PLANNED PARENTHOOD
OF GREATER NEW YORK, INC.

Consolidated Financial Statements
as of June 30, 2022
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 30, 2022

To the Board of Directors of
Planned Parenthood of Greater New York, Inc.:

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying consolidated financial statements of Planned Parenthood of Greater New York, Inc. (a New York not-for-profit corporation) (PPGNY), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PPGNY as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PPGNY and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America 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 PPGNY's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

432 North Franklin Street, #60
Syracuse, New York 13204
p (315) 476-4004
f (315) 254-2384

www.bonadio.com

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Auditor's Responsibilities for the Audit of the 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 PPGNY'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 PPGNY'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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information in Schedules I and II is presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position and activities and change in net assets of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating 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 consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited PPGNY's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Bonadio & Co., LLP

PLANNED PARENTHOOD OF GREATER NEW YORK, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(With Comparative Totals for June 30, 2021)

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 9,903,942	$ 15,456,138
Short-term investments	9,649,610	8,501,647
Patient accounts receivable	5,510,615	2,009,339
Grants receivable	6,365,984	9,080,574
Current portion of pledges receivable	2,847,999	878,395
Assets held for sale	1,172,140	-
Inventory	979,564	816,459
Prepaid expenses and other current assets	2,757,118	2,225,947
Total current assets	39,186,972	38,968,499
NONCURRENT ASSETS:		
Long-term investments	97,981,395	107,973,122
Pledges receivable, net of current portion	294,436	394,523
Other noncurrent assets	204,738	208,760
Property and equipment, net	48,535,594	51,049,780
Total noncurrent assets	147,016,163	159,626,185
Total assets	$ 186,203,135	$ 198,594,684
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 4,331,571	$ 4,966,166
Accrued expenses	4,900,757	5,829,849
Current portion of long-term debt	1,723,727	393,652
Refundable advances	2,284,042	5,341,568
Current portion of estimated third-party payor settlements	447,349	3,375,931
Total current liabilities	13,687,446	19,907,166
NONCURRENT LIABILITIES:		
Long-term debt, net of current portion	2,905,870	4,560,680
Deferred rent	4,728,806	4,149,393
Estimated third-party payor settlements, net of current portion	427,189	39,009
Total noncurrent liabilities	8,061,865	8,749,082
Total liabilities	21,749,311	28,656,248
NET ASSETS:		
Without donor restrictions	77,502,076	74,699,723
With donor restrictions	86,951,748	95,238,713
Total net assets	164,453,824	169,938,436
Total liabilities and net assets	$ 186,203,135	$ 198,594,684

The accompanying notes are an integral part of these statements.

PLANNED PARENTHOOD OF GREATER NEW YORK, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
OPERATING REVENUE AND OTHER SUPPORT:				
Patient service revenue	$ 38,596,947	$ -	$ 38,596,947	$ 31,008,680
Public support and grants:				
Contributions	24,335,543	382,528	24,718,071	18,267,120
Government grants	22,525,037	-	22,525,037	23,877,376
Foundation grants	1,211,748	537,682	1,749,430	984,847
Total public support and grants	48,072,328	920,210	48,992,538	43,129,343
Other income (loss):				
Investment income, net	(1,003,085)	-	(1,003,085)	5,654,317
Miscellaneous income	2,678,138	-	2,678,138	3,277,648
Gain (loss) on sale of property and equipment	(29,291)	-	(29,291)	148,000
Net assets released from restrictions	5,027,801	(1,327,801)	3,700,000	3,500,000
Total other income (loss), net	6,673,563	(1,327,801)	5,345,762	12,579,965
Total operating revenue and other support	93,342,838	(407,591)	92,935,247	86,717,988
EXPENSES:				
Program services:				
Patient services	56,970,771	-	56,970,771	50,713,993
Public affairs and advocacy	3,548,143	-	3,548,143	3,292,527
Education and outreach	10,192,760	-	10,192,760	9,947,486
Total program services	70,711,674	-	70,711,674	63,954,006
Supporting services:				
Management and administration	15,784,050	-	15,784,050	18,222,853
Development	4,064,710	-	4,064,710	2,996,719
Total supporting services	19,848,760	-	19,848,760	21,219,572
Total expenses	90,560,434	-	90,560,434	85,173,578
Net income (loss) from operations	2,782,404	(407,591)	2,374,813	1,544,410
NONOPERATING REVENUE AND EXPENSES:				
Investment income, net	-	(4,159,425)	(4,159,425)	18,472,997
Appropriation of endowment assets for use in operations	-	(3,700,000)	(3,700,000)	(3,500,000)
Net assets released from restrictions	19,949	(19,949)	-	-
Total nonoperating revenue and expenses	19,949	(7,879,374)	(7,859,425)	14,972,997
CHANGE IN NET ASSETS	2,802,353	(8,286,965)	(5,484,612)	16,517,407
NET ASSETS - beginning of year	74,699,723	95,238,713	169,938,436	153,421,029
NET ASSETS - end of year	$ 77,502,076	$ 86,951,748	$ 164,453,824	$ 169,938,436

The accompanying notes are an integral part of these statements.

