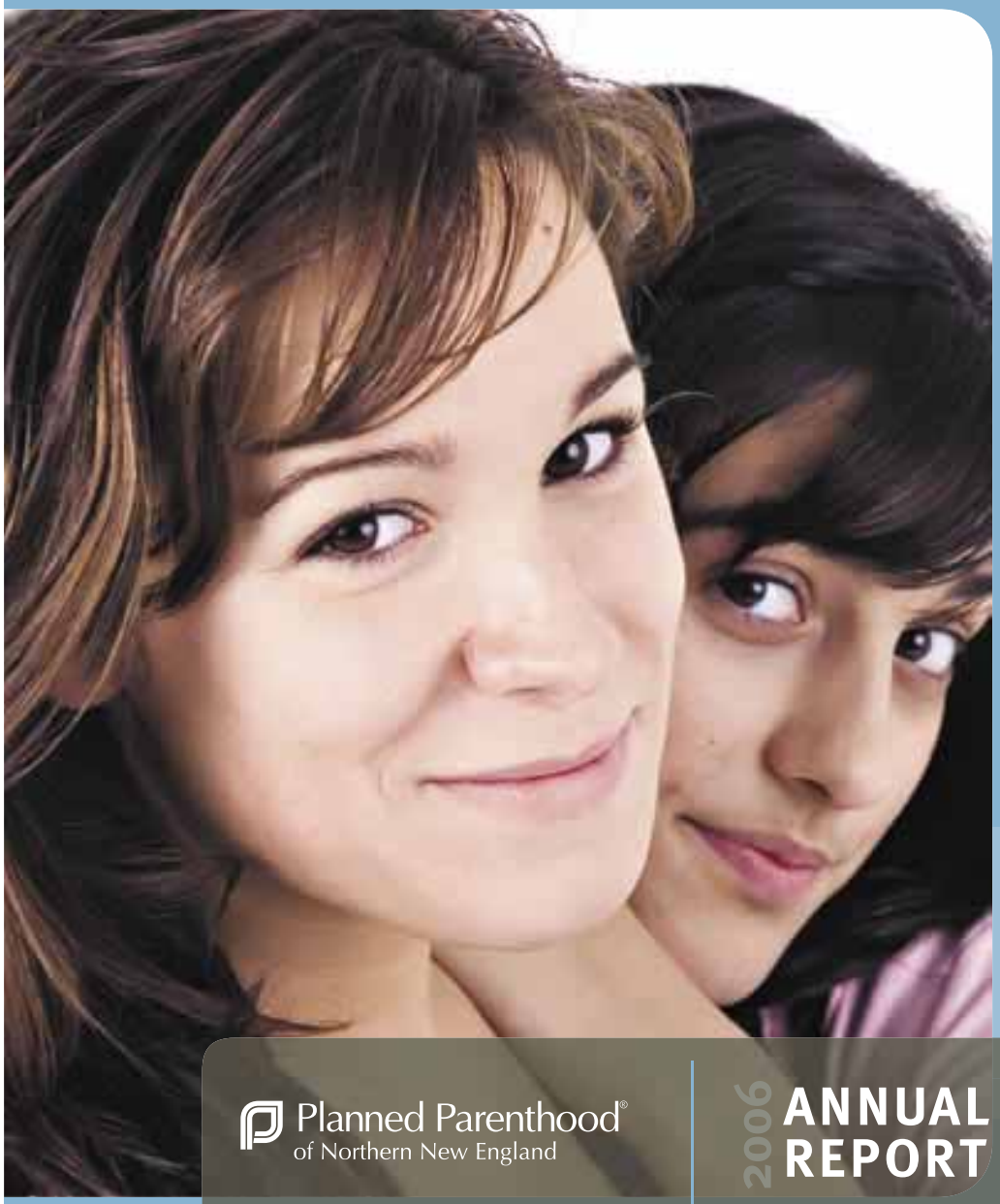
