

PLANNED PARENTHOOD OF  
SOUTH FLORIDA AND THE  
TREASURE COAST, INC. AND SUBSIDIARIES  
(d/b/a Planned Parenthood of South, East and North Florida)

CONSOLIDATED FINANCIAL STATEMENTS

WITH REPORTING REQUIREMENTS FOR  
*UNIFORM GUIDANCE*

JUNE 30, 2024 and 2023

(with supplementary information)

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Contents

	<b><u>Page</u></b>
<b>Independent Auditors' Report</b>	1 - 3
<b>Consolidated Financial Statements</b>	
Statements of financial position as of June 30, 2024 and 2023	4
Statements of activities for the years ended June 30, 2024 and 2023	5
Statements of functional expenses for the years ended June 30, 2024 and 2023	6 - 7
Statements of cash flows for the years ended June 30, 2024 and 2023	8
Notes to financial statements	9 - 26
<b>Supplementary Information for U.S. Office of Management and Budget Uniform Guidance</b>	
Schedule of expenditures of federal awards for the year ended June 30, 2024	27
Notes to schedule of expenditures of federal awards	28
Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	29 – 30
Independent auditors' report on compliance for the major federal program and report on internal control over compliance required by the Uniform Guidance	31 - 33
Schedule of findings and questioned costs	34

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries  
d/b/a Planned Parenthood of South, East and North Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries d/b/a Planned Parenthood of South, East and North Florida (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries d/b/a Planned Parenthood of South, East and North Florida as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for each of the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

The Organization's management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2025 on our consideration of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
February 10, 2025

EISNERAMPER  
LLP



# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Consolidated Statements of Financial Position

	June 30,	
	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,527,699	\$ 2,695,265
Receivables:		
Accounts receivable, net	495,642	668,161
Contributions and grants receivable, net	348,106	542,747
Interest receivable	31,167	28,262
Due from related parties	635,415	1,320,597
Other	88,399	172,038
Investments	21,564,299	20,509,680
Beneficial interest in assets held in trust	473,022	436,278
Prepaid expenses	260,246	183,148
Inventory	542,064	520,633
Property, equipment, and software, net	11,097,184	11,647,233
Operating leases right-of-use assets	1,908,882	466,060
Other assets	89,694	78,516
	<u>\$ 40,061,819</u>	<u>\$ 39,268,618</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,942,939	\$ 2,659,357
Deferred revenue	40,300	36,280
Grant funds received in advance	664,295	-
Operating lease liabilities	1,886,038	525,928
	<u>5,533,572</u>	<u>3,221,565</u>
Commitments and contingencies (see Notes N and O)		
Net assets:		
Without donor restrictions	<u>29,368,518</u>	<u>27,652,383</u>
With donor restrictions:		
Purpose and/or time restricted	1,973,750	5,208,691
Perpetual in nature	<u>3,185,979</u>	<u>3,185,979</u>
Total net assets with donor restrictions	<u>5,159,729</u>	<u>8,394,670</u>
Total net assets	<u>34,528,247</u>	<u>36,047,053</u>
	<u>\$ 40,061,819</u>	<u>\$ 39,268,618</u>

See notes to financial statements.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Consolidated Statements of Activities

	Year Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating activities:</b>						
Revenue and public support:						
Health center revenue, net	\$ 13,992,167	\$ -	\$ 13,992,167	\$ 12,789,640	\$ -	\$ 12,789,640
Provision for bad debt	(155,000)	-	(155,000)	(180,000)	-	(180,000)
Net health center revenue	13,837,167	-	13,837,167	12,609,640	-	12,609,640
Grants	3,428,316	-	3,428,316	2,193,585	-	2,193,585
Contributions and bequests	8,610,507	-	8,610,507	8,578,720	1,354,141	9,932,861
Special events (net of direct expenses of \$174,026 and \$174,151 in 2024 and 2023, respectively)	1,214,811	-	1,214,811	1,199,125	-	1,199,125
Interest and dividends	401,801	67,531	469,332	571,967	87,771	659,738
Other	403,129	-	403,129	518,524	-	518,524
Total revenue and public support before net assets released from restrictions	27,895,731	67,531	27,963,262	25,671,561	1,441,912	27,113,473
Net assets released from restrictions	3,421,450	(3,421,450)	-	4,026,060	(4,026,060)	-
Total revenue and public support	31,317,181	(3,353,919)	27,963,262	29,697,621	(2,584,148)	27,113,473
<b>Expenses:</b>						
Program services:						
Health centers	22,024,190	-	22,024,190	21,999,663	-	21,999,663
Education	1,675,665	-	1,675,665	1,293,784	-	1,293,784
Public affairs	1,779,474	-	1,779,474	2,375,218	-	2,375,218
Total programmatic expenses	25,479,329	-	25,479,329	25,668,665	-	25,668,665
Supporting services:						
Management and general	4,377,882	-	4,377,882	2,943,277	-	2,943,277
Fundraising	1,914,106	-	1,914,106	1,491,697	-	1,491,697
Total supporting service expenses	6,291,988	-	6,291,988	4,434,974	-	4,434,974
Total expenses	31,771,317	-	31,771,317	30,103,639	-	30,103,639
Change in net assets before non-operating activities	(454,136)	(3,353,919)	(3,808,055)	(406,018)	(2,584,148)	(2,990,166)
<b>Non-operating activities:</b>						
Net realized and unrealized investment gains (losses) (net of investment expenses of \$141,052 and \$128,752, in 2024 and 2023, respectively)	2,117,491	118,978	2,236,469	1,036,142	186,105	1,222,247
Change in value of beneficial interest in trust	52,780	-	52,780	44,518	-	44,518
Loss on disposal of equipment	-	-	-	(149,977)	-	(149,977)
Total non-operating activities	2,170,271	118,978	2,289,249	930,683	186,105	1,116,788
<b>Change in net assets</b>	1,716,135	(3,234,941)	(1,518,806)	524,665	(2,398,043)	(1,873,378)
Net assets, beginning of year	27,652,383	8,394,670	36,047,053	27,127,718	10,792,713	37,920,431
<b>Net assets, end of year</b>	<b>\$ 29,368,518</b>	<b>\$ 5,159,729</b>	<b>\$ 34,528,247</b>	<b>\$ 27,652,383</b>	<b>\$ 8,394,670</b>	<b>\$ 36,047,053</b>

See notes to financial statements.

**PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA**

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2024**

	Program Services				Supporting Services			
	Health Centers	Education	Public Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 8,925,644	\$ 866,964	\$ 650,214	\$ 10,442,822	\$ 2,812,546	\$ 1,084,872	\$ 3,897,418	\$ 14,340,240
Payroll taxes and employee benefits	1,721,867	233,984	150,429	2,106,280	428,260	202,509	630,769	2,737,049
	<u>10,647,511</u>	<u>1,100,948</u>	<u>800,643</u>	<u>12,549,102</u>	<u>3,240,806</u>	<u>1,287,381</u>	<u>4,528,187</u>	<u>17,077,289</u>
Advertising	262,655	-	-	262,655	-	-	-	262,655
Bank and credit card fees	169,660	-	-	169,660	18,994	12,103	31,097	200,757
Communications	661,127	8,306	6,723	676,156	28,422	7,002	35,424	711,580
Information technology	599,884	706	-	600,590	69,016	-	69,016	669,606
Conferences, meetings and travel	311,219	37,656	56,595	405,470	88,434	36,875	125,309	530,779
Dues and subscriptions	2,845	7,322	106,158	116,325	189,647	2,719	192,366	308,691
Grant reimbursed expenses	-	420,192	1,161	421,353	-	-	-	421,353
Event expense	-	-	-	-	-	174,026	174,026	174,026
Facilities	926,892	1,719	1,398	930,009	134,972	-	134,972	1,064,981
Insurance	444,679	-	-	444,679	112,176	-	112,176	556,855
Medical expenses	5,425,942	-	-	5,425,942	-	-	-	5,425,942
Professional fees	1,825,674	84,465	37,580	1,947,719	204,006	559,005	763,011	2,710,730
Depreciation and amortization	555,897	7,423	-	563,320	164,642	-	164,642	727,962
Bad debt expense	155,000	-	-	155,000	-	-	-	155,000
Other	190,205	6,928	769,216	966,349	126,767	9,021	135,788	1,102,137
	<u>22,179,190</u>	<u>1,675,665</u>	<u>1,779,474</u>	<u>25,634,329</u>	<u>4,377,882</u>	<u>2,088,132</u>	<u>6,466,014</u>	<u>32,100,343</u>
Provision for bad debt net with health center revenue	(155,000)	-	-	(155,000)	-	-	-	(155,000)
Special event expenses - direct expenses	-	-	-	-	-	(174,026)	(174,026)	(174,026)
	<u>\$ 22,024,190</u>	<u>\$ 1,675,665</u>	<u>\$ 1,779,474</u>	<u>\$ 25,479,329</u>	<u>\$ 4,377,882</u>	<u>\$ 1,914,106</u>	<u>\$ 6,291,988</u>	<u>\$ 31,771,317</u>

See notes to financial statements.



**PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA**

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023**

	Program Services			Supporting Services				
	Health Centers	Education	Public Affairs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries	\$ 8,552,423	\$ 764,591	\$ 813,952	\$ 10,130,966	\$ 1,845,079	\$ 800,535	\$ 2,645,614	\$ 12,776,580
Payroll taxes and employee benefits	1,499,306	171,887	156,134	1,827,327	704,769	139,489	844,258	2,671,585
	<u>10,051,729</u>	<u>936,478</u>	<u>970,086</u>	<u>11,958,293</u>	<u>2,549,848</u>	<u>940,024</u>	<u>3,489,872</u>	<u>15,448,165</u>
Advertising	154,665	-	-	154,665	-	-	-	154,665
Bank and credit card fees	153,780	746	1,355	155,881	2,694	12,044	14,738	170,619
Communications	869,199	12,270	14,530	895,999	11,617	8,657	20,274	916,273
Information technology	574,094	8,346	15,152	597,592	30,131	9,249	39,380	636,972
Conferences, meetings and travel	638,119	43,203	139,204	820,526	15,141	32,058	47,199	867,725
Dues and subscriptions	45,780	2,931	111,156	159,867	6,969	4,115	11,084	170,951
Grant reimbursed expenses	-	167,426	-	167,426	-	-	-	167,426
Facilities	1,101,373	18,387	12,035	1,131,795	19,233	5,903	25,136	1,156,931
Insurance	351,417	3,811	6,918	362,146	13,757	4,223	17,980	380,126
Medical expenses	5,269,174	-	-	5,269,174	-	-	-	5,269,174
Professional fees	1,784,148	91,115	172,792	2,048,055	262,108	630,115	892,223	2,940,278
Depreciation and amortization	745,411	6,077	11,033	762,521	21,940	6,734	28,674	791,195
Bad debt expense	180,000	-	-	180,000	-	-	-	180,000
Other	260,774	2,994	920,957	1,184,725	9,839	12,726	22,565	1,207,290
	<u>22,179,663</u>	<u>1,293,784</u>	<u>2,375,218</u>	<u>25,848,665</u>	<u>2,943,277</u>	<u>1,665,848</u>	<u>4,609,125</u>	<u>30,457,790</u>
Provision for bad debt net with health center revenue	(180,000)	-	-	(180,000)	-	-	-	(180,000)
Special event expenses - direct expenses	-	-	-	-	-	(174,151)	(174,151)	(174,151)
	<u>\$ 21,999,663</u>	<u>\$ 1,293,784</u>	<u>\$ 2,375,218</u>	<u>\$ 25,668,665</u>	<u>\$ 2,943,277</u>	<u>\$ 1,491,697</u>	<u>\$ 4,434,974</u>	<u>\$ 30,103,639</u>

