

Indian Health Center of Santa Clara Valley

Financial Statements
and Single Audit Reports and Schedules

June 30, 2018
(With Comparative Totals for 2017)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Indian Health Center of Santa Clara Valley
San Jose, California

We have audited the accompanying financial statements of Indian Health Center of Santa Clara Valley (a California nonprofit corporation) (the "IHCSVC"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indian Health Center of Santa Clara Valley as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2018, on our consideration of the IHSCCV's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the IHSCCV's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Indian Health Center of Santa Clara Valley's 2017 financial statements, and our report dated October 11, 2017 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Armanino^{LLP}
San Jose, California

October 15, 2018

Indian Health Center of Santa Clara Valley
Statement of Financial Position
June 30, 2018
(With Comparative Totals for 2017)

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,409,660	\$ 6,511,002
Investments	167,766	252,828
Patient accounts receivable, net	2,267,978	2,782,928
Grants and contributions receivable, net	1,968,142	1,327,137
Capitation receivable	-	173,921
Other receivables	451,482	-
Deposits and prepaid expenses	369,605	384,105
Total current assets	15,634,633	11,431,921
Property and equipment, net	11,564,737	12,091,810
Total assets	\$ 27,199,370	\$ 23,523,731
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 331,436	\$ 562,158
Accrued expenses	772,818	723,538
Accrued personal time off	864,436	927,169
Due to MediCal - PPS settlements	2,605,975	248,191
Other current liabilities	1,639,752	65,000
Note payable, current portion	50,918	48,922
Total current liabilities	6,265,335	2,574,978
Note payable, net of current portion	1,758,589	1,809,513
Total liabilities	8,023,924	4,384,491
Net assets		
Unrestricted	19,115,446	19,129,240
Temporarily restricted	60,000	10,000
Total net assets	19,175,446	19,139,240
Total liabilities and net assets	\$ 27,199,370	\$ 23,523,731

The accompanying notes are an integral part of these financial statements.

Indian Health Center of Santa Clara Valley
Statement of Activities
For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
Revenues and support				
Patient service fees (net of contractual allowances and discounts)	\$ 16,376,696	\$ -	\$ 16,376,696	\$ 16,902,222
Recovery of (provision for) bad debts	253,363	-	253,363	(102,524)
Risk pool, quality incentive and other revenues	1,929,965	-	1,929,965	1,245,878
Capitation revenues	1,647,733	-	1,647,733	1,622,211
Grants	6,729,596	-	6,729,596	7,289,837
Contributions	361,128	250,000	611,128	431,245
In-kind contributions	-	1,126,866	1,126,866	1,188,946
Net assets released from restriction	<u>1,326,866</u>	<u>(1,326,866)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>28,625,347</u>	<u>50,000</u>	<u>28,675,347</u>	<u>28,577,815</u>
Functional expenses				
Program services				
Medical services	17,249,077	-	17,249,077	16,104,319
Dental services	3,250,151	-	3,250,151	2,599,878
Nutrition services	888,199	-	888,199	860,043
Counseling services	2,451,209	-	2,451,209	1,995,019
Community wellness services	<u>888,344</u>	<u>-</u>	<u>888,344</u>	<u>995,177</u>
Total program services	<u>24,726,980</u>	<u>-</u>	<u>24,726,980</u>	<u>22,554,436</u>
Support services				
Management and general	<u>3,912,161</u>	<u>-</u>	<u>3,912,161</u>	<u>5,611,555</u>
Total support services	<u>3,912,161</u>	<u>-</u>	<u>3,912,161</u>	<u>5,611,555</u>
Total functional expenses	<u>28,639,141</u>	<u>-</u>	<u>28,639,141</u>	<u>28,165,991</u>
Changes in net assets	(13,794)	50,000	36,206	411,824
Net assets, beginning of year	<u>19,129,240</u>	<u>10,000</u>	<u>19,139,240</u>	<u>18,727,416</u>
Net assets, end of year	<u>\$ 19,115,446</u>	<u>\$ 60,000</u>	<u>\$ 19,175,446</u>	<u>\$ 19,139,240</u>

The accompanying notes are an integral part of these financial statements.

