STATE FISCAL YEAR 2018-2019
SEPARATION OF ABORTION AND ABORTION-RELATED ACTIVITIES FROM FAMILY PLANNING ACTIVITIES PROVIDED THROUGH ANY FAMILY PLANNING APPROPRIATION

REQUIREMENTS OF REPORT

The General Assembly requires the Pennsylvania Department of Human Services (DHS) to include the following in its report for state Fiscal Year 2018-2019 on the separation of abortion and abortion-related activities from family planning activities:

- Number and findings of audits filed;
- Adequacy of the documentation submitted; and
- Any recommendation to revise the verification process.

DEPARTMENT OF HUMAN SERVICES REQUIREMENTS OF GRANTEES

Grantee Audit Guidelines are included as Appendix I.

Paragraph A of Appendix I requires the Grantee to have its independent auditor attest that abortion-related activities are physically and financially separate from family planning activities funded by any family planning appropriation.

Paragraph B defines "abortion-related activities" and provides further instructions regarding the required audits. Paragraph B directs the independent auditor to review six specific areas and to submit the attestation as a supplement to the agency's annual audit.

Paragraph C requires that each subgrantee who engages in abortion-related activities must provide to the Grantee its policies and procedures relating to the means and methods of separating abortion-related activities from family planning activities. These policies and procedures are to be approved by the subgrantee's board of directors. In addition, the subgrantee is to describe how it complies with the separation requirements.

Paragraph D requires the Grantee to make an annual inspection of all subgrantees conducting abortion-related activities to assure physical and financial separation from family planning activities. The Grantee is required to attest to DHS, in writing, by January 31 of each year that the subgrantee met the physical and financial separation requirements for the state fiscal year ending the previous June 30.

Paragraph E requires that the Grantee shall include the physical and financial separation requirements in every grant, contract or agreement with a subgrantee and shall develop guidelines for the subgrantee regarding physical and financial separation.

Paragraph F identifies those subgrantees that are excluded from the audit requirements contained in the Guidelines.

RESPONSE OF GRANTEES

Each of the four Grantees provided DHS with a letter attesting to compliance with the Grantee Audit Guidelines. The independent auditor for each Grantee provided a letter attesting that the requirements contained in the Guidelines were met. Correspondence is from AccessMatters in Philadelphia, Adagio Health in Pittsburgh, Family Health Council of Central Pennsylvania, Inc. in Camp Hill, and Maternal and Family Health Services, Inc. in Wilkes-Barre. In order to provide the most complete information to document compliance with the Guidelines, the Grantees have also provided to the Department, and we have enclosed copies of, audit statements from their affected subgrantees. (See Appendices II through V for copies of correspondence.)

Grantees and their affected subgrantees are as follows:

AccessMatters:
- Planned Parenthood Keystone
- Planned Parenthood of Southeastern Pennsylvania
- Mazzoni Center

Adagio Health:
- Planned Parenthood of Western Pennsylvania

Family Health Council of Central Pennsylvania, Inc.
- Planned Parenthood Keystone
- Planned Parenthood of Western Pennsylvania

Maternal and Family Health Services, Inc.
- Planned Parenthood Keystone

ADEQUACY OF THE DOCUMENTATION SUBMITTED

The documentation submitted by the Grantees is in compliance with the Guidelines (Appendix I) provided by the Secretary.

ANY RECOMMENDATION TO REVISE THE VERIFICATION PROCESS

At present, the DHS has no recommendation to revise the verification process. It appears that the Grantee Audit Guidelines are meeting the requirements in Act 66 of 2006.

pennsylvania
DEPARTMENT OF HUMAN SERVICES

Family Planning Audit Report

Annual Report to the General Assembly
FY 2018-2019

Tom Wolf
Governor

Teresa Miller
Secretary
Department of Human Services

Appendix I

Department of Human Services
Grantee Audit Guidelines for the Family Planning Councils

Grantee Audit Guidelines for the Family Planning Councils

As required by Act 66 of 2006
72 P.S. §§1701-D, et seq.
Effective State Fiscal year 2006-2007

A. The Grantee receiving funding through any family planning appropriation, will require its independent auditor to attest to the audit of any subgrantee receiving funding through any family planning appropriation. The Grantee will require each subgrantee receiving funding through any Family Planning Appropriation, except those excluded as described in paragraph F below, to have an audit performed by an independent auditor. A "family planning appropriation" is defined as moneys appropriated by the General Assembly from Commonwealth revenue sources and Federal revenue sources for the purpose of funding family planning services or a combination of family planning services and other programs.

B. Both the Grantee's independent auditor and the subgrantee's independent auditor must attest to the physical and financial separation of abortion related-activities from any family planning project. An "abortion related activity" is defined as activities that consist of any of the following: 1) performing or directly assisting in abortions; 2) referring a pregnant woman to an abortion provider for an abortion; 3) counseling that advocates for or promotes abortion, including counseling that advocates abortion as an option for dealing with an unwanted pregnancy. A family planning "project" is defined as a group or set of family planning services or a combination of family planning services and other services which are funded in whole or in part from a family planning appropriation and which are furnished pursuant to a grant, contract or other agreement between a family planning services provider and the Department of Human Services (formerly Department of Public Welfare) or the Department of Health, as appropriate, or furnished by a subcontractor of such provider pursuant to such grant contract or agreement." The separation and audit requirements apply regardless of whether the program or project is considered a major program under OMB Circular A-133 audit requirements. The audit must be provided as a supplement to the annual audit as described in Rider 1 of Grantee's grant with the Department for State Fiscal year 2007-2008 and must include the following:

(i) Auditor attests of abortion-related activities and attests that these activities are physically and financially separate from those services funded under any family planning appropriation.

(ii) Auditor attests that equipment and supplies for abortion-related activities are purchased separately or if there is a single purchase for the entity that apportionment to the abortion-related activity is made equitably and documented according to the Cost Allocation Plan and attests to the same.

(iii) Auditor attests that there are separate timesheets for the personnel performing abortion-related activities and attests to the same.

(iv) Auditor attests that all payments received from persons receiving abortion-related services, or payments made on their behalf, are maintained on separate accounting records and attests to the same.

(v) Auditor attests that all payments made for rent, utilities, maintenance, supplies, or other purchases are maintained on separate accounting records and attests to the same.

(vi) Auditor attests and describes how abortion-related activities are physically separated from activities of the entity funded through any family planning appropriation and attests to the same.

C. The Grantee must receive from each subgrantee that engages in abortion-related activities a copy of the subgrantee's policies and procedures and other documentation of its abortion and abortion-related activities, including the means and methods of separating these activities from activities of the subgrantee funded through any family planning appropriation. These policies and procedures and other documentation must show approval by the subgrantee's board of directors. In addition, the subgrantee shall supply a description of how it complies with the separation requirements. The Grantee will make these documents available for inspection by the Department.