PLANNED PARENTHOOD OF GREATER NEW YORK, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Program Services				Supporting Services			Total	
	Patient Services	Public Affairs and Advocacy	Education and Outreach	Total	Management and Administration	Development	Total	2022	2021
Salaries and wages	$ 24,900,592	$ 1,263,656	$ 6,042,778	$ 32,207,026	$ 6,445,902	$ 1,944,776	$ 8,390,678	$ 40,597,704	$ 38,536,087
Employee benefits and payroll taxes	6,696,209	229,441	924,044	7,849,694	2,567,727	578,685	3,146,412	10,996,106	11,398,827
Total salaries and benefits	31,596,801	1,493,097	6,966,822	40,056,720	9,013,629	2,523,461	11,537,090	51,593,810	49,934,914
Professional fees	7,676,561	210,241	940,860	8,827,662	3,113,553	582,709	3,696,262	12,523,924	10,858,454
Supplies	7,194,090	572,128	579,991	8,346,209	79,702	205,193	284,895	8,631,104	7,843,883
Occupancy	6,010,501	25,152	677,173	6,712,826	255,674	44,510	300,184	7,013,010	7,386,270
Telephone	437,682	14,763	81,228	533,673	399,182	23,689	422,871	956,544	786,862
Dues	22,897	690,657	13,317	726,871	369,358	242,718	612,076	1,338,947	796,378
Travel, conferences and meetings	268,741	28,700	311,878	609,319	107,457	267,467	374,924	984,243	571,087
Laboratory fees	628,531	-	14,377	642,908	-	(2,102)	(2,102)	640,806	495,776
Medical and auto liability insurance	945,845	414	123,398	1,069,657	315,234	-	315,234	1,384,891	1,335,400
Printing and marketing	-	374,352	41,187	415,539	965	151,635	152,600	568,139	517,394
Finance and bank fees	48,002	2,704	5,966	56,672	178,491	3,842	182,333	239,005	273,766
Interest expense	-	-	-	-	229,900	-	229,900	229,900	249,022
Repairs and maintenance	481,431	6,765	37,838	526,034	166,912	5,901	172,813	698,847	623,088
Miscellaneous	2,728	62,586	2,126	67,440	33,824	14,857	48,681	116,121	49,480
Total expenses before depreciation and amortization	55,313,810	3,481,559	9,796,161	68,591,530	14,263,881	4,063,880	18,327,761	86,919,291	81,721,774
Depreciation and amortization	1,656,961	66,584	396,599	2,120,144	1,520,169	830	1,520,999	3,641,143	3,451,804
Total expenses	$ 56,970,771	$ 3,548,143	$ 10,192,760	$ 70,711,674	$ 15,784,050	$ 4,064,710	$ 19,848,760	$ 90,560,434	$ 85,173,578

The accompanying notes are an integral part of these statements.

PLANNED PARENTHOOD OF GREATER NEW YORK, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ (5,484,612)	$ 16,517,407
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation and amortization	3,606,989	3,451,804
Amortization of deferred financing costs included in interest	34,154	8,362
Net realized and unrealized gain (loss) on investments	5,833,385	(19,338,194)
Change in fair value of interest rate swap	38,382	62,204
Gain (loss) on sale of property and equipment	29,291	(148,000)
Changes in:		
Patient accounts receivable	(3,501,276)	693,339
Grants receivable	2,714,590	(2,380,283)
Pledges receivable	(1,869,517)	408,553
Inventory	(163,105)	134,773
Prepaid expenses and other assets	(527,149)	113,119
Accounts payable	(634,595)	202,418
Accrued expenses	(929,092)	(62,533)
Refundable advances	(3,057,526)	4,644,562
Deferred rent	579,413	1,019,303
Estimated third-party payor settlements	(2,578,784)	(199)
Net cash flow from operating activities	(5,909,452)	5,326,635
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(2,454,234)	(9,042,256)
Proceeds from sales of property and equipment	160,000	150,000
Purchases of investments	(2,186,575)	(15,953,512)
Proceeds from sales of investments used for investing activities	1,496,954	14,645,771
Proceeds from sales of investments used to fund operations	3,700,000	12,906,227
Net cash flow from investing activities	716,145	2,706,230
CASH FLOW FROM FINANCING ACTIVITIES:		
Principal payments on long-term debt	(358,889)	(333,166)
Net cash flow from financing activities	(358,889)	(333,166)
CHANGE IN CASH AND EQUIVALENTS	(5,552,196)	7,699,699
CASH AND CASH EQUIVALENTS - beginning of year	15,456,138	7,756,439
CASH AND CASH EQUIVALENTS - end of year	$ 9,903,942	$ 15,456,138

The accompanying notes are an integral part of these statements.

1. THE ORGANIZATION

Planned Parenthood of Greater New York, Inc. (PPGNY) is a not-for-profit organization licensed by the state of New York to operate health centers that provide family planning, abortion services, health education, cancer detection, and sexually transmitted infection testing and treatment. PPGNY is licensed by the New York State Department of Health as a Diagnostic and Treatment Center under Article 28 of the Public Health Law.

PPGNY is the sole corporate member of Planned Parenthood of Greater New York Action Fund, Inc. (the Action Fund), a not-for-profit corporation organized under the laws of the state of New York. The Action Fund has entered into a management services agreement with PPGNY under which it purchases accounting, billing, management and other supporting services from PPGNY.

PPGNY is affiliated with Planned Parenthood Federation of America, Inc. (PPFA), which sets professional, medical and operational standards for all Planned Parenthood affiliates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
The accompanying consolidated financial statements include the accounts of PPGNY and the Action Fund. These entities are collectively referred to as the Organization. All intercompany transactions and account balances have been eliminated in these consolidated financial statements.

Basis of Accounting
The Organization's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP).

Financial Reporting
The Organization reports its activities and the related net assets using the following net asset categories:

- **Net Assets Without Donor Restrictions**
  Net assets without donor restrictions include resources, which are available for the support of the Organization's operating activities.

- **Net Assets With Donor Restrictions**
  Net assets whose use by the Organization is limited by donor-imposed stipulations that expire, donor imposed stipulations that do not expire, and donor imposed stipulations that can be fulfilled or removed by actions of the Organization pursuant to those stipulations. In the case where the donor-imposed stipulation does not expire, generally the donors of these assets permit the Organization to use all or part of the investment return on these assets to support program activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intermediate Measure of Operations

The accompanying consolidated statements of activities reflects income (loss) from operations. Transactions deemed by management to be ongoing, major and central to the provision of healthcare services are reported as operating revenue and other support and operating expenses. Peripheral, incidental and non-recurring transactions are reported as nonoperating revenue and expenses. Additionally, consistent with industry practice, change in net unrealized gains and losses on assets limited as to use are reported as nonoperating revenue and expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank demand deposit accounts, and highly liquid investment purchases with an original maturity of three months or less, other than those held in marketable securities portfolios and long-term investments. At times, the balances in the demand deposit accounts may exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to cash and equivalents.

Patient Service Revenue and Receivables

The Organization recognizes patient service revenue at amounts that reflect the consideration to which they expect to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors and others, and they include variable consideration for retroactive revenue adjustments due to settlements of audits, reviews and investigations and are included in the determination of the estimated transaction price for providing patient care using the most likely outcome method. These settlements are estimated based on terms of the contractual agreement with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or no longer subject to such audits, reviews and investigations.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Patient service revenue increased by approximately $2,381,000 in 2022 related to settlements or changes in estimates associated with third-party payor settlements. There were no settlements or changes in estimates associated with third-party payor settlements recognized in 2021.