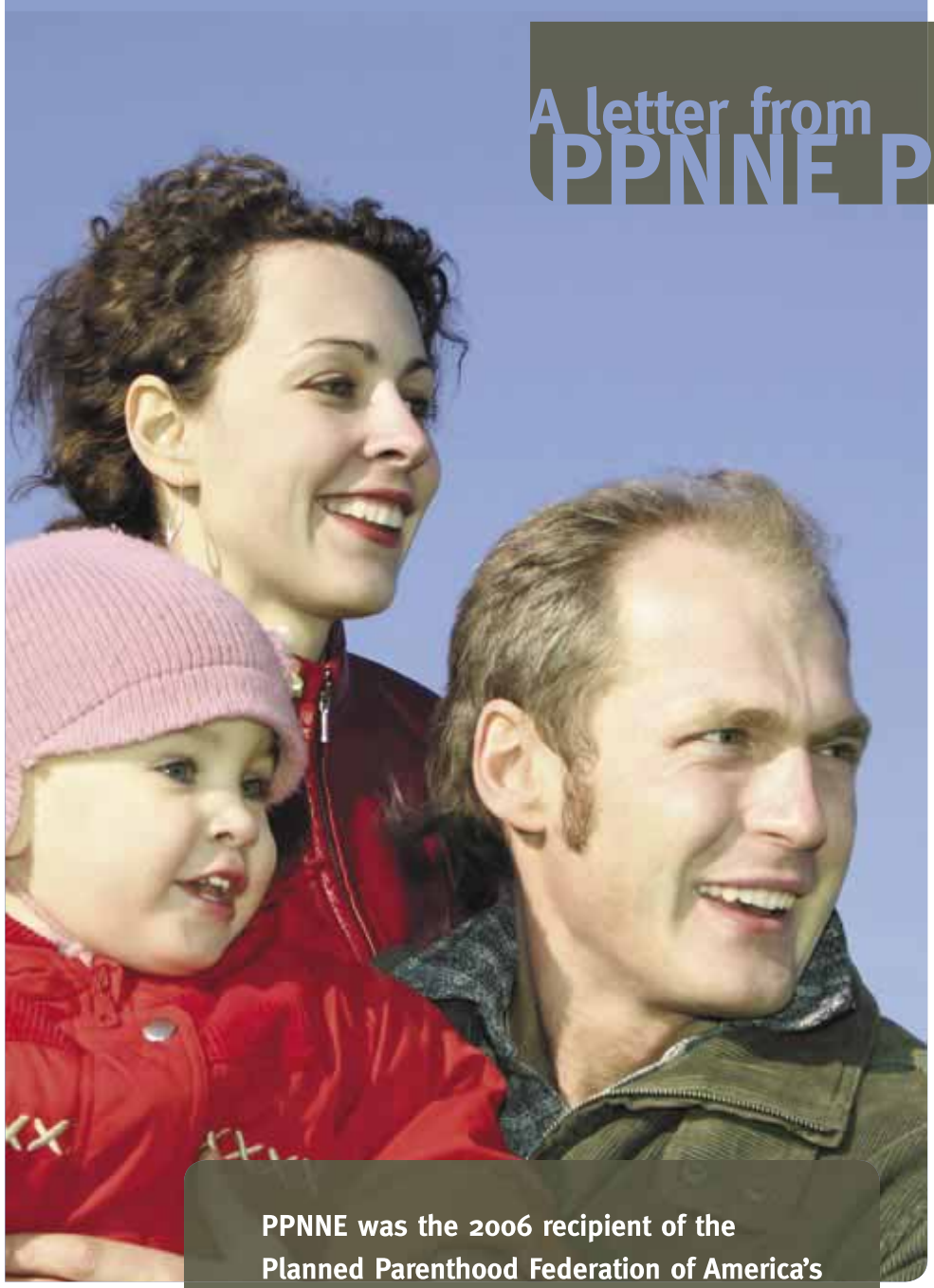
Personal Care. Personal Choices.



