

RECEIVED

JUL 28 2011


Bureau of  
Project Management

New York State Department of Health  
Division of Health Facility Planning



## CONSTRUCTION START CONFIRMATION

Please complete the following information and return this form to:

Bureau of Project Management  
New York State Department of Health  
Hedley Park Place  
433 River Street, 6<sup>th</sup> Floor  
Troy, New York 12180-2299

CON Project Number: 102 403-L County: 

Facility Name: Planned Parenthood of the Mid-Hudson Valley, Inc.

Project Description: Relocate extension clinic from   
to 

Construction Start Date: August 8, 2011

Percent Complete to Date (if any): 0 %

Anticipated Completion Date: January 2012

Name:  Title: President & CEO

Signature:  Date: 7/26/2011



STATE OF NEW YORK  
DEPARTMENT OF HEALTH

433 River Street, Suite 303 Troy, New York 12180-2299  
www.health.ny.gov

Nirav R. Shah, M.D., M.P.H.  
Commissioner

February 18, 2011

Mr. Frank M. Cicero  
Consultant  
Cicero Consulting Associates  
701 Westchester Avenue, Suite 210W  
White Plains, New York 10604

Re: 102403 - L  
Planned Parenthood of the Mid-Hudson  
Valley, Inc.  
[REDACTED] County)  
Relocate an extension clinic from  
[REDACTED] to  
[REDACTED]

Dear Mr. Cicero:

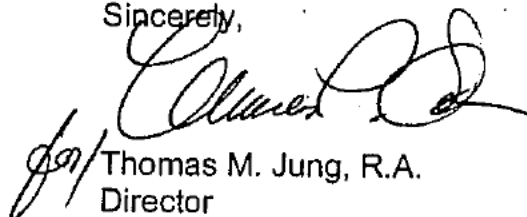
The Department of Health has reviewed the documentation addressing the contingencies related to the proposed approval of the above project. As of this date, all contingencies on this project have been satisfied.

In order to ensure reimbursement and/or receive a revised operating certificate, you must contact the Regional Office. If appropriate, the Regional Office will schedule an on-site visit within sixty (60) days of receiving your request. To ensure that a pre-opening inspection is conducted in a timely manner, please contact the following Regional Office and provide them with a copy of this letter:

Metropolitan Area Regional Office  
New York State Department of Health  
90 Church Street  
14th Floor  
New York, New York 10007  
(212) 417-5550

If you have any questions regarding this letter, please contact the Bureau of Project Management at 518-402-0911.

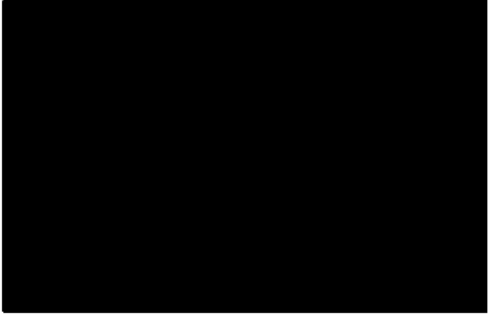
Sincerely,



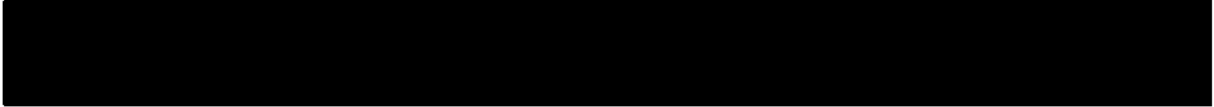
for/ Thomas M. Jung, R.A.  
Director

Division of Health Facility Planning

bcc:



**REQUEST FOR CREATION OF AN ALL CONTINGENCIES  
SATISFIED LETTER INSTRUCTING THE APPLICANT TO  
CONTACT THE AREA OFFICE**



Re: 102403

Planned Parenthood of the  
Mid Hudson Valley, Inc.

Dear:

The Department of Health has reviewed the documentation addressing the contingencies related to the proposed approval of the above project. As of this date, all contingencies on this project have been satisfied.

In order to ensure reimbursement and/or receive a revised operating certificate, you must contact the Regional Office. If appropriate, the Regional Office will schedule an on-site visit within sixty (60) days of receiving your request. To ensure that a pre-opening inspection is conducted in a timely manner, please contact the following Regional Office and provide them with a copy of this letter.

«AOAdminFullName»  
«RegionalOfficeName» Regional Office  
Area Office Address  
«AOPhone»

If you have any questions regarding this letter, please contact the Bureau of Project Management at 518-402-0911.

# Cicero Consulting Associates

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## VCC, Inc.

### White Plains Unit

Frank T. Cicero, M.D.  
Frank M. Cicero  
James Psarianos  
Michael D. Ungerer  
Noelia Chung  
Brian Baldwin  
Heather M. Chen  
Michael F. Cicero  
Gwen Elwood

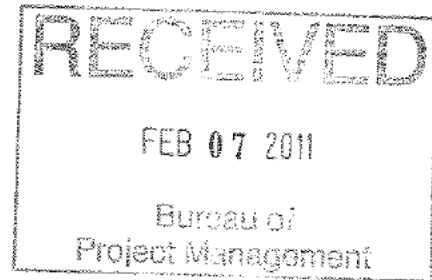
701 Westchester Ave. • Suite 210W • White Plains, NY 10604  
Tel: (914) 682-8657 • Fax: (914) 682-8895  
cicero@ciceroassociates.com

### Albany Unit

Nicholas J. Mongiardo  
William B. Carmello  
Anthony J. Maddalon  
Rose Murphy  
Joseph F. Pofit  
Charles F. Murphy, Jr.  
Albert L. D'Amato  
Mark Van Guysling

February 4, 2011

Mr. Jeffrey R. Rothman, M.S., M.B.A., Director  
Bureau of Project Management  
NEW YORK STATE DEPARTMENT OF HEALTH  
433 River Street, 6th Floor  
Troy, New York 12180-2299



RE: <sup>2403</sup> PROJECT NO. 104203-L  
PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY, INC.

[REDACTED] County)

Relocate an extension clinic from [REDACTED] to [REDACTED]

Dear Mr. Rothman:

On behalf of our client, Planned Parenthood of the Mid-Hudson Valley, Inc., we are responding to Mr. Thomas M. Jung's January 27, 2011 contingent approval letter concerning the above project. Following is the response to the four (4) contingencies placed on the project's approval:

1. Submission of documentation, acceptable to the Department, confirming that staff of the Center will be separate and distinct from staff of other entities. [HSP]

**RESPONSE:**

Please refer to the enclosed letter from the applicant providing this confirmation.

2. Submission of documentation, acceptable to the Department, regarding signage that clearly denotes that the center is separate and distinct from other adjacent entities. [HSP]

**RESPONSE:**

Please refer to the enclosed letter from the applicant documenting how the "separate and distinct" standard will be met.

3. Submission of documentation, acceptable to the Department, which reflects an entrance to the center that does not disrupt any other entity's clinical program space. [HSP]

Mr. Jeffrey R. Rothman, M.S., M.B.A.  
February 4, 2011  
Page 2

**RESPONSE:**

Please refer to the enclosed letter from the applicant describing how this requirement will be satisfied at the new site.

4. **Submission of documentation, acceptable to the Department, that the clinical space will be used exclusively for this purpose [ HSP]**

**RESPONSE:**

Please refer to the enclosed letter from the applicant providing this assurance.

The applicant will greatly appreciate the Department's review and approval of these contingency responses, so that it may move ahead to implement this project. In the interim, if you have any questions or require any additional information, please feel free to contact me. Thank you.

Sincerely,

Frank M. Cicero

cc: [REDACTED] President and CEO, Planned Parenthood of the Mid-Hudson Valley

February 3, 2011

Thomas M. Jung, R.A., Director  
Division of Health Facility Planning  
433 River Street – Suite 303  
Troy, NY 12180-2299

RE: 102403-L  
Planned Parenthood Mid-Hudson Valley, Inc. (██████████ County)  
Relocate an extension clinic from ██████████ to  
██████████

Dear Mr. Jung:

In response to your letter dated January 27, 2011 in the above referenced matter, following are the answers to the contingencies:

1. **Submission of a program for signage that denotes the clinic is separate and distinct from any other entity at the location. (HSP)**

**RESPONSE:** Planned Parenthood Mid-Hudson Valley will have signage at its entrance at the location that will identify the clinic, both outside and inside the building that denotes it as separate and distinct from other entities at the location. Signage in common areas will direct clients to the appropriate entrance to the clinic. In addition, PPMHV's entrance and signage will make all possible efforts to protect the confidentiality of its patients.

2. **Submission of documentation which confirms that the staffing for the clinic is separate and distinct from any other entity at the location. (HSP)**

**RESPONSE:** Planned Parenthood Mid-Hudson Valley, Inc. confirms that the staffing for the clinic is separate and distinct from any other entity at the location. Only PPMHV employees and/or contractors will provide services at the clinic. All clinicians are fully credentialed for the services they provide. All employees receive a comprehensive orientation to their roles in the health center and maintain HIPAA privacy protections for PPMHV patients.

3. **Submission of a plan that reflects a separate entrance without traversing space in any other entity at the location HSP).**



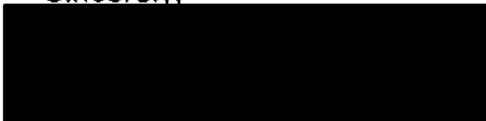
**RESPONSE:** Planned Parenthood Mid-Hudson Valley believes that the plans previously submitted for this relocation address this contingency. In addition, PPMHV's clinic is the only patient care program on its floor. The proposed site is a standard medical office building with an entryway and private, self-contained suites, each of which is entered without traversing any space other than common areas (lobby and hallways).

4. **Submission of documentation, acceptable to the department, that the clinic space will be used exclusively for stated purpose (HSP).**

**RESPONSE:** As President and Chief Executive Officer of Planned Parenthood Mid-Hudson Valley, Inc. I confirm that the clinic space will be used exclusively for the purpose stated in the application.

If you have any further questions or require further documentation, please do not hesitate to contact me.

Sincerely,



President and CEO



**DOH** STATE OF NEW YORK  
DEPARTMENT OF HEALTH

433 River Street, Suite 303 Troy, New York 12180-2299

January 27, 2011

Mr. Frank Cicero  
Consultant  
Cicero Consulting Associates  
701 Westchester Avenue, Suite 210W  
White Plains, New York 10604

Re: 102403-L  
Planned Parenthood of the Mid-Hudson  
Valley, Inc.  
[REDACTED] County)  
Relocate an extension clinic from [REDACTED]  
[REDACTED] to [REDACTED]  
(\$18,750)

Dear Mr. Cicero:

We are pleased to inform you that the above referenced limited review application (LRA) has been reviewed and found acceptable by the New York State Department of Health (NYS DOH) in accordance with the limited review provisions set forth in 10 NYCRR section 710.1(c).

Approval of this application is subject to the enclosed contingencies first being satisfied. Before beginning any aspect of this project, you must:

- Submit three (3) copies of documentation to address the contingencies, within 60 days of receipt of this letter to:

Bureau of Project Management  
NYS Department of Health  
433 River Street, 6th floor  
Troy, New York 12180  
(518)402-0911

Failure to meet the 60-day deadline could result in this project being deemed abandoned as set forth in 10 NYCRR section 710.10(c)(1).

- Receive written approval from the Division of Health Facility Planning (DHFP) indicating satisfaction of the contingencies.

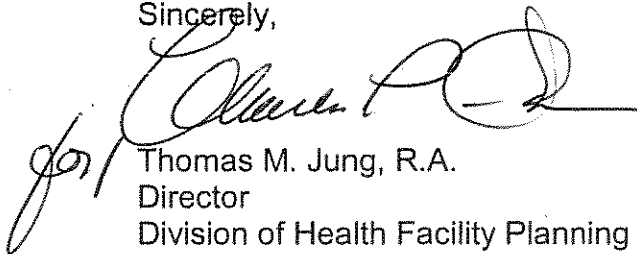
In addition to satisfying the contingencies, you may proceed with this project based upon the attached conditions. You are expected to comply with any conditions throughout the operation of this project including addressing all drawing review submission requirements indicated by the Bureau of Architectural and Engineering Facility Planning.

In accordance with 10NYCRR 710.9, upon completion of the project an onsite inspection may be conducted by the Department to assure that all aspects of the project are in accordance with the governing codes and regulations. In order to ensure reimbursement and/or receive a revised operating certificate, you must contact the Regional Office. If appropriate, the Regional Office will schedule an on-site visit. To ensure that a pre-opening inspection is conducted in a timely manner, please contact the following Regional Office and provide them with a copy of this letter.

You are responsible for ensuring that this project complies with all applicable statutes, codes, rules and regulations. Should violations be found when reviewing documents, or at the time of on-site inspections or surveys, you will be required to correct them. Additional costs incurred to address any violations will not be eligible for reimbursement without the prior approval of the Department. Also, in accordance with 710.5, any change in the scope of this project requires prior approval from the Department and may require a new or amended application.

If you have any questions concerning this letter, please contact the Bureau of Project Management at (518) 402-0911.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Jung", is written over a circular stamp. The signature is fluid and cursive.

Thomas M. Jung, R.A.  
Director  
Division of Health Facility Planning

Enclosure

**CONTINGENCIES:**

1. Submission of documentation, acceptable to the Department, confirming that staff of the Center will be separate and distinct from staff of other entities. [HSP]
2. Submission of documentation, acceptable to the Department, regarding signage that clearly denotes that the center is separate and distinct from other adjacent entities. [HSP]
3. Submission of documentation, acceptable to the Department, which reflects an entrance to the center that does not disrupt any other entity's clinical program space. [HSP]
4. Submission of documentation, acceptable to the Department, that the clinical space will be used exclusively for this purpose. [HSP]

**CONDITIONS:**

1. This approval is based on an Architect's Letter of Certification for Proposed Construction signed and submitted by Mr. David A. Souers, R.A. of Optimus Architecture, dated August 31, 2010. [AER]
2. A waiver will be processed for lack of compliance with updated NYCRR Title 10 regulations, effective January 1, 2011, and will be forwarded under separate cover. [AER]
3. Please contact your Regional Office of the Department of Health at the time you are ready to commence construction and to schedule a pre-opening survey at project completion. [AER]
4. Please be advised that compliance with all applicable sections of the NFPA 101 Life Safety Code (2000 Edition), and all applicable sections of the State Hospital Code during the construction period is mandatory. This is to ensure that the health and safety of all building occupants are not compromised by the construction project. This may require the separation of residents, patients and other building occupants, essential resident/patient support services and the required means of egress from the actual construction site. The applicant shall develop an acceptable plan for maintaining the above objectives prior to the actual start of construction and maintain a copy of same on site for review by Department staff upon request. [AER]
5. You may proceed with this project, based upon the above. This approval in no way obviates the applicant of the responsibility of complying with all applicable codes, rules and regulations. Should violations be noted upon review of documents or found at time of on-site inspections, or surveys, such violations shall be corrected prior to occupancy without additional costs allowed for reimbursement beyond the total project cost listed above. [AER]

**BEDS AND/OR SERVICES APPROVED**

**SITE**

PFI

**SERVICES**

FAMILY PLANNING O/P



Cicero Consulting Associates  
VCC, Inc.