D. The Grantee must perform, at a minimum, an annual inspection of the subgrantees described in A, above, to separately attest to the physical and financial separation of abortion-related activities from any family planning project. In addition to the elements described above, the Grantee shall review the abortion services for compliance with pertinent state and federal laws, regulations, and guidelines addressing the promotion, performance, or referral of abortions or abortion counseling and the required separation of these activities from any family planning projects. As a result of this annual inspection, the Grantee shall separately attest, in writing by January 31 of each grant year, to the Department whether the subgrantee is complying with the requirements found in this paragraph as well as A, B, and C above.

E. The Grantee shall include the physical and financial separation and the audit requirements in every grant, contract or agreement with a subgrantee or subcontractor. The Grantee shall develop guidelines for the use of the subgrantee described in A, above, in establishing facilities that promote, perform, or refer for abortions or abortion counseling. These documents are to be available for inspection by the Department.

F The physical and financial separation and audit requirements shall not apply to subgrantees or subcontractors who are 1) a licensed hospital; 2) a family planning services provider who is a natural person, who is licensed to provide medical services in this Commonwealth and whose only public funding is through a medical assistance appropriation; or 3) recipients of Federal Title X funds, to the extent that the family planning services provider or subcontractor provides only those nondirective abortion counseling and referral services required under Title X and whose failure to perform those services will result in the withholding of Federal funds.

Appendix II

AccessMatters
Attestations & Documentation

ACCESSMATTERS
TRANSFORMING ACCESS TO SEXUAL & REPRODUCTIVE HEALTH

Cassie Hourrland
Grants and Policy Specialist
Pennsylvania Department of Human Services
323 Health and Welfare Building
Harrisburg, PA 17120

Dear Cassie:

The purpose of this letter is to satisfy the requirements of paragraph B of the Grantee Audit Guidelines for AccessMatters as required by Act 66 of 2006 72 P.S. §§1701-D, et seq. effective state Fiscal Year 2006-2007 for AccessMatters' fiscal year 2018-2019.

In compliance with Paragraph B, AccessMatters provides no abortion services and attests that all of its sub-grantees are in compliance with the above referenced audit guidelines, as they relate to the physical and financial separation of abortion services from family planning services funded by the Commonwealth from any family planning appropriation, including non-invasive contraceptive supplies. Enclosed is the required supplementary report from AccessMatters' auditors, CliftonLarsonAllen LLP. In addition, based on the communications from the Department, we have included copies of the audit statements of the providers that perform abortion services and receive family planning funds from AccessMatters.

By Board resolution, AccessMatters has adopted the required policies. In addition, AccessMatters has made the required site visits to each of the sub-grantees to assure that the policies and procedures necessary to maintain the physical and financial separation of abortion services are in place.

Audit materials and other documentation supporting this attestation are available for Department review. If you require any additional information, please do not hesitate to contact us.

Sincerely,

Melissa Weiler Gerber
President and CEO

1700 MARKET STREET, SUITE 1540, PHILADELPHIA, PA 19103
215-985-2600 | 215-732-1252 FAX | WWW.ACCESSMATTERS.ORG

CLA (CliftonLarsonAllen LLP)
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
AccessMatters
Philadelphia, Pennsylvania

In accordance with "Grantee Audit Guidelines for the Family Planning Councils" as set forth by the Commonwealth of Pennsylvania, Department of Human Services, we were engaged by AccessMatters solely to assist them to attest to the physical and financial separation of abortion services from family planning services funded by the Commonwealth from any family planning appropriation, including noninvasive contraceptive supplies for the year ended June 30, 2019. In compliance with the requirements of paragraph B of the Grantee Audit Guidelines for the Family Planning Councils as required by Act 66 of 2006, AccessMatters provides no abortion services and attests that all of its sub-grantees are in compliance with the above referenced audit guidelines, with the exceptions as noted on page 2 by the sub-grantee's agreed upon procedures report and AccessMatters' annual inspection report. Since AccessMatters does not directly engage in any of these services, it was determined that no attestation procedures needed to be applied directly to AccessMatters. However, such services are performed by the following sub-grantees of AccessMatters:

Planned Parenthood Keystone
Planned Parenthood Southeastern Pennsylvania
Mazzoni Center

Each of the aforementioned sub-grantees had their independent accountants perform the procedures enumerated below, which were agreed to by AccessMatters, the sub-grantees and the Commonwealth of Pennsylvania, Department of Human Services, solely to assist the sub-grantees in complying with the requirements of Act 66 of 2006. AccessMatters received agreed-upon procedures reports from the three sub-grantees highlighted above. The procedures and findings for each of the sub-grantees included the following:

(i) Accountant tests abortion-related activities and attests that these activities are physically and financially separate from those services funded under any family planning appropriation.

(ii) Accountant tests that equipment and supplies for abortion-related activities are purchased separately or if there is a single purchase for the entity that apportionment to the abortion-related activity is made equitably and documented according to the Cost Allocation Plan and attests to the same.

(iii) Accountant tests that there are separate timesheets and/or accounting for the personnel costs related to performing abortion-related activities and attests to the same.

(iv) Accountant tests that all payments received from persons receiving abortion-related services, or payments made on their behalf, are maintained on separate accounting records and attests to the same.

(v) Accountant tests that all payments made for rent, utilities, maintenance, supplies, or other purchases are maintained on separate accounting records and attests to the same.

(vi) Accountant tests and describes how abortion-related activities are physically separated from activities of the entity funded through any family planning appropriation and attests to the same.

We have performed the procedures enumerated below, which were agreed to by AccessMatters and Commonwealth of Pennsylvania, Department of Human Services, solely to assist you to attest to the physical and financial separation of abortion services and family planning services funded by the Commonwealth from any family planning appropriation including noninvasive contraceptive supplies as of and for the year ended June 30, 2019. AccessMatters' management is responsible for the compliance and monitoring of these services. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

a. We have obtained the sub-grantees agreed-upon procedures reports for the year ended June 30, 2019, for the six compliance requirements as noted above. We observed that the reports included the six requirements and the results are summarized as follows:
   - Planned Parenthood Keystone: no findings were noted
   - Planned Parenthood Southeastern Pennsylvania: no findings were noted
   - Mazzoni Center: one exception was noted. The independent accountants noted the Center's personnel performing abortion-related activities do not document their time and effort separately between abortion and nonabortion activities. However, the accountants noted evidence relating to process and definition of patient visits established under the family planning grant with AccessMatters. A client will request an initial visit with a Center's physician, which will be considered a client wellness visit. Time and effort of the Center's physicians has been classified as a wellness, nonabortion related service and applied to the family planning grant as such. If abortion services are selected as a result of these wellness visits, the client will be referred to have a separate appointment for abortion services following the protocol of the Commonwealth of Pennsylvania Department of Human Services as it relates to these services.