Planned Parenthood® of Northern New England

2006 ANNUAL REPORT

PREVENTION FIRST



PPNNE was the 2006 recipient of the Planned Parenthood Federation of America's President's Award in recognition of our extraordinary efforts to protect the health and rights of New Hampshire's women and teens in *Ayotte v. PPNNE* before the U.S. Supreme Court.

A letter from PPNNE President/CEO

Long-awaited and significant breakthroughs in the field of reproductive health were the hallmark of 2006, giving our medical team at Planned Parenthood of Northern New England (PPNNE) the most sophisticated and accessible medical technologies to further our mission of prevention first.

Advancements in testing and screening have enabled us to provide a good deal of our core services with "clothes on," elminating a significant barrier for individuals who avoid preventive care because of their fear of or awkwardness with an exam. New, less invasive tests for HIV, gonorrhea, chlamydia, and human papillomavirus (HPV) are increasing access to high-risk patients.

FDA approval of the Gardasil® HPV vaccine in June — and commercial availability in November — added an exciting new resource in our fight against cervical cancer while also creating an important opportunity for family conversations about sexuality and reproductive health. Helping facilitate this communication is part and parcel of Planned Parenthood's prevention work.

When emergency contraception (EC) became available (finally) over-the-counter for women 18 and older, we celebrated this victory for American women with a Free EC Day in December, dispensing more than 700 cycles across our three states and successfully garnering extensive media attention to the availability and safety of EC. Since FDA approval in 1999, PPNNE has provided more than 103,000 cycles of EC across our service area.

Patients may now request appointments online at ppnne.org. In addition, staff are more efficient and PPNNE is more environmentally friendly with the launch of our Intranet (pePPer — Providing Employees of Planned Parenthood with Everyday Resources). We can now order supplies, download forms and flyers, track media contacts, review protocols, find data, and complete training and budgeting online, all while saving paper, ink, postage, and time.

The truth is that the complexity and expense of new technology improvements and the cost of implementing ever-escalating rules and regulations stress our limited resources. In addition, some of the most recent advancements for women's health, including the HPV vaccine, are out of reach for many uninsured women. The growing disparities in our health care system have put alarming pressures on safety-net providers like PPNNE as well as the people we serve.

However, for the first time in a very long time we are hopeful. November's elections placed leadership of the House of Representatives into the hands of pro-choice, prevention-focused politicians, including the first female Speaker of the House in U.S. History. Accompanying wins in a host of federal, state, and local races were a giant step toward getting our country back on track and ensuring that our lawmakers prioritize support for women's health care. The voters sent a clear and resounding message — they don't support a dangerous and extreme anti-choice, anti-family planning agenda.

"There's nothing my mother would have loved more than today. Not because she made it possible, but because this is something she spent her whole life doing and being about. It's a political victory, but this is also a tremendous accomplishment for our country to recognize the leadership of women."

CECILE RICHARDS
speaking about her late mother, Governor Ann Richards, on the election of speaker Nancy Pelosi

PPNNE strives every day to broaden access to reproductive health care, decrease the silence between adults and teens about sexuality, and create a supportive public policy environment for reproductive rights. I am so proud of our talented staff and volunteers' groundbreaking work, and I am enormously grateful to our brilliant and dedicated supporters who use their philanthropy to promote a truly inspired and compassionate vision for our children, our children's children, and our planet.

I promise to keep our beacon strong as we continue our powerful journey together.

Nancy

Nancy Mosher
President/CEO

"Every time I go to your local health center I am not only made to feel comfortable, but welcome as well. The staff is always helpful, courteous, and informative, and I never feel under pressure or looked down on. Thank you."

A PATIENT

PERSONAL CARE. PERSONAL CHOICES.

At PPNNE, we know that our health care services and education not only impact the women we serve, but their families and communities as well.

While our nation continues to struggle with a broken system that neither stresses prevention nor ensures equity or access, we continue to do what we have always done; we welcome and serve all who seek our services, providing quality, respectful, and comprehensive reproductive health care and health education across our three-state service area.