White Plains Unit

Frank T. Cicero, M.D.  
Frank M. Cicero  
James Psarianos  
Michael D. Ungerer  
Noelia Chung  
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Rose Murphy  
Joseph F. Pofit  
Charles F. Murphy, Jr.  
Albert L. D'Amato  
Mark Van Guysing

December 1, 2010

RECEIVED

DEC 02 2010

Bureau of  
Project Management

Mr. Jonathan Wettergreen  
Bureau of Hospital and Primary Care Services  
NEW YORK STATE DEPARTMENT OF HEALTH  
433 River Street, 6th Floor  
Troy, New York 12180

RE: PROJECT NO. 102403-L  
PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY  
(County)

Relocate an extension clinic from [REDACTED] to [REDACTED]

Dear Mr. Wettergreen:

On behalf of our client, Planned Parenthood of the Mid-Hudson Valley (PPMHV), please find enclosed PPMHV's proposed closure and transition plan concerning the project referenced above. We previously included the closure and transition plan under Attachment No. 1 of the Limited Review Application, and we are now providing a copy directly to you in response to the November 26, 2010 letter from Mr. Jeffrey R. Rothman.

Should you have any questions or require any additional information, please do not hesitate to contact me. Thank you for your consideration in this matter.

Sincerely,

Frank M. Cicero

cc: Mr. Jeffrey R. Rothman, M.S., M.B.A., Bureau of Project Management  
[REDACTED] President and CEO, Planned Parenthood of the Mid-Hudson Valley

**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY**

**PROPOSED CLOSURE & TRANSITION PLAN**

**RE: EXISTING EXTENSION CLINIC LOCATED AT**

[REDACTED]

**1. OVERVIEW AND RATIONALE FOR CLOSURE AND TRANSITION PLAN**

Planned Parenthood of the Mid-Hudson Valley (PPMHV), an existing, Article 28 diagnostic and treatment center (D&TC), is submitting a Limited Review Application that seeks approval for the relocation of its existing [REDACTED] extension clinic to a new site. The existing extension clinic is located at [REDACTED]. The proposed site is in the same service area and will be located at [REDACTED]. The extension clinic is currently certified for the Family Planning O/P service. There will be no change to the certified services of the extension clinic as a result of this project.

The current and relocated extension clinics are located only 1.4 miles (and four (4) minutes' travel time) from each other, so PPMHV expects that the relocated site will serve the same patients as the existing site. Because ample transportation options are available to residents in the service area, this project will not result in decreased access to services. In fact, the opposite is expected – this project is expected to improve access to these services by providing a larger space in which to serve the Center's growing patient population.

A driving force behind this project is the existence of several constraints at the current [REDACTED] extension clinic that are most effectively addressed through the relocation of the site. The existing clinic site was purchased by PPMHV in 1992, is approximately 1,430 square feet in size and is undersized given the patient volume at the site (6,524 visits in the 12-month period ending June 30, 2010, or over 4.5 visits per square foot). PPMHV projects it will have 6,711 visits in the 12-month period ending June 30, 2011. Additionally, the parking lot is inadequate to accommodate patients who park at the site, and there is limited on-street parking. Furthermore, the existing building is not fully handicapped accessible, the property line setbacks make such an accommodation impossible and the cost of maintaining and repairing the site has simply become cost-prohibitive. The proposed relocation project will result in the provision of healthcare services in a larger, more accessible building in line with a growing patient volume, and in an area in which a large proportion of PPMHV's users already live.

The relocated extension clinic will be located in 4,500 square feet of leased space. The proposed site is located within one (1) block of [REDACTED], and in close proximity to a local teen drop-in center. [REDACTED] remains a high priority for increased outreach to teens and greater access to the services of PPMHV, which is the main reason for maintaining the extension clinic in [REDACTED].

## 2. PLAN OF CLOSURE AND TRANSITION

The closure and transition plan includes a comprehensive communications plan, including notification to patients / parents and custodians, staff, vendors and the local community. Communications will be conducted on site and via mail. Communication methods include:

1. Notification in the form of a letter will be mailed to all current (treated within the last two years) patients / parents and custodians, communicating the fact that the extension clinic will be relocating and PPMHV's interest in retaining current patients, and ensuring continuity of medical care to them. The option of obtaining custodianship of their medical records and the availability to request that her/his medical record be transferred to another operator/provider will also be included;
2. Handouts and posters will be distributed and posted inside the existing extension clinic as well as externally regarding the relocation. An announcement will be placed in the local newspaper to announce the extension clinic's relocation to the community at large;
3. The extension clinic's staff will be encouraged to engage patients / parents and custodians throughout their visit to ensure they are aware of the relocation and that their care will be uninterrupted and they will continue to be seen by the same care providers and front office staff;
4. Staff currently working at the extension clinic will not be affected by the relocation. It is anticipated that all current staff will be retained; and
5. Notification to each vendor of the extension clinic regarding the relocation will be performed.

The closure and relocation of the extension clinic is being accomplished over a minimal distance of 1.4 miles, thus making transport of equipment and materials fairly easy. Pre-occupancy preparations of the new extension clinic will facilitate nearly immediate transition when the move is made. Medical providers and other staff at the existing site will transfer to the new site as soon as PPMHV has access to the site. All medical files and related information will be securely transferred by Medical Records and Security personnel from the existing clinic to the new clinic on the weekend that the transition occurs, thus ensuring that all files are continuously available to providers.

## 3. CONCLUSION

The leadership at PPMHV has developed a closure and transition plan for the existing extension clinic that is responsive to the ongoing healthcare needs of the community and to the existing patients it services.



STATE OF NEW YORK  
DEPARTMENT OF HEALTH

433 River Street, Suite 303 Troy, New York 12180-2299

Richard F. Daines, M.D.  
Commissioner

James W. Clyne, Jr.  
Executive Deputy Commissioner

November 26, 2010

Mr. Frank M. Cicero  
Consultant  
Cicero Consulting Associates  
701 Westchester Avenue, Suite 210W  
White Plains, New York 10604

Re: 102403 L  
Planned Parenthood of the Mid-Hudson  
Valley, Inc.  
[REDACTED] County)  
Relocate an extension clinic from  
[REDACTED] to  
[REDACTED]

Dear Mr. Cicero:

The above referenced limited review application (LRA), for which you have been designated the contact person, has been received by the Bureau of Project Management (BPM) for processing in accordance with 10 NYCRR 710.1(c)(5)-(7).

The BPM acknowledges receipt of the application and requisite fee, and has forwarded the LRA to the necessary reviewing units for continued processing. Any questions for clarification or additional information regarding this application will come directly from the reviewing unit(s).

The review and approval of your project, as required by the Public Health Law, must be obtained from the Director of the Division of Health Facility Planning prior to implementing this project.

If you have any questions regarding this project, please do not hesitate to contact me or my staff at (518) 402-0911.



bcc:



It is essential that you submit a closure plan for the site that will be vacated to:

Jonathan Wettergreen  
New York State Department of Health  
Bureau of Hospital and Primary Care Services  
433 River Street, 6<sup>th</sup> floor  
Troy, New York 12180  
518-402-1008

Sincerely,



Jeffrey R. Rothman, M.S., M.B.A.  
Director  
Bureau of Project Management

JRR/MRC/ss



Mr. Jeffrey R. Rothman, M.S., M.B.A.

November 22, 2010

Page 2

The existing building is not fully handicapped accessible and the property line setbacks make such an accommodation impossible. The cost of maintaining and repairing the site has also become cost-prohibitive. A closure plan for the existing site is included under Attachment 1. The proposed relocation project will result in the provision of healthcare services in a larger, more accessible building in line with a growing patient volume, and in an area in which a large proportion of PPMHV's users already live.

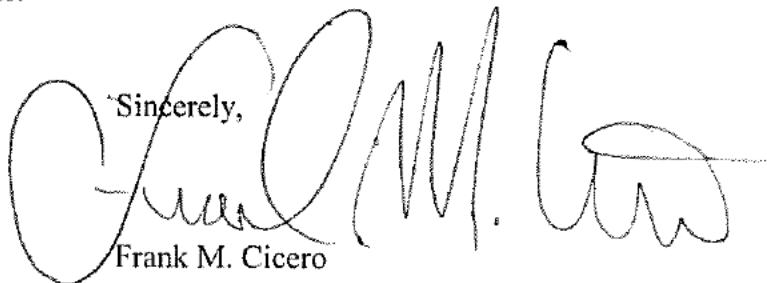
Because the current and relocated extension clinics are located only 1.4 miles (and four (4) minutes' travel time) from each other, it is expected that the relocated site will serve the same patients as the existing site. Also, because ample transportation options are available to residents, this project will not result in decreased access to services. In fact, the opposite is expected – this project is expected to improve access to these services by providing a larger space in which to serve the Center's growing patient population.

The relocated extension clinic will be located in 4,500 square feet of leased space. The proposed site is located within one (1) block of [REDACTED] and in close proximity to a local teen drop-in center. [REDACTED] remains a high priority for increased outreach to teens and greater access to the services of PPMHV, which is the main reason for maintaining the extension clinic in [REDACTED]

As part of this project, the landlord of the site will perform the construction necessary to make the space Article 28-compliant (construction will be the landlord's obligation). The applicant has been in discussions with the landlord, which will perform the construction and amortize the costs over a 10-year period. These costs will be paid by PPMHV to the landlord through an adjustment to PPMHV's space lease. The extension clinic will be in compliance with Federal, State and local codes, including 10 New York Codes, Rules and Regulations.

Should you have any questions or require any additional information, please do not hesitate to contact me. Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank M. Cicero". The signature is fluid and cursive, with a large initial "F" and "C".

Frank M. Cicero

cc: [REDACTED] President and CEO, Planned Parenthood of the Mid-Hudson Valley

# Limited Review Application

State of New York Department of Health/Office of Health Systems Management

LRA Cover Sheet

## Project to be Proposed/Applicant Information

This application is for those projects subject to a limited review pursuant to 10 NYCRR 710.1(c)(5)-(7). Please check the appropriate box(es) reflective of the project being proposed by your facility (**NOTE** – Some projects may involve requisite “Construction”. If so, and **total** project costs are below designated thresholds, then **both boxes** must be checked and necessary LRA Schedules submitted). Please read the LRA Instructions to ensure submission of an appropriate and complete application:

- Minor Construction** – Minor construction project with total project costs of up to \$6,000,000 (or up to \$15,000,000, if not relating to clinical space – check “Non-Clinical” box below).  
Necessary LRA Schedules: Cover Sheet, 1, 2, 3, 4, 5, and 6.
- Equipment** – Project related to the acquisition, relocation, installation or modification of certain medical equipment, with total project costs of up to \$6,000,000. (**NOT** necessary for “1-for-1” replacement of existing equipment without construction, pursuant to 10 NYCRR 710.1(c)(4)(iii). Rather, provide notice to the Cost Control Unit, Division of Health Facility Planning.)  
Necessary LRA Schedules: Cover Sheet, 1, 2, 3, 4, and 5.
- Service Delivery** – Project to decertify a facility's beds/services; add services which involve a total project cost under \$6,000,000; or convert beds within approved categories. (If construction associated, also check “Construction” above.)  
Necessary LRA Schedules: Cover Sheet, 1, 7, 8, 10, and 12. \*If proposing to decertify beds within a nursing home, provide a description of the proposed alternative use of the space including a detailed sketch (unless the decertification is being accomplished by eliminating beds in multiple-bedded rooms).
- Non-Clinical** – Project of up to \$15,000,000, which does **NOT** relate to a change in clinical service or equipment. (If construction associated, also check “Construction” above.)  
Necessary LRA Schedules: Cover Sheet, 1, 2, 3, and 12.
- Health Information Technology** – Project to purchase and implement health information technology or other information systems, with a total project cost between \$6,000,000 and \$15,000,000.  
Necessary LRA Schedules: Cover Sheet, 1, 2, 3, 9, and 12. Also include Vendor Contract language (Appendix D).
- Cardiac Services** – Project by an appropriately certified facility to add electrophysiology (EP) services; or add, upgrade or replace a cardiac catheterization laboratory or equipment. (If construction associated, also check “Construction” above.)  
Necessary LRA Schedules: Cover Sheet, 1, 7, 8, 10, and 12.
- Relocation of Extension Clinic** – Project to relocate an extension clinic within the same service area.  
Necessary LRA Schedules: Cover Sheet, 1, 2, 3, 4, and 5. Also include a Closure Plan for vacating extension clinic.
- Part-Time Clinic** – Project to operate, change services offered, change hours of operation or relocate a part-time clinic site – for applicants already certified for “part-time clinic”. (If construction associated, also check “Construction” above.)  
Necessary LRA Schedules: Cover Sheet, 1, 8, 10, 11, and 12.

OPERATING CERTIFICATE NO. 1302207R	CERTIFIED OPERATOR Planned Parenthood of the Mid-Hudson Valley, Inc.	TYPE OF FACILITY D&TC
---------------------------------------	---	--------------------------

OPERATOR ADDRESS – STREET & NUMBER 17 Noxon Street		PFI 0184	NAME AND TITLE OF CONTACT PERSON Mr. Frank M. Cicero, Cicero Consulting Associates		
CITY Poughkeepsie	COUNTY Dutchess	ZIP 12601	STREET AND NUMBER 701 Westchester Avenue, Suite 210W		
PROJECT SITE ADDRESS – STREET & NUMBER [REDACTED]		PFI [REDACTED]	CITY [REDACTED]	STATE [REDACTED]	ZIP [REDACTED]
CITY [REDACTED]	COUNTY [REDACTED]	ZIP [REDACTED]	TELEPHONE NUMBER [REDACTED]	FAX NUMBER [REDACTED]	
TOTAL PROJECT COST: \$18,750			CONTACT E-MAIL: frank@ciceroassociates.com		

# Limited Review Application

State of New York Department of Health/Office of Health Systems Management

Schedule LRA 1

## Project Narrative

### Instructions:

The purpose of the Project Narrative is to give the reviewer a conceptual understanding of the proposal. The Narrative should summarize the key elements of the proposed project. Details will be contained in the appropriate schedules of the application.

Planned Parenthood of the Mid-Hudson Valley (PPMHV), an existing, Article 28 diagnostic and treatment center (D&TC), submits this Limited Review Application that seeks approval for the relocation of PPMHV's existing extension clinic to a new site. The existing extension clinic is located at [REDACTED]

The proposed site is in the same service area and will be located at [REDACTED]. The extension clinic is currently certified for the Family Planning O/P service. There will be no change to the certified services of the extension clinic as a result of this project. [REDACTED] services will not be provided at this site; however, [REDACTED] services will continue to be available to patients at the relocated site. Based on correspondence with the Department, the applicant understands that this project qualifies for limited review treatment under 10 NYCRR Section 710.1(c)(5) because at least 25% of the extension clinic's patients reside in the same ZIP Code [REDACTED] as the extension clinic. In 2009, approximately 35% of all patients resided in ZIP Code [REDACTED] and that number has held constant through October 2010.