b. We have obtained AccessMatters' annual inspection reports of the three sub-grantees highlighted above and noted that the required procedures to monitor physical and financial separation of abortion services from family planning services were performed. These inspection reports were performed during the fiscal year and are summarized as follows:
   - Planned Parenthood Keystone: no findings were noted
   - Planned Parenthood Southeastern Pennsylvania: It was noted during the site visit that sterile gowns used for abortion and family planning were stored in the same cabinet and not labeled separately. The Center Manager resolved this issue during the inspection by separating sterile gowns used for cleaning surgical abortion instruments and labeling them appropriately to ensure separate and distinct storage for abortion supplies.
   - Mazzoni Center: no findings were noted

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on AccessMatters' compliance with paragraph B of the Grantee Audit Guidelines as required by Act 66 of 2006. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management and board of directors of AccessMatters and the Commonwealth of Pennsylvania and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
January 20, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Planned Parenthood Keystone
Allentown, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by Planned Parenthood Keystone, solely to assist in evaluating Planned Parenthood Keystone's compliance with the physical and financial separation of abortion services from services provided through the Women's Medical Services grants for the year ended June 30, 2019. Management is responsible for the Organization's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Accountant tests abortion activities and attests that these activities are physically and financially separate from those services funded under the Women's Medical Services grants.

Currently, five of the Organization's Title X centers perform abortions, Reading, York, Harrisburg, Warminster and Allentown. All of those centers have separate hours for abortion and family planning services. During the designated hours for family planning, the center will not see abortion patients and during the set hours for abortion services the center will not see family planning patients. All data pertaining to abortion patients is manually logged onto sheets with a patient number, name, and the amount of money collected. The files are kept in a separate location and coded differently than family planning patients.

The results of these procedures indicate that the abortion activities are physically and financially separate from family planning services.

2. Accountant tests that equipment and supplies for abortion activities are purchased separately or if there is a single purchase for the entity that apportionment to the abortion activity is made equitably and documented according to the Cost Allocation Plan and attests to the same.

Supplies used specifically for abortion related activities are purchased separately from family planning supplies, using a separate purchase order system and are accounted for in the general ledger, under expense categories used for this purpose only. We examined and verified that abortion supplies at the center are kept in separate areas, separate purchase orders were used, and costs were properly posted to the general ledger. Our compliance testing of expenditures did not disclose any instance of expenses being improperly allocated to family planning services. Equipment purchased and used for abortion activities is expensed or capitalized according to the Organization's capitalization policy. The expense or depreciation related to the equipment is allocated to the appropriate cost center.

We noted no exceptions in performing these procedures and conclude that equipment and supplies are physically and financially separate.

3. Accountant tests the agency's process to distinguish the time each person/employee spends performing abortion and abortion related activities from other non-abortion related activities and attests to the same.

The Organization has a standard time system that distinctly requires the recording of time spent on abortion-related activities. We selected five pay periods and haphazardly examined time cards from employees allocated to abortion activities and family planning activities. We verified that the hours reported on the time sheet were consistent with the hours the center was open for abortion services. We verified that the wages posted to the general ledger for abortion activities was in agreement with the payroll records.

We noted no exceptions in performing these procedures, the agency's process to distinguish the time each employee spends performing abortion and abortion related activities exists.

4. Accountant tests that payments received from persons receiving abortion or abortion related services, or payments made on their behalf, can be identified separately in the accounting records and attests to the same.

We verified and examined payments received from patients for abortion services. The payments are summarized on a deposit log, used only for abortion services, and recorded on a separate deposit slip. Patients may pay by credit card, and a separate credit card account is used for abortion services, signed credit card slips and the daily batch report are stapled to the daily log. We verified that deposit slips and credit card payments agreed with the daily log and were deposited into the bank and not comingled with family planning receipts with no exceptions.

5. Accountant tests that all payments made for rent, utilities, maintenance, supplies, or other purchases can be identified separately in the accounting records and attests to the same.

Allocations of overhead, maintenance and occupancy costs, not directly attributable to abortion services, are based on time usage for abortion services over total usage of the center. The amount allocated is reasonable based on all the factors involved, i.e.: space used only for abortion activities vs. shared space and space used only for family planning services. Abortion services are separately budgeted from family planning services and have separated general ledger accounts for classification.

Based on our observations and tests we conclude that payments made for rent, utilities, maintenance, supplies, or other purchases can be identified separately in the accounting records.

6. Accountant tests and describes how abortion and abortion related activities are physically separated from the activities of the entity funded through the agreement and attests to the same.

We observed the abortion hours of the Reading, York, Harrisburg, Warminster and Allentown clinics. The hours are clearly stated and are generally the same every week. Family planning patients are not admitted during these hours. All abortion patients must have an appointment to be seen.

Based on the results of tests in numbers one through six, listed above, and the observations of the facility hours and inquiries of key personnel the procedures performed indicate that abortions and abortion related activities are physically separated from the activities funded through the agreement.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such and opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is solely for the information and use of the Finance and Audit Committee, Management and Board of Directors of Planned Parenthood Keystone, Maternal Family Health Services, Inc., Access Matters, Family Health Council of Central Pennsylvania, and the Department of Human Services and is not intended to be, and should not be used by anyone other than these specified parties.

Tait, Weller & Baker LLP

Tait, Weller & Baker LLP
December 16, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Planned Parenthood Southeastern Pennsylvania
Philadelphia, PA

We have performed the procedures enumerated below, which were agreed to by Planned Parenthood Southeastern Pennsylvania (PPSP), Access Matters, and the Commonwealth of Pennsylvania, Department of Human Services (collectively, with the Board of Directors, the "specified parties"), solely to assist the specified parties with respect to complying with the requirements of Act 66 of 2006 and Family Planning Audit Guidelines, for the year ended June 30, 2019. PPSP's management is responsible for PPSP's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

1. We obtained and read PPSP's Board Resolution on "Adoption of the Policy on the Distinct Separation between Non-Tit1e X Abortion Activities and Title X Project Activities."

2. We verified that the abortion related activities for the year ended June 30, 2019 are physically and financially segregated from those services funded under any family planning appropriation.