The Organization recognizes patient service revenue in the period in which they satisfy their performance obligations under contracts by providing healthcare services to their patients. The Organization determines its performance obligations based on the nature of the services provided. Generally, the Organization recognizes revenues for performance obligations satisfied at a point in time. Because the Organization’s patient service performance obligations generally relate to contracts for services provided at a point in time, the Organization has elected to apply the optional exemption provided in the FASB Accounting Standards Codification (ASC) 606-10-15-14(a) and, therefore, are not required to disclose aggregate amount of the transaction price allocated to performance obligations that are satisfied or partially satisfied at the end of the reporting period. Management evaluates remaining performance obligations at year-end and has determined no additional adjustment to revenue is required for the years ended June 30, 2022 and 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Patient Service Revenue and Receivables (Continued)

The Organization determines the transaction price based on standard charges for services provided, reduced by explicit price concessions provided to third-party payors, financial assistance provided to uninsured patients in accordance with its financial aid policies based on income and family size, and implicit price concessions for self-pay individuals. Estimates of explicit price concessions are determined based on contractual agreements, discount policy and historical experience. For uninsured patients that do not qualify for financial assistance, the Organization recognizes revenue on the basis of historical collection trends for self-pay accounts and other related factors. Based on its historical experience, a significant portion of the Organization's uninsured patients will likely be unable or unwilling to pay for the services provided. Thus, the Organization records an implicit price concession for these patients.

There are various factors that can impact collection trends, such as changes in the economy, unemployment rates, the number of uninsured or underinsured patients, the volume of patients, the increased burden of co-pays, co-insurance amounts and deductibles to be made by patients with insurance, and business practices related to collection efforts. These factors continuously change and can have an impact on collection trends and the estimation process. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of change. The Organization grants credit without collateral to its patients, many of whom are covered by third-party payor agreements. The Organization does not believe significant credit risk exists for Medicare, Medicaid, and other third-party payors.

The Organization has previously elected to apply the practical expedient allowed under FASB ASC 606-10-10-4 for applying revenue recognition standards to a portfolio of contracts with similar characteristics. Estimates of implicit price concessions are determined based on historical collection experience with those classes of patients using a portfolio approach as a practical expedient to account for patient accounts as collective groups rather than as individual contracts. Based on historical collection trends and other analysis, the Organization has concluded the financial statement effects of using this practical expedient are not materially different from an individual contract approach.

Patient service revenue is concentrated as follows for the years ended June 30:

	2022	2021
Governmental payors*	$ 5,984,881	$ 4,198,267
Managed care	18,630,834	18,296,369
Commercial insurance and other third-party payors	12,081,941	8,328,948
Self-pay	1,899,291	185,096
	$ 38,596,947	$ 31,008,680

* Includes gain on third-party payor settlement of $2,381,233 in the year ended June 30, 2022.

Patient accounts receivable, including billed accounts and unbilled accounts for which the Organization has the unconditional right to payment are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. For patient accounts receivable, the estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to patient accounts receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government and Foundation Grants

Revenue from grants is recognized when conditions from the grantor are met by there being no measurable performance-related barriers to overcome nor right of return to the grantor. These grants generally have restrictions as to time and purpose. The Organization recognizes grant revenue when eligible costs are incurred, thus simultaneously meeting the conditions from the grantor and releasing restrictions. Therefore, the Organization classifies grants from government agencies and foundations as revenues without donor restrictions. A receivable is recognized to the extent support earned exceeds cash advances. Amounts received in advance of such conditions being met are reported as refundable advances.

Miscellaneous Income

During the years ended June 30, 2022 and 2021, the Organization loaned certain employees to PPFA to assist with various projects including configuring and implementing an electronic health record system. Payments received from PPFA for these loaned employees are included in miscellaneous income in the consolidated statement of activities and change in net assets.

Contributions and Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is unconditional. Promises to give are recorded at their estimated net present value. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Pledges to be received in the future are recorded at their discounted net present value. A reserve for uncollectible pledges is determined based on a review of the collectability of outstanding pledges. No reserve for uncollectible pledges was considered necessary at June 30, 2022 and 2021.

Inventory

Inventory consists of medical supplies and is valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Investments

Investments are recorded at fair value based on quoted market prices. The Organization invests in various types of investment securities. These investment securities are exposed to various risks, such as interest rate, market, and credit risk. 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 such changes could materially affect the amounts reported in the accompanying consolidated financial statements. Investment income or loss (including realized and unrealized gains and losses, interest, dividends, and direct investment expenses) accrues to either the without donor restrictions or with donor restrictions net asset categories.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)
Money market funds, investments in equity and debt securities with readily determinable fair values and preferred stock are measured at fair value. Investments in pooled investment funds are recorded at the net asset value of the fund as estimated by the external investment managers. The Organization reviews and evaluates the values provided by the external investment managers for reasonableness. Investment income or loss (including realized and unrealized gains and losses on investments and interest and dividends) is included in changes in net assets unless donor stipulation or law restricts the income or loss. Gains and losses on the sale of investments are based on an identified cost basis. Donated investments are reported at fair value at the date of receipt.

A decline in the fair value below the cost that is deemed to be other than temporary results in a reduction in carrying amount to fair value. The impairment is included in changes in net assets and a new cost basis for the security is established. There were no impairment losses at June 30, 2022 and 2021.

Investments that are expected to be converted to cash within one year are reported as short-term investments in the accompanying consolidated statement of financial position.

Endowment Funds
The Organization's endowment consists of investments that are held in perpetuity. On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA). This law governs how New York not-for-profit organizations may manage, invest and spend their endowment funds. The law is designed to allow organizations to cope more easily with fluctuations in the value of their endowments and to afford them greater access to funds needed to support their programs and services in difficult financial times. It also expands the options available to organizations seeking relief from donor restrictions on funds that have become obsolete, impracticable or wasteful.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- the duration and preservation of the funds;
- the purposes of the endowment fund;
- availability of other funding sources;
- general economic conditions;
- the possible effect of inflation and deflation;
- the expected total return from income and the appreciation/depreciation of investments;
- alternatives to expenditure of the Endowment Fund, and
- the investment policy of the Organization, as enforced by the Board of Directors.