This project is the third phase of a system-wide consolidation effort resulting from a rigorous strategic planning process performed by the Board of Directors of PPMHV and reviewed during several meetings with representatives of various offices of the Department.

A driving force behind this project is the existence of several constraints at the current [REDACTED] extension clinic that are most effectively addressed through the relocation of the site. The [REDACTED] extension clinic site, which was purchased by PPMHV in 1992, is approximately 1,430 square feet in size and is undersized given the patient volume at the site (6,524 visits in the 12-month period ending June 30, 2010, or over 4.5 visits per square foot). PPMHV projects it will have 6,711 visits in the 12-month period ending June 30, 2011. Additionally, the parking lot is inadequate to accommodate patients who park at the site, and there is limited on-street parking.

The existing building is not fully handicapped accessible and the property line setbacks make such an accommodation impossible. The cost of maintaining and repairing the site has also become cost-prohibitive. A closure plan for the existing site is included under Attachment 1. The proposed relocation project will result in the provision of healthcare services in a larger, more accessible building in line with a growing patient volume, and in an area in which a large proportion of PPMHV's users already live.

Because the current and relocated extension clinics are located only 1.4 miles (and four (4) minutes' travel time) from each other, it is expected that the relocated site will serve the same patients as the existing site. Also, because ample transportation options are available to residents, this project will not result in decreased access to services. In fact, the opposite is expected – this project is expected to improve access to these services by providing a larger space in which to serve the Center's growing patient population.

The relocated extension clinic will be located in 4,500 square feet of leased space. The proposed site is located within one (1) block of [REDACTED] and in close proximity to a local teen drop-in center. [REDACTED] remains a high priority for increased outreach to teens and greater access to the services of PPMHV, which is the main reason for maintaining the extension clinic in [REDACTED]

As part of this project, the landlord of the site will perform the construction necessary to make the space Article 28-compliant (construction will be the landlord's obligation). The applicant has been in discussions with the landlord, which will perform the construction and amortize the costs over a 10-year period. These costs will be paid by PPMHV to the landlord through an adjustment to PPMHV's space lease. The extension clinic will be in compliance with Federal, State and local codes, including 10 New York Codes, Rules and Regulations.

(Rev. 7/7/2010)

# Limited Review Application

State of New York Department of Health/Office of Health Systems Management

Schedule LRA 1

## AUTHORIZING SIGNATURE

The undersigned Chief Executive Officer hereby certifies under penalty of perjury that he is duly authorized to subscribe and submit this application and that the information contained herein and attached hereto is accurate, true and complete in all material aspects.



SIGNATURE

*November 15, 2018*

DATE

(Rev. 7/7/2010)

# Limited Review Application

State of New York Department of Health/Office of Health Systems Management

<b>Schedule LRA 2</b>
-----------------------

## Total Project Cost

ITEM	ESTIMATED PROJECT COST	
1.1 Land Acquisition ( <i>attach documentation</i> )	-	\$
1.2 Building Acquisition		\$
2.1 New Construction		\$
2.2 Renovation and Demolition		\$
2.3 Site Development		\$
2.4 Temporary Power		\$
3.1 Design Contingency		\$
3.2 Construction Contingency		\$
4.1 Fixed Equipment (NIC)		\$
4.2 Planning Consultant Fees		\$
4.3 Architect/Engineering Fees (incl. computer installation, design, etc.)		\$
4.4 Construction Manager Fees		\$
4.5 Capitalized Licensing Fees		\$
4.6 Health Information Technology Costs		\$
4.6.1 Computer Installation, Design, etc.		\$
4.6.2 Consultant, Construction Manager Fees, etc.		\$
4.6.3 Software Licensing, Support Fees		\$
4.6.4 Computer Hardware/Software Fees		\$
4.7 Other Project Fees (Consultant, etc.)		\$ 15,000
5.1 Movable Equipment		\$ 3,250
6.1 Total Basic Cost of Construction		\$ 18,250
7.1 Financing Cost (points, fees, etc.)		\$
7.2 Interim Interest Expense - Total Interest on Construction Loan: Amount \$ @ % for months		
7.3 Application Fee		\$ 500
8.1 Estimated Total Project Cost (Total 6.1 – 7.3)		\$ 18,750

If this project involves construction enter the following anticipated construction dates on which your cost estimates are based.

Construction Start Date N/A\*  
 Construction Completion Date N/A\*

**\*Renovation for this project will be performed by the landlord, and the costs of such renovation will be amortized over a 10-year period through an adjustment to the space lease. Please refer to Schedule I, the Cover Letter and Attachment 3 (Site Control) for additional information.**



# Limited Review Application

State of New York Department of Health/Office of Health Systems Management

Schedule LRA 3

## Proposed Plan for Project Financing

**A. LEASE**     N/A\*    

If any portion of the cost for land, building or Equipment is to be financed through a lease, rental agreement or lease/purchase agreement, complete the chart at the right.

A complete copy of each proposed lease must be submitted.

Attachment # \_\_\_\_\_

ITEM	COST AS IF PURCHASED
	\$
	\$
	\$
	\$
	\$

**B. CASH**    

If cash is to be used, complete the chart at the right.

Attach a copy of the latest certified financial Statement and interim monthly or quarterly financial reports to cover the balance of time to date.

Attachment # 2

Accumulated Funds	\$	18,750
Sale of Existing Assets*	\$	
Other – (i.e. gifts, grants, **etc.)	\$	
<b>TOTAL CASH</b>	<b>\$</b>	<b>18,750</b>

\*Attach a full and complete description of the assets to be sold.

Attachment # \_\_\_\_\_

\*\* If grants, attach a description of the source of financial Support

Attachment # \_\_\_\_\_

**C. DEBT FINANCING**     N/A    

If the project is to be financed by debt of any type, complete the chart at the right.

Attach a copy of the proposed letter of interest From the intended source of permanent financing.

**This letter must include an estimate of the Principal, term, interest rate and pay-out period presently being considered.**

Attachment # \_\_\_\_\_

Principal	\$
Interest Rate	%
Term	Yrs
Pay-out Period	Yrs
Type *	

\* Commercial, Dormitory Authority Bonds, Dormitory Authority, TELP Lease, Industrial Development Agency Bonds, Other (identify).

**\*Renovation for this project will be performed by the landlord, and the costs of such renovation will be amortized over a 10-year period through an adjustment to the space lease. Please refer to Schedule 1, the Cover Letter and Attachment 3 (Site Control) for additional information.**

# Limited Review Application

State of New York Department of Health/Office of Health Systems Management

Schedule LRA 4

## Outline of Architectural/Engineering Action

FACILITY TYPE (1)	CODE (2)	PROPOSED SOLUTION/ACTION (3)	CODE (4)	FUNCTIONAL AREAS/SERVICES (5)
55	7	Relocation – vacated space remains unused	148	Family Planning O/P
55	7	Relocation – vacated space remains unused	902	General Administration
55	7	Relocation – vacated space remains unused	923	Lobby/Waiting/Public Entrance
55	7	Relocation – vacated space remains unused	980	Other Functions

### PLEASE COMPLETE THE FOLLOWING:

1. Please submit an Architect's or Engineer's Letter of Certification (See Schedule LRA 6). Please refer to Attachment 4.
2. Please submit plans of the proposed facility (1/16" scale minimum) showing two means of egress to the exterior, if applicable. Please refer to Attachment 4.
3. Please submit a Physicist's Certification Letter for projects involving radiation producing equipment. N/A

**Note:** Renovation for this project will be performed by the landlord, and the costs of such renovation will be amortized over a 10-year period through an adjustment to the space lease. Please refer to Schedule 1, the Cover Letter, Attachment 3 (Site Control) and Attachment 4 (Architectural Items) for additional information.

# Limited Review Application

**Schedule LRA 5**

State of New York Department of Health/Office of Health Systems Management

## Space & Construction Cost Distribution

New

Alteration

LOCATION			Code and Functional Category Description	Functional Gross SF	Construction Cost per SF	Total Construction Cost	(ALT) Scope of Work
Bldg. No.	Floor No.	Sect. No.					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Ext. Clinic	2	148	Family Planning O/P	4,500	N/A*	N/A*	C
Ext. Clinic	2	902	General Administraton	Incl. Above	N/A*	N/A*	C
Ext. Clinic	2	923	Lobby/Waiting/Pub. Entr.	Incl. Above	N/A*	N/A*	C
Ext. Clinic	2	980	Other Functions	Incl. Above	N/A*	N/A*	C
<b>Total Construction</b>				<b>4,500</b>	<b>N/A*</b>	<b>N/A*</b>	

1. If new construction is involved, is it "freestanding"?      Yes        No        N/A

2. (Check where applicable) The facilities to be affected by this project are located in a:

Dense Urban Area       Other Metropolitan or Suburban Area       Rural Area

3. This submission consists of:     New Construction Report      Number of pages \_\_\_\_\_  
     Alteration Construction Report      Number of pages 3

**\*Renovation for this project will be performed by the landlord, and the costs of such renovation will be amortized over a 10-year period through an adjustment to the space lease. Please refer to Schedule 1, the Cover Letter, Attachment 3 (Site Control) and Attachment 4 (Architectural Items) for additional information.**

**ATTACHMENT NO. 1**

**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY**

**PROPOSED CLOSURE & TRANSITION PLAN**

**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY**

**PROPOSED CLOSURE & TRANSITION PLAN**

**RE: EXISTING EXTENSION CLINIC LOCATED AT**

**169 WASHINGTON AVENUE, KINGSTON (ULSTER COUNTY), NEW YORK 12401**

**1. OVERVIEW AND RATIONALE FOR CLOSURE AND TRANSITION PLAN**

Planned Parenthood of the Mid-Hudson Valley (PPMHV), an existing, Article 28 diagnostic and treatment center (D&TC), is submitting a Limited Review Application that seeks approval for the relocation of its existing [REDACTED] extension clinic to a new site. The existing extension clinic is located at [REDACTED]. The proposed site is in the same service area and will be located at [REDACTED]. The extension clinic is currently certified for the Family Planning O/P service. There will be no change to the certified services of the extension clinic as a result of this project.

The current and relocated extension clinics are located only 1.4 miles (and four (4) minutes' travel time) from each other, so PPMHV expects that the relocated site will serve the same patients as the existing site. Because ample transportation options are available to residents in the service area, this project will not result in decreased access to services. In fact, the opposite is expected – this project is expected to improve access to these services by providing a larger space in which to serve the Center's growing patient population.

A driving force behind this project is the existence of several constraints at the current [REDACTED] extension clinic that are most effectively addressed through the relocation of the site. The existing clinic site was purchased by PPMHV in 1992, is approximately 1,430 square feet in size and is undersized given the patient volume at the site (6,524 visits in the 12-month period ending June 30, 2010, or over 4.5 visits per square foot). PPMHV projects it will have 6,711 visits in the 12-month period ending June 30, 2011. Additionally, the parking lot is inadequate to accommodate patients who park at the site, and there is limited on-street parking. Furthermore, the existing building is not fully handicapped accessible, the property line setbacks make such an accommodation impossible and the cost of maintaining and repairing the site has simply become cost-prohibitive. The proposed relocation project will result in the provision of healthcare services in a larger, more accessible building in line with a growing patient volume, and in an area in which a large proportion of PPMHV's users already live.

The relocated extension clinic will be located in 4,500 square feet of leased space. The proposed site is located within one (1) block of [REDACTED] and in close proximity to a local teen drop-in center. [REDACTED] remains a high priority for increased outreach to teens and greater access to the services of PPMHV, which is the main reason for maintaining the extension clinic in [REDACTED].

## 2. PLAN OF CLOSURE AND TRANSITION

The closure and transition plan includes a comprehensive communications plan, including notification to patients / parents and custodians, staff, vendors and the local community. Communications will be conducted on site and via mail. Communication methods include:

1. Notification in the form of a letter will be mailed to all current (treated within the last two years) patients / parents and custodians, communicating the fact that the extension clinic will be relocating and PPMHV's interest in retaining current patients, and ensuring continuity of medical care to them. The option of obtaining custodianship of their medical records and the availability to request that her/his medical record be transferred to another operator/provider will also be included;
2. Handouts and posters will be distributed and posted inside the existing extension clinic as well as externally regarding the relocation. An announcement will be placed in the local newspaper to announce the extension clinic's relocation to the community at large;
3. The extension clinic's staff will be encouraged to engage patients / parents and custodians throughout their visit to ensure they are aware of the relocation and that their care will be uninterrupted and they will continue to be seen by the same care providers and front office staff;
4. Staff currently working at the extension clinic will not be affected by the relocation. It is anticipated that all current staff will be retained; and
5. Notification to each vendor of the extension clinic regarding the relocation will be performed.

The closure and relocation of the extension clinic is being accomplished over a minimal distance of 1.4 miles, thus making transport of equipment and materials fairly easy. Pre-occupancy preparations of the new extension clinic will facilitate nearly immediate transition when the move is made. Medical providers and other staff at the existing site will transfer to the new site as soon as PPMHV has access to the site. All medical files and related information will be securely transferred by Medical Records and Security personnel from the existing clinic to the new clinic on the weekend that the transition occurs, thus ensuring that all files are continuously available to providers.

## 3. CONCLUSION

The leadership at PPMHV has developed a closure and transition plan for the existing extension clinic that is responsive to the ongoing healthcare needs of the community and to the existing patients it services.