Indian Health Center of Santa Clara Valley
Statement of Functional Expenses
For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	Program services					Support services			2018 Total	2017 Total
	Medical Services	Dental Services	Nutrition Services	Counseling Services	Community Wellness Services	Total Program Services	Management and General	Total Support Services		
Personnel expenses										
Salaries and wages	\$ 8,014,511	\$ 1,916,559	\$ 511,463	\$ 1,301,801	\$ 530,063	\$ 12,274,397	\$ 2,171,207	\$ 2,171,207	\$ 14,445,604	\$ 14,115,436
Employee benefits	1,549,468	460,541	110,259	351,782	85,436	2,557,486	363,209	363,209	2,920,695	2,485,453
Payroll taxes	614,343	149,542	40,603	102,696	43,718	950,902	150,480	150,480	1,101,382	1,088,342
Total personnel expenses	10,178,322	2,526,642	662,325	1,756,279	659,217	15,782,785	2,684,896	2,684,896	18,467,681	17,689,231
Contractual services	2,498,877	15,742	61	86,485	-	2,601,165	306,006	306,006	2,907,171	3,004,532
Supplies	1,816,706	166,732	25,087	51,990	18,480	2,078,995	78,507	78,507	2,157,502	2,273,866
Rent and leases	666,642	20,469	115,695	129,553	10,256	942,615	171,189	171,189	1,113,804	1,076,283
Depreciation and amortization	427,784	133,874	2,983	65,894	67,971	698,506	6,601	6,601	705,107	982,109
Occupancy	374,449	81,514	30,571	51,013	31,138	568,685	47,867	47,867	616,552	481,063
Professional fees	351,562	59,526	5,793	61,466	33,130	511,477	77,664	77,664	589,141	533,471
Miscellaneous	117,859	6,839	147	65,333	4,206	194,384	179,351	179,351	373,735	153,099
Dues and subscriptions	205,297	29,167	9,398	38,975	12,608	295,445	65,578	65,578	361,023	283,417
Communications	165,442	35,312	12,416	32,300	15,581	261,051	41,780	41,780	302,831	411,607
Recruitment and training	77,564	19,913	5,942	15,396	3,778	122,593	57,162	57,162	179,755	244,806
Building renovation	81,382	25,142	2,024	24,262	8,063	140,873	20,280	20,280	161,153	178,173
Insurance	70,543	13,467	3,238	9,371	5,422	102,041	17,414	17,414	119,455	125,452
Dental and laboratory fees	49,020	65,485	-	-	-	114,505	-	-	114,505	102,886
Travel	14,462	7,701	8,348	30,447	11,939	72,897	35,199	35,199	108,096	151,482
Food	17,578	3,944	1,097	25,107	4,122	51,848	31,288	31,288	83,136	122,733
Legal fees	7,573	8,498	100	1,056	1,683	18,910	55,872	55,872	74,782	164,443
Interest	59,381	14,159	-	-	-	73,540	-	-	73,540	75,458
Equipment rental	23,328	7,873	2,451	4,293	-	37,945	11,742	11,742	49,687	27,437
Taxes, licenses and permits	29,426	6,859	130	(329)	(800)	35,286	1,205	1,205	36,491	21,988
Postage	5,436	39	10	82	27	5,594	11,777	11,777	17,371	25,522
Advertising	3,460	900	220	669	333	5,582	7,911	7,911	13,493	12,440
Printing	6,984	354	163	1,567	1,190	10,258	2,872	2,872	13,130	24,493
	<u>\$ 17,249,077</u>	<u>\$ 3,250,151</u>	<u>\$ 888,199</u>	<u>\$ 2,451,209</u>	<u>\$ 888,344</u>	<u>\$ 24,726,980</u>	<u>\$ 3,912,161</u>	<u>\$ 3,912,161</u>	<u>\$ 28,639,141</u>	<u>\$ 28,165,991</u>
Percentage of total	<u>60.2 %</u>	<u>11.3 %</u>	<u>3.1 %</u>	<u>8.6 %</u>	<u>3.1 %</u>	<u>86.3 %</u>	<u>13.7 %</u>	<u>13.7 %</u>	<u>100 %</u>	

The accompanying notes are an integral part of these financial statements.