Property and Equipment
Property and equipment are stated at cost or, in the case of gifts, at fair value less accumulated depreciation. All significant assets over $1,000 with an estimated useful life in excess of one year are capitalized. Maintenance and repairs are charged to operations when incurred; betterments and renewals are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the specific assets, which are as follows:

	Years
Buildings and improvements	10-45
Furniture, fixtures, and equipment	3-15
Vehicles	4

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets
The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in the years ended June 30, 2022 and 2021.

Deferred Financing Costs
Deferred financing costs are recognized as interest expense and amortized on the straight-line basis over the term of the related loan. Amortization of deferred financing costs for the years ended June 30, 2022 and 2021 was $34,154 and $8,362, respectively.

Interest Rate Swap Agreement
The Organization was a party to an interest rate swap agreement, entered into primarily as a hedge against interest exposure of its variable rate mortgages. The Organization reported the fair value of its interest rate swap agreements as estimated third-party payor settlements in the consolidated statements of financial position as of June 30, 2022 and 2021. Gains and losses resulting from changes in fair value are recognized as miscellaneous income in the consolidated statement of activities and change in net assets.

Deferred Rent
The Organization has operating leases which contain predetermined increases in the rentals payable during the term of such leases. For these leases, the aggregate rental expense is recognized on a straight-line basis over the lease term. The difference between the expense charged to operations in any period and the amount payable under theses leases during the period is recorded as a deferred rent payable in the Organization's consolidated statement of financial position, which will reverse over the lease term.

Fair Value Measurement
The Organization uses various valuation techniques in determining fair value. A hierarchy for inputs used in measuring fair value has been established that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization’s assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement (Continued)

- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Allocation of Certain Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Those expenses include payroll and benefits, depreciation and occupancy related costs. Payroll and benefits are allocated based on time spent in the various programs in accordance with time and effort reports completed by employees. Depreciation and occupancy related expenses are allocated based on square footage used.

Income Taxes

PPGNY is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Action Fund is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. However, income from certain activities not directly related to PPGNY's and the Action Fund's exempt purposes is subject to taxation as unrelated business income. PPGNY has also been classified by the Internal Revenue Service (IRS) as an entity that is not a private foundation.

Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Advertising

The Organization expenses advertising costs as incurred.

Upcoming Accounting Standard Update

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, *Leases* to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization was required to adopt the standard effective July 1, 2022.

3. LIQUIDITY

Financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date consist of the following at June 30:

	2022	2021
Cash and cash equivalents	$ 9,903,942	$ 15,456,138
Patient accounts receivable	5,510,615	2,009,339
Grants receivable	6,365,984	9,080,574
Pledges receivable	3,142,435	1,272,918
Investments	107,631,005	116,474,769
Total financial assets	132,553,981	144,293,738
Less those unavailable for general expenditure within one year:		
Net assets with donor restrictions	(86,951,748)	(95,238,713)
Financial assets available to meet cash needs for general expenditures within one year	$ 45,602,233	$ 49,055,025

The Organization has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization relies on the timely collection of patient and grant receivables to fund its operations. Effective January 1, 2021, the Organization has a committed line of credit in the amount of $5,000,000, which it could draw upon in the event of an unanticipated liquidity need.

4. PLEDGES RECEIVABLE

Pledges receivable amounted to the following at June 30:

	2022	2021
Due in less than one year	$ 2,847,999	$ 878,395
Due in one to five years	61,121	61,121
	2,909,120	939,516
Charitable gift annuities and pooled income funds	233,315	333,402
	$ 3,142,435	$ 1,272,918

Approximately $2,741,000 and $674,000 of pledges receivable at June 30, 2022 and 2021, respectively represent contributions collected by Planned Parenthood Federation of America (PPFA) on behalf of the Organization that are in process of being transferred to the Organization.

5. INVESTMENTS

The Organization's investments consisted of the following at June 30:

	2022	2021
Cash and cash equivalents	$ 3,984,351	$ 2,392,909
Common stocks	14,465,472	17,888,532
Corporate bonds	290,381	386,150
Municipal bonds	2,720,147	3,264,382
Mutual funds	16,113,192	22,332,716
Exchange traded funds	14,219,238	22,396,951
Real estate investment trusts	5,451,749	405,013
Pooled investment funds	50,386,475	47,408,116
	$ 107,631,005	$ 116,474,769

6. PROPERTY AND EQUIPMENT AND ASSETS HELD FOR SALE

Property and equipment consisted of the following at June 30:

	2022	2021
Land	$ 5,368,976	$ 5,396,976
Buildings and improvements	44,728,062	38,794,611
Leasehold improvements	10,860,254	10,877,483
Furniture and equipment	7,697,974	7,242,956
Construction-in-progress	7,305,319	14,538,435
	75,960,585	76,850,461
Less: Accumulated depreciation	(27,424,991)	(25,800,681)
	$ 49,707,734	$ 51,049,780

In 2022, the Organization decided to market three of its buildings for sale. Assets that are to be disposed of by sale are required to be reported at the lower of carrying amount or fair value less cost to sell. As further disclosed in Note 17, one building was sold subsequent to year end at a purchase price in excess of its carrying value. One building is in negotiations for sale at a purchase price approximating its carrying value. The third building has been appraised at a value in excess of its carrying value. Therefore, the Organization has not recognized any impairment losses in the year ended June 30, 2022. The carrying values of these three buildings and any related improvements totaling approximately $1,172,000 are presented as assets held for sale in the consolidated statement of financial position at June 30, 2022.

7. INTEREST RATE SWAP AGREEMENT

At June 30, 2022 and 2021, the Organization was a party to an interest rate swap agreement with a bank to mitigate the risk of an interest rate associated with a variable interest rate mortgage. Under the agreement on the mortgage, a portion of variable rate indebtedness is converted to a fixed rate based upon a notional principal amount. The maturity dates, effective interest rates, and aggregate notional principal amounts are as follows:

Maturity Date	Effective Interest Rate	Notional Principal Amount
October 1, 2022	4.25%	$ 1,483,565

The swap agreement qualifies as a cash flow hedge under GAAP. The Organization has assumed no ineffectiveness in the swap due to the fact that, among other things, the notional amount of the swap matches the principal amount of the mortgages, the variable rates under the swap matches the variable rate of the mortgage and the maturity date of the swap matches the maturity date of the mortgage.

The Organization is exposed to credit loss in the event of non-performance by the bank; however, the Organization does not anticipate non-performance. Interest rate swap transaction generally involves exchanges of fixed and floating interest payment obligations without exchanges of underlying principal amounts. Consequently, the Organization's exposure to credit loss is significantly less than the mortgage principal amounts.