**ATTACHMENT NO. 2**

**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY**

**SEPTEMBER 30, 2010 INTERNAL FINANCIAL STATEMENT**

**2009 CERTIFIED FINANCIAL STATEMENT**



**CONSOLIDATED FINANCIAL STATEMENT**

**UNAUDITED**  
**September 30, 2010**



**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY, INC.**  
**Consolidated Balance Sheet**  
**Comparative 2010 and 2009**

	Unaudited September 30, 2010	Audited December 31, 2009	
<b>Current Assets:</b>			
Cash	1,103,851	1,204,440	<i>Patient revenue cash, collections prior yr balances</i>
Investments	973,533	922,547	
Patient Accounts Receivable, net	465,078	314,820	<i>Increase due to Medical pending claims</i>
Grant Receivables	668,196	519,485	<i>Timing of Grant Receipts; billed quarterly</i>
Pledges Receivable, Current	209,000	31,744	<i>Dyson Foundation Pledge for E H R</i>
Other Receivables	13,590	-	
Annuity Receivable	14,914	14,914	
Prepaid Expenses	48,682	55,503	<i>Timing of new and existing prepaid expenses</i>
Inventory	82,817	82,817	<i>Static Inventory with a year end adjustment</i>
<u>Other Assets</u>	<u>23,676</u>	<u>23,905</u>	
<b>Total Current Assets</b>	<b>3,603,317</b>	<b>3,169,975</b>	
Property, Plant & Equipment	4,409,756	4,261,556	
<u>Accumulated Depreciation</u>	<u>(1,872,098)</u>	<u>(1,762,220)</u>	
<b>Net Property, Plant &amp; Equipment</b>	<b>2,537,658</b>	<b>2,499,336</b>	
Pledges Receivable	47,482	67,482	<i>Received annual payment</i>
<b>TOTAL ASSETS:</b>	<b>6,188,457</b>	<b>5,736,793</b>	
<b>LIABILITIES AND FUND BALANCES:</b>			
Accrued Wages & Related Taxes	237,252	205,880	<i>Timing of payperiod end and pay-day</i>
Accounts Payable & Accrued Expenses	385,435	326,298	
<u>Other Liabilities</u>	<u>56,422</u>	<u>56,422</u>	
<b>Total Liabilities</b>	<b>679,109</b>	<b>588,598</b>	
Unrestricted Net Assets	4,906,623	4,836,245	
<u>Temporarily Restricted Net Assets</u>	<u>602,725</u>	<u>311,951</u>	<i>Restricted Contributions</i>
<b>Total Net Assets</b>	<b>5,509,348</b>	<b>5,148,196</b>	
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>6,188,457</b>	<b>5,736,794</b>	

**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY, INC.**  
**Consolidated Statement of Operations**  
**September 30, 2010**

Revenue	Monthly Operations				Year to Date Operations			
	Actual	Budget	Fav (Unfav) Variance	Prior Year	Actual	Budget	Fav (Unfav) Variance	Prior Year
Patient Service Revenue	308,471	406,691	(98,220)	-	3,347,932	3,745,085	(397,153)	-
NYS Family Planning Grant	141,656	163,275	(21,619)	-	1,756,927	1,438,854	318,073	-
Grant Other	31,031	24,809	6,222	-	420,357	323,693	96,664	-
Donations	155,389	105,246	50,143	-	463,667	519,084	(55,417)	-
Other Operating Income	5,208	3,317	1,891	-	35,026	29,853	5,173	-
<b>Total Revenue</b>	<b>641,756</b>	<b>703,338</b>	<b>(61,582)</b>	<b>-</b>	<b>6,023,909</b>	<b>6,056,569</b>	<b>(32,660)</b>	<b>-</b>
<b>Expenses</b>								
Salary & Wages	337,054	366,511	29,457	-	3,089,351	3,327,906	238,555	-
Employee Benefits	35,733	19,532	(16,201)	-	192,708	177,936	(14,772)	-
Professional Fees	21,622	35,504	13,882	-	261,202	334,830	73,628	-
Contracted Services	24,037	9,355	(14,682)	-	374,039	252,195	(121,844)	-
Medical Supplies	87,125	77,895	(9,230)	-	710,423	721,591	11,168	-
Non Medical Supplies	14,424	11,556	(2,868)	-	128,131	99,445	(28,686)	-
Purchased Services	4,534	21,506	16,972	-	260,172	222,624	(37,548)	-
Utilities & Communications	17,538	14,953	(2,585)	-	157,914	134,607	(23,307)	-
Insurance	9,952	9,180	(772)	-	43,383	85,260	41,877	-
Dues	32,186	22,368	(9,818)	-	187,638	201,312	13,674	-
Other	52,870	52,371	(499)	-	485,173	455,886	(29,287)	-
Bad Debt Expense	(38,922)	-	38,922	-	23,239	-	(23,239)	-
Depreciation	12,209	12,137	(72)	-	109,877	109,878	1	-
<b>Total Expenses</b>	<b>610,363</b>	<b>652,868</b>	<b>42,505</b>	<b>-</b>	<b>6,023,252</b>	<b>6,123,470</b>	<b>100,218</b>	<b>-</b>
<b>Excess (Deficiency) from Operations</b>	<b>31,393</b>	<b>50,470</b>	<b>(19,077)</b>	<b>-</b>	<b>657</b>	<b>(66,901)</b>	<b>67,558</b>	<b>-</b>
Unrealized Gains (Losses)	58,034	-	58,034	-	56,177	-	56,177	-
Other Changes in Net Assets								
<b>Change in Net Assets</b>	<b>89,427</b>	<b>50,470</b>	<b>38,957</b>	<b>-</b>	<b>56,834</b>	<b>(66,901)</b>	<b>123,735</b>	<b>-</b>

**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY, INC.**  
**Consolidated Statement of Cash Flows**

	Unaudited September 30, 2010	Audited December 31, 2009
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	56,834	(322,037)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Bad Debt Expense	23,239	40,000
Depreciation	187,638	163,524
Loss (Gain) on Sale of Fixed Assets	-	(49,898)
Unrealized and Realized (Gain) Loss on Investments	(59,052)	(183,081)
Donated Stock	-	-
Changes in Operating Assets and Liabilities:		
Decrease (Increase) in Patient Accounts Receivable, net	(173,697)	(24,502)
Decrease (Increase) in Grants Receivable	(148,711)	389,832
Decrease (Increase) in Contributions Receivable	(157,010)	(42,068)
Decrease (Increase) in Other Receivables	(291)	-
Decrease (Increase) in Annuity Receivables	(0)	-
Decrease (Increase) in Prepaid Expenses	7,070	(10,470)
Decrease (Increase) in Inventories	(0)	-
Increase (Decrease) in Accounts Payable	31,371	255,449
Increase (Decrease) in Accrued Compensation	59,139	(34,462)
Net Cash Provided By (Used In) Operating Activities	(173,470)	182,287
<b>Cash Flows from Investing Activities:</b>		
Purchase of Fixed Assets	(225,961)	(112,104)
Net Change in Investments	8,066	101,682
Proceeds from Sale of Fixed Assets	-	149,545
Net Cash Used in Investing Activities	(217,894)	139,123
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Restricted Contributions	290,774	-
Decrease in Governmental Agency Payable	0	-
Net Cash Provided By Financing Activities	290,774	-
Net Increase (Decrease) in Cash	(100,590)	321,410
Cash and Cash Equivalents at Beginning of Year	1,204,441	883,031
Cash and Cash Equivalents at End of Year	1,103,851	1,204,441



**McGladrey & Pullen**

Certified Public Accountants

**Planned Parenthood of the Mid-Hudson Valley, Inc.  
and Affiliate**

Consolidated Financial Report  
(in accordance with *Government Auditing Standards*  
and OMB Circular A-133)

December 31, 2009

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## Introduction

## Background

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate (the "Organization") is a not-for-profit organization located in the following counties in New York State: Dutchess, Orange, Sullivan, and Ulster. The Organization's principal services include family planning, prenatal, [REDACTED] health education, primary medical care, cancer detection and sexually transmitted infection testing and treatment.

## Scope of Audit

The financial audit of the Organization was performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The audit covered the 12-month period ended December 31, 2009 and fieldwork was performed during the period from March 22, 2010 to March 26, 2010.

The following were the principal objectives of the organization-wide audit:

- The expression of an opinion on the consolidated statement of financial position as of December 31, 2009, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended;
- The expression of an opinion on the schedule of expenditures of federal awards for the year ended December 31, 2009;
- The assessment of the Organization's internal accounting and administrative control; and
- The performance of cost validations of transaction costs on a test basis.

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Board of Directors  
Planned Parenthood of the Mid-Hudson Valley Inc.  
Poughkeepsie, New York

We have audited the accompanying consolidated statement of financial position of Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate (the "Organization") as of December 31, 2009, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Planned Parenthood of the Mid-Hudson Valley Inc. and Affiliate as of December 31, 2009, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2010 on our consideration of the Organization's internal control over financial reporting and our tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*McGladrey & Pullen, LLP*

New York, New York  
June 23, 2010

McGladrey & Pullen, LLP is a member firm of RSM International –  
an affiliation of separate and independent legal entities.

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Consolidated Statement of Financial Position  
December 31, 2009

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**ASSETS**

Current Assets:

Cash and cash equivalents	\$ 1,204,440
Investments (Note 4)	922,547
Patient services receivable, net of allowance for doubtful accounts of \$86,148	314,620
Contracts receivable (Note 3)	519,485
Contributions receivable	31,744
Prepaid expenses and other current assets	138,074

**Total current assets** 3,130,910

Property and Equipment, net (Note 5) 2,499,336

Contributions Receivable, net of current portion 67,482

Other Assets 39,065

**Total assets** \$ 5,736,793

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts payable and accrued expenses	\$ 382,719
Accrued compensation	205,880

**Total current liabilities** 588,599

Commitments and Contingencies (Notes 8 and 9)

Net Assets:

Unrestricted	4,836,245
Temporarily restricted (Note 7)	311,950

**Total net assets** 5,148,195

**Total liabilities and net assets** \$ 5,736,794

See Notes to Consolidated Financial Statements.



Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Consolidated Statement of Activities  
Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Operating Revenue:			
Patient services, net	\$ 3,826,858	\$ -	\$ 3,826,858
Contract services (Note 6)	3,504,128	-	3,504,128
Contributions	701,679	232,056	933,735
Other	291,653	-	291,653
Net assets released from restrictions	179,785	(179,785)	-
<b>Total operating revenue</b>	<u>8,504,103</u>	<u>52,271</u>	<u>8,556,374</u>
Operating Expenses:			
Clinical services	5,433,411	-	5,433,411
Educational and outreach	1,002,502	-	1,002,502
Public policy and advocacy	39,914	-	39,914
<b>Total program services</b>	<u>6,475,827</u>	<u>-</u>	<u>6,475,827</u>
Supporting Services:			
Management and general	2,131,298	-	2,131,298
Fund-raising	271,286	-	271,286
<b>Total operating expenses</b>	<u>8,878,411</u>	<u>-</u>	<u>8,878,411</u>
<b>Change in net assets</b>	<u>(374,308)</u>	<u>52,271</u>	<u>(322,037)</u>
Net Assets:			
Beginning, as restated (Note 10)	<u>5,210,553</u>	<u>259,679</u>	<u>5,470,232</u>
Ending	<u>\$ 4,836,245</u>	<u>\$ 311,950</u>	<u>\$ 5,148,195</u>

See Notes to Consolidated Financial Statements.

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Consolidated Statement of Functional Expenses  
Year Ended December 31, 2009

	Program Services				Supporting Services			Total
	Clinical Services	Education and Outreach	Public Policy and Advocacy	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	
Salaries	\$ 2,153,640	\$ 599,243	\$ 23,827	\$ 2,776,710	\$ 851,372	\$ 134,776	\$ 986,148	\$ 3,762,858
Employee benefits and payroll taxes	680,899	142,671	3,838	827,408	262,447	28,379	290,826	1,118,234
Physician fees	274,156	-	-	274,156	-	-	-	274,156
Laboratory fees and outside services	137,198	500	-	137,698	-	-	-	137,698
Professional fees	331,881	15,582	-	347,463	512,315	7,007	519,322	866,785
Medical supplies	873,268	3,193	-	876,461	-	-	-	876,461
Supplies	57,764	24,805	-	82,569	40,241	2,232	42,473	125,042
Occupancy	211,827	52,315	126	264,268	30,591	8,181	38,772	303,040
Telephone	48,382	19,868	-	68,250	10,434	2,389	12,823	81,073
Conferences, meetings and travel	69,685	38,185	1,472	109,342	41,746	56,049	97,795	207,137
Postage and shipping	13,056	1,146	-	14,202	5,996	12,498	18,494	32,696
Printing, advertising and marketing	172,288	68,416	1,685	242,389	17,934	250	18,184	260,573
Maintenance and repairs	139,597	9,735	6,428	155,760	24,456	7,909	32,365	188,125
Other dues and subscriptions	10,118	5,663	-	15,781	137,851	362	138,213	153,994
Medical liability insurance	90,938	-	-	90,938	-	-	-	90,938
Provision for bad debts	40,000	-	-	40,000	-	-	-	40,000
Bank charges and credit card fees	9,006	943	-	9,949	24,241	9,506	33,747	43,696
Other	11,831	3,311	-	15,142	16,719	951	17,670	32,812
<b>Total expenses before depreciation, amortization and membership payments to PPFA</b>	<b>5,325,534</b>	<b>985,576</b>	<b>37,376</b>	<b>6,348,486</b>	<b>1,976,343</b>	<b>270,489</b>	<b>2,246,832</b>	<b>8,595,318</b>
Depreciation and amortization	107,877	16,926	2,538	127,341	35,386	797	36,183	163,524
<b>Total expenses before membership payments to PPFA</b>	<b>5,433,411</b>	<b>1,002,502</b>	<b>39,914</b>	<b>6,475,827</b>	<b>2,011,729</b>	<b>271,286</b>	<b>2,283,015</b>	<b>8,758,842</b>
Membership payments to PPFA	-	-	-	-	119,569	-	119,569	119,569
<b>Total expenses</b>	<b>\$ 5,433,411</b>	<b>\$ 1,002,502</b>	<b>\$ 39,914</b>	<b>\$ 6,475,827</b>	<b>\$ 2,131,298</b>	<b>\$ 271,286</b>	<b>\$ 2,402,584</b>	<b>\$ 8,878,411</b>

See Notes to Consolidated Financial Statements.

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Consolidated Statement of Cash Flows  
Year Ended December 31, 2009

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Cash Flows From Operating Activities:

Adjustments to reconcile change in net assets to net cash provided by operating activities:

Change in net assets	\$ (322,037)
Bad debt expense	40,000
Depreciation and amortization	163,524
Gain on sale of property and equipment	(49,898)
Unrealized and realized gain on investments	(183,081)
Changes in operating assets and liabilities:	
Increase in patient services receivable, net	(24,502)
Decrease in contracts receivable	389,832
Increase in contributions receivable	(42,068)
Increase in prepaid expenses and other assets	(10,470)
Increase in accounts payable and accrued expenses	255,449
Decrease in accrued compensation	(34,462)

**Net cash provided by operating activities** 182,287

Cash Flows From Investing Activities:

Purchase of property and equipment	(112,104)
Net purchase of investments	101,682
Proceeds from sale of property and equipment	149,545

**Net cash provided by investing activities** 139,123

**Net increase in cash and cash equivalents** 321,410

Cash and Cash Equivalents (Note 10):

Beginning	<u>883,031</u>
Ending	<u>\$ 1,204,441</u>

See Notes to Consolidated Financial Statements.

## Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

### Notes to Consolidated Financial Statements

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#### Note 1. Organization

Planned Parenthood of the Mid-Hudson Valley, Inc. ("PPMHV") is a not-for-profit organization licensed by the State of New York to operate centers that provide family planning and prenatal services, [REDACTED] services, health education, primary medical care, cancer detection and sexually transmitted infection testing and treatment.