In 2006, facing the challenges of flat or reduced state funding and waning federal support for family planning programs, PPNNE not only persevered, we prospered. Our staff provided more education, raised more money, and served more people than at any other time in our 41-year history — 60,392 women, men, and teens made 92,332 visits to our 26 health centers across Vermont, New Hampshire, and southern Maine.

Last year was marked by innovation and risk-taking as we worked to better meet the needs of uninsured and underinsured patients across our largely rural affiliate. Our new VIP and Healthy Savings programs, piloted in Vermont, offered businesses and employees a convenient package of services for one low price. In an effort to expand access to more communities, we launched Planned Parenthood Express in central Vermont to provide select, "clothes on" services in a variety of convenient and collaborative locations.

Our commitment to state-of-the art facilities and services was evidenced by new initiatives across our affiliate, from health center renovations and new front desk configurations to Implanon® (implantable contraceptive) insertion training for clinical staff; from the addition of medication abortion as another choice in Manchester (NH) and conscious sedation as an option for abortion patients in Portland (ME) to the implementation of colposcopy services in Brunswick (ME) and Middlebury (VT); from pilot Pap recall systems to timesaving label printers at all sites; and expanding our successful call center to answer more calls for more sites, contributing to better meeting the needs of those we serve by providing relief from phone interrupts for our frontline staff and increasing face-to-face time with patients on-site.

Overall pill sales increased in 2006 at a time when we also saw growing enthusiasm for NuvaRing® and the Ortho Evra® patch. Prescription billing teamed with our Easy Scripts Plan (ESP — hormonal contraceptives by mail) to provide improvements in both efficiency and patient satisfaction. And the arrival of the three-shot HPV vaccine heralded an important opportunity for reducing disease as well as the related emotional and financial costs of testing and treatment.

After working for more than a decade to promote the safety and efficacy of EC, we celebrated FDA approval of over-the-counter status for adults as an important victory. However, the unnecessary restrictions on access for minors make it harder for our most vulnerable population to avoid unintended pregnancy can best be described as bad medicine and bad public policy. We will continue to lobby for the removal of these politically motivated regulations, and until that time — and after — we will promote PPNNE as a trusted, affordable resource for EC with or without a prescription.

We've long been committed to providing educational opportunities for our staff as well as our communities and professional colleagues. We couple that commitment with a belief in the excellence of advanced practice clinicians (nurse practitioners, nurse midwives, and physician assistants) to not only provide quality care, but also leadership as trainers and preceptors. During 2006, 50 new health care associates (HCAs) across our 26 sites were taught the principles of a learning organization, and each new staff person was linked with a trainer to provide skills, professional development, on-site coaching, and support. In addition, students across our three states, including three University of Vermont ob/gyn residents, received abortion training from advanced care clinicians at PPNNE.

IN 2006, PPNNE PATIENTS RECEIVED:
429,211 FREE CONDOMS, 182,536 CYCLES OF BIRTH CONTROL PILLS, 13,080 CYCLES OF ORTHO EVRA®, 23,287 CYCLES OF NUVARING®, 8,503 DEPO PROVERA® INJECTIONS, 3,333 MEDICATION AND SURGICAL ABORTIONS, 20,752 CYCLES OF EC, 57,953 STI TESTS (INCLUDING HIV), 22,127 PAP TESTS, 13,704 PREGNANCY TESTS, 2,106 COLPOSCOPY AND LEEP PROCEDURES.

EDUCATION IS PREVENTION

During 2006, PPNNE's Education and Training staff reached the most individuals in our organization's history; 19,837 teens and preteens, parents, and youth-serving professionals were served through 1,219 community programs and training workshops. This represented a 16 percent increase in participation and a 32 percent increase in sexuality education programs over the previous year.