The fair value of derivative instruments was as follows at June 30:

Derivatives designed as hedging instruments	Statement of Financial Position Location	2022	2021
Interest rate contracts	Estimated third-party payor settlements	$ (826)	$ (39,208)

The fair value of the effect of hedging relationships was as follows for the years ended June 30:

Derivatives designed as hedging instruments	Statement of Activities Location	2022	2021
Interest rate contracts	Miscellaneous income	$ 38,382	$ (62,204)

8. FAIR VALUE MEASUREMENTS

The following are measured at fair value at June 30, 2022:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,984,351	$ -	$ -	$ 3,984,351
Common stocks	14,465,472	-	-	14,465,472
Corporate bonds	-	290,381	-	290,381
Municipal bonds	-	2,720,147	-	2,720,147
Mutual funds:				
Bond funds	6,425,232	-	-	6,425,232
Equity funds	9,687,960	-	-	9,687,960
Exchange traded funds	14,219,238	-	-	14,219,238
Real estate investment trusts	5,451,749	-	-	5,451,749
Pooled investment funds recorded at net asset value as a practical expedient (a)				50,386,475
Total investments				107,631,005
Interest rate swap	-	(826)	-	(826)
Charitable gift annuities and pooled income funds	-	233,315	-	233,315
	$ 54,235,213	$ 3,243,017	$ -	
				$107,863,494

8. FAIR VALUE MEASUREMENTS (Continued)

The following are measured at fair value at June 30, 2021:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,392,909	$ -	$ -	$ 2,392,909
Common stocks	17,888,532	-	-	17,888,532
Corporate bonds	-	386,150	-	386,150
Municipal bonds	-	3,264,382	-	3,264,382
Mutual funds:				
Bond funds	11,290,443	-	-	11,290,443
Equity funds	11,042,273	-	-	11,042,273
Exchange traded funds	22,396,951	-	-	22,396,951
Real estate investment trusts	405,013	-	-	405,013
Pooled investment funds recorded at net asset value as a practical expedient (a)				47,408,116
Total investments				116,474,769
Interest rate swap	-	(39,208)	-	(39,208)
Charitable gift annuities and pooled income funds	-	333,402	-	333,402
	$ 65,416,121	$ 3,944,726	$ -	
				$116,768,963

(a) In accordance with GAAP, certain investments that are measured at net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.

Cash and cash equivalents are valued at cost, which approximates fair value due to the short-term maturity of the instruments.

Common stocks and exchange-traded funds are valued at the closing price reported in the active market in which the individual securities are traded. Exchange-traded funds held by the Organization are open-end funds or unit investment trusts that are registered with the Securities and Exchange Commission.

Corporate and municipal bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

8. FAIR VALUE MEASUREMENTS (Continued)

Mutual funds and real estate investment trusts are valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The Organization's interest rate swap is valued utilizing Level 2 inputs. The fair value of the interest rate swap is based on estimates obtained from the intermediary bank. The intermediary bank values the contract based on the expected cash flows from each transaction between the Organization and the intermediary bank which are subject to the interest rate swap using relevant mid-market data inputs and based on the assumption of no unusual market conditions or forced liquidation.

Charitable gift annuities and pooled income funds are valued utilizing Level 2 inputs, which are based on the Organization's percent ownership of the fund's assets, which were valued based on quoted market prices for identical securities.

Fair Value of Investment in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent) as a Practical Expedient

The following table sets forth additional disclosures of the Organization's investments in certain entities whose fair value is estimated using the net asset value per share (or its equivalent) as a practical expedient to fair value as of June 30, 2022.

Investment Category	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private investments (1)	$ 23,492,667	$ 2,306,300	No-partial redemption allowed	N/A
Real assets/real estate (2)	73,783	-	Monthly to illiquid	30 days
Multi-strategy (3)	11,422,653	408,460	Quarterly	40 to 90 days
U.S. small/mid-cap (4)	15,397,372	2,659,750	Daily to monthly	3 to 60 days
	$ 50,386,475	$ 5,374,510		

8. FAIR VALUE MEASUREMENTS (Continued)

Fair Value of Investment in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent) as a Practical Expedient (Continued)

The following table sets forth additional disclosures of the Organization's investments in certain entities whose fair value is estimated using the net asset value per share (or its equivalent) as a practical expedient to fair value as of June 30, 2021.

Investment Category	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private investments (1)	$ 24,112,277	$ 6,897,451	No-partial redemption allowed	N/A
Real assets/real estate (2)	70,681	301,197	Monthly to illiquid	30 days
Multi-strategy (3)	11,779,541	858,533	Quarterly	40 to 90 days
U.S. small/mid-cap (4)	11,445,617	3,949,600	Daily to monthly	3 to 60 days
	$ 47,408,116	$ 12,006,781		

(1) This category includes investments in limited partnerships that seek to achieve their investment objectives by investing substantially all of their assets through master-feeder fund structures whose investment philosophy combines proprietary, direct and public securities investing with a view toward preserving principal and maximizing returns. The partnerships make periodic distributions to the limited partners in accordance with the limited partners' agreements. These partnerships seek income and gains primarily through the acquisition, holding, distribution and other disposition of investments in existing limited partnership interests in portfolio funds and similar assets purchased in secondary markets and on an opportunistic basis, make primary investments in partnership interests of underlying funds and make direct co-investments in portfolio companies.

(2) This category includes investments in a limited liability company formed essentially to make "fund of fund" investments in real estate and real estate related funds located both in the United States (the U.S. Funds) and outside of the United States.

(3) This category includes investments in limited liability companies who invest substantially all of their assets through a master-feeder structure in the master fund. One company is primarily a debt-focused special situations fund that seeks to earn superior risk-adjusted returns while emphasizing preservation of capital. Investments are made in North America and Europe, where it seeks to capitalize on relative and absolute value investment opportunities using hedged and directional investment strategies. The other companies focus their investing strategy on maximizing total returns by taking advantage of perceived market inefficiencies in the municipal securities market.