PPMHV is affiliated with Planned Parenthood Federation of America, Inc. ("PPFA"), which sets professional, medical and operational standards for the Planned Parenthood affiliates. These standards must be complied with in order to use the Planned Parenthood name.

The consolidated financial statements of Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate (the "Organization") include the accounts of Planned Parenthood of the Mid-Hudson Valley Action Fund, Inc. ("PPMHVAF"), a separately incorporated nonprofit affiliate of PPMHV, which, through control of the board, is considered an affiliate of PPMHV. All intercompany transactions and balances have been eliminated.

PPMHV is an autonomous organization with its own board of directors and management team. By virtue of its agreement with PPFA, PPMHV solicits its own contributions through independent fund-raising efforts. PPMHV is supported primarily by patient and Medicaid fees, government grants and contributions.

#### Note 2. Significant Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. All highly liquid investments with maturities of three months or less when purchased, other than those held in the Organization's investment portfolio, are considered to be cash equivalents.

Patient services receivable are reported at their outstanding unpaid principal balances reduced by an allowance for doubtful accounts. PPMHV estimates doubtful accounts based on historical bad debts, factors related to specific payors' ability to pay and current economic trends. PPMHV writes off accounts receivable against the allowance when a balance is determined to be uncollectible.

Marketable securities are carried at fair value determined by reference to quoted market prices. Marketable securities received as a gift are recorded at fair value on the date of contribution. Certain marketable securities that do not have a readily determinable fair value are recorded at the value estimated by the investment manager. Realized gains and losses on sales of marketable securities are based on the average cost method.

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Notes to Consolidated Financial Statements

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**Note 2. Significant Accounting Policies (Continued)**

Property and equipment is stated at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, which range from 5 to 40 years. Amortization of leasehold improvements has been provided over the lesser of the estimated useful lives of the assets or the related lease term. PPMHV capitalizes all purchases of property and equipment in excess of \$1,000.

Inventory supplies are valued at the lower of cost (on a first-in, first-out basis) or market.

Direct contributions, including unconditional promises to give cash and other assets, are reported at fair value on the date received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Government grants and other contracts designated for use in specific activities are recognized as revenue in unrestricted net assets when expenditures have been incurred in compliance with the grantor's restrictions and as requisitions for reimbursements are submitted. Advances are received under certain grant agreements to assist PPMHV with expenditures incurred in the first several months of the grant period. Cash received in excess of revenue recognized is recorded as refundable advances. These grants and contracts require PPMHV to provide certain services during specified periods. If such services are not provided during the periods, the governmental entities are not obligated to expend the funds allotted under the grants and contracts.

Patient services revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered. Self-pay revenue is recorded at published charges, net of discounts for payment made at the time of service, with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services revenue, net. In 2009, income from the Medicaid program accounted for approximately 34% of net patient service fees.

Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use by PPMHV has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by PPMHV in perpetuity.

The costs of providing PPMHV's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

PPMHV was incorporated as a not-for-profit corporation under the laws of the State of New York and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. PPMHVAF qualifies as a Section 501(c)(4) tax-exempt organization. Therefore, there is no provision for income taxes.

On January 1, 2009, PPMHV adopted the accounting standard on accounting for uncertainty in income taxes coded in Accounting Standards Codification ("ASC") 740, which addresses the determination of whether tax benefits claimed or expected to be claimed on its tax return should be recorded in the financial statements. Under this guidance, PPMHV may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Notes to Consolidated Financial Statements

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**Note 2. Significant Accounting Policies (Continued)**

Management evaluated PPMHV's tax positions and concluded that PPMHV had taken no uncertain tax provisions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, PPMHV is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for the years before 2006, which is the standard statute of limitations look-back period.

ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. PPMHV adopted ASC 820 for nonfinancial assets and nonfinancial liabilities as of January 1, 2009. ASC 820 applies to all assets and liabilities that are measured and reported on a fair value basis. The adoption of these provisions of ASC 820 did not have a material impact on the financial statements or results of operations of PPMHV. The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investment in Level 1 include listed equities and listed derivatives.
- Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value that is determined through the use of models or other valuation methodologies. Investments in this category generally include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.
- Level 3: Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments in this category generally include equity and debt positions in private companies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. PPMHV's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. The following section describes the valuation techniques used by PPMHV to measure different financial instruments at fair value and includes the level within the fair value hierarchy in which the financial instrument is categorized.

Investments in securities traded on a national securities exchange, or reported on the Nasdaq national market, are stated at the last reported sales price on the day of valuation. Fair value of exchange-traded contracts is based upon exchange settlement prices. Fair value of non-exchange-traded contracts is based on third-party quoted dealer values on the Interbank market. These financial instruments are classified as Level 1 in the fair value hierarchy.

PPMHV evaluates events occurring after the date of the consolidated financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the consolidated financial statements. Such evaluation is performed through the date the consolidated financial statements were available to be issued, which was June 23, 2010 for these consolidated financial statements.

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Notes to Consolidated Financial Statements

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**Note 3. Contracts Receivable**

Contracts receivable are as follows as of December 31, 2009:

New York State Department of Health - Family Planning	\$ 474,813
AIDS Institute - HIV Education	16,627
Sullivan City CBAPP	8,057
Other	19,988
	<u>519,485</u>
	<u>\$ 519,485</u>

**Note 4. Investments**

Investments are carried at quoted market value. Cost and quoted market value of investments are as follows:

	Cost	Quoted Market Value
	<u>          </u>	<u>          </u>
Cash and cash equivalents	\$ 4,308	\$ 4,308
Mutual funds	703,093	889,702
Equities	32,065	28,537
	<u>739,466</u>	<u>922,547</u>
	<u>\$ 739,466</u>	<u>\$ 922,547</u>

Investment income consists of the following as of December 31, 2009:

Interest and dividends	\$ 36,122
Realized gain on investments	15,004
Unrealized gain on investments	183,081
	<u>234,207</u>
	<u>\$ 234,207</u>

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Notes to Consolidated Financial Statements

Note 4. Investments (Continued)

The following tables summarized assets and liabilities measured at fair value on a recurring basis as of December 31, 2009, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Description	Total	Fair Value Measurements as Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 4,308	\$ 4,308	\$ -	\$ -
Equity mutual funds	568,522	-	568,522	-
Fixed income mutual funds	321,180	-	321,180	-
Equities	28,537	28,537	-	-
	<u>\$ 922,547</u>	<u>\$ 32,845</u>	<u>\$ 889,702</u>	<u>\$ -</u>

Note 5. Property and Equipment, Net

Property and equipment, net, at cost, consists of the following as of December 31, 2009:

Land	\$ 371,000
Buildings and improvements	3,315,504
Furniture and equipment	553,159
Construction-in-progress	21,893
	<u>4,261,556</u>
Less accumulated depreciation and amortization	<u>1,762,220</u>
	<u>\$ 2,499,336</u>



Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Notes to Consolidated Financial Statements

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**Note 6. Contract Services**

Contract services revenue consists of the following as of December 31, 2009:

New York State Department of Health:	
Title X	\$ 2,787,211
CBAPP Project	317,677
RISE Grant	61,146
AIDS Institute - HIV Education	193,340
Sullivan CBAPP	27,000
Crime Victims Board	77,331
Rural Health Network	2,106
Bonacic DOH Legislative Grant	10,000
YWCE of Ulster County - Teen Grant	5,000
Adolescent Pregnancy Prevention Services (APPS)	23,317
	<u>\$ 3,504,128</u>

**Note 7. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes as of December 31, 2009:

Capital Campaign	\$ 145,517
Circles	18,680
EFA	26,981
Goldman Trust	85,317
RISE	10,533
Other contributions	24,921
	<u>\$ 311,949</u>

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes as of December 31, 2009:

RISE	\$ 6,111
Aids Institute - HIV Education	3,990
Clinic Admin	9,522
HIV Testing Orasure	11,660
Community Educator - EFA	26,594
Goldman Trust Contributions	29,424
Business Development	50,324
Dutchess County funds for laptop and printer purchase	2,600
Other contributions	39,560
	<u>\$ 179,785</u>

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Notes to Consolidated Financial Statements

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**Note 8. Transactions with Affiliates**

PPMHV participates in a defined contribution retirement plan made available through PPFA. Under the plan, employees who are 21 years of age and who have completed a minimum of two year of service receive a fixed pension contribution of 5% of gross salary from PPMHV. Pension expense for the year ended December 31, 2009 was \$128,703.

The Organization also participates with other affiliates in obtaining insurance coverage through PPFA.

**Note 9. Commitments and Contingencies**

PPMHV is committed under various noncancelable operating leases for facilities used for programs and services. Total rent expense for the year ended December 31, 2009 amounted to \$150,386. The leases expire at various dates and provide for minimum annual rentals as follows:

Year ending December 31,

2010	\$	146,515
2011		217,597
2012		193,180
2013		156,902
2014		116,049
Thereafter		<u>309,231</u>
	\$	<u>1,139,474</u>

PPMHV has contracted with the state and other agencies to perform certain healthcare services and receives Medicaid revenue from the state and other agencies. Reimbursements received under this contract and payments from Medicaid are subject to audit by the state government and other agencies. Upon audit, if discrepancies are discovered, PPMHV could be held responsible for refunding such agencies for amounts in question.

**Note 10. Restatement of Net Assets**

The current year's financial statements now include Planned Parenthood of the Mid-Hudson Valley Action Fund, Inc. Accordingly, the beginning net assets and cash and cash equivalents on the cash flow statement have been restated by an amount immaterial to these financial statements.



**McGladrey & Pullen**

Certified Public Accountants

**Planned Parenthood of the Mid-Hudson Valley, Inc.  
and Affiliate**

Internal Controls and Compliance Section

December 31, 2009

# McGladrey & Pullen

Certified Public Accountants

## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
Planned Parenthood of the Mid-Hudson Valley, Inc.  
Poughkeepsie, New York

We have audited the financial statements of Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate ("PPMHV") as of and for the year ended December 31, 2009, and have issued our report thereon dated June 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered PPMHV's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PPMHV's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the PPMHV's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 09-01 through 09-05, that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether PPMHV's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 09-01 and 09-04.

We noted certain matters that we reported to management of PPMHV in a separate letter dated June 23, 2010.

PPMHV's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit PPMHV's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the board of directors, management and federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

New York, New York  
June 23, 2010

# McGladrey & Pullen

Certified Public Accountants

## Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Directors  
Planned Parenthood of the Mid-Hudson Valley, Inc.  
Poughkeepsie, New York

Compliance - We have audited the compliance of Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate ("PPMHV") with the types of compliance requirements described in the U. S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. PPMHV's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of PPMHV's management. Our responsibility is to express an opinion on PPMHV's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PPMHV's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on PPMHV's compliance with those requirements.

As described in items 09-01 and 09-04 in the accompanying schedule of findings and questioned costs, PPMHV did not comply with requirement regarding program income and expense allocation that is applicable to its Family Planning Services Program. Compliance with such requirements is necessary, in our opinion, for PPMHV to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, PPMHV complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance - Management of PPMHV is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered PPMHV's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PPMHV's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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

*A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-01 and 09-04 to be significant deficiencies.

PPMHV's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit PPMHV's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of board of directors, management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

New York, New York  
June 23, 2010

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Schedule of Findings and Questioned Costs  
December 31, 2009

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Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to financial statements noted?

yes  no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Type of auditor's report issued on compliance for major programs:

Qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

yes  no

Identification of major program:

CFDA Number

Name of Federal Program or Cluster

93.217

U.S. Department of Health and Human Services:  
Passed through New York State Department of Health:  
Family Planning Services

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes  no



Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

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December 31, 2009

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Section II - Financial Statement Findings

09-01 Self-Pay Sliding Fee Application

*Criteria:* As prescribed by 42 CFR 51C, the grantee shall secure payments from patients for services in accordance with the schedule of fees and discounts which has been adjusted based on the patient's ability to pay. The patient's sliding fee eligibility application must be updated on an annual basis based on the poverty guidelines that are issued annually by the United States Department of Health and Human Services.

*Statement of Condition:* During the testing of the billing cycle of self-pay patients, we noted that 4 self-pay patients had no sliding fee application and proof of income verification forms.

*Questioned Cost:* None

*Effect:* The amount of sliding fee scale discounts offered to self-pay patients may not have been slid correctly.

*Recommendation:* We recommend that PPMHV implement procedures to update patients' sliding fee applications annually to ensure correct sliding fee discounts are given in accordance with the current sliding fee scale based on the poverty guidelines issued by the United States Department of Health and Human Services and in accordance with grant requirements.

*Management's Response:* PPMHV will institute audit procedures on a quarterly basis for testing significant samples of sliding fee and self-pay patient documentation. In addition, the current forms being used for income verification will be revised and standardized.

09-02 Cash Disbursement

*Criteria:* Good controls over a cash disbursement system include ensuring the sequential check number sequence within an accounting system.

*Statement of Condition:* During the course of the audit, we noted that there were gaps in the sequential check numbers in the accounting system caused by PPMHV's management's override request to delete certain voided checks off the system, which left no audit trail of the transaction.

*Questioned Cost:* None

*Effect:* Checks could have cleared the bank without being recorded in the general ledger.

*Recommendation:* All voided checks should be defaced with the signature portion of the check removed and the check retained and accounted for both physically and in the accounting system in numerical sequence. In addition, tighter user and system controls need to be established within the accounting system to ensure that data cannot be manipulated in the future.

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

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December 31, 2009

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*Management's Response:* To mitigate the accounting system limitations, effective September 2009, a policy was implemented requiring all voided checks to be processed through the Cougar Mountain system. In addition, all voided checks and registers are maintained by accounts payable. Furthermore, a check log process will be established to report beginning and ending check numbers of all check runs, which will demonstrate no gaps in sequential check numbers. This check log will be reviewed and signed off by the VP of Finance and IT for each check run to ensure compliance.

**09-03 Accounts Payable**

*Criteria:* During the month-end financial statement close, management should print out the accounts payable vendor trial balance that should agree to the accounts payable balance at the end of each month.

*Statement of Condition:* During the course of the audit, we noted that monthly reconciliations between the balance in PPMHV's accounts payable general ledger balance and the accounts payable vendor trial balance is unattainable as the current accounting system is live, making it impossible to track monthly totals after month-end.

*Questioned Cost:* None

*Effect:* Month-end account payable balances including accounts payable aging reports are impossible to track if reports are not generated prior to the close of the month as PPMHV's accounting system is a live system.

*Recommendation:* To ascertain proper reporting of accounts payable aging at month-end, we recommend PPMHV generate and retain reports the last day of each month.

*Management's Response:* Effective February 2010, the accounts payable subledger is reconciled to the general ledger on the first business day of the following month as part of the month-end close process, with all reports available to support a reconciliation.

**09-04 Payroll Expense Allocation**

*Criteria:* As prescribed by OMB Circular A-122, written after-the-fact time and effort reporting should be maintained that account for the total activity of employees and the programs/funding source charged. These reports should be as stipulated in DHHS regulations:

The report must be signed by the individual employee, or by a responsible supervisory official having firsthand knowledge of the activities performed by the employee, that the distribution of activity represents a reasonable estimate of the actual work performed by the employee during the periods covered by the reports.