3. We verified that equipment and supplies for abortion-related activities are purchased separately or, if there is a single purchase for the entity, that apportionment to the abortion related activity is made in accordance with the cost allocation plan. We randomly selected forty cash disbursements and traced them to supporting documentation to verify the proper recording in the general ledger. Based on our testing, we noted that abortion-related equipment and supplies were not recorded in non abortion-related accounts. **No exceptions noted.**

4. We verified and observed that separate time sheets are maintained for personnel performing abortion-related activities for the year ended June 30, 2019. We randomly selected and reviewed the payroll transactions for five employees performing abortion-related services. For the five selections, we noted the separate allocation of payroll costs in the general ledger and the payroll registers based on the employees' abortion-related services noted on their time records. We randomly selected transactions from the months of July 2018, September 2018, February 2019 and April 2019 and traced their time records to the general ledger report for verification that services performed were properly coded. **No exceptions noted.**

5. We tested that services and payments received for abortion or non-abortion related services are recorded separately within the accounting records. We obtained PPSP's abortion related activities report summaries for each month recorded during the year. We randomly selected five months during the year ended June 30, 2019 and determined that all payments received from persons receiving abortion-related services, or payments made on their behalf, were maintained in separate accounting records. We randomly selected seven patient records from the selected months and traced to the underlying support and cash receipt to determine that it was for an abortion-related service and was properly recorded in the general ledger. **No exceptions noted.**

6. We obtained a schedule of PPSP's headquarter building, Norristown and West Chester Surgical Center expenses for the year ended June 30, 2019, which includes rent, utilities, maintenance, supplies and other purchases. We made inquires to determine that such expenses are properly allocated to abortion-related activities and non-abortion activities based upon square footage of the buildings or number of employees. We obtained and recalculated PPSP's allocations. **No exceptions noted.**

7. We verified through observation at each location that the abortion-related activities are physically separated from activities of PPSP funded through any family planning appropriation. Abortion-related activities are located on a separate floor from the non-abortion activities at the Locust Surgical Center. At the West Chester and Norristown locations, abortion-related services are provided only on designated days and/or times and in separately identified examination rooms. We also noted at these locations, that there were separately identified locked medical storage cabinets in the facility that provided clear segregation of family planning and abortion-related supplies. **No exceptions noted.**

We were not engaged to and did not conduct an audit, the objectives of which would be the expression of an opinion on the accounting records supporting compliance with the requirements of Act 66 of 2006 and Family Planning Audit Guidelines. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of PPSP, Access Matters and the Commonwealth of Pennsylvania, Department of Human Services and is not intended to be and should not be used by anyone other than those specified parties.

Tait, Weller & Baker LLP

Tait, Weller & Baker, LLP
December 17, 2019

CLA (CliftonLarsonAllen LLP)
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Management and the Board of Directors
Mazzoni Center
Philadelphia, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by Mazzoni Center (the Center), Access Matters and the Commonwealth of Pennsylvania, Department of Human Services (DHS) (the specified parties), on the DHS "Grantee Audit Guidelines" of Mazzoni Center for the year ended June 30, 2019. The Center's management is responsible for its compliance with compliance requirements of the DHS Grantee Audit Guidelines. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

a. We obtained and read Center's Board Resolution on "Adoption of the Policy on the Distinct Separation between Non-Title X Abortion Activities and Title X Project Activities."

b. We verified that the abortion related activities for the year ended June 30, 2019 are physically and financially segregated from those services funded under any family planning appropriation.

c. We verified that equipment and supplies for abortion-related activities are purchased separately or, if there is a single purchase for the entity, that apportionment to the abortion related activity is made in accordance with the cost allocation plan. We haphazardly selected a total of 6 out of the 18 cash disbursements charged to the Access Matters Family Planning Grant and traced them to supporting documentation to verify the proper recording in the general ledger. Based on the results of our testing, we noted that the equipment and supplies purchased with funds from this grant were for nonabortion related activities and both appropriately applied to this grant and recorded in the general ledger. No exceptions were noted.

d. We verified and observed that separate time sheets are maintained for personnel performing abortion-related activities for the year ended June 30, 2019. We randomly selected and reviewed the payroll transactions for the three employees performing abortion related services. In performance of these procedures we noted that the Center does not separate time and effort between abortion and nonabortion activities. However, we did note evidence relating to process and definition of patient visits under the family planning grant with Access Matters. A client will request an initial visit with a Center's physician, which will be considered a client wellness visit. Time and effort of the Center's physicians has been classified as a wellness, nonabortion related services and has been applied to the family planning grant as such. As part of these wellness visits if it is determined that abortion services are necessary the client will be referred to have a separate appointment for abortion services following the protocol of the Commonwealth of Pennsylvania Department of Human Services as it relates to these services.

e. We tested that services and payments received for abortion or nonabortion related services are recorded separately within the accounting records. We obtained a list of invoices and payments received by the Center from Access Matters. We haphazardly selected 7 out of the 28 invoices and payments during the year ended June 30, 2019 and determined that all payments received from persons receiving abortion-related services, or payments made on their behalf, were maintained in separate accounting records. We reviewed the invoice, underlying support, and cash receipt to determine if it was abortion related services and was properly recorded in the general ledger. No exceptions were noted.

f. We obtained a schedule of the Center's schedule of functional expenses for the year ended June 30, 2019, which includes rent, utilities, maintenance, supplies, and other purchases. We obtained and recalculated these allocations for the year ended June 30, 2019. We made inquiries to determine that applicable expenses had been properly allocated between abortion-related activities and nonabortion activities. There was no evidence of any abortion related expenses having been allocated to the Title X funded program. In testing the cost report for the year ended June 30, 2019 for the Access Matters Family Planning Grant, we noted nonabortion programmatic and supply expenditures having been allocated to this program. No exceptions were noted.

g. We verified through observation that the abortion-related activities are physically separated from activities of the Center funded through Access Matters family planning grant. Abortion-related activities are separate from the nonabortion activities at Mazzoni Center's Health Center. Abortion-related services are provided by appointment only, after a list of family planning options and a 24-hour respite period for a patient to decide on treatment options. We also observed that there were a separately identified locked medical storage cabinet in the facility that provided clear segregation of family planning and abortion-related supplies. No exceptions were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance requirements of DHS Grantee Audit Guidelines. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties and is not intended to be and should not be used by anyone other than the specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
November 14, 2019

Appendix III

Adagio Health
Attestations & Documentation

health

Two Gateway Center, Suite 500
603 Stanwix Street
Pittsburgh, PA 15222
PH: 412.288.2130
FAX: 412.288.9036

January 15, 2020

Cassie Hourlland, MSW - Grants and Policy Specialist
Office of Policy Development
Department of Human Services
Health & Welfare Buildiing, Room 323
Harrisburg, PA 17120

Dear Ms. Hourlland,

The purpose of this letter is to satisfy the requirements of Grantee Audit Guidelines for the Family Planning Councils as required by Appropriations Act 66 of 2006 72 P.S. 1701-D, et seq., effective state fiscal year 2006-2007. Adagio Health attests that the sub-grantee falling into this category is in compliance with the above referenced audit guidelines as they relate to the physical and financial separation of abortion services from services provided through the grant for women's medical services, including non-invasive contraceptive supplies.