(4) This category includes holdings in hedge fund strategies. The funds hold long and short positions taking advantage of perceived over/undervalued companies. The funds seek to generate positive returns that are uncorrelated to the market with lower volatility in down markets. As a group, the funds invest across all market caps and though they are not restricted from investing globally, the majority of the portfolios' holdings are U.S. based companies.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2022	2021
Subject to expenditure for specified purposes:		
Capital campaign	$ 37,338	$ 57,287
Education	-	200,097
Research evaluation	-	66,895
Clinics	923,710	584,831
Public affairs	-	11,500
Project Street Beat	-	207,906
Administrative	6,617	266,689
	967,665	1,395,205
Endowment original gifts	74,513,136	74,513,136
Endowment accumulated income	11,470,947	19,330,372
	$ 86,951,748	$ 95,238,713

The amounts of net assets with donor restrictions released from restrictions were for the following purposes for the years ended June 30:

	2022	2021
Capital campaign	$ 19,949	$ 642,559
Education	200,097	136,695
Research evaluation	66,895	44,721
Clinics	581,331	828,110
Public affairs	11,500	500,000
Project Street Beat	207,906	-
Administrative	260,072	546,657
	$ 1,347,750	$ 2,698,742

Endowment

On September 17, 2010, the State of New York adopted a version of the Uniform Prudent Management of Institutional Funds Act (NYPMIFA). The Organization has interpreted NYPMIFA as requiring the preservation of the fair value of the original endowment gift as of the gift date absent explicit donor instructions to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of the gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accumulated earnings on the endowment fund are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by NYPMIFA. 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 NYPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance GAAP, deficiencies of this nature are reported in net assets with donor restrictions. Deficiencies would result from unfavorable market fluctuations that occur after the investment of contributions with donor restrictions. As of June 30, 2022 and 2021, there we no funds with deficiencies. The Organization has a policy that permits spending from underwater endowment funds, unless specifically prohibited by the donor or relevant laws and regulations.

9. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Endowment (Continued)

Endowment Investment Policies

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as certain board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve the purchasing power of the corpus and insulate program spending from fluctuations in capital markets while assuming a moderate level of investment risk.

Endowment Investment and Spending Policies

The Organization has adopted investment and spending policies for investment assets that attempt to provide sufficient income to meet various program and operational expenses, and to extend the pursuit of the Organization's mission in perpetuity. The primary objective for the investment assets is to provide real, inflation-adjusted growth of principal consistent with a moderate risk level. The goal is to earn, over a market cycle, an average annual rate of return in excess of inflation, after distributions from the endowment and net of fees and other expenses. The Organization interprets NYPMIFA as allowing spending from underwater endowments in accordance with its investment policy.

As a general guideline, the maximum annual distribution from the endowment should be determined prospectively as part of the annual budget process and calculated as follows:

- 70 percent of the allowable spending in the prior fiscal year, increased by the rate of inflation, as measured by the Consumer Price Index, for the most recent 12 months; and

- 30 percent of the long-term spending rate of 5 percent applied to the four-quarter market average value of the endowment for the most recent 12 months.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on equities, fixed-income securities, and other assets investments to achieve its long-term return objectives within prudent risk constraints.

9. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Endowment (Continued)

Endowment net asset composition by type of fund as of June 30, 2022 was as follows:

	Accumulated Income	Original Gift	Total
With donor restrictions	$ 11,470,947	$ 74,513,136	$ 85,984,083

Changes in endowment net assets for the year ended June 30, 2022 were as follows:

	Accumulated Income	Original Gift	Total
Endowment net assets, beginning of period	$ 19,330,372	$ 74,513,136	$ 78,870,511
Net depreciation	(4,159,425)	-	(4,159,425)
Amount appropriated for expenditure	(3,700,000)	-	(3,700,000)
Endowment net assets, end of period	$ 11,470,947	$ 74,513,136	$ 85,984,083

Endowment net asset composition by type of fund as of June 30, 2021 was as follows:

	Accumulated Income	Original Gift	Total
With donor restrictions	$ 19,330,372	$ 74,513,136	$ 93,843,508

Changes in endowment net assets for the year ended June 30, 2021 were as follows:

	Accumulated Income	Original Gift	Total
Endowment net assets, beginning of period	$ 4,357,375	$ 74,513,136	$ 78,870,511
Net appreciation	18,472,997	-	18,472,997
Amount appropriated for expenditure	(3,500,000)	-	(3,500,000)
Endowment net assets, end of period	$ 19,330,372	$ 74,513,136	$ 93,843,508

10. LONG-TERM DEBT

Long-term debt consisted of the following at June 30:

	2022	2021
Mortgage payable to a bank secured by a mortgage on properties owned by the Organization, monthly payments of $7,662, including interest at LIBOR plus 2.20% until October 2022, at which time all outstanding principal is due. This mortgage payable is subject to the interest rate swap agreement further described in Note 7. In July 2021, the Organization refinanced this mortgage payable. The payment terms of the mortgage payable were not significantly changed.	$ 1,458,013	$ 1,583,330
Mortgage payable to a bank secured by a mortgage on properties owned by the Organization, monthly payments of $11,946, including interest at 5.14% until January 2033, at which time all outstanding principal is due.	1,168,260	1,249,288
Mortgage payable to a bank secured by a mortgage on properties owned by the Organization, monthly payments of $8,172 including interest at 4.75% until September 2021. At that time through September 2027, interest will reset to the FHLBNY regular fixed give year advance rate plus 2.50%. All outstanding principal is due in September 2027.	1,057,592	1,103,514
Mortgage payable to a bank secured by a mortgage on properties owned by the Organization, monthly payments of $5,516 including interest at 4.96% until January 2028, at which time all outstanding principal is due.	326,471	375,697
Mortgage payable to a local bank secured by a mortgage on properties owned by the Organization, monthly payments of $7,966 including interest at 5.00% until February 2024. At that time and every five years thereafter, interest will be reset to the five-year U.S. Treasury Rate plus 2.25% and the monthly payment will be reamortized, until February 2040.	619,261	676,657
	4,629,597	4,988,486
Less: deferred financing costs	-	(34,154)
	4,629,597	4,954,332
Less: current portion	(1,723,727)	(393,656)
	$ 2,905,870	$ 4,560,676

10. LONG-TERM DEBT (Continued)

Scheduled principal payments under these obligations for the next five years and thereafter are as follows:

2023	$ 1,723,727
2024	733,585
2025	204,957
2026	215,566
2027	226,723
Thereafter	1,525,039
	$ 4,629,597

Certain mortgages payable above have a covenant requiring that PPGNY maintain a post-distribution debt service coverage ratio of not less than 1.1 to 1.0 per the most recently filed tax return. Management has determined that PPGNY was in compliance with this covenant at June 30, 2022.

