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

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies – continued

Investments

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

Fair Value Measurements

Investments are reported using a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement

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

Land, Buildings and Equipment

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

Long lived assets, such as buildings are reviewed on an ongoing basis for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated by the asset including any estimated proceeds from the eventual disposition of the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds its fair value. As of June 30, 2021 and 2020, management has determined that there has been no impairment of its long lived assets.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

2. *Summary of Significant Accounting Policies – continued*

Estimates

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

Donated Services and Materials

The Organization records various types of in-kind support including professional services, advertising and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Such donations are recorded as contributions in the consolidated financial statements. Donated materials are recorded at the fair value at the date of the gift. For the fiscal years ended June 30, 2021 and 2020, the value of donated services and materials recognized was \$80,899 and \$94,327, respectively.

Additionally, the Organization receives a significant amount of skilled contributed services, which does not meet the two criteria described above. Accordingly, the value of these contributed services is not reflected in the accompanying consolidated financial statements. For the fiscal years ended June 30, 2021 and 2020, the Organization received \$34,709 and \$36,535, respectively, in non-professional volunteer services.

Income Tax Status

PPLM and 470 Pleasant Street are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. PPLM and 470 Pleasant Street are also exempt from Massachusetts income taxes, except for income taxes on unrelated business income, if any. For the year ended June 30, 2021, PPLM and 470 Pleasant Street had no unrelated business income subject to income taxes.

As of June 30, 2021, PPLM and 470 Pleasant Street have evaluated the tax positions taken in its previously filed returns and those expected to be taken in their fiscal year 2021 returns, and believes they are *more-likely-than-not* of being sustained if examined by Federal or state tax authorities. PPLM and 470 Pleasant Street's 2018 through 2020 tax years remain subject to examination by Federal and state tax authorities.

Reclassifications

Certain fiscal year 2020 amounts have been reclassified to conform to the fiscal year 2021 consolidated financial statement presentation.

Functional Expenses

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

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

2. Summary of Significant Accounting Policies - continued

Summarized Comparative Information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s consolidated financial statements for the year ended June 30, 2020, from which the summarized information was derived.

3. Significant Concentrations

Credit Risk

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

4. Investments

As of June 30, 2021 and 2020, the Organization’s investment accounts are maintained at one financial institution. The investments are subject to market fluctuations and due to the level of risk associated with investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the consolidated financial statements. At June 30, 2021 and 2020, investments are measured at fair value on a recurring basis and consisted of the following:

<i>Description</i>	<i>Level 1</i>	
	<i>2021</i>	<i>2020</i>
<i>Mutual funds:</i>		
Corporate Bond	\$ 1,539,055	\$ 1,574,163
Mid-Cap Growth	-	581,115
Large Growth	-	1,520,184
Short Term Bond	1,786,073	1,270,878
Mid-Cap Blend	1,121,025	550,832
World Bond	2,281,584	1,959,239
Foreign Large Blend	7,019,226	5,465,344
Intermediate-Term Bond	3,322,443	2,837,706
Large Blend	5,742,331	4,195,985
Large Growth	2,087,819	-
Large Value	2,241,948	1,398,037
Total	\$ 27,141,504	\$ 21,353,483

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

4. Investments - continued

The following schedule summarizes the investment returns for the fiscal years ended June 30, 2021 and 2020:

<i>Description</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>June 30, 2021</i>			
Interest and dividends	\$ 412,996	\$ 23,068	\$ 436,064
Realized/Unrealized gains on investments	5,391,449	15,028	5,406,477
Investment fees	(40,545)	-	(40,545)
Total	<u>\$ 5,763,900</u>	<u>\$ 38,096</u>	<u>\$ 5,801,996</u>
 <i>June 30, 2020</i>			
Interest and dividends	\$ 432,540	\$ 24,159	\$ 456,699
Realized/Unrealized gains on investments	704,214	14,692	718,906
Investment fees	(35,159)	-	(35,159)
Total	<u>\$ 1,101,595</u>	<u>\$ 38,851</u>	<u>\$ 1,140,446</u>

5. Property and Equipment

Property and equipment consisted of the following at June 30, 2021 and 2020:

<i>Description</i>	<i>2021</i>	<i>2020</i>
Land	\$ 1,595,669	\$ 1,595,669
Buildings and improvements	19,322,416	18,149,670
Leasehold improvements	1,463,112	1,363,217
Equipment	<u>4,480,499</u>	<u>4,724,205</u>
Total	26,861,696	25,832,761
Less: accumulated depreciation	<u>(12,432,104)</u>	<u>(12,314,963)</u>
Net	<u>\$ 14,429,592</u>	<u>\$ 13,517,798</u>

Depreciation expense was \$953,243 and \$941,700 for the years ended June 30, 2021 and 2020, respectively.