See notes to financial statements.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (1,518,806)	\$ (1,873,378)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	727,962	791,195
Net realized and unrealized gains on investments	(2,377,521)	(1,350,999)
Change in value of beneficial interest in trust	(52,780)	(44,518)
Bad debt expense	155,000	180,000
Loss on disposal of equipment	-	149,977
Non-cash lease amortization	355,487	371,893
Changes in:		
Receivables, net	978,076	1,183,041
Prepaid expenses	(77,098)	(118,612)
Inventory	(21,431)	(112,194)
Other assets	(11,178)	13,814
Accounts payable and accrued expenses	283,582	248,975
Deferred revenue	4,020	26,280
Grant funds receivable in advance	664,295	(80,071)
Operating lease liabilities	(438,199)	(496,002)
Net cash used in operating activities	<u>(1,328,591)</u>	<u>(1,110,599)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sales of investments	9,451,234	10,521,264
Purchases of investments	(8,128,332)	(10,969,801)
Distributions from beneficial interest in assets held in trust	16,036	15,379
Purchases of property and equipment	(177,913)	(215,921)
Net cash provided by (used in) investing activities	<u>1,161,025</u>	<u>(649,079)</u>
<b>Net decrease in in cash and cash equivalents</b>	<b>(167,566)</b>	<b>(1,759,678)</b>
Cash and cash equivalents, beginning of year	<u>2,695,265</u>	<u>4,454,943</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,527,699</b>	<b>\$ 2,695,265</b>
<b>Supplemental disclosures of cash flow information:</b>		
Operating leases right-of-use assets at adoption	<u>\$ 1,798,309</u>	<u>\$ 968,470</u>
Operating lease liabilities at adoption	<u>\$ 1,798,309</u>	<u>\$ 837,953</u>

See notes to financial statements.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] Organization:

Planned Parenthood of South Florida and the Treasure Coast, Inc. d/b/a Planned Parenthood of South, East and North Florida ("PPSENF") is a private not-for-profit corporation that operates as an independent affiliate of Planned Parenthood Federation of America, Inc., to which it pays annual membership dues. PPSENF and its subsidiaries, Protection Medical Archive, LLC, Health Services of South Florida, LLC, and Edifice Development, LLC, are collectively referred to as (the "Organization").

The consolidated financial statements include the accounts of PPSENF and its subsidiaries, Protection Medical Archive, LLC, Health Services of South Florida, LLC, and Edifice Development, LLC. All significant intra-entity balances have been eliminated in consolidation.

Protection Medical Archive, LLC, a single member LLC owned by PPSENF, was formed in Florida, commenced operations on May 28, 2009, and was dissolved on July 31, 2014. It was formed to manage the archival oversight of patient records for defunct health centers and was reactivated on February 17, 2015 to manage the archival oversight of patient records for the former Planned Parenthood of North Florida.

Health Services of South Florida, LLC, a single member LLC owned by PPSENF, was formed in Florida and commenced operations April 10, 2012. It was formed to provide family planning, reproductive health and preventative health services.

Edifice Development, LLC, a single member LLC owned by PPSENF, was formed in Delaware and commenced operations February 1, 2016. It was formed to construct and own a clinic building.

Founded in 1971, the Organization provides family planning services, reproductive healthcare, outreach, sexual health education, teen pregnancy prevention programs, and advocacy in Palm Beach, Broward, Miami-Dade, St. Lucie, Duval, Alachua, and Leon counties. The Organization is held to Planned Parenthood Federation of America brand standards, assuring compliance with clinical, fiscal, fundraising, Board and administrative standards. The Organization is supported primarily through donor contributions, fundraising events, grants, and patient fees. For the years ended June 30, 2024 and 2023, approximately 44% and 42%, respectively, of the Organization's revenues were derived from patient fees earned in its health centers.

The Organization believes in the fundamental right of each individual to manage his or her fertility. The Organization also believes each individual has the right to privacy and respect. The Organization believes that respect and value for diversity in the Organization and the community is essential to each individual's well-being. The Organization further believes that voluntary self-determination and universal access to sexual health services will enhance the quality of life of all individuals. Based on these convictions, the mission of the Organization is to provide comprehensive sexual health care through direct services and education; protect and respect the essential privacy, rights, dignity, and culture of each individual; and advocate public policies which preserve those rights and ensure access to services.

The Organization is exempt from federal income tax pursuant to Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code") and from state and local taxes under comparable laws, except for certain types of income subject to unrelated business income tax.

#### [2] Basis of accounting:

The consolidated financial statements of the Organization have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [3] Use of estimates:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support, and revenue and expenses, non-operating activities, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### [4] Cash equivalents:

For financial-reporting purposes, the Organization considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Cash equivalents considered to be part of the Organization's investment portfolio are reported as investments in the consolidated statements of financial position.

#### [5] Investments:

The Organization's investments in equity securities, mutual funds and exchange traded funds, and fixed income securities are reported at their fair values in the consolidated statements of financial position based on quoted market prices. Cash and cash equivalents held as part of the Organization's investment portfolio are also included in the balances reported as investments.

The Organization's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term, and that such changes could materially affect the amounts reported in the consolidated financial statements.

Investment transactions are recorded on a trade-date basis. The earnings from dividends and interest are recognized when earned. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year.

Donated securities are recorded at their estimated fair values on the dates of donation or by their net asset values as determined by the Organization's management. The Organization's policy is to sell the donated securities immediately and, accordingly, for purposes of the consolidated statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

Investment expenses include the services of bank trustees, investment managers and custodians. The balances of investment management fees disclosed in the accompanying consolidated statements of activities are those specific fees charged by the Organization's various investment managers during the fiscal year; however, they do not include those fees that are embedded in various other investment transactions.

#### [6] Inventory:

Inventory, which consists primarily of medications and supplies, is stated at the lower of cost (first-in, first-out method) or net realizable value. Management periodically evaluates inventory for obsolescence, and when appropriate, provides for allowances as necessary.

**PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA**

**Notes to Financial Statements  
June 30, 2024 and 2023**

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[7] Property, equipment, and software:**

Property and equipment are stated at their original costs at the date of acquisition or, if contributed, at their fair values at the dates of donation, less accumulated depreciation. The Organization capitalizes items of property and equipment that have a cost of \$1,000 or more and useful lives greater than one year. Minor costs of repairs and maintenance are expensed as incurred. Land is not depreciated.

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

<u>Assets</u>	<u>Useful Lives</u>
Building and improvements	40 years
Land improvements	20 years
Medical equipment	2 - 7 years
Furniture and equipment	5 -10 years
Vehicles	5 - 8 years
Leasehold improvements	Lesser of life of assets or lease term

Website and software costs related to website configuration and infrastructure, conceptual designs, and purchase of software upgrades that result in additional functionality are capitalized. Costs relating to operation and content are expensed as incurred. Capitalized software costs are amortized over a three to five year expected life using the straight-line method.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value recognizes any impairment in the year of determination. There were no triggering events during either fiscal year 2024 or 2023 requiring management to test for impairment that would require any adjustments to property and equipment. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

**[8] Beneficial interest in assets held in trust:**

Assets held in trust consist of assets held and invested by The Community Foundation for Northeast Florida (the "Community Foundation") for the benefit of the Organization. The Organization's assets consist of its proportionate share of the Community Foundation's pooled investments and are reported at fair value as reported by the Community Foundation. The Community Foundation also holds assets with a fair value of approximately \$228,000, that were donated to the Community Foundation on behalf of the Organization, but for which the donors granted the Community Foundation variance power. Accordingly, these assets are not recorded in the accompanying consolidated financial statements because future distributions to the Organization are at the discretion of the Community Foundation. Amounts distributed from this fund are recorded by the Organization as contribution income.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [9] Operating leases:

The Organization determines if an arrangement is a lease at inception. Operating leases are recorded as operating lease right-of-use ("ROU") assets and operating lease liabilities on the accompanying consolidated statements of financial position. Operating lease ROU assets and the related lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The operating lease ROU assets also include lease incentives and initial direct costs incurred. For operating leases, interest on the lease liability and the amortization of ROU asset result in straight-line rent expense over the lease term.

Leases may include options to extend or terminate the lease which are included in the ROU operating lease assets and operating lease liability when they are reasonably certain of exercise. Operating lease expense associated with minimum lease payments is recognized on a straight-line basis over the lease term. When additional payments are based on usage or vary based on other factors, they are considered variable lease payments and are excluded from the measurement of the ROU asset and lease liability. These payments are recognized as an expense in the period in which the related obligation was incurred.

#### [10] Compensated absences:

The Organization combines all compensated absence categories into one program called Paid Time Off ("PTO"). The Organization accrues unused PTO when earned by employees. Employees of the Organization may accumulate unused PTO after one year of service depending on their job classification and length of service. Accumulated PTO is payable to employees with one or more years of service, upon either termination or retirement with proper notice, at 75% of their pay rate on that date. At June 30, 2024 and 2023, the compensated absences balance was \$283,912 and \$295,962, respectively, and is recorded within accounts payable and accrued expenses within the consolidated statements of financial positions.

#### [11] Net assets:

The net assets of the Organization and changes therein are classified and reported as follows:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent those resources available for the general activities of the Organization.

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or a specific period of time. Also included in net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities as "net assets released from restrictions." The Organization reports contributions with donor restrictions received and expended in the same year of donation in the net asset without donor restrictions category.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [12] Revenue recognition:

(i) *Contributions and grants:*

Contributions and grants to the Organization are recognized as revenue upon the receipt of either cash or other assets, or of unconditional pledges. Contributions and grants are recorded as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use. Conditional contributions and grants, such as government contracts reimbursement grants and other similar funding are not recorded as revenue until the donors' specified conditions have been met by requisite actions of the Organization; if assets for conditional contributions and grants are received prior to the satisfaction of those conditions, they would be recognized in the consolidated statements of financial position as funds received in advance. Contributions and grants to be received over periods longer than a single year are discounted to present value, at an interest rate commensurate with the risk involved.

The Organization receives various grants from federal, state, and local agencies for program and supporting services expenses. These grants are on a cost reimbursement or fee for service basis, including recoverable overhead. As noted above, the revenue from grants is considered earned and recognized in the consolidated statements of activities when expenditures are made for allowable purposes under the grant. Grants generally require the fulfillment of certain conditions as set forth in each agreement.

Gross proceeds paid by attendees at special events held as fundraising activities represent contribution revenue, as well as the payment of the direct cost of the benefits received by the attendee at the event. Special-event revenue is reported net of the direct benefit to donors. Special event revenue, other than contributions, applicable to a current year are recognized as revenue in the year a special event takes place. Special event revenue received for a future year's event is deferred and recognized when the event takes place.

Management assesses the collectability of outstanding receivable balances and may reserve a portion of those receivables based on donor history and specific identification of those balances deemed uncollectible. Management believes that all contributions and grants are fully collectible and, accordingly, no allowance for doubtful accounts has been recorded.

(ii) *Revenue from contracts with customers:*

The Organization recognizes revenue when, or as, performance obligations are satisfied associated with contracts with customers. Revenue is measured as the amount of consideration the Organization expects to receive in exchange for providing services. The primary source of revenue from contracts with customers for the Organization is health center fees.

Health center revenue is earned and recognized at the point in time when services are rendered. Patient service revenue is recorded at established billing rates or at the estimated amount realizable under agreements with third-party payors. Contractual adjustments under third-party reimbursement programs represent the difference between the established rates for services and amounts reimbursed by third-party payors and are included as a reduction of health center revenue. Revenue from self-pay patients was approximately 55% and 62% of total health center patient revenue for the fiscal years ending June 30, 2024 and 2023, respectively.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [12] Revenue recognition: (continued)

##### (ii) Revenue from contracts with customers: (continued)

In evaluating the collectability of patient accounts receivable, the Organization analyzes its past history and identifies trends for its health centers and the services provided, to estimate the appropriate allowance for uncollectable accounts. Management regularly reviews data about these trends and services provided in evaluating the sufficiency of the allowance for uncollectable accounts. Receivables are written off when management has determined that the amount will not be collected. Collections on accounts previously written off are included in income when received. The Organization records insurance receivables net of a contractual allowance. The Organization estimates the contractual allowance on a payor specific basis, given its interpretation of the applicable regulations, or contractual terms, however, the services rendered and the resulting reimbursement are often subject to interpretation. These interpretations sometimes result in payments that differ from the Organization's estimates.