Indian Health Center of Santa Clara Valley
Statement of Cash Flows
For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	2018	2017
Cash flows from operating activities		
Changes in net assets	\$ 36,206	\$ 411,824
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	705,107	982,109
Changes in operating assets and liabilities		
Patient accounts receivable, net	688,871	(471,089)
Grants and contributions receivable, net	(641,005)	(364,144)
Deposits and prepaid expenses	(436,982)	(184,016)
Accounts payable and accrued expenses	(181,442)	1,012,866
Accrued personal time off	(62,733)	164,606
Due to MediCal - PPS settlements	2,605,975	-
Other current liabilities	1,326,561	-
Net cash provided by operating activities	4,040,558	1,552,156
Cash flows from investing activities		
Purchase of property and equipment	(178,034)	(1,039,568)
Proceeds from maturity of certificate of deposits	85,062	1,500,000
Purchase of investments - reinvestment of interest earned	-	(1,207)
Net cash provided by (used in) investing activities	(92,972)	459,225
Cash flows from financing activities		
Loan payments made	(48,928)	(47,011)
Net cash used in financing activities	(48,928)	(47,011)
Net increase in cash and cash equivalents	3,898,658	1,964,370
Cash and cash equivalents, beginning of year	6,511,002	4,546,632
Cash and cash equivalents, end of year	\$ 10,409,660	\$ 6,511,002

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$ 73,540	\$ 75,458
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The accompanying notes are an integral part of these financial statements.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

1. NATURE OF OPERATIONS

Indian Health Center of Santa Clara Valley ("IHSCSV") is a California nonprofit community-based organization that helps ensure the survival of American Indian Families and the local community by providing quality health care, by supporting the healing process, by encouraging, educating, and empowering its clients in seeking and maintaining wellness and enhancing their quality of life, and by facilitating the equity and accessibility of comprehensive health care for the American Indian community. The services IHSCSV provides include medical, dental, counseling, community health services, and women, infant, and children (WIC) nutrition programs. The majority of IHSCSV's funding is from Federal, California and County of Santa Clara grants and programs.

IHSCSV provides the following comprehensive, culturally competent services:

- Medical Services: A full range of primary health services for low-income children, families, and adults including general medical care, immunization, comprehensive prenatal and postnatal care, cancer prevention and screening, chronic disease management, and geriatric health services.
- Dental Services: A full range of restorative, preventive, and general dentistry services.
- Nutrition Services - WIC (Woman-Infant-Children): Food vouchers, nutrition counseling, and breastfeeding support for low-income women and their children.
- Counseling Services: Individual and group mental health counseling, psychiatric care, a state-certified outpatient substance abuse program, and traditional American Indian ceremonies and gatherings.
- Community Wellness Services: Health education, an award-winning and evidence-based diabetes prevention program, fitness in a state-of-the-art facility, nutrition counseling, case management, community outreach, and integrated wellness and medical services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

IHSCSV prepares its financial statements on the accrual basis of accounting recognizing revenues when earned and expenses when incurred.

Financial statement presentation

The accompanying financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statement presentation (continued)

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of IHCSVCV and changes therein are classified and reported as follows:

- *Unrestricted net assets* - Net assets that are not subject to donor-imposed restrictions.
- *Temporarily restricted net assets* - Net assets subject to donor-imposed restrictions that may or will be met, either by actions of IHCSVCV and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. There were temporarily restricted net assets of \$60,000 at June 30, 2018, and \$10,000 at June 30, 2017.
- *Permanently restricted net assets* - Net assets subject to donor-imposed restrictions that they be maintained permanently by IHCSVCV. Generally, the donors of these assets permit IHCSVCV to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets at June 30, 2018 and 2017.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles require the use of management estimates and assumptions that affect certain reported amounts of assets and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the accounting period. Actual results could differ from those estimates and disclosures in these financial statements. The most significant estimates relate to depreciation and amortization and allowance for doubtful accounts on patient accounts receivable and grants and contributions receivable.