6. Inventory

Inventories are comprised of supplies in the amount of \$367,243 and \$169,238 at June 30, 2021 and 2020, respectively.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

7. *Accounts Receivable*

Accounts receivable consisted of the following at June 30, 2021 and 2020:

<i>Description</i>	<i>2021</i>	<i>2020</i>
Patient service accounts receivable	\$ 620,659	\$ 438,806
Government contracts	170,887	303,953
Other	<u>542,749</u>	<u>641,685</u>
Net accounts receivable	<u>\$ 1,334,295</u>	<u>\$ 1,384,444</u>

8. *Pledges Receivable*

Pledges receivable consisted of the following at June 30, 2021 and were zero at June 30, 2020:

<i>Description</i>	<i>2021</i>
In one year or less	\$ 300,000
Between one and five years	225,000
Less: Discount	<u>(8,710)</u>
Net pledges receivable	<u>\$ 516,290</u>

9. *Conditional Promise to Give*

The Organization has a multi-year cost reimbursement government contract from the Commonwealth of Massachusetts, whose revenue is conditional upon incurring qualifying expenditures. This conditional contract will be recognized in the consolidated financial statements when the conditions are satisfied. The conditional promises to give at June 30, 2021 are \$1,215,472.

10. *Notes Payable*

Eastern Bank

PPLM had a \$4,400,000 loan payable with Eastern Bank, which was refinanced during fiscal year 2017 to extend the maturity date from July 1, 2017 to June 26, 2027. The note bears interest at 3.07% per annum. The loan is secured by the Worcester facility and is guaranteed by 470 Pleasant Street. As of June 30, 2021 and 2020, the outstanding balance was \$1,706,257 and \$1,763,279, respectively and interest expense for the years ended June 30, 2021 and 2020 was \$54,078 and \$56,273, respectively.

Paycheck Protection Program Loan

PPLM entered into a note agreement with Eastern Bank under the Paycheck Protection Program (PPP) on April 15, 2020 in the amount of \$2,300,000. The note bears interest at 1% per annum and matures on April 15, 2022. The note required no payments for the first sixteen months and thereafter payments of principal and interest of \$128,792 were due monthly. Subsequent to year end, on September 9, 2021, the loan was forgiven in full. As of June 30, 2021 and 2020, the outstanding balance was \$2,300,000.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

10. Notes Payable – continued

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

<i>Fiscal Year</i>	<i>Amount</i>
2022	\$ 58,678
2023	62,308
2024	64,408
2025	64,409
2026	66,443
Thereafter	<u>1,390,011</u>
Total	<u>\$ 1,706,257</u>

11. Operating Leases

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

PPLM leases office space in Marlborough, Massachusetts under a non-cancelable operating lease agreement originally expiring in May 2020. During fiscal year 2021, PPLM extended the lease agreement until March 2022.

Rent expense for the years ended June 30, 2021 and 2020 was \$194,625 and \$206,656, respectively.

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

<i>Fiscal Year</i>	<i>Amount</i>
2022	\$ 192,756
2023	174,619
2024	178,984
2025	183,459
2026	<u>188,045</u>
Total	<u>\$ 917,863</u>

12. Line of Credit

The Organization has a \$1,000,000 line of credit with a financial institution with an interest rate of prime. As of June 30, 2021 and 2020, there was no outstanding balance on the line.

13. *Tax Deferred Savings*

The Organization offers a tax-deferred savings plan, which qualifies as a voluntary contribution savings plan under Internal Revenue Code Section 403(b). The plan is administered by a financial institution. Employees may provide tax-deferred contributions to fully vested individual retirement accounts up to the Internal Revenue Code limit. The plan covers all employees over age of eighteen and employees are eligible to contribute from the date of hire. The Organization made matching contributions of \$109,928 and \$174,642, to the plan for the years ended June 30, 2021 and 2020, respectively.