#### [13] Measure of operations:

The Organization includes in its definition of operations, all revenues and expenses that are an integral part of its programs and supporting activities. Loss on disposal of equipment, net realized and unrealized gains and losses on investments and sales of other property, and the change in value of beneficial interest in trust, are recognized as a part of non-operating activities.

#### [14] Functional allocation of expenses:

The costs of providing the Organization's various program and support services have been summarized on a natural and functional basis in the consolidated statements of functional expenses. Accordingly, certain costs that are directly attributable to a specific functional area of the Organization are reported as an expense to the appropriate program or supporting service. Natural expenses attributable to more than one functional expense category have been allocated among the programs and supporting services based on resources utilized. Expenses that have been allocated include salaries and related expenses, information technology, facilities, insurance, and depreciation. Reimbursed grant expenses represent third-party contractors and other direct reimbursable expenses. Medical expenses represent third-party physicians, medical supplies, and dispensed pharmaceuticals.

#### [15] Income taxes:

The Organization is subject to the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of the Organization's general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on the Organization's consolidated financial statements.



# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [16] Adopted accounting pronouncement:

Effective January 1, 2023, the Organization adopted FASB Accounting Standards Update ("ASU") 2016- 13, *Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), as amended. ASU 2016-13 replaces the "incurred loss" credit losses framework with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology which requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized costs.

The Organization adopted ASU 2016-13 using the modified retrospective method for all financial assets measured as amortized cost which consisted of accounts receivable. The adoption and application of the standard had no material effect on these financial statements.

#### [17] Subsequent events:

The Organization evaluated subsequent events through February 10, 2025, the date on which the consolidated financial statements were available to be issued.

### NOTE B - RECEIVABLES

#### [1] Contributions and grants receivable:

Contributions and grants are estimated to be received as follows:

	June 30,	
	2024	2023
Less than one year	\$ 348,106	\$ 306,609
One to five years	-	250,000
	<u>348,106</u>	556,609
Reduction of pledges due in excess of one year to present value, at a discount rate ranging between 0.23% and 2.96%	-	(13,862)
	<u>\$ 348,106</u>	<u>\$ 542,747</u>

#### [2] Accounts and other receivables:

All other accounts receivables consisted of amounts due to the Organization for exchange-type transactions. All amounts are due within one year. Accounts receivable related to patient service revenues are presented net of an allowance for doubtful accounts and other contractual allowances of \$1,158,704 and \$1,578,565 at June 30, 2024 and 2023, respectively. All other exchange-based accounts receivable are considered to be fully collectable.

## PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

### Notes to Financial Statements June 30, 2024 and 2023

#### NOTE C - INVESTMENTS

Investments, at fair value, consisted of the following:

	June 30,	
	<u>2024</u>	<u>2023</u>
Equity mutual funds and ETFs:		
Large cap	\$ 9,073,121	\$ 8,184,876
Large cap growth	374,062	332,773
Mid cap	890,712	870,884
Small cap	854,236	857,488
International equity	2,145,273	2,158,077
Emerging markets	1,123,494	1,156,985
Fixed income securities:		
U.S. government	2,605,100	2,896,454
Corporate obligations	1,445,560	1,505,872
Mortgage-backed	559,222	358,288
	<u>19,070,780</u>	<u>18,321,697</u>
Temporary cash and money market funds	<u>2,493,519</u>	<u>2,187,983</u>
	<u>\$ 21,564,299</u>	<u>\$ 20,509,680</u>

Temporary cash consists of amounts held by the Organization's investment manager in cash and money market mutual funds pending future investment. The Organization's temporary cash consists of \$250,000 in interest bearing bank accounts that was covered by federal depository insurance and \$2,243,519 that was uninsured and uncollateralized as of June 30, 2024. The Organization's temporary cash consists of \$250,000 in interest bearing bank accounts that was covered by federal depository insurance and \$1,937,983 that was uninsured and uncollateralized as of June 30, 2023.

#### NOTE D - FAIR VALUE MEASUREMENTS

The FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments or assets, at the reporting date.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2: Valuations are based on: (i) quoted prices for similar investments or assets in active markets; or (ii) quoted prices for those investments, or similar investments or assets, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the investments, or (ii) the investments or assets cannot be independently valued.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following tables summarize the fair values of the Organization's assets, in accordance with the ASC Topic 820 valuation levels:

	<b>June 30, 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity mutual funds and ETFs	\$ 14,460,898	\$ -	\$ -	\$ 14,460,898
Fixed income securities	-	4,609,882	-	4,609,882
Total investments	14,460,898	4,609,882	-	19,070,780
Beneficial interest in assets held in trust	-	-	473,022	473,022
	<b>\$ 14,460,898</b>	<b>\$ 4,609,882</b>	<b>\$ 473,022</b>	<b>\$ 19,543,802</b>
	<b>June 30, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Equity mutual funds and ETFs	\$ 13,561,083	\$ -	\$ -	13,561,083
Fixed income securities	-	4,760,614	-	4,760,614
Total investments	13,561,083	4,760,614	-	18,321,697
Beneficial interest in assets held in trust	-	-	436,278	436,278
	<b>\$ 13,561,083</b>	<b>\$ 4,760,614</b>	<b>\$ 436,278</b>	<b>\$ 18,757,975</b>

## PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

### Notes to Financial Statements June 30, 2024 and 2023

#### NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

The beneficial interest in assets held in trust were the only Level 3 financial assets held by the Organization at June 30, 2024 and 2023. The changes in the value of the assets held in trust were as follows:

	<u>2024</u>	<u>2023</u>
Fair value, beginning of year	\$ 436,278	\$ 407,139
Change in fair value	52,780	44,518
Distributions to the Organization	<u>(16,036)</u>	<u>(15,379)</u>
Fair value, end of year	<u>\$ 473,022</u>	<u>\$ 436,278</u>

Quantitative information regarding unobservable inputs developed by the Organization and assumptions used to measure the fair value of split-interest agreements as of each fiscal year ended are as follows:

<u>June 30, 2024</u>				
<u>Type</u>	<u>Fair Value</u>	<u>Valuation Techniques</u>	<u>Significant Unobservable Inputs</u>	<u>Range</u>
Beneficial interest in assets held in trust	\$ 473,022	Market approach through valuation of underlying securities	Fair value of trust assets	N/A

  

<u>June 30, 2023</u>				
<u>Type</u>	<u>Fair Value</u>	<u>Valuation Techniques</u>	<u>Significant Unobservable Inputs</u>	<u>Range</u>
Beneficial interest in assets held in trust	\$ 436,278	Market approach through valuation of underlying securities	Fair value of trust assets	N/A

#### NOTE E - BENEFICIAL INTEREST IN ASSETS HELD IN TRUST

On March 31, 2015, the Organization received various assets of Planned Parenthood of North Florida ("PPNF") which included certain assets held in trust. The assets held in trust originated from an agreement between PPNF and The Community Foundation for Northeast Florida, whereby monies were transferred from PPNF to the Community Foundation to invest for general operating and endowment purposes. The fair value of the assets held in trust totaled \$473,022 and \$436,278 at June 30, 2024 and 2023, respectively. Of this amount, \$421,522 and \$384,778 was available for general operating purposes at June 30, 2024 and 2023, respectively, and \$51,500 was a restricted endowment fund invested in perpetuity for both years.

## PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

### Notes to Financial Statements June 30, 2024 and 2023

#### NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30,	
	2024	2023
Land	\$ 2,127,975	\$ 2,127,975
Land improvements	83,614	79,328
Building	5,964,327	5,964,327
Building improvements	4,128,581	4,108,859
Medical equipment	869,733	850,246
Furniture and equipment	2,217,404	2,082,986
Leasehold improvements	1,491,828	1,491,828
Software	315,799	315,799
	<u>17,199,261</u>	<u>17,021,348</u>
Less: accumulated depreciation and amortization	<u>(6,102,077)</u>	<u>(5,374,115)</u>
Net property and equipment	<u>\$ 11,097,184</u>	<u>\$ 11,647,233</u>

During the year ended June 30, 2023, the Organization disposed of property and equipment with a net book value of \$149,977 due to closing two health centers during the year. The Organization recognized a loss on the disposal of \$149,977.

#### NOTE G - LINE OF CREDIT

The Organization maintains a \$2,000,000 line of credit with a bank. The line of credit bears interest at a variable rate based on the Secured Overnight Financing Rate (SOFR) administered by the New York Fed plus 2.00% (7.33% and 7.09% at June 30, 2024 and 2023, respectively), with a minimum interest rate of 2.00%. The line of credit is secured by cash and investments of the Organization with a fair value of \$17,340,039 and \$16,609,857 at June 30, 2024 and 2023, respectively, and expires on August 31, 2025. There were no draws on the line of credit during either fiscal year.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE H - CONTRACT ASSETS AND LIABILITIES

Significant contract assets and liabilities consisted of the following:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Patient service receivable	\$ 495,642	\$ 668,161
Deferred revenue related to special events	(40,300)	(36,280)

### NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Purpose restricted:		
Taking Action Now Campaign	\$ 1,289,479	\$ 4,368,646
Education	226,421	276,048
	<u>1,515,900</u>	<u>4,644,694</u>
Time restricted	<u>200,000</u>	492,656
Subject to appropriation:		
Accumulated endowment earnings reserved for appropriation	<u>257,850</u>	71,341
Perpetual in nature	<u>3,185,979</u>	3,185,979
	<u>\$ 5,159,729</u>	<u>\$ 8,394,670</u>

Net assets released from restrictions were for the following:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Purpose restricted:		
Taking Action Now Campaign	\$ 3,079,167	\$ 3,572,613
Education	49,627	116,664
	<u>3,128,794</u>	3,689,277
Time restrictions	<u>292,656</u>	336,783
	<u>\$ 3,421,450</u>	<u>\$ 4,026,060</u>

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE J - ACCOUNTING AND REPORTING FOR ENDOWMENTS

#### [1] The endowments:

The Organization's endowments consist of investments and assets held in trust in which the principal is to be held in perpetuity, as stipulated by donors. Substantially all income from endowment investments is available to support the operations of the Organization. Income from endowment assets held in trust is available to support men's health. At June 30, 2024 and 2023, the Organization had endowment investments held in perpetuity of \$3,134,479, respectively, and endowment assets held in trust of \$51,500.

#### [2] Interpretation of relevant law:

FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA. The State of Florida enacted a version of UPMIFA, known as the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") that governs the investment, management and spending of donor-restricted endowment funds by Florida not-for-profit organizations. Absent explicit donor stipulations, FUPMIFA generally requires prudent care in investing, managing, and developing spending plans for donor-restricted endowment funds.

The Organization's net assets with donor restrictions includes donor gifts in perpetuity consisting of: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument (if applicable) at the time the accumulation is added to the fund, and (d) the portion of investment return added to the permanent endowment to maintain its purchasing power, if required.

The Organization classifies as net assets with donor restrictions (a) the portion of donor-restricted term endowment funds that is deemed to be restricted over a donor-specified period, if any, and (b) the portion of donor-restricted endowment funds with donor-imposed purpose restrictions that have not yet been met. The Organization considers the following factors in making a determination to expend donor-restricted endowment funds:

- The purposes of the Organization.
- The intent of the donors of the endowment fund.
- The terms of the applicable instrument.
- The long-term and short-term needs of the Organization in carrying out its purpose.
- General economic conditions.
- The possible effect of inflation and deflation.
- The other resources of the Organization.
- Perpetuation of the endowment.