As always, should you require additional information, please do not hesitate to call us.

Sincerely,

B.J. Leber, President/CEO
Adagio Health Inc.

William Gedman, Chief Finance and Operations Officer
Adagio Health Inc.

SCHNEIDER DOWNS

Big Thinking. Personal Focus.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Adagio Health Inc.
Pittsburgh, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania Department of Human Services (DHS) and management of Adagio Health Inc. (Organization or you), solely to assist you with respect to evaluating the Organization's compliance with the required review of sub-grantee policies and annual inspection of sub-grantees that engage in abortion-related activities during the year ended June 30, 2019. We have been informed that the only sub-grantee of the Organization that engages in abortion services, and is not exempt under the Grantee Audit Guidelines for the Family Planning Councils, is Planned Parenthood of Western Pennsylvania. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the Grantee (Adagio Health Inc.) are as follows: We asked the following questions and received the following responses:

1. **Question:** Does the Grantee (Adagio Health Inc.) receive, from each sub-grantee that engages in abortion-related activities, a copy of the sub-grantee's policies and procedures and other documentation of its abortion-related activities, including the means and methods of separating these activities from activities of the sub-grantee funded through any family planning appropriation?

Are these policies and procedures and other documentation approved by the sub-grantee's board of directors?

Response: Adagio Health Inc. has received a copy of the sub-grantee's policies and procedures and other documentation of its abortion-related activities, including the means and methods of separating these activities from activities of the sub-grantee funded through any family planning appropriation. These policies and procedures have been approved by the sub-grantee's board of directors. A copy of the policies and procedures is available for inspection.

2. **Question:** Did the Grantee (Adagio Health Inc.) perform an inspection of the sub-grantee to separately attest to the physical and financial separation of abortion-related activities from any family planning project?

Has the Grantee (Adagio Health Inc.) reviewed the abortion-related services for compliance with pertinent state and federal laws, regulations and guidelines addressing the promotion, performance or referral of abortions or abortion counseling and the required separation of these activities from any family planning projects?

Response: Adagio Health Inc. has performed an inspection of the physical and financial separation of the sub-grantee's abortion-related activities. In addition, Adagio Health Inc. has reviewed the abortion-related services for compliance with pertinent state and federal laws.

Schneider Downs & Co., Inc.
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65 E. State Street, Suite 2000
Columbus, OH 43215
TEL 614.621.4060
FAX 614.621.4062

3. **Question:** Did the Grantee (Adagio Health Inc.) include the physical and financial separation and the audit requirements in every grant, contract or agreement with a sub-grantee or contractor?

Did the Grantee (Adagio Health Inc.) develop guidelines for the use of the sub-grantee in establishing facilities that promote, perform or refer for abortions or abortion counseling?

Response: Adagio Health Inc. did include the physical and financial separation and the audit requirements in every grant, contract or agreement with a sub-grantee or contractor.

Adagio Health Inc. did not develop guidelines for the use of the sub-grantee. However, Adagio Health Inc. has provided the sub-grantee with all relevant information related to any family planning appropriation.

We were not engaged to, and did not conduct an audit, the objectives of which would be the expression of an opinion on the Organization's compliance with the requirements listed above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Commonwealth of Pennsylvania Department of Human Services, the Board of Directors and management of Adagio Health Inc., and is not intended to be and should not be used by anyone other than these specified parties.

Schneider Downs & Co., Inc.

Pittsburgh, Pennsylvania
November 8, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

Board of Directors
Planned Parenthood of Western Pennsylvania, Inc.
Pittsburgh, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the management and the Board of Directors of Planned Parenthood of Western Pennsylvania, Inc. (Planned Parenthood) and the Commonwealth of Pennsylvania Department of Human Service (DHS) solely to assist the specified parties with respect to complying with the requirements of Act 66 of 2006 and Family Planning Audit Guidelines, for the year ended June 30, 2019. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of Planned Parenthood and the DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures related to the sub-grantee: We inquired of the management of Planned Parenthood regarding the assertions below and performed observation procedures to confirm the responses of the management of Planned Parenthood, as indicated below:

1. Assertion: Abortion-related activities are physically and financially separate from those services funded under any family planning appropriation.

   Response: The abortion-related activities performed by Planned Parenthood are physically separate from services provided under any family planning appropriation. The financial records and physical custody of assets related to abortion-related activities are separate from the records and physical custody of assets related to family planning appropriations.

2. Assertion: Equipment and supplies for abortion-related activities are purchased separately, or if there is a single purchase for the entity that apportionment to the abortion-related activity is made equitably and documented according to the Cost Allocation Plan.

   Response: Purchases of equipment and supplies used by Planned Parenthood for abortion-related activities are separate from purchases for Planned Parenthood's other services.

3. Assertion: Separate timesheets are maintained for the personnel performing abortion-related activities.

   Response: Separate timesheets are maintained by all employees, including those who perform abortion-related activities.

4. Assertion: All payments received from persons receiving abortion-related services, or payments made on their behalf, are maintained in separate accounting records.

   Response: All payments received from persons receiving abortion-related services are segregated from other receipts of Planned Parenthood.

5. Assertion: All payments made for rent, utilities, maintenance, supplies, or other purchases are maintained on separate accounting records.

   Response: Planned Parenthood maintains separate accounting records for the abortion-related services costs. As such, payments for all expenses, including rent, utilities, maintenance, supplies and other purchases are reflected in the abortion related services accounting records only.

6. Assertion: Abortion-related activities are physically separated from activities of the entity funded through any family planning appropriation.

   Response: Abortion-related activities are physically separated from activities of the entity funded through any family planning appropriation.

We were not engaged to and did not conduct an audit, the objectives of which would be the expression of an opinion on the accounting records supporting compliance with the requirements of Act 66 of 2006 and Family Planning Audit Guidelines. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management and Board of Directors of Planned Parenthood, Adagio Health, Inc., Family Health Council of Central Pennsylvania, and DHS, and is not intended to be, and should not be used by anyone other than these specified parties.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
December 2, 2019

Appendix IV

Family Health Council of Central Pennsylvania, Inc.
Attestations & Documentation

FHCCP

Family Health Council of
Central Pennsylvania, Inc.

January 31, 2020

Ms. Cassie Hourlland, MSW

Department of Human Services

Office of Policy Development

Room 323 Health and Welfare Building

Harrisburg, PA 17120

Dear Ms. Hourlland:

The purpose of this letter is to satisfy the requirements of Act 66 of 2006 72 P.S. 1701-D effective state fiscal year 2006-2007. Family Health Council of Central Pennsylvania, Inc. (FHCCP) is in full compliance and therefore attests that all its sub-grantees are in compliance with the above referenced audit guidelines as they relate to the physical and financial separation of abortion services from services provided through all family planning appropriations received from the Commonwealth of Pennsylvania.