14. *Related Party Transactions*

Planned Parenthood Advocacy Fund (“PPAF”) was incorporated on January 6, 1984 as a social welfare organization whose purpose includes studying aspects of family planning, promoting public interest in comprehensive reproductive health services and conducting lobbying efforts related to issues of reproductive health. PPAF and the Organization have overlapping members of their boards of directors, however the Organization does not have control over PPAF. The Organization purchases services on behalf of PPAF and is reimbursed for these services. In addition, the Organization provides PPAF with certain support services. During fiscal years 2021 and 2020, the Organization provided a grant to PPAF in the amount of zero and \$125,000, respectively, to continue its advocacy activities. As of June 30, 2021 and 2020, the Organization had an amount receivable from PPAF of \$265,748 and \$180,529, respectively.

PPLM is a member of Planned Parenthood Federation of America (PPFA), which requires payment of dues to the national organization for certain support services. For fiscal year 2021, PPFA waived the payment of dues for all members. For the year ended June 30, 2020, dues paid to PPFA were \$67,938.

PPLM’s chief executive officer is on the board of directors of Clinical Health Network for Transformation, Inc. (CHN) who provides operational services to Planned Parenthood affiliates. See Note 19 for more information.

15. *Insurance Captive*

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

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

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

16. Endowment

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

The Board Designated Endowment may be used for operations at the Board of Director’s discretion. The endowment activity for fiscal years 2021 and 2020 are as follows:

<i>2021</i>	<i>Donor Restricted Endowment</i>	<i>Board-Designated Endowment</i>	<i>Total</i>
Endowment net assets - beginning of year	\$ 1,127,264	\$ 2,137,648	\$ 3,264,912
Investment return:			
Investment income	23,068	-	23,068
Net appreciation (realized and unrealized)	<u>15,028</u>	<u>-</u>	<u>15,028</u>
Total investment return	<u>38,096</u>	<u>-</u>	<u>38,096</u>
Contributions to the endowment	-	1,394,556	1,394,556
Appropriation of endowment assets for expenses	<u>(1,904)</u>	<u>-</u>	<u>(1,904)</u>
Endowment net assets - end of year	<u>\$ 1,163,456</u>	<u>\$ 3,532,204</u>	<u>\$ 4,695,660</u>
<i>2020</i>	<i>Donor Restricted Endowment</i>	<i>Board-Designated Endowment</i>	<i>Total</i>
Endowment net assets - beginning of year	\$ 1,090,356	\$ 2,137,648	\$ 3,228,004
Investment return:			
Investment income	24,159	-	24,159
Net appreciation (realized and unrealized)	<u>14,692</u>	<u>-</u>	<u>14,692</u>
Total investment return	<u>38,851</u>	<u>-</u>	<u>38,851</u>
Appropriation of endowment assets for expenses	<u>(1,943)</u>	<u>-</u>	<u>(1,943)</u>
Endowment net assets - end of year	<u>\$ 1,127,264</u>	<u>\$ 2,137,648</u>	<u>\$ 3,264,912</u>

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

17. Net Assets with Donor Restrictions

The Organization’s net assets restricted for purpose of the programs at June 30, 2021 and 2020 were are follows:

<i>Description</i>	<i>2021</i>	<i>2020</i>
Sexual health matters campaign	\$ 6,116	\$ 87,134
Education	15,200	25,000
Health centers	143,668	23,200
Innovation fund	13,845	32,345
Strategic plan campaign	525,000	12,000
Other initiatives	85,354	73,207
	<u>\$ 789,183</u>	<u>\$ 252,886</u>

Additionally, the Organization has received public gifts with specific donor stipulations requiring that the principal be held in perpetuity and that only a portion of the income therefrom be used for operations. These resources are, by act of Congress, under the control of the board of directors who are required to maintain and invest the funds. The balance of net assets with donor restrictions held in perpetuity at June 30, 2021 and 2020 are follows:

<i>Description</i>	<i>2021</i>	<i>2020</i>
Held in perpetuity	<u>\$ 1,163,456</u>	<u>\$ 1,127,264</u>

Net assets released from net assets with donor restrictions during fiscal years 2021 and 2020 comprised of:

<i>Description</i>	<i>2021</i>	<i>2020</i>
Sexual health matters campaign	\$ 81,018	\$ 42,447
Education	159,800	110,500
Health centers	156,903	74,447
Innovation fund	18,500	315,367
Strategic plan campaign	303,290	160,000
Appropriation of endowment earnings for operations	1,905	1,943
Other initiatives	6,826	12,292
	<u>\$ 728,242</u>	<u>\$ 716,996</u>