Prior year summarized information

The financial statements include certain prior year summarized comparative information in total but not by net asset class to facilitate financial analysis. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with IHCSVCV's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Cash and cash equivalents

IHCSVCV considers all highly liquid instruments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of certificates of time deposit with maturities of more than three months at the date of acquisition.

Patient accounts receivable

IHCSCV's patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. IHCSCV manages the receivables by regularly reviewing its accounts and contracts and by providing appropriate reserves for contractual allowances and uncollectible amounts, based upon historical and expected net collections from each major payor source. Significant concentrations of net patient accounts receivables reside in receivables from MediCal as of June 30, 2018 and 2017. Management believes there is minimal credit risk associated with receivables from government programs.

Patient accounts receivable are reported in the financial statements at their expected realizable amounts and adjusted for an allowance for doubtful accounts. Bad debts are provided for using the reserve method and are calculated based on historical payment trends and specific account information. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, IHCSCV analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). Accounts are written off to the bad debt allowance from receivables when confirmation is received that an account has been determined to be uncollectible. At June 30, 2018, IHCSCV estimates that a reserve for doubtful accounts of \$665,260 is necessary for its outstanding patient receivables.

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), IHCSCV records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allowance for doubtful accounts

The allowance for doubtful accounts is maintained at a level believed adequate by management to absorb probable losses in the patient accounts receivable and grants receivable. Management's determination of the adequacy of the allowance is based on periodic evaluations of its receivables, its composition, past loss experience, current economic conditions, and other relevant factors and circumstances, which may affect the ability of patients to meet their obligations. At June 30, 2018 and 2017, management has determined that allowances for doubtful accounts are adequate to reduce receivables to their expected net realizable value.

Property and equipment

Property and equipment are stated at cost at the date of acquisition less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 20 years. Leasehold improvements are amortized over the shorter of the term of the lease or useful life of the improvement usually over 7 years. Repairs and maintenance are expensed as incurred while major improvements that extend the useful life of an asset are capitalized.

Upon sale or retirement of property and equipment, the costs and related accumulated depreciation and amortization from the accounts are removed. Any resulting gains and losses are included in the determination of changes in net assets. Items received by donation, gift or bequest are stated at fair value at the date of donation.

IHCSCV capitalizes items with costs greater than or equal to \$5,000. Assets purchased with government grants are expensed in accordance with government program guidelines.

Concentration of credit risk

Financial instruments that potentially subject IHCSCV to concentrations of credit risk are primarily cash and cash equivalents, investments, accounts and grants receivable.

IHCSCV deposits its cash accounts with several financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to legal limits. IHCSCV places its cash deposits with high-credit, quality financial institutions and has certificate of deposit placement programs with two financial institutions, which, by policy, limit its credit exposure. IHCSCV has not experienced any losses in such accounts and believes it is not exposed to significant credit risk.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and support

Government grant revenue is funded primarily by Federal, State, and County grants which generally limit the use of such funds to cover the operating expenses directly related to providing primary care services under contracts and grants. IHSCCV recognizes revenues from grants and contracts to the extent of expenditures incurred but not exceeding the actual grant and contract awards. These grants are recognized as revenues over the periods specified in the related grant award agreements or as earned.

Service revenues are recorded during the period in which services are rendered.

IHSCCV receives revenues from third-party payors and patients. IHSCCV has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs and discounted charges. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Since the net realizable amounts are estimates, the ultimate settlement may be more or less than the amount included in the financial statements. The methods of establishing the estimates are continually analyzed, updated and reviewed and the difference between the estimated net realizable amounts and the related actual settlements are recognized in the period the revenues are settled.