Throughout the year, we continued our strategic focus on supporting parents to raise sexually healthy kids, offering 595 programs reaching 1,384 parents across our three-state service area. Our successful Parent Expo (at the University Mall in South Burlington, VT) provided a child-focused outing along with outreach to more than 700 area parents from health and family organizations across the region.

Advancements in technology have not only changed the way we provide many medical services, it has also influenced our educational programming. We restructured our professional training calendar to include an innovative, online follow-up component for select topics and events. And we created seminars and free parent nights to address growing adult concerns about social networking websites and sexual content on the Internet. Eleven parent house parties in Keene (NH) offered busy adults the opportunity to "meet and eat" with friends while also talking with our educators about their needs and concerns regarding the sexual health of their kids. Adolescent brain development, sexual expression, teen social dynamics, and pervasive Internet use dominated the vibrant conversations.

Meeting the needs of teens means understanding teen reality. During 2006, we worked with 46 teen council members from our three states, listening and learning about communication with parents, their everyday concerns, what they like to do in their spare time, and what they think about PPNNE, teen relationships, sexual involvement, and the world they live in today. Several members served on a panel for our Summer Sexuality Institute and wrote a teen edition of *GULP!*, our popular sexuality education newsletter for parents.

Teens tell us they often feel most comfortable talking about sexuality and relationships with older peers. In 2006, PPNNE's Mentoring Program matched eight teens with trained student mentors at two colleges in a unique experience focused on helping develop skills with friendship, relationships, and peer/cultural pressure. In the fall, we recruited and trained a new group of mentors to be matched with area teens.

PPNNE served 3,427 men during 2006. Educators have been both creative in their outreach and consistent in their search for the right venues to address masculinity in our culture and serve young men both inside and outside our health centers and traditional high school settings. Last year this included male college students and individuals attending the Community High School of Vermont (incarcerated students completing high school), a methadone program in Windham County (VT), and Brattleboro Retreat (a Vermont in-house treatment program for drug, alcohol, and psycho-social issues).

The growing diversity in our region has enlivened our communities while also challenging us to develop cultural competency among our staff and create multilingual outreach materials. Through our efforts in Manchester (NH), we served 4,833 community members who speak English as their second language, including outreach to Latino women at high risk for HIV.

PPNNE educator Corinne Stahr was named Woman of the Year from *New Hampshire Magazine* in recognition of her tireless advocacy for diversity, women's rights, and visibility and equity for immigrant populations.

Sexuality is an intriguing, complex, curious, taboo, diverse, scary, spellbinding, captivating, exciting, and provocative subject. And while it is one of the most fundamental aspects of our humanity, it is also one of the hardest topics to teach and discuss.

Too often public discourse about sexual health is polarized. Political views, ideologies, faith, and family histories lead us to take sides rather than connect with each other. Real Life. Real Talk.® is an antidote to our society's peculiar aversion to honest talk about sex — a bold effort to promote family communication and sexual health in a culture deluged by a highly sexualized popular culture.

Over the past two years, PPNNE has been laying the groundwork for Real Life. Real Talk.® with extensive research (among parents, teens, and community leaders), fundraising, the creation of a Leadership Circle of supporters and advisors, and the development of a coalition of 20 partners who know firsthand how silence about sexuality can lead to tragic consequences for our young people.

This broad-based coalition has come together in an effort to create a more healthy culture for our kids — one where honest talk about sexuality, love, and relationships is the norm. The stage is set for a series of unique, community-created events and activities designed to be responsive to what parents and teens say they need.

If we are to make real change in the way our culture deals with teens and sexuality, if we want our kids to become sexually healthy as they navigate their adolescence and emerge into adulthood, then we need bold strategies for change. Portland (ME) and PPNNE are leading the nation.