Lastly, the Board of Directors has designated a portion of the without donor restricted net assets for future capital needs and operations at their discretion. The balance of the board designated net assets was \$3,532,204 and \$2,137,648 for the years ended June 30, 2021 and 2020, respectively.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Notes to the Consolidated Financial Statements – *Continued*
June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

18. Contingencies

Government Grants and Contracts

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

Litigation

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

COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a novel strain of coronavirus (COVID-19) as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. During fiscal years 2021 and 2020, COVID-19 resulted in the Organization having to reduce clinic hours in order to comply with health and safety standards. Additionally, the Organization received the PPP loan, see Note 10 for more information. Future potential impacts may include disruptions or restrictions on the ability to serve patients and employee's ability to work. The future impact of these issues cannot be reasonably estimated.

19. Commitment

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

The operating agreement between CHN and PPLM includes a number of different elements. During, fiscal year 2021, CHN began providing certain services to PPLM in accordance with the operating agreement and PPLM incurred \$186,667 in fees related to those services. Additionally, during fiscal year 2021, as CHN was building its infrastructure, PPLM and CHN had shared responsibility in maintaining business relationships with vendors, further indebting PPLM to CHN. CHN began paying for certain shared service costs on behalf of PPLM and subsequent to CHN providing services to PPLM, PPLM continued to fund certain CHN vendor payments. The net value of these transactions amounts to a payable to CHN of \$403,398.

Planned Parenthood League of Massachusetts, Inc. and Subsidiary

Notes to the Consolidated Financial Statements – *Continued*

June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020

20. Availability and Liquidity

The table below presents the Organization’s financial assets available within one year to meet its general expenditures at June 30, 2021 and 2020:

	2021	2020
<i>Financial assets at year end</i>		
Cash	\$ 5,949,749	\$ 3,510,582
Accounts receivable, net	1,334,295	1,384,444
Pledges receivable	300,000	-
Investments not limited to use	<u>25,705,210</u>	<u>20,223,375</u>
Total financial assets	33,289,254	25,118,401
<i>Less amounts not available to be used within one year</i>		
Net assets with donor restrictions	(789,183)	(252,886)
Net assets with board designations	<u>(3,532,204)</u>	<u>(2,137,648)</u>
	(4,321,387)	(2,390,534)
Financial assets available to meet general expenditures within one year	<u>\$ 28,967,867</u>	<u>\$ 22,727,867</u>

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization maintains a line of credit in the amount of \$1,000,000, which could be drawn upon in the event of an unanticipated liquidity need (see Note 12).

21. Subsequent Events

Subsequent to year end, on September 9, 2021, the Organization’s PPP loan was forgiven, see Note 10 for more information.

Subsequent events have been evaluated through December 7, 2021, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Consolidating Schedule of Financial Position
June 30, 2021

Assets:	<i>Planned Parenthood</i>	<i>470 Pleasant Street</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>Current Assets:</i>				
Cash	\$ 5,949,749	\$ -	\$ -	\$ 5,949,749
Investments	25,705,210	-	-	25,705,210
Accounts receivable, net	1,334,295	-	-	1,334,295
Pledges receivable	300,000	-	-	300,000
Inventory	367,243	-	-	367,243
Prepaid expenses	119,509	-	-	119,509
	<u>33,776,006</u>	<u>-</u>	<u>-</u>	<u>33,776,006</u>
<i>Noncurrent Assets:</i>				
Split interest agreements	37,348	-	-	37,348
Pledges receivable, net	216,290	-	-	216,290
Permanently restricted investment	1,436,294	-	-	1,436,294
Due from related party	265,748	471,643	(471,643)	265,748
Land, building and equipment less accumulated depreciation	8,780,611	5,816,456	(167,475)	14,429,592
	<u>10,736,291</u>	<u>6,288,099</u>	<u>(639,118)</u>	<u>16,385,272</u>
Total noncurrent assets	<u>10,736,291</u>	<u>6,288,099</u>	<u>(639,118)</u>	<u>16,385,272</u>
Total assets	<u>\$ 44,512,297</u>	<u>\$ 6,288,099</u>	<u>\$ (639,118)</u>	<u>\$ 50,161,278</u>
Liabilities and Net Assets:				
<i>Current Liabilities:</i>				
Accounts payable	\$ 536,675	\$ -	\$ -	\$ 536,675
Accrued expenses	1,533,402	-	-	1,533,402
Deferred revenue	1,018,514	-	-	1,018,514
Other current liabilities	15,593	-	-	15,593
Notes payable, current portion	58,678	-	-	58,678
	<u>3,162,862</u>	<u>-</u>	<u>-</u>	<u>3,162,862</u>
Total current liabilities	<u>3,162,862</u>	<u>-</u>	<u>-</u>	<u>3,162,862</u>
<i>Noncurrent Liabilities:</i>				
Other liabilities	126,448	-	-	126,448
Due to related party	471,643	-	(471,643)	-
Notes payable	3,947,579	-	-	3,947,579
	<u>4,545,670</u>	<u>-</u>	<u>(471,643)</u>	<u>4,074,027</u>
Total noncurrent liabilities	<u>4,545,670</u>	<u>-</u>	<u>(471,643)</u>	<u>4,074,027</u>
Total liabilities	<u>7,708,532</u>	<u>-</u>	<u>(471,643)</u>	<u>7,236,889</u>
<i>Net Assets:</i>				
Without donor restrictions	34,851,126	6,288,099	(167,475)	40,971,750
With donor restrictions	1,952,639	-	-	1,952,639
	<u>36,803,765</u>	<u>6,288,099</u>	<u>(167,475)</u>	<u>42,924,389</u>
Total net assets	<u>36,803,765</u>	<u>6,288,099</u>	<u>(167,475)</u>	<u>42,924,389</u>
Total liabilities and net assets	<u>\$ 44,512,297</u>	<u>\$ 6,288,099</u>	<u>\$ (639,118)</u>	<u>\$ 50,161,278</u>