While actual revenues could differ from those estimates, management does not expect the variances, if any, to have a material effect, on the financial statements.

IHSCCV provides Medical and dental services to MediCal beneficiaries that are reimbursed under a prospective payment system ("PPS") using prospective per-visit rates established by previous cost reports filed with MediCal. IHSCCV is reimbursed on an interim basis for the difference between its PPS rate and its MediCal Managed Care reimbursement. The final determination of revenues earned from MediCal for each fiscal year is based upon a reconciliation of actual payments and visits that is filed annually with the Health and Human Services Agency, Department of Health Care Services (DHCS). The estimated reimbursement may differ from the actual payments received as determined by the reconciliation reports and can result in a receivable from or a liability due to DHCS. These reconciliation settlement amounts are subject to future audit and final settlement by DHCS, with any audit adjustments recognized by IHSCCV upon final or tentative settlement by DHCS.

During the year June 30, 2018, IHSCCV revised the estimated PPS reconciliation settlement amounts for the years June 30, 2015 through 2017 based upon further analysis of the MediCal visit and payment data for these years. IHSCCV also recorded the estimated PPS reconciliation settlement amount for the year ending June 30, 2018. The estimated liability due to DHCS for all years is \$2,605,975 and is reflected in the statement of financial position as Due to MediCal - PPS Settlements at June 30, 2018. The impact on current year patient service fees related to recognizing this liability was \$1,647,241, which is comprised of \$938,327 for the settlement years June 30, 2014 through June 30, 2017, and \$708,914 for the settlement year June 30, 2018.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and support (continued)

IHCSCV participates in the Medicare program as a Federally Qualified Health Center (FQHC), which provides for cost reimbursement as an all-inclusive provider. This program provides reimbursement at a single rate for all types of services provided by IHCSCV on an encounter-reporting basis. IHCSCV also provides discounted medical services to self-pay patients on a sliding fee scale based on the patient's gross income. Sliding fee discounts are included in net service revenues in the accompanying statement of activities.

Donations and contributions that have been received for a specified purpose but have not yet been spent are classified as temporarily restricted net assets. When the services are rendered, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. In-kind contributions are recognized as revenues at the amount that IHCSCV would have to pay for similar items, which approximates its fair value. For the years ended June 30, 2018 and 2017, IHCSCV received in-kind donations in the form of vaccines amounting to \$1,126,866 and \$1,188,946, respectively, from the State of California which is reported as in-kind contributions in the statement of activities.

IHCSCV received contributed services from unpaid volunteers performing a variety of tasks that assist IHCSCV with specific assistance programs and various committee assignments. The value of this contributed time is not reflected in the financial statements since it does not meet the criteria for recognition.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities by function. Accordingly, certain costs and expenses have been allocated based on direct expenditures incurred among the programs and support services benefited.

Income tax status

IHCSCV is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise taxes under Section 23701(d) of the Revenue and Taxation Code. It is only required to submit annual federal and state information returns and no provision for Federal and State income taxes is required.

IHCSCV has adopted the accounting guidance related to uncertain tax positions, and has evaluated its tax positions and believes that all of the positions taken by IHCSCV in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. IHCSCV's returns are subject to examination by federal and state taxing authorities generally for three years (federal) and four years (state) after they are filed.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. IHSCCV determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

- *Level 1* - quoted market prices are available in active market for identical assets or liabilities as of the reporting date. Certificates of time deposits held by IHSCCV are considered to be level 1 investments.
- *Level 2* - pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- *Level 3* - pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Subsequent events

Management has evaluated subsequent events through October 15, 2018, the date on which the financial statements were available to be issued.