REAL LIFE. REAL TALK.®

Portland (ME) is a vibrant, progressive city open to innovation and nationally recognized as supportive of comprehensive sexuality education in the schools. These realities clinched Portland (and PPNNE!) as one of four national test sites for the groundbreaking social change initiative, Real Life. Real Talk.®

POLITICS, PUBLIC POLICY, AND PREVENTION

We know that good public policy is primary prevention, and conversely, we know far too well that misguided policy has a devastating impact of on our ability to meet the needs of our patients and our communities. That's why PPNNE's Public Affairs work in each of the states we serve — and nationally — is a vital and integral part of our mission.

During 2006, we worked across departments to increase visibility in our commun-ities and build our activist base. We hosted politicians and candidates for tours and events in our health centers, crafted legislative strategies with our education department to defeat abstinence-only legislation, and became more involved in fundraising events and donor visits by integrating political news and perspectives. The success of our electoral work in growing pro-choice majorities in our legislatures and governorships has resulted in a much more positive public policy and regulatory environment for our medical and educational programs.

True to form, last year we faced a plethora of bills focusing on restrictions rather than prevention, and each posing direct threats to our work and our patients' access to care. We defeated them all, including three bills to diminish access to EC, legislation granting a fetus (at any stage) the same rights as a woman, a law requiring abstinence-only-until-marriage education, and restrictions on necessary health services for undocumented immigrants.

Proactively, while federal approval for EC over-the-counter languished, Vermont's legislature moved to pass Pharmacy Access for EC (every senator present voted "yes"). Proudly, each state in our affiliate has en-dorsed early and convenient access to this resource for women of all ages. In addition, we passed a Patient's Bill of Rights in New Hampshire and entered into new coalitions regionally. Our involvement in Maine's Blue-print Project focused on strengthening the ability of the state's progressive organiza-tions to work collaboratively and effectively. (Through that partnership we received an Action Grant to fund a PPNNE voter reg-istration and voter mobilization project for the fall '06 election.) PPNNE also joined the Taxpayers for a Fair Budget coalition in Maine, successfully defeating a proposed tax cap ballot initiative that would have severely limited the already inadequate revenue need-ed to properly support social service and public safety programs.

Ayotte v. PPNNE (our U.S. Supreme Court case challenging New Hampshire's parental notice law) was sent back to the lower courts last year for a ruling on the intent of the state legislature to explicitly leave out provisions to protect the health and safety of a minor. The federal court judge placed the ruling on hold pending legislative action. (At press time, the New Hampshire legislature has moved to repeal this dangerous law.)

Our grassroots organizers have built an activist base of over 46,000 individuals who support our mission and can be mobilized for legislative and training efforts. They have spoken out in Vermont town meetings against parental notification, phoned thousands of households about tax cap legislation in Maine, and rallied to draw attention to dangerous judicial appointments.

Our ability to develop strategy, effectively articulate our message, mobilize and engage supporters, and connect with legislators regarding pro-family planning, pro-choice issues is strengthened by our attention to grassroots organizing and education. In state houses, policy forums, school board meetings, and regulatory hearings, **PPNNE promotes and protects access to comprehensive reproductive health care services and education, guided by firm commitments and unwavering values** — equality, support for families, respect for young people, freedom from government intrusion in private health decisions, personal responsibility, and our inalienable right to affordable, quality health care.

In 2006, the voters of South Dakota rejected the intrusion of extreme ideology into the practice of medicine when they voted in November to protect the lives and health of women by rejecting a dangerous ban criminalizing all abortions.

TAKING ACTION

"When did adult access to contraception become controversial? And why have we allowed it to happen?"

Dr. Susan Wood, *The Washington Post, 3.1.06*

The PPNNE Action Fund is a separately incorporated, nonpartisan information and advocacy organization that works in communities and our three state legislatures to educate voters about candidates' support for our prevention-focused reproductive health care agenda.

We strive for a political environment that will allow our continued provision of the full array of reproductive health care services. Our nonpartisan electoral activities and endorsements include issue advocacy, candidate briefings, and voter education and mobilization.

To deepen our advocacy in the electoral arena, PPNNE formed political action committees (PACs) last year in each of the states we serve. Through these PACs we were able to identify and help elect candidates who supported women's access to quality reproductive health services and medically accurate sexuality education.