Cash paid for interest was $196,304 and $240,659 for the years ended June 30, 2022 and 2021, respectively.

11. LINE OF CREDIT

In January 2021, PPGNY entered into a line-of-credit agreement with a bank, with borrowing available up to $5,000,000, with interest at the prime rate less 0.50% (but a minimum of 2.75%). The line is secured by certain equipment, inventory, and receivables of PPGNY, and expires on September 30, 2022. The line is guaranteed by PPFA. The line has a covenant requiring that PPGNY maintain net assets without donor restrictions in excess of the greater of 400% of the facility commitment and $20,000,000. Management has determined that PPGNY was in compliance with this covenant at June 30, 2022 and 2021.

12. RETIREMENT PLAN

The Organization sponsors a contributory 401(k) retirement plan. All full-time employees over the age of twenty-one working at least twenty-one hours per week are eligible to participate in the plan. Upon completion of one year of service with a minimum of 1,000 hours of service, the Organization contributes 4% of an employee’s base salary. Total expense for contributions to the plan amounted to $1,316,473 and $1,337,979 for the years ended June 30, 2022 and 2021, respectively.

13. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Organization has several non-cancelable operating leases, primarily for program sites and equipment, which expire through April 2036. The monthly payments due under these lease agreements range from $170 to $62,796. Rental expense was $4,397,752 and $4,400,335 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments under all non-cancelable operating leases with initial or remaining terms of one-year or more are as follows for the years ending June 30:

2023	$ 3,771,042
2024	3,775,870
2025	3,927,950
2026	4,002,579
2027	4,039,415
Thereafter	31,504,029
Total	$ 51,020,885

Affiliations

PPGNY is an affiliate of PPFA. In accordance with its affiliation agreement with PPFA, PPGNY is required to pay quarterly assessments to PPFA, which are calculated using a formula based on the Organization's operating expenses. PPFA waived these assessments for the year ended June 30, 2021. PPGNY is a member of Planned Parenthood Empire State Acts (PPESA) and Clinical Health Network for Transformation, Inc. (CHN). In accordance with its contract with PPESA, the Organization is required to pay dues to PPESA, which totaled approximately $350,000 and $350,000 for the years ended June 30, 2022 and 2021, respectively, and are included in dues expense on the consolidated statement of functional expenses. No dues are required to be paid to CHN.

Unemployment Compensation

The Organization is self-insured with respect to unemployment benefits payable to eligible employees. Amounts paid under this arrangement are expensed as incurred.

Pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act and New York State Department of Labor executive order, organizations that are self-insured with respect to unemployment benefits were relieved of all obligations arising from unemployment claims related to the COVID-19 pandemic for the period March 13, 2020 through June 24, 2021, and were relieved of 50% of obligations arising from unemployment claims related to the COVID-19 pandemic for the periods March 9, 2020 through March 13, 2020 and June 25, 2021 through September 6, 2021. As such, the Organization has accrued a receivable for $631,257 and $649,244 at June 30, 2022 and 2021, respectively, for claims paid during this period which is included in prepaid expenses and other current assets in the consolidated statements of financial position.

No accrual has been made for future obligations that might arise under this arrangement due to the underlying uncertainties.

Third-Party Payors

Third-party payors, especially governmental funders, have increased substantially their scrutiny of payments made to their designated service providers. Specific areas for review by governmental payers and their investigative personnel include appropriate billing practices, reimbursement maximization strategies, technical regulation compliance, etc. The stated purpose of these reviews is to recover reimbursements that the payers believe may have been inappropriate.

13. COMMITMENTS AND CONTINGENCIES (Continued)

Third-Party Payors (Continued)

The New York State Office of Medicaid Inspector General (OMIG) issued a Final Audit Report in July 2021 based on claims to Medicaid during the period January 2015 through December 2017. In 2020, the Organization accrued a liability of $3,375,931, which remained accrued at June 30, 2021, relating to this matter, which was included in estimated third-party payor settlements on the consolidated statement of financial position. The Organization disputed the Final Audit Report, and in 2022, the Organization entered into a settlement with the OMIG requiring repayment of $894,698 plus interest, with the settlement balance to be repaid in equal payments over 24 months, and interest to be paid in equal amounts in the 25th and 26th months. As such, the Organization has accrued a liability of $920,140 at June 30, 2022 relating to this matter and other minor matters, which is included in estimated third-party payor settlements on the consolidated statement of financial position.

The Organization has reviewed its internal records and policies with respect to such matters. However, due to the nature of these matters, it is not possible to estimate the ultimate liability, if any, which it may incur for such matters.

14. PROFESSIONAL LIABILITY INSURANCE

The Organization is insured against professional liability claims under a group occurrence-type policy in connection with its affiliation with PPFA (provided by Affiliated Risk Management Services, the lone risk management provider of the PPFA). The policy provides the Organization with $3,000,000 coverage for each claim with a limit of $20,000,000 annual aggregate coverage for all PPFA affiliates.

15. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash, investments and accounts receivable from government agencies and other third-party and private payors. The Organization places its cash investments with various financial institutions. Accounts receivable are predominately from federal, state and local government agencies, including Medicaid, Medicare and other third-party and private payors. From time to time, the cash balances exceed the federal depository insurance coverage limit.

16. COVID-19 PANDEMIC

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. However, the impact of this situation on the Organizations' future results and financial position is not presently determinable.

16. COVID-19 PANDEMIC (Continued)

Paycheck Protection Program Arrangement

In May 2021, the Organization entered into an arrangement with a bank under the auspices of the Paycheck Protection Program (PPP) established by the CARES Act, under which the Organization received $10,000,000. This arrangement was evidenced by a loan agreement that includes provisions whereby the loan balance can be fully or partially forgiven based on the Organization's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements to the bank in accordance with the requirements of the PPP arrangement.

The Organization has elected to account for its PPP arrangement as a conditional contribution, meaning that revenue is recorded as the conditions for forgiveness are met. For the years ended June 30, 2022 and 2021, $4,729,049 and $5,270,951 of PPP funds have been recognized as government grants revenue in the consolidated statements of activities and change in net assets as the Organization has determined that it met the conditions for forgiveness prior to each year-end.