*Statement of Condition:* During the course of the audit, we noted that PPMHV allocates personnel costs to each program/funding source. During the fiscal year ended December 31, 2009, these allocations were not supported by written after-the-fact time and effort reports.

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Schedule of Findings and Questioned Costs  
December 31, 2009

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*Questioned Cost:* None

*Effect:* PPMHV's payroll allocation system does not comply with OMB Circular A-122.

*Recommendation:* We recommend that PPMHV enhance its documentation supporting the allocation of personnel costs. A written after-the-fact employee time and effort report should be implemented which accounts for the total activity of employees and the programs charged. This report should be as stipulated in DHHS regulations. With the proper documentation in place, PPMHV's payroll allocation system will comply with OMB Circular A-122.

*Management's Response:* Effective March 1, 2010, timesheets were modified to include effort reporting of time spent on each grant.

**09-05 Financial Close Process**

*Criteria:* Certain matters may arise that relate to control deficiencies in the design or operation of the internal control over financial reporting that could adversely affect PPMHV's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

*Statement of Condition:* During the course of the audit, we noted that no systematic method of ensuring timely and complete reconciliation and closing procedures takes place. Prior to the last quarter of 2009, PPMHV created three month-end transactions. This resulted in a weak trail of transactions through the general ledger. After further review, it was determined that additional adjusting entries were needed due to journal entries being entered into the accounting system without being reviewed.

*Questioned Cost:* None

*Effect:* The ending balances of the accounts not being presented accurately throughout the year as adjusting entries were only reviewed at year-end.

*Recommendation:* PPMHV should establish procedures in which journal entries are reviewed and initialed by an individual, other than the preparer, before being posted into the accounting system. Those entries should be supported by reconciliations that have also been reviewed. This will provide the proper control over the accounting records and safeguard assets.

*Management's Response:* Effective November 2009, all journal entries are reviewed and approved prior to posting.

**Section III - Federal Award Findings and Questioned Costs, United States Department of Health and Human Services: Family Planning Services (CFDA # 93.217)**

**09-01 Self-Pay Sliding Fee Application (See section II for a detail of the finding)**

**09-04 Payroll Expense Allocation (See section II for a detail of the finding)**

**Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate**

**Status of Prior-Year's Findings  
December 31, 2009**

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There were no findings in the prior year.

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report on Supplementary Information - Schedule of Expenditures of Federal Awards

To the Board of Directors  
Planned Parenthood of the Mid-Hudson Valley, Inc.  
Poughkeepsie, New York

We have audited the basic consolidated financial statements of Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate as of and for the year ended December 31, 2009, and have issued our report thereon dated June 23, 2010. Our audit was conducted for the purpose of forming an opinion on those basic consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

*McGladrey & Pullen, LLP*

New York, New York  
June 23, 2010

Planned Parenthood of the Mid-Hudson Valley, Inc. and Affiliate

Supplementary Information

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U.S. Department of Health and Human Services:			
Passed through the NYS Department of Health:			
Family Planning Services	93.217	C-019941	\$ 418,082
Medical Assistance Program	93.778	C020658	237,827
Passed through Department of Crime Victims Board			
Crime Victims Assistance Programs	16.575	C-401120	61,865
Passed through Infant Services Network of Orange, Sullivan and Ulster Counties, Inc.:			
Maternal and Child Health Services Block Grant to the States	93.994	C020652	83,616
Passed through the Department of Health:			
Injury Prevention and Control Research and State and Community-Based Programs	93.136	C108899	31,796
<b>Total federal awards</b>			<b>\$ 833,186</b>

**Note 1. Basis of Presentation**

The schedule of expenditures of federal awards includes the federal grant activity of PPMHV and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

**Note 2. Subrecipients**

PPMHV provided no federal awards to subrecipients.

**ATTACHMENT NO. 3**

**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY**

**SITE CONTROL DOCUMENTATION**

1. Commercial Lease
2. First Addendum to Lease Agreement
3. Second Addendum to Lease Agreement
4. Documentation of Rent Reasonableness
5. Arm's-Length Affidavit

Commercial Lease

This Lease, dated <sup>December</sup> November 21, 2009 is made by and between Saunders Holding LLC located at 13 Weyants Lane, Newburgh, New York 12550, a New York Limited Liability Company ("LANDLORD"), and Planned Parenthood of the Mid-Hudson Valley Inc, [REDACTED] a New York not-for profit tax-exempt organization ("TENANT").

The "contingency period" hereinafter, the duty to pay reduced monthly rent hereinafter, and the right to enter the premises all begin on November 1, 2009 after payment of the security and first months reduced rent to LANDLORD.

Whereas LANDLORD is the owner of land and improvements commonly known as the Millard Building ("Building") at [REDACTED]

And LANDLORD makes available for lease a portion of the Building designated as that certain portion of the 2nd floor, with approximately 4,500 square feet, as shown on Exhibit A (the "Leased Premises").

And LANDLORD desires to lease the Leased Premises to TENANT, and TENANT desires to lease the Leased Premises from LANDLORD for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

Now THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, it is agreed:

1. Term.

A. LANDLORD hereby leases the Premises to TENANT, and TENANT hereby leases the same from LANDLORD, for an "Initial Term" of (10) years beginning January 1, 2010, (the "Commencement Date") and ending December 31, 2019 (the "Surrender Date").

LANDLORD shall use its best efforts to give TENANT possession as nearly as possible at the beginning of the Lease term. If LANDLORD is unable to timely provide the Leased Premises, rent shall abate for the period of delay. TENANT shall make no other claim against LANDLORD for any such delay.

B. TENANT may renew the term of this Lease for four (4) three (3) year consecutive extensions (the "Extended Term") provided that TENANT is not in default beyond any cure period hereunder and provided that TENANT notifies LANDLORD of it's intention to exercise an option in writing at least ninety (90) days prior to the expiration of the then current term of this Lease and on additional terms and conditions provided for hereinafter. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

C. On the last day of the term hereof, or on any sooner termination, TENANT shall surrender the PREMISES to LANDLORD in good condition, broom clean, ordinary wear, tear and casualty excepted. TENANT shall repair any damage to the PREMISES occasioned by TENANT'S use and occupancy of the PREMISES and the removal of TENANT'S trade fixtures, furnishings and equipment. All fixtures, whether installed by LANDLORD or TENANT, shall remain the property of LANDLORD.



All trade fixtures, furnishings, equipment or other personality not removed by TENANT seven (7) days after the premises has been vacated, either voluntarily by tenant, or by Summary Proceeding or other legal action of LANDLORD, shall be considered abandoned and may be appropriated, sold, destroyed or otherwise disposed of by LANDLORD without notice to TENANT and without obligation to account there for.

## 2. Rental.

A. For the first year TENANT shall pay to LANDLORD a fixed annual rental of \$51,750.00, payable in installments of \$4,312.50 per month. The first months rent is due and payable on the signing of the Lease, subject to paragraph 22 herein.

B. The rental for the next nine years shall be increased by three (3%) percent per year on the anniversary date of each term. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to LANDLORD at the address provided above or at such other place designated by written notice from LANDLORD or TENANT. All Rent shall be paid to LANDLORD without notice, demand, counterclaim, set off, deduction or defense, and nothing shall suspend, defer, diminish, abate or reduce any Rent, except as otherwise specifically provided in this Lease. If TENANT holds over after the end of the term, or after otherwise required to vacate, TENANT must pay as a use and occupancy charge the then due monthly rent plus \$500.00 a month until vacated. This use and occupancy charge and additional \$500.00 shall in no way be interpreted as LANDLORD'S granting to TENANT an additional term or terms of occupancy.

C. Upon taking possession TENANT shall also pay to LANDLORD a "Security Deposit" in the amount of \$8,625.00 The Security Deposit shall be held by LANDLORD without liability for interest and as security for the performance by TENANT of TENANT'S covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of LANDLORD'S damages in case of default by TENANT. LANDLORD may commingle the Security Deposit with LANDLORD'S other funds. If LANDLORD transfers its interest in the Premises during the term of this Lease, LANDLORD may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of such Security Deposit.

D. The rental for any renewal lease term, if created as permitted under this Lease, shall also be with annual rent increases of three (3%) percent.

## 3. Use.

TENANT shall use the Premises as a health and education facility and general office (the "Permitted Use") during the day, evening and weekend, subject, however, to the provisions of this lease. TENANT shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device, nor shall TENANT'S use create an unsanitary condition or a nuisance.

## 4. Sublease and Assignment.

TENANT may, without LANDLORD'S consent, assign this Lease to a corporation with which TENANT may merge or consolidate, to any subsidiary of TENANT, to any corporation under common control with TENANT. Except as set forth above, TENANT shall not sublease all or any

part of the Leased Premises, or assign this Lease in whole or in part without LANDLORD'S consent, such consent not to be unreasonably withheld or delayed.

#### 5. Maintenance and Repair

TENANT at its sole cost and expense, shall maintain the Leased Premises, all Improvements now or hereafter located thereon, and all facilities and equipment thereon in good, clean order and repair.

TENANT shall make, at TENANT'S expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy, except for major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this Lease.

LANDLORD shall at its sole cost and expense provide lawn, landscaping and common area maintenance and repair and shall remove snow, ice and debris from the parking lot, driveway, sidewalks and grounds of the property. Landlord shall maintain all common areas of the building containing the Leased Premises in a first-class manner. The Landlord shall also maintain street lights or other means of illumination sufficient to illuminate the parking lot and driveway during all twilight, night and early morning hours. The Landlord shall be responsible for roof and structural repairs to the foundation, bearing and exterior walls and utilities to the point of entry to the premises.

Notwithstanding the foregoing, in the event that any of said repairs are required due to the act or neglect of TENANT, its agents, servants, employees, licensees, invitees or independent contractors, then it shall be TENANT'S obligation to reimburse LANDLORD for the cost and expense incurred by LANDLORD in performing such repairs. Maintenance and repair of the Building's heating, ventilation and air conditioning ("HVAC") system shall be performed by Landlord.

#### 6. Alterations and Improvements.

TENANT, at TENANT'S expense, shall have the right following LANDLORD'S consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as TENANT may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. TENANT shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by TENANT at the commencement of the Lease term or placed or installed on the Leased Premises by TENANT thereafter, shall remain TENANT'S property free and clear of any claim by LANDLORD. TENANT shall have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by TENANT at TENANT'S expense.

#### 7. Condition of Premises.

TENANT has examined and is fully familiar with the physical condition of the Demised Premises, the Improvements thereon, the sidewalks and structures adjoining the same, subsurface conditions, and the present tenancies, and uses thereof. TENANT accepts same, without recourse to LANDLORD, in the condition and state in which they now are and agrees

that the Demised Premises complies in all respects with all requirements of this Lease except that the LANDLORD has agreed to provide a new elevator, new windows, a rear lower level private entry and an operable HVAC system in good order.

#### 8. Insurance.

A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of TENANT or any of TENANT'S agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and TENANT shall be responsible for the costs of repair not covered by insurance.

B. LANDLORD shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as LANDLORD shall deem appropriate. TENANT shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

C. TENANT and LANDLORD shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by LANDLORD, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. LANDLORD shall be listed as an additional insured on TENANT'S policy or policies of comprehensive general liability insurance, and TENANT shall provide LANDLORD with current Certificates of Insurance evidencing TENANT'S compliance with this Paragraph. TENANT shall obtain the agreement of TENANT'S insurers to notify LANDLORD that a policy is due to expire at least ten (10) days prior to such expiration. LANDLORD shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

#### 9. Utilities.

TENANT shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by TENANT on the Leased Premises for the term unless otherwise expressly agreed in writing by LANDLORD, all of which shall be separately and exclusively provided to the TENANT. TENANT acknowledges that the Leased Premises are designed to provide standard office use electrical facilities and standard office lighting. TENANT shall not use any equipment or devices that uses excessive electrical energy or which may, in LANDLORD'S reasonable opinion, overload the wiring or interfere with electrical services to other TENANTS.

#### 10. Signs.

Following LANDLORD'S consent, TENANT shall have the right to place on the Leased Premises, at locations selected by TENANT, any signs which are permitted by applicable zoning ordinances and private restrictions. LANDLORD may refuse consent to any proposed signage that is in LANDLORD'S opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other TENANT. LANDLORD shall assist and cooperate with TENANT in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for TENANT to place or construct the foregoing signs. TENANT shall repair all damage to the Leased Premises resulting from the installation, maintenance and removal of signs installed by TENANT.

11. Entry.

LANDLORD shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same. LANDLORD shall use best efforts to coordinate its entry with TENANT and to cause the least possible disturbance to TENANT'S occupancy and shall comply with such measures as may be required to ensure patient confidentiality in accordance with requirements of law, including but not limited to HIPAA, during such entries. In case of emergency, LANDLORD may enter the premises at any time.

12. Parking.

During the term of this Lease, TENANT shall have the non-exclusive use in common with LANDLORD, other TENANTS of the Building, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by LANDLORD. LANDLORD shall reserve four (4) designated parking areas within the side lot of the Building, for the exclusive use of TENANT and TENANT'S agents and employees. Said spaces will have appropriate signage provided by LANDLORD.

13. Building Rules.

At the time of signing this agreement, LANDLORD has no Building Rules and Regulations that are not contained in this Lease. If LANDLORD does create and implement any such Rules and Regulations, after receiving written notice of same TENANT will comply with them and will cause its agents, employees, invitees and visitors to do so. Any such Rule or Regulation or any change thereto made by LANDLORD unreasonably affecting TENANT'S use, occupation or quiet enjoyment shall require TENANT'S consent.

14. Damage and Destruction.

Subject to Section 8 A. above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for TENANT'S purposes, then TENANT shall have the right within ninety (90) days following damage to elect by notice to LANDLORD to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for TENANT'S purposes, LANDLORD shall promptly repair such damage at the cost of the LANDLORD. In making the repairs called for in this paragraph, LANDLORD shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of LANDLORD. TENANT shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole, for TENANT'S purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to TENANT. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond TENANT'S reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole, for TENANT'S purposes. If any condition aforesaid renders the PREMISES inoperable or unfit, in part, rent shall be prorated, and TENANT shall only pay for that portion of the PREMISES reasonably useable for TENANT'S purposes.

15. Default.

If default shall at any time be made by TENANT in the payment of rent when due to LANDLORD as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to TENANT by LANDLORD, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by TENANT, and such default shall continue for thirty (30) days after notice thereof in writing to TENANT by LANDLORD without correction thereof then having been commenced and thereafter diligently prosecuted, LANDLORD may declare the term of this Lease ended and terminated by giving TENANT written notice of such intention, and if possession of the Leased Premises is not surrendered, LANDLORD may reenter said premises. LANDLORD shall have, in addition to the remedy above provided, any other right or remedy available to LANDLORD on account of any TENANT default, either in law or equity. LANDLORD shall use reasonable efforts to mitigate its damages.