#### [3] Funds with deficiencies:

Due to unfavorable market fluctuations, from time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original restricted contribution, or the amount required to be maintained under state law, referred to as underwater endowment. Under the terms of FUPMIFA, the Board has no responsibility to restore such decreases in value. There were no underwater endowment funds as of June 30, 2024 or 2023.

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE J - ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

#### [4] Endowment net-asset composition and changes in endowment net assets:

	June 30, 2024		
	With Donor Restrictions		
	Earnings Awaiting Appropriation	Amounts Held in Perpetuity	Total
Net assets, beginning of year	\$ 71,341	\$ 3,185,979	\$ 3,257,320
Investment gains, net	428,501	-	428,501
Appropriation of endowment assets for expenditure	(241,992)	-	(241,992)
Net assets, end of year	<u>\$ 257,850</u>	<u>\$ 3,185,979</u>	<u>\$ 3,443,829</u>

	June 30, 2023		
	With Donor Restrictions		
	Earnings Awaiting Appropriation	Amounts Held in Perpetuity	Total
Net assets, beginning of year	\$ 134,249	\$ 3,185,979	\$ 3,320,228
Investment gains, net	273,876	-	273,876
Appropriation of endowment assets for expenditure	(336,784)	-	(336,784)
Net assets, end of year	<u>\$ 71,341</u>	<u>\$ 3,185,979</u>	<u>\$ 3,257,320</u>

Amounts subject to appropriation represent the portion of allocated investment income derived from endowment assets that are perpetual in nature and have not been appropriated by the Board of Directors for expenditure.

#### [5] Return objectives and risk parameters:

The Board's overall financial objective for the endowment assets is to provide the operations of the Organization with a relatively stable stream of spendable revenue that increases over time. If this is to be achieved over the long term, the real (inflation-adjusted) value of the endowment assets must be preserved net of an annual distribution to programs. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.



# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Financial Statements June 30, 2024 and 2023

### NOTE J - ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

#### [6] Strategies employed for achieving objectives:

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the original principal of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce moderate income while assuming a moderate level of investment risk.

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 consists of equity and fixed income investments and mutual funds. The Organization utilizes the services of a financial advisor that provides input into the investment strategy and policy. The Organization's annual appropriations are at the discretion of the Board of Directors unless specific instructions were provided by the endowment donors.

#### [7] Spending policy and how the investment objectives relate to the spending policy:

The Organization's annual operating budgets include support from the investment pool. Accordingly, the Organization's Board has established a policy of permitting annual spending in an amount up to 7% of the average market value of the investment portfolio at the thirty-six preceding month ends less campaign restricted fund balances, with the potential for additional amounts being approved to support operations or to meet other unanticipated requirements.

### NOTE K - RELATED PARTY TRANSACTIONS

The Organization is an affiliate of Planned Parenthood Federation of America ("PPFA"). Affiliates are assessed "National Support Program" fees determined by a formula incorporating a percentage of audited expenses for the prior year. Fees paid to national and state organizations were approximately \$289,000 and \$147,000 for 2024 and 2023, respectively, and are included in dues and subscriptions in the consolidated statements of functional expenses.

On July 1, 2020, the Organization entered into a Memorandum of Understanding ("MOU") with PPFA which describes a bilateral business relationship known as the Collaborate Fundraising Program ("CFP"). The primary goal of the CFP is to increase contributions to the organizations by working together in the cultivation and solicitation of supporters in the Organization's service areas, utilizing the strengths and affinities of the two parties, and sharing the expenses and funds raised through the CFP. Pursuant to the MOU, a portion of unrestricted contributions received by the Organization will be shared with PPFA, and a portion of unrestricted contributions received by PPFA from donors in the Organization's service area will be shared with the Organization. Contributions received through CFP amounted to \$1,717,735 and \$2,707,115 during the fiscal years ended June 30, 2024 and 2023, respectively. The net amount due from PPFA for the years ended June 30, 2024 and 2023 was \$635,415 and \$1,320,597, and was recorded as a receivable from related party at June 30, 2024 and 2023, respectively.

## PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

### Notes to Financial Statements June 30, 2024 and 2023

#### NOTE L - EMPLOYEE-BENEFIT PLANS

##### [1] 403b defined contribution plan:

The Organization sponsors a Section 403(b) tax deferred annuity plan. Employees are eligible to participate in the Plan by making contributions and receiving employer contributions effective the first day of the month following their hire date. Employees may make contributions to the Plan from compensation up to the maximum permitted by the Internal Revenue Service. Employer contributions are determined at the discretion of management and are fully vested once the employee has completed two years of service under the Plan. Retirement plan expense for fiscal years 2024 and 2023 was \$224,587 and \$204,514, respectively.

##### [2] 457 deferred compensation plan:

The Organization sponsors a Section 457b deferred compensation plan for the benefit of its Chief Executive Officer. All contributions to this plan are 100% vested at the time of contribution. The Organization made contributions to this Plan in the amount of \$22,500 and \$0 for fiscal years 2024 and 2023, respectively.

#### NOTE M - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash-equivalent accounts deposited in high-credit-quality financial institutions, the balances of which, from time-to-time, may exceed federal insurance limits. However, management believes that the Organization does not face a significant risk of loss on these accounts due to the failure of these institutions.

#### NOTE N - LEASES

##### [1] Operating lease agreements (as lessee):

Effective August 1, 2014, the Organization entered into a ten-year operating lease agreement for a new health center. The lease agreement provided for a rent abatement of \$550,000 in lieu of construction work paid for by the Organization. The Organization's lease terms may include options to extend or terminate the lease. The Organization also leases other health center facilities extending through September 2029. Options to extend lease terms that are reasonably certain of exercise are recognized as part of the operating lease ROU asset and operating lease liability balances.