An independent auditor report from the accounting firm of Boyer & Ritter LLC, attesting that both FHCCP and its sub-grantees (Planned Parenthood of Western Pennsylvania, Inc. and Planned Parenthood Keystone) are in compliance with the aforementioned audit guidelines is included.

The 2019 reports from Tait Weller, for Planned Parenthood of Western Pennsylvania, Inc. and Planned Parenthood Keystone attesting that these organizations are in compliance with the audit guidelines is also included.

If you require additional information, please let me know.

Sincerely,

Santaisha Garcia, MPA

Vice President of Health Networks

FAMILY HEALTH COUNCIL
OF CENTRAL PENNSYLVANIA, INC.

EXAMINATION REPORT

JUNE 30, 2019

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INDEPENDENT ACCOUNTANT'S REPORT ON SUPPLEMENTAL COMPLIANCE REQUIREMENTS AS REQUIRED BY APPROPRIATIONS ACT 66; 72 P.S. 1701-D

Board of Directors
Family Health Council of Central Pennsylvania, Inc.
Camp Hill, Pennsylvania

We have examined the Family Health Council of Central Pennsylvania, Inc.'s compliance with the *Grantee Audit Guidelines for the Family Planning Councils* provided by the Commonwealth of Pennsylvania, Department of Human Services, contained in Appropriations Act 66 for the year ended June 30, 2019. Those Guidelines require that the Council perform, at a minimum, an annual inspection of the sub-grantee to separately attest to the physical and financial separation of the promotion, performance, or referral of abortions or abortion counseling. The Council's inspection of the sub-grantee's (Planned Parenthood of Western Pennsylvania, Inc. and Planned Parenthood Keystone) operations included, but was not limited to, the gathering of information to document the sub-grantee's compliance with the following:

1. Abortion activities are physically and financially separate from those funded under the Women's Medical Services Grant.

2. Equipment and supplies for abortion activities are purchased separately.

3. Separate timesheets are maintained for personnel performing abortion and abortion-related activities.

4. All payments received from persons receiving abortion or abortion-related services, or payments made on their behalves, are maintained in separate accounting records.

5. All payments for rent, utilities, maintenance and supplies are maintained in separate accounting records.

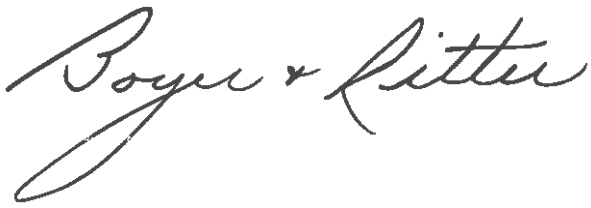
Management is responsible for the Council's compliance with these requirements. Our responsibility is to express an opinion on the Council's compliance based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Council complied, in all material respects with the specific requirements referenced above. An examination involves performing procedures to obtain evidence about whether Council complied with the specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Council's compliance with specific requirements.

In our opinion, the Council complied as the grantee, in all material respects, with the *Grantee Audit Guidelines for the Family Planning Councils* contained in Appropriations Act 66 for the year ended June 30, 2019.

This report is intended solely for Family Health Council of Central Pennsylvania, Inc., and the Pennsylvania Department of Human Services, and is not intended to be, and should not be, used by anyone other than those parties.



Camp Hill, Pennsylvania
January 21, 2020

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

Board of Directors
Planned Parenthood of Western Pennsylvania, Inc.
Pittsburgh, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the management and the Board of Directors of Planned Parenthood of Western Pennsylvania, Inc. (Planned Parenthood) and the Commonwealth of Pennsylvania Department of Human Service (DHS) solely to assist the specified parties with respect to complying with the requirements of Act 66 of 2006 and Family Planning Audit Guidelines, for the year ended June 30, 2019. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of Planned Parenthood and the DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures related to the sub-grantee: We inquired of the management of Planned Parenthood regarding the assertions below and performed observation procedures to confirm the responses of the management of Planned Parenthood, as indicated below:

1. Assertion: Abortion-related activities are physically and financially separate from those services funded under any family planning appropriation.

   Response: The abortion-related activities performed by Planned Parenthood are physically separate from services provided under any family planning appropriation. The financial records and physical custody of assets related to abortion-related activities are separate from the records and physical custody of assets related to family planning appropriations.

2. Assertion: Equipment and supplies for abortion-related activities are purchased separately, or if there is a single purchase for the entity that apportionment to the abortion-related activity is made equitably and documented according to the Cost Allocation Plan.

   Response: Purchases of equipment and supplies used by Planned Parenthood for abortion-related activities are separate from purchases for Planned Parenthood's other services.

3. Assertion: Separate timesheets are maintained for the personnel performing abortion-related activities.

   Response: Separate timesheets are maintained by all employees, including those who perform abortion-related activities.

4. Assertion: All payments received from persons receiving abortion-related services, or payments made on their behalf, are maintained in separate accounting records.

   Response: All payments received from persons receiving abortion-related services are segregated from other receipts of Planned Parenthood.

5. Assertion: All payments made for rent, utilities, maintenance, supplies, or other purchases are maintained on separate accounting records.

   Response: Planned Parenthood maintains separate accounting records for the abortion-related services costs. As such, payments for all expenses, including rent, utilities, maintenance, supplies and other purchases are reflected in the abortion related services accounting records only.

6. Assertion: Abortion-related activities are physically separated from activities of the entity funded through any family planning appropriation.

   Response: Abortion-related activities are physically separated from activities of the entity funded through any family planning appropriation.

We were not engaged to and did not conduct an audit, the objectives of which would be the expression of an opinion on the accounting records supporting compliance with the requirements of Act 66 of 2006 and Family Planning Audit Guidelines. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management and Board of Directors of Planned Parenthood, Adagio Health, Inc., Family Health Council of Central Pennsylvania, and DHS, and is not intended to be, and should not be used by anyone other than these specified parties.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
December 2, 2019

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Planned Parenthood Keystone
Allentown, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by Planned Parenthood Keystone, solely to assist in evaluating Planned Parenthood Keystone's compliance with the physical and financial separation of abortion services from services provided through the Women's Medical Services grants for the year ended June 30, 2019. Management is responsible for the Organization's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Accountant tests abortion activities and attests that these activities are physically and financially separate from those services funded under the Women's Medical Services grants.