Notwithstanding the former, the following are deemed a default hereunder. The making by Tenant of any general assignment, or general arrangement, for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within 180 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days.

It is further agreed that in the event suit shall be brought for the collection of rent due hereunder or by reason of the failure of Tenant to perform any of its covenants or obligations hereunder, Tenant shall pay to the Landlord if it is awarded judgment in such suit all the costs of such suit, including reasonable attorneys' fees.

16. Quiet Possession.

LANDLORD covenants and warrants that upon performance by TENANT of its obligations hereunder, LANDLORD will keep and maintain TENANT in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

17. Condemnation.

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and LANDLORD and TENANT shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

18. Subordination.

TENANT accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to

any renewals, refinancing and extensions thereof, but TENANT agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. LANDLORD is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and TENANT agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as LANDLORD may request. In the event that TENANT should fail to execute any instrument of subordination herein required to be executed by TENANT promptly as requested, TENANT hereby irrevocably constitutes LANDLORD as its attorney-in-fact to execute such instrument in TENANT'S name, place and stead, it being agreed that such power is one coupled with an interest. TENANT agrees that it will from time to time upon request by LANDLORD execute and deliver to such persons as LANDLORD shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that LANDLORD is not in default hereunder (or if TENANT alleges a default stating the nature of such alleged default) and further stating such other matters as LANDLORD shall reasonably require.

Any mortgage lien placed on the demised premises shall require as a condition thereto a covenant of non-disturbance and quiet enjoyment for the TENANT throughout the term of TENANT'S Lease and options to renew same.

#### 19. Security Deposit.

The Security Deposit shall be held by LANDLORD without liability for interest and as security for the performance by TENANT of TENANT'S covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of LANDLORD'S damages in case of default by TENANT. LANDLORD may commingle the Security Deposit with LANDLORD'S other funds.

If TENANT is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by LANDLORD to TENANT. If LANDLORD transfers its interest in the Premises during the term of this Lease, LANDLORD may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of such Security Deposit.

#### 20. Indemnification.

A. Indemnification of LANDLORD. TENANT shall defend, indemnify and hold harmless LANDLORD from and against any and all claims arising from (i) TENANT'S use of the PREMISES, or from the conduct of TENANT'S business in or about the PREMISES; (ii) any breach or default in the performance of any obligation on TENANT'S part to be performed under the terms of this Lease; (iii) the negligence of the TENANT, or any of TENANT'S agents, contractors or employees; (iv) against all costs, reasonable attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceedings brought thereon. In no event, however, shall LANDLORD be entitled to indemnification under this Section if such claim arises from any breach or default in the performance of any obligation on LANDLORD'S part to be performed under the terms of this Lease, or arises from any negligence of the LANDLORD, or any of LANDLORD'S agents, contractors or employees.

B. Indemnification of TENANT. LANDLORD shall defend, indemnify and hold harmless TENANT from and against any and all claims arising from any breach or default in the performance of any obligation on LANDLORD'S part to be performed under the terms of this Lease, or arising from the negligence of the LANDLORD, or any of LANDLORD'S agents, contractors or employees, and from and against all costs, reasonable attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In no event, however, shall TENANT be entitled to indemnification under this Section if such claim arises from any breach or default in the performance of any obligation on TENANT'S part to be performed under the terms of this Lease, or arises from any negligence of the TENANT, or any of TENANT'S agents, contractors or employees.

Notwithstanding anything in this Lease to the contrary, Tenants shall not indemnify and hold LANDLORD harmless, nor shall TENANT waive claims against LANDLORD, for any claims, damages, costs and expenses resulting from a condition prior to the Commencement Date or from LANDLORD'S negligent acts or omissions, willful misconduct or breach of this Lease.

#### 21. Brokers.

The parties each represents and warrants to the other that it has not dealt with any real estate broker in connection with this sale other than Jon Hoyt Realty ("Broker") and LANDLORD shall pay Broker any commission earned pursuant to a separate agreement between LANDLORD and Broker. The parties shall indemnify and defend each other against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach on their respective parts of any representation or agreement contained in this paragraph. The provisions of this paragraph shall survive the termination of this contract.

#### 22. Permits and Approvals.

The Tenant may use and occupy the Leased Premises for the use and operation of a Medical Office and Clinic and for any customary and accessory uses.

This Lease is subject to and conditioned upon the Tenant obtaining any and all necessary permits, consents and approvals, including without limitation, any Federal, State and municipal permits and approvals required, for the use and operation of a Medical Office and Clinic, and customary accessory uses (the "Project"), including but not limited to New York State Department of Health and City of Kingston Zoning and Planning approvals, at the Leased Premises on or before December 31, 2010 (the "Contingency Period"). LANDLORD shall furnish PURCHASER with any authorizations necessary to obtain any such permits, consents and approvals and shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further instruments and documents and take such other action as may be reasonably requested to carry out the intent and purpose of this section 22.

Tenant represents that they will exercise good faith in obtaining the required permits, consents and approvals for the Project. In the event Tenant does not obtain all of the necessary and required permits and approvals for the operation of the Project at the Leased Premises within the time period provided herein, or in the event the Tenant receives a denial of any application for a permit or approval made in connection with the Leased Premises, then the Tenant may elect to terminate this Lease by written notice to the Landlord. Upon termination of this Lease, as provided in this subparagraph, the Landlord shall return to the Tenant the security deposit and the pro-rated portion of rent remaining for the month in which the Lease is terminated whereupon this Lease shall be null and void, and without further force or effect and Tenant and

Landlord shall be released from any and all obligations under this Lease and neither party shall have any further rights or obligations under this Lease.

Tenant shall not use nor permit any part of the Leased Premises to be used for any unlawful purposes or in violation of any zoning or municipal ordinance or regulation.

Until all approvals have been received by Tenant during the Contingency Period the Fixed and Additional Rent together shall be in the amount of Two Thousand and 00/100 (\$2,000.00) Dollars per month. At such time during the Contingency Period that the final approval is received, the Tenant shall notify Landlord thereof, and the Rent and Additional Rent provisions contained in the Lease shall commence, to be pro-rated as necessary during any partial month.

### 23. Construction of Build Out.

(a) The Tenant shall not be entitled to any rent abatement during the tenant's build out, which will commence after all approvals have been obtained (the "Tenant's Build Out"). The Tenant shall be granted full, 24 hours a day access to the Premises to complete the renovations.

Tenant is specifically authorized, without any additional required permission from Landlord, to complete Tenant's Build Out of the Premises, at Tenant's own cost and expense and to make alterations, installations, additions or improvements which are structural and/or non-structural as Tenant, in Tenant's sole discretion, deems necessary to operate on the Premises a Medical Office and Clinic and customary accessory uses. The Landlord acknowledges that the Tenant shall be entitled to "build out" and construct and convert the premises, at Tenant's own cost and expense, to accommodate the proposed use and operation. Landlord agrees further, that if Landlord or an affiliate of Landlord is hired as the general contractor or otherwise to complete the build out, the cost of same would be amortized over the ten year period of the alterations.

The Tenant shall provide the Landlord with all required constructions plans and specifications to suit the shape and dimensions of the Premises and to ensure compliance with all applicable laws. The alterations shall be approved by all appropriate government agencies, and all applicable permits and authorizations shall be obtained before commencement of the alterations.

### 24. Inspections.

During the Contingency Period, Tenant, at Tenant's own cost and expense, shall have the right to have the Premises inspected for environmental conditions. In the event such inspections reveal or disclose an unsatisfactory environmental condition or conditions, then or in any such event the Tenant shall provide the Landlord with a written report thereof, together with written notice specifying the condition(s) to which Tenant objects (the "Notice of Deficiency"). Upon receipt of the Notice of Deficiency from Tenant, the Landlord shall correct the condition. If the Landlord cannot reasonably correct the condition, the Tenant shall have the right to terminate this agreement.

### 25. Waiver.

No waiver of any default of LANDLORD or TENANT hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and



no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by LANDLORD or TENANT shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

26. Memorandum of Lease.

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, LANDLORD and TENANT shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

27. Headings.

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

28. Successors.

The provisions of this Lease shall extend to and be binding upon LANDLORD and TENANT and their respective legal representatives, successors and assigns.

29. Consent.

LANDLORD shall not unreasonably withhold or delay its consent with respect to any matter for which LANDLORD'S consent is required or desirable under this Lease.

30. Notice.

All notices hereunder shall be in writing and shall be delivered personally with receipt acknowledged or shall be sent by (i) prepaid certified mail, or (ii) prepaid nationally recognized overnight courier for next business day delivery with receipt acknowledged, or (iii) legible facsimile transmission, in each case addressed as set forth herein or as the parties shall otherwise have given notice as herein provided. Notice sent by certified mail shall be deemed received on the third business day following mailing. Notice sent by overnight courier shall be deemed received on the first business day following delivery to the overnight courier. Notices sent by facsimile transmission shall be deemed received on the date received (or, if the date of receipt is not a business day, on the first business day following date of receipt). Notices hereunder may NOT be given by e-mail or other electronic system. Any notice hereunder may be given by the attorneys of the respective parties who are hereby authorized to do so on their behalf.

Notices to Landlord.

Saunders Holding LLC  
13 Wyants Lane  
Newburgh, NY 12550

with a copy to:

Emilio D. Girona, Esq.  
158 North Plank Road  
Newburgh, NY 12550

or at such other address as Landlord may designate by written notice.

Notices to Tenant

Planned Parenthood of the Mid-Hudson Valley Inc.



with a copy to:

Rider, Weiner & Frankel, P.C.  
655 Little Britain Road  
New Windsor, NY 12553

or at such other address as Tenant may designate by written notice.

31. Performance.

If there is a default with respect to any of LANDLORD'S covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from TENANT to LANDLORD specifying the default, TENANT may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until TENANT shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the lesser of twelve percent (12%) per annum or the then highest lawful rate. If this Lease terminates prior to TENANT'S receiving full reimbursement, LANDLORD shall pay the unreimbursed balance plus accrued interest to TENANT on demand.

32. Compliance with Law.

TENANT shall not directly or indirectly create or permit to be created or to remain, and shall discharge, any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other retention agreement with respect to the Demised Premises or any part thereof. TENANT shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to TENANT'S use of the Leased Premises. LANDLORD shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

33. Final Agreement.

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

34. Governing Law.

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of New York. No expiration or termination of the Lease Term pursuant to this Lease, by operation of law or otherwise (except as expressly provided herein), and no repossession of the Demised Premises or any part thereof pursuant to this Lease or otherwise, shall relieve TENANT of its obligations or liabilities hereunder, all of which shall survive such expiration, termination or repossession.

IN WITNESS WHEREOF, LANDLORD and TENANT have executed this Lease on the date first above written.

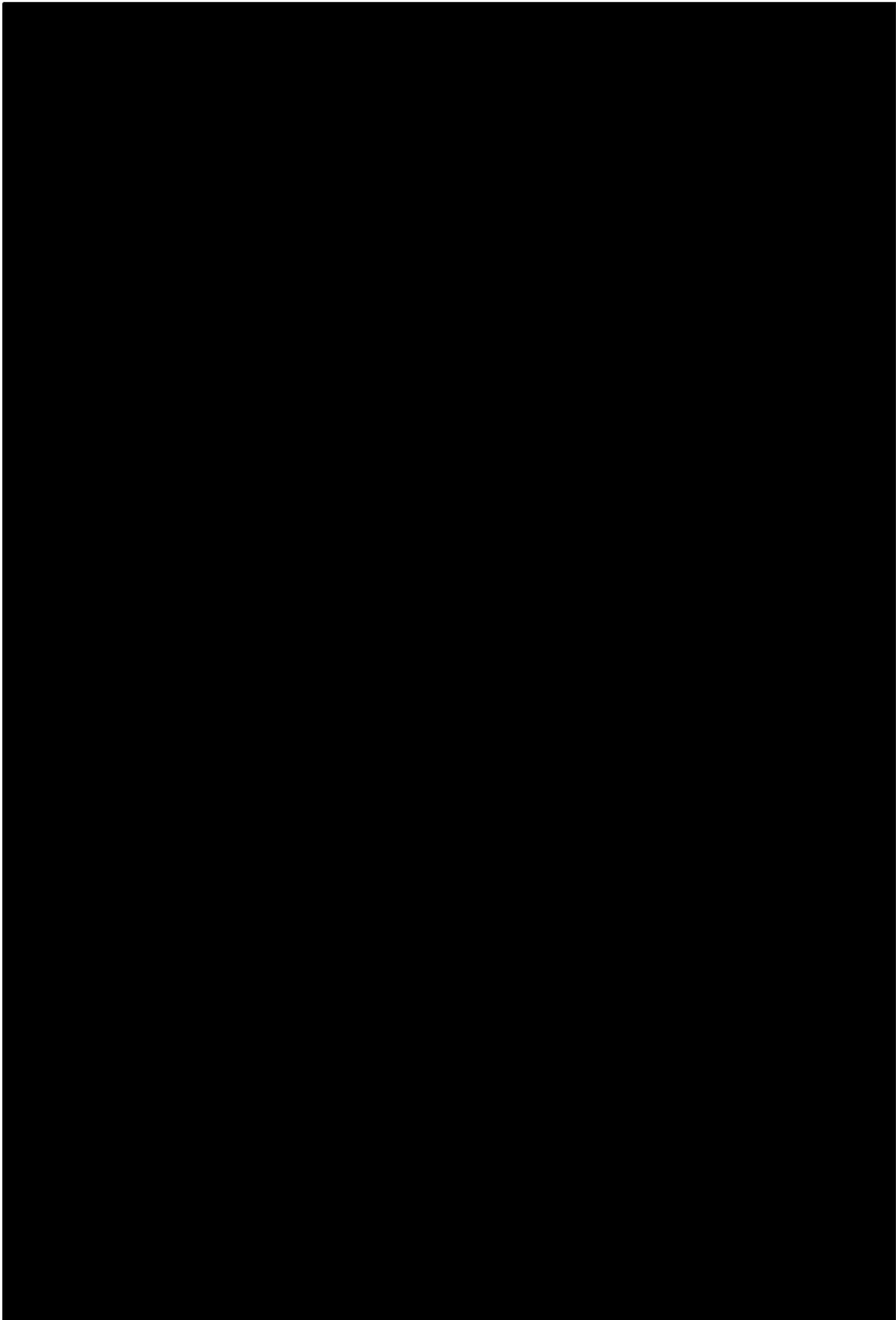
SAUNDERS HOLDING LLC

By 

PLANNED PARENTHOOD

By 





Schedule A

## FIRST ADDENDUM TO LEASE AGREEMENT

THIS FIRST ADDENDUM TO LEASE AGREEMENT is made this        day of February, 2010, by and between Saunders Holding LLC located at 13 Weyants Lane, Newburgh, New York 12550, a New York Limited Liability Company ("LANDLORD"), and Planned Parenthood of the Mid-Hudson Valley Inc., [REDACTED] a New York not-for-profit tax-exempt organization ("TENANT").