The liabilities under operating leases are recorded at the present value of the minimum lease payments. Lease expense relating to operating leases, consisting of ROU asset amortization and lease liability interest, is included in facilities expenses on the accompanying consolidated statements of functional expenses.

## PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

### Notes to Consolidated Financial Statements June 30, 2024 and 2023

#### NOTE N - LEASES (CONTINUED)

##### [1] Operating lease agreements (as lessee): (continued)

The following maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of June 30, is approximately as follows:

<u>Year Ending June 30,</u>	<u>2024</u>	<u>2023</u>
2024	\$ -	\$ 447,480
2025	459,628	76,643
2026	404,155	12,845
2027	399,636	-
2028	407,962	-
2029	416,288	-
	<u>2,087,669</u>	<u>536,968</u>
Less: amount representing interest	<u>(201,631)</u>	<u>(11,040)</u>
Total	<u>\$ 1,886,038</u>	<u>\$ 525,928</u>

There were no variable lease costs during the year ended June 30, 2024 and 2023.

Other information related to the leases are as follows:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Weighted average remaining operating lease term in years	4.91 years	1.38 years

##### [2] Lease (as lessor):

The Organization leases office space in its Port St. Lucie property to an unrelated third party. The lease is for a period of four years ending November 30, 2024, at a monthly rate of \$3,503. The monthly rate may be increased by up to 3% after two years, subject to a market analysis. The lessee may receive a \$10,000 tenant improvement allowance subject to certain terms and conditions. As of the date of these financials, the lease is being negotiated and the tenant is currently on a month to month payment plan. Future minimum rental receipts under this lease at June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	<u>\$ 17,515</u>

## PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

### Notes to Consolidated Financial Statements June 30, 2024 and 2023

#### NOTE O - COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Organization is periodically involved in litigation and/or disputes. Management, in consultation with legal counsel, does not believe that the outcome of such matters will materially affect the Organization's financial position.

#### NOTE P - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets, reduced by amounts not available for general use within one year of fiscal year-end due to donor-imposed restrictions.

	June 30,	
	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,527,699	\$ 2,695,265
Receivables, net	1,598,729	2,731,805
Investments	21,564,299	20,509,680
Beneficial interest in assets held in trust	473,022	436,278
	<u>26,163,749</u>	<u>26,373,028</u>
Less: amounts unavailable for general expenditures within one year, due to:		
Restriction by donors for:		
Purpose and/or time restrictions	(1,973,750)	(5,208,691)
Perpetual in nature	<u>(3,185,979)</u>	<u>(3,185,979)</u>
Total amounts unavailable for general expenditure within one year	<u>(5,159,729)</u>	<u>(8,394,670)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 21,004,020</u>	<u>\$ 17,978,358</u>

#### Liquidity policy:

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Operating expenses are generally paid from cash and cash equivalents, investment earnings and current revenues and support. Additional cash needs may be met by liquidating long-term investments not held for donor restricted purposes, if necessary. The Organization considers contributions with donor restrictions for use in current programs which are ongoing, major, and central to its operations and expected to be used within one year, to be available to meet cash needs for general expenditures within one year. General expenditures include administrative and general expenses, fundraising expenses, and all expenditures related to its ongoing program related activities that are not supported by patient charges. Contributions to the Organization's Taking Action Now Campaign ("Campaign") consist of funds to be used in current and future periods. Financial assets of the Campaign are considered available for general expenditure within one year, when the Board approves the annual budget which includes Campaign expenditures.

**SUPPLEMENTARY INFORMATION FOR  
U.S. OFFICE OF MANAGEMENT AND  
BUDGET UNIFORM GUIDANCE**

**PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024**

<u>Federal Grantor Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grantor's Number</u>	<u>Grant Period</u>	<u>Federal Expenditures</u>
<b>FEDERAL AWARDS</b>				
<b>Department of Health and Human Services</b>				
Pass-through State of Florida, Department of Legal Affairs:				
Crime Victim Assistance:				
Teen Pregnancy Prevention Program (TPP)	93.297	1 TP1AH000307-01-00	7/01/23 - 06/30/24	<b>\$ 809,654</b>
Personal Responsibility Education Program	93.092	90AK0073-03-00	10/01/22 - 9/30/2023	<b>104,631</b>
Personal Responsibility Education Program	93.092	90AK0073-03-02	10/01/23 - 9/30/2024	<b>475,811</b>
<b>TOTAL FEDERAL AWARDS</b>				<b><u><u>\$ 1,390,096</u></u></b>

*See notes to schedule of expenditures of federal awards*

# PLANNED PARENTHOOD OF SOUTH, EAST AND NORTH FLORIDA

## Notes to Schedule of Expenditures of Federal Awards June 30, 2024

### NOTE A - BASIS OF PRESENTATION

The accompanying supplementary schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Planned Parenthood of South Florida and the Treasure Coast, Inc. for the year ended June 30, 2024.

The information has been prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Planned Parenthood of South Florida and the Treasure Coast, Inc., it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of Planned Parenthood of South Florida and the Treasure Coast, Inc.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### NOTE C - INDIRECT COST RATE

Planned Parenthood of South Florida and the Treasure Coast, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries  
d/b/a Planned Parenthood of South, East and North Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2025.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
February 10, 2025

EISNERAMPER  
LLP



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries  
d/b/a Planned Parenthood of South, East and North Florida

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on Compliance for the Major Federal Program***

We have audited Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' major federal program for the year ended June 30, 2024. Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules and provisions of contracts or grant agreements applicable to Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' federal programs.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services.

EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page occurred, whether due to fraud or error, and express an opinion on Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to on the previous page is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' compliance with the compliance requirements referred to on the previous page and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section on the previous page and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined on the previous page. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of Planned Parenthood of South Florida and the Treasure Coast, Inc. and Subsidiaries' internal control over compliance. Accordingly, no such opinion is expressed.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
February 10, 2025

EISNERAMPER  
LLP