There were no subsequent events, that would have a material impact on the financial statements of IHSCCV as of June 30, 2018.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

3. PATIENT ACCOUNTS RECEIVABLE

Patient accounts receivable consist of the following:

	2018	2017
MediCal	\$ 1,727,933	\$ 1,731,049
Medicare	258,569	290,585
Child Health and Disability Prevention (CHDP)	25,585	97,099
Santa Clara Family Health Plan (SCFHP)	213,275	702,048
Third party and other health plans	593,021	723,983
Sliding scale	114,855	156,787
	2,933,238	3,701,551
Allowance for doubtful accounts	(665,260)	(918,623)
	\$ 2,267,978	\$ 2,782,928

4. PATIENT SERVICE FEES

IHCSCV has agreements with third-party payors that provide payments to IHCSCV at amounts different from its established rates. A summary of the payment arrangements with third-party payors is as follows:

- Medicare: Medical services rendered to Medicare program beneficiaries are paid the lower of cost-based reimbursement or the FQHC cap per visit. IHCSCV is reimbursed at a tentative ("interim") rate, with final settlement determined after submission of an annual cost report by IHCSCV and audit thereof by the fiscal intermediary. In the opinion of management, any final settlement of the associated cost reports will not materially affect the financial statements of IHCSCV.
- MediCal: Medical, dental and behavioral health services rendered to MediCal beneficiaries are paid under a Prospective Payment System, using rates established by IHCSCV's "Base Years" cost reports filed under the previous cost-based reimbursement system. These rates are adjusted annually according to changes in the Medicare Economic Index and any approved changes in IHCSCV's scope of service. IHCSCV is required to file a payment reconciliation report with the state annually.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

4. PATIENT SERVICE FEES (continued)

Patient service fees for the year ended June 30, 2018 consist of the following:

	<u>Patient Fees</u>	<u>Contractual Adjustments</u>	<u>Total</u>
MediCal	\$ 13,760,446	\$ 783,174	\$ 14,543,620
MediCal PPS rate settlements	(1,647,241)	-	(1,647,241)
Medicare	2,509,936	(1,107,406)	1,402,530
Medicare Cost Report settlements	297,779	-	297,779
Santa Clara Family Health Plan (SCFHP)	3,983,346	(3,237,123)	746,223
Child Health and Disability Prevention (CHDP)	852,439	(575,988)	276,451
Third party and other health plans	624,284	(182,123)	442,161
Self-pay	<u>823,216</u>	<u>(508,043)</u>	<u>315,173</u>
	<u>\$ 21,204,205</u>	<u>\$ (4,827,509)</u>	<u>\$ 16,376,696</u>

Patient service fees for the year ended June 30, 2017 consist of the following:

	<u>Patient Fees</u>	<u>Contractual Adjustments</u>	<u>Total</u>
MediCal	\$ 13,053,885	\$ 68,304	\$ 13,122,189
MediCal PPS rate settlements	293,739	-	293,739
Medicare	2,202,094	(996,768)	1,205,326
Santa Clara Family Health Plan (SCFHP)	3,784,061	(2,838,316)	945,745
Child Health and Disability Prevention (CHDP)	1,666,936	(779,256)	887,680
Third party and other health plans	442,934	(120,286)	322,648
Self-pay	<u>583,601</u>	<u>(458,706)</u>	<u>124,895</u>
	<u>\$ 22,027,250</u>	<u>\$ (5,125,028)</u>	<u>\$ 16,902,222</u>

5. DUE TO MEDICAL - PPS SETTLEMENTS

IHCSCV has determined their estimated PPS rate reconciliation settlements based upon PPS reconciliation reports prepared for MediCal services provided for the years ended June 30, 2015 through June 30, 2018, resulting in an estimated net liability to DHCS of \$2,605,975.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

6. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of the following:

	<u>2018</u>	<u>2017</u>
County of Santa Clara	\$ 1,546,555	\$ 628,967
Federal - Indian Health Services	64,761	47,967
Federal - HRSA Section 330 grant	99,539	213,086
Federal - Women, Infants, and Children Program	214,176	376,382
Others	<u>131,182</u>	<u>148,806</u>
	2,056,213	1,415,208
Allowance for doubtful accounts	<u>(88,071)</u>	<u>(88,071)</u>
	<u>\$ 1,968,142</u>	<u>\$ 1,327,137</u>