WHEREAS, a certain Lease Agreement dated November 1, 2009, was heretofore executed between Landlord and Tenant, and remains in effect; and

WHEREAS, the parties wish to amend the aforesaid Lease, based upon New York State Department of Health regulations relating to "hospital facilities."

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Lease Agreement between Landlord and Tenant, hereby is amended and modified in the manner hereinafter set forth.

1. In the event there is any inconsistency or difference between the terms and provisions of this Addendum and the Lease to which this Addendum is annexed, the terms and provisions set forth in this Addendum shall prevail.

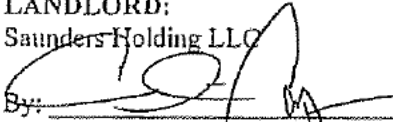
2. The Landlord acknowledges that his rights of reentry into the premises set forth in this lease do not confer on him the authority to operate a hospital as defined in Article 28 of the Public Health Law on the premises and agrees that he will give the New York State Department of Health, Tower Building, Empire State Plaza, Albany, NY 12237, notification by certified mail of his intent to reenter the premises or to initiate dispossess proceedings or that the lease is due to expire, at least 30 days prior to the date on which the Landlord intends to exercise a right of reentry or to initiate such proceedings or at least 60 days before expiration of the lease.

Upon receipt of notice from the Landlord of his intent to exercise his right of re-entry or upon the service of process in dispossess proceedings and 60 days prior to the expiration of the lease, the tenant shall immediately notify by certified mail the New York State Department of Health, Tower Building, Empire State Plaza, Albany, NY 12237, of the receipt of such notice or service of such process or that lease is about to expire.

3. All the terms and conditions of the Lease except as otherwise stated herein shall remain in full force and effect. This First Addendum along with the original Lease constitutes the entire agreement between the Landlord and the Tenant with respect to the subject matter hereof and together supersedes all prior written or oral understandings, agreements, or representations from one party to another. This First Addendum and the Lease may not be further modified or extended orally.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals to this First Addendum to Lease Agreement the day and year first above written.

LANDLORD:  
Saunders Holding LLC

By:   
Name: \_\_\_\_\_  
Title: *member*

TENANT:  
Planned Parenthood of the Mid-Hudson Valley Inc.

By:   
Name:     
Title: President



## SECOND ADDENDUM TO LEASE AGREEMENT

THIS SECOND ADDENDUM TO LEASE AGREEMENT is made as of the 20<sup>th</sup> day of September, 2010, by and between Saunders Holding LLC located at 13 Weyants Lane, Newburgh, New York 12550, a New York Limited Liability Company ("LANDLORD"), and Planned Parenthood of the Mid-Hudson Valley Inc., [REDACTED] a New York not-for profit tax-exempt organization ("TENANT").

WHEREAS, a certain Lease Agreement dated November 1, 2009, was heretofore executed between Landlord and Tenant, and remains in effect; and

WHEREAS, a certain First Addendum To Lease Agreement, was heretofore executed between Landlord and Tenant, and remains in effect; and

WHEREAS, the parties wish to amend the aforesaid Lease, to extend the contingency period.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Lease Agreement between Landlord and Tenant, hereby is amended and modified in the manner hereinafter set forth.

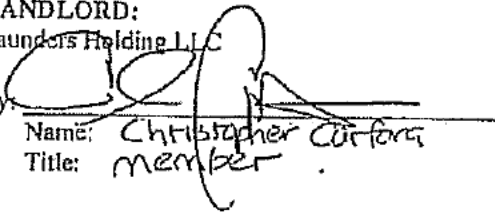
1. In the event there is any inconsistency or difference between the terms and provisions of this Addendum and the Lease to which this Addendum is annexed, the terms and provisions set forth in this Addendum shall prevail.

2. The Contingency Period defined in the Lease is extended from December 31, 2010 until June 30, 2011.



3. All the terms and conditions of the Lease and First Addendum, except as otherwise stated herein shall remain in full force and effect. This Second Addendum along with the original Lease and First Addendum constitutes the entire agreement between the Landlord and the Tenant with respect to the subject matter hereof and together supersedes all prior written or oral understandings, agreements, or representations from one party to another.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals to this Second Addendum to Lease Agreement the day and year first above written.

LANDLORD:  
Saunders Holding LLC

By:   
Name: Christopher Carfagna  
Title: member

TENANT:  
Planned Parenthood of the Mid-Hudson Valley Inc.

By:   
Name:   
Title: President





Jon Hoyt Realty, Ltd.  
Margaret Bryngelson, Associate Broker  
326 Wall Street  
Kingston, N.Y. 12401  
845-339-4444

March 19, 2010

[REDACTED]  
President and CEO  
Planned Parenthood of the Mid-Hudson Valley, Inc.

Dear [REDACTED]

This will confirm that an annual rent of \$11.50 net per square foot for space at [REDACTED] is fair and reasonable for space of this type in this neighborhood.

I am a licensed real estate agent in New York State and am knowledgeable of the rental prices in the proposed area.

Please feel free to contact me if you require any additional information.

Sincerely,

*Margaret Bryngelson*  
Margaret Bryngelson  
Associate Broker

**Deegan ~ Sanglyn**  
COMMERCIAL REAL ESTATE

325 Albany Avenue  
Kingston, NY 12401-3814

Phone: 845-334-9700

Fax: 845-334-9100

[www.DeeganSanglyn.com](http://www.DeeganSanglyn.com)

03/18/2010

[REDACTED]  
President and CEO  
Planned Parenthood of the Mid-Hudson Valley, Inc.  
[REDACTED]

Dear [REDACTED]

This will confirm that an annual rent of \$11.50 per square foot gross, excluding utilities, for space at [REDACTED] is fair and reasonable for space of this type in this neighborhood, based upon my experience as a real estate agent.

I am a licensed real estate agent in New York State and am knowledgeable of the rental prices in the proposed area.

Please feel free to contact me if you require any additional information.

Sincerely,



Daniel Le Fever

AFFIDAVIT

STATE OF NEW YORK            )  
  )  
COUNTY OF ULSTER         )

ss:

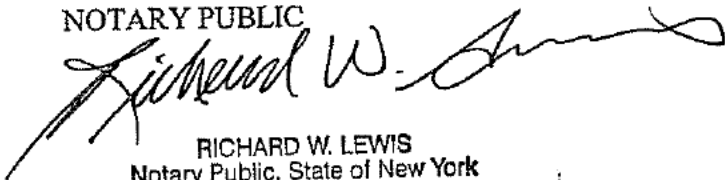
[REDACTED] being duly sworn, deposes and says:

1. I am President and Chief Executive Officer of Planned Parenthood of the Mid-Hudson Valley, Inc., which is submitting a Certificate of Need Application to relocate its existing extension clinic in [REDACTED] to a new site located in leased space at [REDACTED]
2. The Lease for this Site is between Saunders Holding LLC, as Lessor, and Planned Parenthood of the Mid-Hudson Valley, Inc., as Lessee.
3. I certify the following statement, which is made to the best of my knowledge: the Lessee and the Lessor are not related in any way, and the Lease will be an arm's-length agreement.

[REDACTED]

Sworn to before me this 21<sup>ST</sup> day  
of OCTOBER, 2010

NOTARY PUBLIC



RICHARD W. LEWIS  
Notary Public, State of New York  
Residing in Dutchess County  
Commission Expires April 30, 2014

**ATTACHMENT NO. 4**

**PLANNED PARENTHOOD OF THE MID-HUDSON VALLEY**

**ARCHITECTURAL ITEMS**

1. Architect's Letter of Certification
2. Architectural Narrative
3. Functional Space Program
4. Schematic Drawing

187 East Market Street  
Suite 180  
Rhinebeck NY 12572

845 876 8202  
845 876 8112 fax  
optimusarchitecture.com



August 31, 2010

NYS Department of Health/Office of Health Systems Management  
Division of Health Care Planning and Resource Management  
Bureau of Architectural and Engineering Review  
433 River Street, Suite 303  
Troy, NY 12180-2299


Re: Project Number: Not Assigned  
Name: Planned Parenthood [REDACTED] Health Center  
Location: [REDACTED]  
Description: Relocate an existing extension clinic to a new facility within an existing building.

Gentlemen:

This is to certify that under the terms of my contract for the above-named facility to provide services to design, prepare working drawings and specifications, and during construction to make periodic visits to the site and to perform such other required services to familiarize myself with the general progress, quality and conformance of the work, I have ascertained that to the best of my knowledge, information and belief, this project will be designed in substantial compliance with the provisions of the construction sections of the State Hospital Code, which are in effect at the time this application is being submitted.

I also certify that I have read and understood the conditions of Section 710.1 of 10 NYCRR.

8/31/2010  
Date

  
David A. Sowers, AIA, ACHA  
Professional NYS License No. 017367-1



## ARCHITECTURAL NARRATIVE

### Planned Parenthood of the Mid-Hudson Valley

#### INTRODUCTION

Planned Parenthood of the Mid-Hudson Valley (PPMHV), an existing, Article 28 diagnostic and treatment center (D&TC), is submitting this Certificate of Need (C.O.N.) Application that seeks approval for the relocation of its existing [REDACTED] extension clinic to a new site. The existing extension clinic is located at [REDACTED]. The proposed site is located at [REDACTED]. The extension clinic is currently certified for the Family Planning O/P service. There will be no change to the certified services of the extension clinic as a result of this project. [REDACTED] services will not be provided at this site; however, [REDACTED] services will continue to be available to patients at the relocated site. This project is the third phase of a system-wide consolidation effort resulting from a rigorous strategic planning process performed by the Board of Directors of PPMHV and reviewed during several meetings with representatives of various offices of the New York State Department of Health (NYSDOH).

#### Location

The new site will be located at [REDACTED]

#### Purpose

A driving force behind this project is the existence of several constraints at the current [REDACTED] extension clinic that are most effectively addressed through the relocation of the site. The [REDACTED] extension clinic site, which was purchased by PPMHV in 1992, is approximately 1,430 square feet in size and is undersized given the patient volume at the site (6,524 visits in fiscal year 2010 (ending June 30, 2010), or over 4.5 visits per square foot). PPMHV projects it will have 7,557 visits in fiscal year 2011. Additionally, the parking lot is inadequate to accommodate patients who park at the site, and there is limited on-street parking. Furthermore, the building is not fully handicapped accessible and the property line setbacks make such an accommodation impossible. The cost of maintaining and repairing the site has also become cost-prohibitive. The proposed relocation project will result in the provision of healthcare services in a larger, more accessible building in line with a growing patient volume, and in an area in which a large proportion of PPMHV's users already live.

#### Existing Program Inventory

PPMHV will relocate its existing [REDACTED] extension clinic to a new extension clinic site. The existing extension clinic is located at [REDACTED].

#### Program Inventory at Project Completion

The proposed site is located at [REDACTED]. Upon completion of this project the new space will consist of four (4) exam rooms. The space will also house support services for these functions.

#### Existing Building Inventory

The [REDACTED] extension clinic site, which was purchased by PPMHV in 1992, is approximately 1,430 square feet in size.

Building Inventory at Project Completion

This project consists of the renovation of 4,500 square feet located on the second floor of a two-(2)-story building.

Purpose/Need

As noted above, a driving force behind this project is the existence of several constraints at the current [REDACTED] extension clinic that are most effectively addressed through the relocation of the site. Please refer to the "Purpose" section above for documentation of the need for this project.

**PROJECT DESCRIPTION**

The new 4,500-square-foot extension clinic will consist of clinical and non-clinical areas. The non-clinical area will consist of waiting rooms, a staff break-room, training room, business offices and storage. The waiting room will have access to drinking water and a telephone, and it will have convenient access to a wheelchair storage area. The clinical area will consist of four (4) exam rooms with a clear floor space in each room of no less than 80 square feet. All exam rooms will contain a hand washing sink, work counter and space for writing. There will also be access to clean storage, soiled holding, lab, housekeeping and an additional storage rooms. The clinical area will be monitored by staff at a central nurse station. The nurse station will include a sink, refrigerator, countertop space and lockable storage for the distribution of drugs.

**CONCLUSION**

This project will enable PPMHV to provide its extension clinic services to the local community within improved facilities compliant with Article 28 of the New York Public Health Law.

187 East Market Street  
Suite 180  
Rhinebeck NY 12572

845 876 8202  
845 876 8112 fax  
optimusarchitecture.com

## PROGRAM



### Planned Parenthood of Mid-Hudson Valley

Specialty: Diagnostic & Treatment  
Date: 06/04/10

		Qty	Length	Width	Typ SF	Total SF	Notes
Reception	Elevator Lobby	1			0.0	379.0	
	Waiting	1	25.5	14.5	369.8	369.8	Provide access to drinking water, telephone and wheelchair storage
	Reception	1	8.0	20.5	164.0	164.0	Provide lockable storage for staff's personal effects
	File Storage	1	7.0	33.0	231.0	231.0	Filing shall be separated from public areas for confidentiality
	Check-out	1	12.0	8.0	96.0	96.0	
	Office	1	8.0	12.0	96.0	96.0	
	Toilet	1	7.0	7.0	49.0	49.0	
	Storage	1	7.0	3.8	26.3	26.3	
Clinical Areas	Exam Room	2	10.0	12.0	120.0	240.0	Provide a min clear floor area of 80 sq ft, handwashing sink, counter and writing shelf
	Exam Room	1	9.5	12.0	114.0	114.0	Provide a min clear floor area of 80 sq ft, handwashing sink, counter and writing shelf
	Exam Room	1	12.0	10.5	126.0	126.0	Provide a min clear floor area of 80 sq ft, handwashing sink, counter and writing shelf
	Lab	1	7.0	5.8	40.3	40.3	
	Nurse Station & Meds	1	11.0	12.0	132.0	132.0	Provide a work counter, supply storage and charting provisions. Provide drug distribution station including locked storage, work counter, sink & fridge
	Clean Utility	1	12.0	7.0	84.0	84.0	
	Soiled Holding	1	7.3	10.0	72.5	72.5	
	Manager Office	1	11.0	8.0	88.0	88.0	
	Educations Office	1	9.0	12.0	108.0	108.0	
Closet	1	5.0	2.0	10.0	10.0		
Staff Areas	Staff Breakroom	1	14.8	13.8	203.6	203.6	
	Staff Toilet	1	7.0	7.0	49.0	49.0	
	Training Room	1	20.8	29.5	612.1	612.1	
	Existing Mechanical	1	4.0	7.8	31.0	31.0	
	Storage	1	26.0	8.0	208.0	208.0	
	Housekeeping	1	3.8	6.5	24.4	24.4	
<b>Total Net Area</b>						3,175	nsf
<b>Circulation, Walls, etc</b>						1,325	usf
<b>Total</b>						4,500	sq ft