Currently, five of the Organization's Title X centers perform abortions, Reading, York, Harrisburg, Warminster and Allentown. All of those centers have separate hours for abortion and family planning services. During the designated hours for family planning, the center will not see abortion patients and during the set hours for abortion services the center will not see family planning patients. All data pertaining to abortion patients is manually logged onto sheets with a patient number, name, and the amount of money collected. The files are kept in a separate location and coded differently than family planning patients.

The results of these procedures indicate that the abortion activities are physically and financially separate from family planning services.

2. Accountant tests that equipment and supplies for abortion activities are purchased separately or if there is a single purchase for the entity that apportionment to the abortion activity is made equitably and documented according to the Cost Allocation Plan and attests to the same.

Supplies used specifically for abortion related activities are purchased separately from family planning supplies, using a separate purchase order system and are accounted for in the general ledger, under expense categories used for this purpose only. We examined and verified that abortion supplies at the center are kept in separate areas, separate purchase orders were used, and costs were properly posted to the general ledger. Our compliance testing of expenditures did not disclose any instance of expenses being improperly allocated to family planning services. Equipment purchased and used for abortion activities is expensed or capitalized according to the Organization's capitalization policy. The expense or depreciation related to the equipment is allocated to the appropriate cost center.

We noted no exceptions in performing these procedures and conclude that equipment and supplies are physically and financially separate.

3. Accountant tests the agency's process to distinguish the time each person/employee spends performing abortion and abortion related activities from other non-abortion related activities and attests to the same.

The Organization has a standard time system that distinctly requires the recording of time spent on abortion-related activities. We selected five pay periods and haphazardly examined time cards from employees allocated to abortion activities and family planning activities. We verified that the hours reported on the time sheet were consistent with the hours the center was open for abortion services. We verified that the wages posted to the general ledger for abortion activities was in agreement with the payroll records.

We noted no exceptions in performing these procedures, the agency's process to distinguish the time each employee spends performing abortion and abortion related activities exists.

4. Accountant tests that payments received from persons receiving abortion or abortion related services, or payments made on their behalf, can be identified separately in the accounting records and attests to the same.

We verified and examined payments received from patients for abortion services. The payments are summarized on a deposit log, used only for abortion services, and recorded on a separate deposit slip. Patients may pay by credit card, and a separate credit card account is used for abortion services, signed credit card slips and the daily batch report are stapled to the daily log. We verified that deposit slips and credit card payments agreed with the daily log and were deposited into the bank and not comingled with family planning receipts with no exceptions.

5. Accountant tests that all payments made for rent, utilities, maintenance, supplies, or other purchases can be identified separately in the accounting records and attests to the same.

Allocations of overhead, maintenance and occupancy costs, not directly attributable to abortion services, are based on time usage for abortion services over total usage of the center. The amount allocated is reasonable based on all the factors involved, i.e.: space used only for abortion activities vs. shared space and space used only for family planning services. Abortion services are separately budgeted from family planning services and have separated general ledger accounts for classification.

Based on our observations and tests we conclude that payments made for rent, utilities, maintenance, supplies, or other purchases can be identified separately in the accounting records.

6. Accountant tests and describes how abortion and abortion related activities are physically separated from the activities of the entity funded through the agreement and attests to the same.

We observed the abortion hours of the Reading, York, Harrisburg, Warminster and Allentown clinics. The hours are clearly stated and are generally the same every week. Family planning patients are not admitted during these hours. All abortion patients must have an appointment to be seen.

Based on the results of tests in numbers one through six, listed above, and the observations of the facility hours and inquiries of key personnel the procedures performed indicate that abortions and abortion related activities are physically separated from the activities funded through the agreement.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such and opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is solely for the information and use of the Finance and Audit Committee, Management and Board of Directors of Planned Parenthood Keystone, Maternal Family Health Services, Inc., Access Matters, Family Health Council of Central Pennsylvania, and the Department of Human Services and is not intended to be, and should not be used by anyone other than these specified parties.

Tait, Weller & Baker LLP

Tait, Weller & Baker LLP
December 16, 2019

Appendix V

Maternal and Family Health Services, Inc.
Attestations & Documentation

15 Public Square, Suite 600
Wilkes-Barre, PA 18701-1700

MFHS
MATERNAL AND FAMILY HEALTH SERVICES, INC.

570-826-1777 • 1-800-367-6347
FAX: 570-823-3040 • www.mfhs.org

January 29, 2020

Cassie Hourliland
Grants and Policy Specialist
Department of Human Services
Office of Policy Development
Room 323
Health and Welfare Building
Harrisburg, PA 17120

Dear Ms. Hourliland:

The purpose of this letter is to satisfy the annual requirements of paragraph C of the Grantee Audit Guidelines for Family Planning Councils as required by Act 66 of 2006 P.S. 1701-D effective State Fiscal year 2006-2007. In compliance with paragraph B, Maternal and Family Health Services, Inc., attests that all its sub-grantees are in compliance with the above referenced audit guidelines as they relate to the physical and financial separation of abortion services from services provided through any family planning appropriation.

Auditor material and other related documentation supporting this attest are available for department review. If you require any additional information, please do not hesitate to contact us.

Respectfully,

Elizabeth Cox Saxton
President and CEO

Michael McHale
Senior Director of Finance

MATERNAL AND FAMILY HEALTH SERVICES, INC.

INDEPENDENT ACCOUNTANTS' REPORT

ON COMPLIANCE WITH THE GRANT AUDIT

GUIDELINES FOR FAMILY PLANNING COUNCILS

AS REQUIRED BY ACT 66 OF 2006 72 P.S. 1701-D

FOR THE YEAR ENDED JUNE 30, 2019

ACCOUNTANTS + CONSULTANTS

A *of* Knowledge.

PRINCIPALS
Stephen N. Clemente, CPA
James F. Clemente, CPA, MT
Raymond J. Distasio Jr., CPA
David P. Rudis, CPA, CVA, CFF
Joseph P. Zekas, CPA
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Colin R. Fricke, CPA
Michael A. Chisarick
Peter J. Morren
Helene M. Chuckra
Althea B. Edwards
Scott W. Poplawski
Christopher A. Hetkowski
Daniel J. Flaherty
Marc J. Blasko

Elmo M. Clemente (1958-2018)
Charles L. Snyder (1958-1980)

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE GRANT AUDIT GUIDELINES FOR FAMILY PLANNING COUNCILS AS REQUIRED BY ACT 66 OF 2006 72 P.S. 1701-D

To the Board of Directors
Maternal and Family Health Services, Inc.