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 3,985,126	\$ 2,254,126
Buildings and improvements	4,985,390	8,867,617
Leasehold improvements	7,330,254	5,146,478
Furniture and equipment	341,291	492,121
Computer equipment	207,469	-
Vehicles	77,173	77,173
Work in progress	<u>92,813</u>	<u>3,967</u>
	17,019,516	16,841,482
Accumulated depreciation and amortization	<u>(5,454,779)</u>	<u>(4,749,672)</u>
	<u>\$ 11,564,737</u>	<u>\$ 12,091,810</u>

Depreciation and amortization expense for the years ended June 30, 2018 and 2017, amounted to \$705,107 and \$982,109, respectively.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

8. NOTE PAYABLE

Note payable is detailed as follows:

	2018	2017
<u>First Republic Bank Promissory Note</u> - A fixed term / adjustable loan payable in monthly installments with a maturity date of November 1, 2025. Fixed rate interest (3.95%) period is until September 1, 2020. Following September 1, 2020 until the maturity date, lender shall increase or decrease the Note Rate in accordance with the loan's terms and conditions. The new Note Rate which becomes effective on each Interest Change Date shall be equal to the Current Index applicable to the Interest Change Date plus 2.80% per annum rounded upward to the next highest 0.125%, unless the result of such addition is equal to a number which is a multiple of 0.125%. The note is collateralized by real property at 2039 Forest Avenue, Unit 105, 204 and B2, San Jose, California 95128.	\$ 1,809,507	\$ 1,858,435
Current portion	(50,918)	(48,922)
	<u>\$ 1,758,589</u>	<u>\$ 1,809,513</u>

The future maturities of the note payable are as follows:

<u>Year ending June 30,</u>	
2019	\$ 50,918
2020	52,803
2021	55,194
2022	57,590
Thereafter	1,593,002
	<u>\$ 1,809,507</u>

9. LEASE COMMITMENTS

IHCSCV leases several office facilities under non-cancelable operating leases that expire at various times through 2022. These leases provide for annual escalation charges and renewal options.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

9. LEASE COMMITMENTS (continued)

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>		
2019	\$	614,998
2020		474,657
2021		257,213
2022		226,038
2023		<u>95,340</u>
	<u>\$</u>	<u>1,668,246</u>

IHCSCV has other month-to-month operating leases and equipment rentals. Total rent expense for the years ended June 30, 2018 and 2017 amounted to \$956,244 and \$968,262, respectively.

Subsequent to June 30, 2018, IHCSCV renewed several of its facility leases and the future commitments under those leases are not reflected in the table above.

10. RECLASSIFICATIONS

Certain reclassifications of prior year amounts have been made to confirm to the current year presentation.

11. PENSION PLAN

IHCSCV maintains a 401(k) pension plan ("Plan") covering all employees who are eligible to participate in the plan. All regular employees who have completed 60 days of service are eligible to enroll in the Plan on the first day of the month following eligibility. An eligible employee may contribute up to a maximum of 100% of compensation subject to the maximum dollar limit determined by Internal Revenue Service each year. The Plan provides for a match of \$1 for \$1 on the first 3% of compensation, and \$.50 for \$1 on the next 2% of compensation. The match is fully vested immediately. IHCSCV contributed \$376,946 and \$172,637 during the years ended June 30, 2018 and 2017, respectively, accounted for in employee benefits.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2018
(With Comparative Totals for 2017)

12. MALPRACTICE INSURANCE

IHCSCV as an eligible Federally Qualified Health Center (FQHC) is covered under the Federal Tort Claims Act (FTCA) through submission of an annual renewal requiring application to the U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Primary Health Care. IHCSCV, their employees, and eligible contractors are considered federal employees for medical malpractice claims while acting within the scope of their employment. In addition to coverage under the FTCA, IHCSCV insures privately for professional liability coverage for any claims that may not be covered under FTCA. Under the policy, insurance premiums cover those claims asserted within policy limits. Management does not believe there are any material uninsured malpractice costs at June 30, 2018 and 2017.