In January 2022, the Organization received notice that forgiveness had been approved by the U.S. Small Business Administration.

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 30, 2022, which is the date the financial statements were available to be issued.

In October 2022, the Organization's Glen Cove facility was sold for $1,000,000, resulting in a gain of approximately $130,000. The net book value of this property is reflected as assets held for sale in the accompanying consolidated statement of financial position as of June 30, 2022.

PLANNED PARENTHOOD OF GREATER NEW YORK, INC.

CONSOLIDATING SCHEDULES OF FINANCIAL POSITION
JUNE 30, 2022

	Planned Parenthood of Greater New York, Inc.	Planned Parenthood of Greater New York Action Fund, Inc.	Eliminations	Total
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 7,786,870	$ 2,117,072	$ -	$ 9,903,942
Short-term investments	9,649,610	-	-	9,649,610
Patient accounts receivable	5,510,615	-	-	5,510,615
Grants receivable	6,365,984	-	-	6,365,984
Current portion of pledges receivable	2,846,924	1,075	-	2,847,999
Assets held for sale, net	1,172,140	-	-	1,172,140
Inventory	979,564	-	-	979,564
Prepaid expenses and other current assets	3,726,063	(968,945)	-	2,757,118
Total current assets	38,037,770	1,149,202	-	39,186,972
NONCURRENT ASSETS:				
Long-term investments	97,981,395	-	-	97,981,395
Pledges receivable, net of current portion	294,436	-	-	294,436
Other noncurrent assets	204,738	-	-	204,738
Property and equipment, net	48,535,594	-	-	48,535,594
Total noncurrent assets	147,016,163	-	-	147,016,163
Total assets	$ 185,053,933	$ 1,149,202	$ -	$ 186,203,135
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	$ 4,331,571	$ -	$ -	$ 4,331,571
Accrued expenses	4,900,757	-	-	4,900,757
Current portion of long-term debt	1,723,727	-	-	1,723,727
Refundable advances	2,282,292	1,750	-	2,284,042
Current portion of estimated third-party payor settlements	447,349	-	-	447,349
Total current liabilities	13,685,696	1,750	-	13,687,446
NONCURRENT LIABILITIES:				
Long-term debt, net of current portion	2,905,870	-	-	2,905,870
Deferred rent	4,728,806	-	-	4,728,806
Estimated third-party payor settlements, net of current portion	427,189	-	-	427,189
Total noncurrent liabilities	8,061,865	-	-	8,061,865
Total liabilities	21,747,561	1,750	-	21,749,311
NET ASSETS:				
Without donor restrictions	76,627,217	874,859	-	77,502,076
With donor restrictions	86,679,155	272,593	-	86,951,748
Total net assets	163,306,372	1,147,452	-	164,453,824
Total liabilities and net assets	$ 185,053,933	$ 1,149,202	$ -	$ 186,203,135

The accompanying notes are an integral part of these schedules.

PLANNED PARENTHOOD OF GREATER NEW YORK, INC.

CONSOLIDATING SCHEDULES OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	Planned Parenthood of Greater New York, Inc.			Planned Parenthood of Greater New York Action Fund, Inc.				
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Eliminations	Total
OPERATING REVENUE AND OTHER SUPPORT:								
Patient service revenue	$ 38,596,947	$ -	$ 38,596,947	$ -	$ -	$ -	$ -	$ 38,596,947
Public support and grants:								
Contributions	23,908,090	382,528	24,290,618	427,453	-	427,453	-	24,718,071
Government grants	22,525,037	-	22,525,037	-	-	-	-	22,525,037
Foundation grants	1,211,748	537,682	1,749,430	-	-	-	-	1,749,430
Total public support and grants	47,644,875	920,210	48,565,085	427,453	-	427,453	-	48,992,538
Other income (loss):								
Investment income, net	(1,003,085)	-	(1,003,085)	-	-	-	-	(1,003,085)
Miscellaneous income	2,485,909	-	2,485,909	192,229	-	192,229	-	2,678,138
Gain on sale of property and equipment	(29,291)	-	(29,291)	-	-	-	-	(29,291)
Net assets released from restrictions	5,027,801	(1,327,801)	3,700,000	-	-	-	-	3,700,000
Total other income (loss), net	6,481,334	(1,327,801)	5,153,533	192,229	-	192,229	-	5,345,762
Total operating revenue and other support	92,723,156	(407,591)	92,315,565	619,682	-	619,682	-	92,935,247
EXPENSES:								
Program services:								
Patient services	56,970,771	-	56,970,771	-	-	-	-	56,970,771
Public affairs and advocacy	2,759,025	-	2,759,025	789,118	-	789,118	-	3,548,143
Education and outreach	10,192,760	-	10,192,760	-	-	-	-	10,192,760
Total program services	69,922,556	-	69,922,556	789,118	-	789,118	-	70,711,674
Supporting services:								
Management and administration	15,771,816	-	15,771,816	12,234	-	12,234	-	15,784,050
Development	4,064,710	-	4,064,710	-	-	-	-	4,064,710
Total supporting services	19,836,526	-	19,836,526	12,234	-	12,234	-	19,848,760
Total expenses	89,759,082	-	89,759,082	801,352	-	801,352	-	90,560,434
Net income (loss) from operations	2,964,074	(407,591)	2,556,483	(181,670)	-	(181,670)	-	2,374,813
NONOPERATING REVENUE AND EXPENSES:								
Investment income, net	-	(4,159,425)	(4,159,425)	-	-	-	-	(4,159,425)
Appropriation of endowment assets for use in operations	-	(3,700,000)	(3,700,000)	-	-	-	-	(3,700,000)
Net assets released from restrictions	19,949	(19,949)	-	-	-	-	-	-
Total nonoperating revenue and expenses	19,949	(7,879,374)	(7,859,425)	-	-	-	-	(7,859,425)
CHANGE IN NET ASSETS	2,984,023	(8,286,965)	(5,302,942)	(181,670)	-	(181,670)	-	(5,484,612)
NET ASSETS - beginning of year	73,643,194	94,966,120	168,609,314	1,056,529	272,593	1,329,122	-	169,938,436
NET ASSETS - end of year	$ 76,627,217	$ 86,679,155	$ 163,306,372	$ 874,859	$ 272,593	$ 1,147,452	$ -	$ 164,453,824

The accompanying notes are an integral part of these schedules.