We have examined Maternal and Family Health Services, Inc.'s (MFHS) compliance with the *Grant Audit Guidelines for the Family Planning Councils* provided by the Commonwealth of Pennsylvania, Department of Human Services and Department of Health concerning the physical and financial separation of abortion services from services provided through the grant for appropriated family planning funds during the year ended June 30, 2019. Those Guidelines require that Maternal and Family Health Services, Inc. perform, at a minimum, an annual inspection of the sub-grantee to separately attest to the physical and financial separation of the promotion, performance, or referral of abortions or abortion counseling. The Maternal and Family Health Services, Inc.'s inspection of the sub-grantee's Planned Parenthood Keystone (PP Keystone) operations included, but was not limited to, the gathering of information to document the sub-grantee's compliance with the requirements listed in Attachment 1. Management of MFHS is responsible for MFHS's compliance with the specified requirements. Our responsibility is to express an opinion on MFHS's compliance with the specified requirements based on our examination.

Planned Parenthood Keystone, Inc. (PP Keystone) receives funding from MFHS, as a subgrantee, for family planning services. Maternal and Family Health Services does not promote, perform or refer abortions or abortion counseling services and therefore is not required to comply with the physical and financial separation of abortion services from services provided through the grant for appropriated family planning funds. However, the Reading and Allentown, Pennsylvania centers of Planned Parenthood Keystone, Inc. engage in abortion related activities. Planned Parenthood Keystone, Inc.'s independent auditor has attested to the physical and financial separation of abortion services from services provided through appropriated family planning funds in a report dated December 16, 2019 for the year ended June 30, 2019.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether MFHS complied, in all material respects, with the specified requirements referenced above. An examination

KINGSTON | SUGARLOAF | SCRANTON 575 Pierce Street | Suite 400 | Kingston, PA 18704 | Voice: (570) 288-6464 | Fax: (570) 288-1518 | www.ClementeCPA.com

involves performing procedures to obtain evidence about whether MFHS complied in all material respects with the specified requirements referenced above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on MFHS's compliance with specified requirements.

In our opinion, Maternal and Family Health Services, Inc. complied as the grantee, in all material respects, with the Grantee Audit Guidelines for the Family Planning Councils contained in Appropriations Act 66 as listed in Attachment 1 concerning the physical and financial separation of abortion services from services provided through the grant for appropriated family planning funds for the year ended June 30, 2019.

Snyder & Clements

Kingston, Pennsylvania
January 22, 2020

ATTACHMENT 1

Grantee Audit Guidelines for the Family Planning Councils as required by Act 66 of 2006 72 P.S. 1701-D concerning the physical and financial separation of abortion services from services provided through the Grant for Appropriated Family Planning Funds.

Maternal Family and Health Services, Inc.'s (grantee) inspection of Planned Parenthood Keystone Inc. (sub-grantee) operations included, but was not limited to, the gathering of information to document the sub-grantee's compliance with the following:

1. Abortion and abortion related activities are physically and financially separate from those services funded under the appropriated family planning funds.

2. Equipment and supplies for abortion and abortion related activities are purchased separately or, if there is a single purchase for the entity, that apportionment to the abortion related activity is made equitably and documented according to the Cost Allocation Plan.

3. Separate timesheets are maintained for the personnel performing abortion and abortion related activities.

4. All payments received from persons receiving abortion or abortion related services, or payments made on their behalf, are maintained on separate accounting records.

5. All payments made for rent, utilities, maintenance, supplies, or other purchases are properly allocated and maintained on separate accounting records.

MATERNAL AND FAMILY HEALTH SERVICES, INC.

INDEPENDENT ACCOUNTANTS' REPORT ON

APPLYING AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

JUNE 30, 2019

ACCOUNTANTS + CONSULTANTS

A *of* Knowledge

PRINCIPALS
Stephen N. Clemente, CPA
James F. Clemente, CPA, MT
Raymond J. Distasio Jr., CPA
David P. Rudis, CPA, CVA, CFF
Joseph P. Zekas, CPA
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Marc J. Blasko

Elmo M. Clemente (1958-2018)
Charles I. Snyder (1958-1980)

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Maternal and Family Health Services, Inc.

We have performed the procedures enumerated below, which were agreed to by the management of Maternal and Family Health Services, Inc. (MFHS), the Pennsylvania Department of Health, and Pennsylvania Department of Human Services on evaluating MFHS's compliance with required reviews of subgrantee policies and annual inspection of subgrantees that promote, perform or refer for abortions or engage in abortion counseling for the year ended June 30, 2019. Planned Parenthood Keystone (PPKeystone) through its Reading, Easton and Allentown, Pennsylvania centers is the only subgrantee of MFHS that engages in abortion services. Management is responsible for MFHS's compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Enumerated procedures and findings are as follows:

We asked the following questions and we were provided the responses, as noted.

Question #1: Does the Grantee (MFHS) receive, from each subgrantee that is promoting, performing or referring for abortions or engaging in abortion counseling, a copy of the subgrantee's policies and procedures and other documentation of its abortion and abortion related activities, including the means and methods of separating these activities from activities of the subgrantee funded through any family planning appropriation?

Are these policies and procedures and other documentation approved by the subgrantee's Board of Directors?

Response: MFHS did confirm with PPKeystone there were no changes to their policies and procedures related to the separation of abortions and abortion related services from Family Planning Services and that such policies and procedures were approved by their Board of Directors. PPKeystone maintains separate storage of physical supplies, budgets, revenues, expenses, and data related to abortion and abortion related (AB) services.

Question #2: Did the Grantee (MFHS) perform an inspection of the subgrantees to separately attest to the physical and financial separation of the promotion, performance, or referral of abortions or abortion related services?

Has the Grantee reviewed the abortion and abortion related services for compliance with pertinent state and federal laws, regulations, and guidelines addressing the promotion, performance, or referral of abortions or abortion related services and the required separation of these activities from other medical services provided by the subgrantee and funded through the Women's Medical Services grant?

Response: Yes, an onsite visit was conducted at Planned Parenthood Keystone - Reading in May, 2019. As part of the onsite visit, a review of the facilities, procedures, and transmission of data were reviewed and discussed with the staff of the site. All procedures were in compliance with the requirements. PPKeystone sites are setup with separate budgets and profit and losses to ensure all revenues and expenses are kept totally separate from Family Planning funds. A copy of the site review report is available at MFHS's administrative offices.

Question #3: Did the Grantee (MFHS) develop guidelines for the use of the subgrantee in establishing facilities that promote, perform, or refer for abortions or abortion related services?

Response: MFHS has not changed any of its policies related to the separation of AB services. Language related to AB services can be found in the applicable contract (section 13-f) which prohibits AB services to be included as part of Family Planning services.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on MFHS's compliance with the applicable requirements for the year ended June 30, 2019. Accordingly we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and management of Maternal and Family Health Services and the Pennsylvania Department of Health and is not intended to be and should not be used by anyone other than these specified parties.

Snyder & Clements

Kingston, Pennsylvania
January 22, 2020