13. CONTINGENCIES

Future funding for IHCSCV's program is contingent upon the availability of funds from Federal, State, County and other sources, as well as the operating performance of the programs.

IHCSCV has received Federal, State, and County funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management does not anticipate any material questioned costs for the contracts and grants administered during the period.

The health care industry is subject to numerous laws and regulations of Federal, State, and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, and government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in exclusion from government health care program participation, together with the imposition of significant fines and penalties, as well as significant repayment for past reimbursement for patient services received. While IHCSCV is subject to similar regulatory reviews, there are no reviews currently underway, and management believes that the outcome of any potential regulatory review will not have a material adverse effect on IHCSCV's financial position.

14. CONTINGENT GRANT EXPENDITURE ADJUSTMENTS

Grants and contracts require the fulfillment of conditions, as set forth in the terms of the grant or contract agreements, and are subject to audit by the grantor. Failure to comply with these conditions could result in the return of funds to the grantor. Although this is a possibility, IHCSCV believes that it has complied with the conditions of the grants and no significant liabilities are expected to result from an audit.

SINGLE AUDIT REPORTS AND SCHEDULES



INDEPENDENT AUDITOR'S 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
Indian Health Center of Santa Clara Valley
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Indian Health Center of Santa Clara Valley (a California nonprofit corporation) (the "IHSCCV"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the IHSCSV's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Armanino^{LLP}
San Jose, California

October 15, 2018



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

To the Board of Directors
Indian Health Center of Santa Clara Valley
San Jose, California

Report on Compliance for Each Major Federal Program

We have audited Indian Health Center of Santa Clara Valley (a California nonprofit corporation) (the "IHCSCV")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the IHCSCV's major federal programs for the year ended June 30, 2018. The IHCSCV's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the IHCSCV's major federal programs based on our audit of the types of compliance requirements referred to above. 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 of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance 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 the IHCSCV'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the IHCSCV's compliance.

Opinion on Each Major Federal Program

In our opinion, the IHCSCV complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the IHSCCV is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the IHSCCV's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the IHSCCV's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Armanino^{LLP}
San Jose, California

October 15, 2018

Indian Health Center of Santa Clara Valley
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Health and Human Services			
Direct awards			
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Primary Care)	93.224		\$ 1,631,750
Urban Indian Health Services	93.193		985,684
Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects	93.237		341,596
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		276,740
Grants for Capital Development in Health Centers	93.526		66,082
Demonstration Projects for Indian Health	93.933		182,737
Pass-through program from:			
Native American Health Center			
Substance Abuse and Mental Health Services Projects of Regional and National Significance - Red Vision	93.243		216,659
Substance Abuse and Mental Health Services Projects of Regional and National Significance - Native Youth Wellness Initiative	93.243		47,320
Tribal Wellness	93.762		<u>10,085</u>
Total U.S. Department of Health and Human Services			<u>3,758,653</u>
U.S. Department of Agriculture			
Pass-through program from:			
California State Department of Health and Human Services			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		<u>830,969</u>
Total Expenditures of Federal Awards			<u>\$ 4,589,622</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Indian Health Center of Santa Clara Valley
Notes to Schedule of Expenditures of Federal Awards
June 30, 2018

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Indian Health Center of Santa Clara Valley ("IHCSCV") under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of IHCSCV, it is not intended to and does not present the financial position, changes in net assets, or cash flows of IHCSCV.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COST RATE

Indian Health Center of Santa Clara Valley has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Indian Health Center of Santa Clara Valley
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Urban Indian Health Services	93.193
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Indian Health Center of Santa Clara Valley
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Indian Health Center of Santa Clara Valley
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

There were no prior year findings.

Indian Health Center of Santa Clara Valley
Corrective Action Plan
For the Year Ended June 30, 2018

There is no corrective action plan required.