Planned Parenthood League of Massachusetts, Inc. and Subsidiary
Consolidating Schedule of Activities
For the Year Ended June 30, 2021

	<i>Planned Parenthood</i>	<i>470 Pleasant Street</i>	<i>Eliminations</i>	<i>Consolidated</i>
<i>Support and Revenue:</i>				
Patient service revenue (net of contractual allowances and discounts):				
Greater Boston medical services	\$ 5,391,245	\$ -	\$ -	\$ 5,391,245
Central Massachusetts medical services	2,780,604	-	-	2,780,604
Western Massachusetts medical services	2,235,470	-	-	2,235,470
Laboratory services	1,095,630	-	-	1,095,630
Telehealth services	608,304	-	-	608,304
	<u>12,111,253</u>	<u>-</u>	<u>-</u>	<u>12,111,253</u>
Provisions for bad debt	(120,606)	-	-	(120,606)
Net patient service revenue less provision for bad debts	11,990,647	-	-	11,990,647
Contract revenue	2,774,475	-	-	2,774,475
Other program service revenue	351,044	-	-	351,044
Contributions	9,009,546	-	-	9,009,546
Research grants	281,750	-	-	281,750
Contributed goods and services	80,899	-	-	80,899
Interest and dividends, net	395,519	-	-	395,519
Realized/unrealized gain on investments	5,406,477	-	-	5,406,477
Rental income	-	150,000	(150,000)	-
Other income	1,717,689	-	-	1,717,689
	<u>32,008,046</u>	<u>150,000</u>	<u>(150,000)</u>	<u>32,008,046</u>
Total support and revenue				
<i>Expenses:</i>				
Program services:				
Medical services	14,494,678	169,994	(155,677)	14,508,995
Research center	349,036	-	-	349,036
Public affairs and communications	543,893	-	-	543,893
Education	901,505	-	-	901,505
Business development	2,613,923	-	-	2,613,923
	<u>18,903,035</u>	<u>169,994</u>	<u>(155,677)</u>	<u>18,917,352</u>
Total program services				
Supporting services:				
Management and general	3,011,534	-	-	3,011,534
Fundraising	1,271,916	-	-	1,271,916
	<u>4,283,450</u>	<u>-</u>	<u>-</u>	<u>4,283,450</u>
Total supporting services				
Total expenses	<u>23,186,485</u>	<u>169,994</u>	<u>(155,677)</u>	<u>23,200,802</u>
Change in net assets	8,821,561	(19,994)	5,677	8,807,244
Net assets, beginning of year	<u>27,982,204</u>	<u>6,308,093</u>	<u>(173,152)</u>	<u>34,117,145</u>
Net assets, end of year	<u>\$ 36,803,765</u>	<u>\$ 6,288,099</u>	<u>\$ (167,475)</u>	<u>\$ 42,924,389</u>