Because of our long history as a trusted messenger on reproductive health care and public policy issues, our endorsements had an impact with candidates and voters. In each of our three states, we played a significant role in the victory of pro-choice candidates by providing training, endorsing candidates, engaging the public in critical issues, and working in coalition to get voters to the polls.

With political hopefuls already jockeying for position, our PACs have begun building the necessary infrastructure to not only protect our recent gains, but also use the impressive strength of our activist base to prevail in the upcoming primaries and the '08 general election.

Choice Events

March: PPNNE's New Hampshire PAC addressed growing concern about federal politics trumping science in an event with Dr. Susan Wood, former Assistant Commissioner for Women's Health at the Food and Drug Administration (FDA). Dr. Wood spoke about her resignation from the FDA in 2005 after leadership refused to approve over-the-counter access to emergency contraception despite the strong endorsement of their own scientific staff and committee.

June: Our Action Fund hosted the Planned Parenthood Federation of America's new president, Cecile Richards, at events that inspired our donors and activists and rallied support for pro-family planning, pro-choice candidates at the state and national levels.

Our Maine PAC leveraged the energy sparked at a seaside reception into victories for a number of our endrsed candidates, resulting in a pro-choice state senate and state legislature as well as the re-election of Maine's pro-choice governor, John Baldacci. Cecile Richards and pro-choice Governor John Lynch headlined our New Hampshire PAC event that also helped elect a pro-choice majority in both the house and senate. Of special significance was Molly Kelley's resounding defeat of incumbent Senate President Tom Eaton, who enabled passage of the state's 2003 parental notification law by the narrow vote of 12 to 11.

September: Senator Barbara Boxer rallied support for pro-choice candidates at PPNNE's premiere Vermont PAC fundraising event in Burlington (VT). She was joined by numerous candidates for state office as well as State Senator Peter Welch (who won election to the U.S. Congress in November) and Congressman Bernie Sanders (elected to the U.S. Senate in November after running a high-profile race to fill the seat of retiring Senator Jim Jeffords). Reproductive choice was a defining issue in that important race.

PHILANTHROPY FIRST

The success of our development team is dependent upon the integrity and quality of the work we do every day.

Our extraordinary staff takes pride inoffering affordable and professional services that are often unavailable or unattainable elsewhere. Thousands believe in our mission and trust us to be good stewards of their investment in PPNNE.

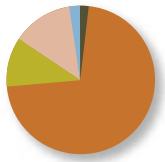
Last year, our development department faced multiple challenges: staffing transitions, several essential fundraising campaigns, and the largest general fund goal in our history — $1.85 million. We welcomed Beverly Shadley in August as our new Vice President for Development. We increased foundation giving by over 100 percent. And more than 730 new donors joined the ranks of 5,406 other individuals, families, businesses, and foundations to help us surpass our annual fund goal with contributions of more than $1.9 million.

Designated gifts of $52,144 to our Laura Fund helped provide abortion care to women across the region; $24,781 supported our Cancer Screening Access Fund, ensuring early detection and treatment for reproductive cancers; and $27,733 in contributions to our Justice Fund helped defray court costs in our fight to protect the health and safety of minors in New Hampshire. In addition, we successfully raised an additional $171,000 to launch our Real Life. Real Talk.® campaign in Portland (ME).

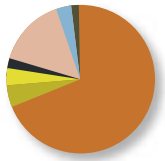
In 2006, the combined personal and financial support of our generous and committed donors helped provide affordable health care; enabled us to educate, litigate, and advocate; and changed both lives and attitudes.

In 2006, PPNNE received a $1 million legacy gift from Vermont resident and Future of Choice Society member, Betsy Edwards. When she disclosed in 2001 that she had made arrangements for a bequest in addition to her annual gifts, she was delighted to know it would benefit the young people of tomorrow who were coming along to protect the rights she had fought for and who would continue the programs she held so dear.

OPERATING REVENUE & EXPENSES



Net patient service revenue	13,407,012
Contributions and bequests	1,901,948
Federal, state, and local grants	3,255,598
Tuition and fees	58,359
Other income	34,368
TOTAL OPERATING REVENUE	**18,657,285**



Direct patient services	12,458,977
Education and training	972,414
Public policy	689,244
Marketing and communications	534,971
General and administrative	3,004,700
Fundraising	585,648
PPFA program support	179,132
TOTAL OPERATING EXPENSES	**$18,425,086**

ALL FUNDS

Statement of Activities

REVENUE

Net patient service revenue	13,407,012
Contributions and bequests	3,476,517
Federal, state, and local grants	3,255,598
Tuition and fees	58,999
Investment income	654,227
Other income	34,368
TOTAL REVENUE	**$20,886,721**

EXPENSES

Program Services:	
Direct patient services	12,458,977
Education and training	1,072,944
Public policy	689,244
Marketing and communications	534,971
TOTAL PROGRAM SERVICES	**$14,756,136**
Support Services:	
General and administrative	3,004,700
Fundraising	609,927
PPFA program support	179,132
TOTAL SUPPORTING SERVICES	**$3,793,759**
TOTAL EXPENSES	**$18,549,895**
NET INCOME	**2,336,826**

Last year, PPNNE provided nearly $11.5 million in subsidized care to individuals in Maine, New Hampshire, and Vermont.

Balance Sheet

ASSETS

Cash	574,805
Accounts receivable, net	1,562,141
Pledges receivables	450,277
Grants and other receivables	237,755
Inventories	545,245
Prepaid expenses and other current assets	189,423
TOTAL CURRENT ASSETS	**$3,559,646**
Property and equipment	4,122,672
Beneficial interest in trusts	595,598
Investments	5,875,025
Other assets	16,943
TOTAL OTHER ASSETS	**$10,610,238**
TOTAL ASSETS	**$14,169,884**

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	559,931
Accrued personnel costs	774,412
Current portion of long-term debt	117,000
Unearned revenue	414,202
TOTAL CURRENT LIABILITIES	**$1,865,545**
Long-term debt, net of current portion	1,049,029
TOTAL LIABILITIES	**$2,914,574**
Net Assets:	
Undesignated	4,982,731
Board-designated for long-term investment	3,666,443
Temporarily restricted	1,033,953
Permanently restricted	1,572,183
TOTAL NET ASSETS	**$11,255,310**
TOTAL LIABILITIES AND NET ASSETS	**$14,169,884**

2006 PATIENTS & PATIENT VISITS

	Patients	Visits
Maine		
Biddeford	1,534	2,477
Portland	8,214	12,454
Sanford	1,877	3,182
Topsham	1,923	3,021
TOTALS	**13,548**	**21,134**
New Hampshire		
Claremont	1,518	2,357
Derry	3,289	4,975
Exeter	1,680	2,496
Keene	3,196	5,331
Manchester	5,650	8,572
Portsmouth	1,597	2,128
West Lebanon	3,291	4,844
TOTALS	**20,221**	**30,703**
Vermont		
Barre	2,663	3,871
Bennington	790	1,176
Brattleboro	2,228	3,764
Burlington	5,803	7,834
Hyde Park	983	1,622
Middlebury	881	1,334
Newport	868	1,581
PP Express	44	49
Randolph	179	225
Rutland	2,905	4,376
Springfield	787	1,249
St. Albans	1,479	2,310
St. Johnsbury	1,158	1,799
Waterbury	700	980
Williston	1,494	2,084
VT Women's Choice	3,661	6,241
TOTALS	**26,623**	**40,495**
PPNNE TOTALS	**60,392**	**92,332**

ADMINISTRATIVE STAFF

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THE MISSION of Planned Parenthood of Northern New England is to provide, promote, and protect access to reproductive health care and sexuality education so that all people can make voluntary choices about their reproductive and sexual health.