

Indian Health Center of Santa Clara Valley

Financial Statements
and Single Audit Reports and Schedules

June 30, 2016
(With Comparative Totals for 2015)

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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, 2016, 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 (the "U.S."); 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 U.S. and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S. 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, 2016, 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 U.S.

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 U.S. 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 7, 2016, on our consideration of the IHSCSV'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 IHSCSV's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

The financial statements of Indian Health Center of Santa Clara Valley as of June 30, 2015, were audited by other auditors whose report dated September 30, 2015, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent in all material respects, with the audited financial statements from which it has been derived.



Armanino^{LLP}
San Jose, California

October 7, 2016

Indian Health Center of Santa Clara Valley
Statement of Financial Position
June 30, 2016
(With Comparative Totals for 2015)

	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,296,632	\$ 5,747,107
Investments	1,001,621	3,254,118
Accounts receivable, net	2,485,759	1,906,443
Grants and contributions receivable, net	962,993	1,465,715
Deposits and prepaid expenses	200,089	218,249
Total current assets	9,947,094	12,591,632
Property and equipment, net	12,034,352	6,638,705
Total assets	\$ 21,981,446	\$ 19,230,337
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 299,139	\$ 296,536
Accrued expenses	286,882	464,721
Accrued personal time off	762,563	616,579
Deferred revenue	-	8,340
Note payable, current portion	47,005	-
Total current liabilities	1,395,589	1,386,176
Note payable, net of current portion	1,858,441	-
Total liabilities	3,254,030	1,386,176
Net assets		
Unrestricted	18,727,416	17,844,161
Temporarily restricted	-	-
Total net assets	18,727,416	17,844,161
Total liabilities and net assets	\$ 21,981,446	\$ 19,230,337

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, 2016
(With Comparative Totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Revenues and support				
Patient service fees (net of contractual allowances and discounts)	\$ 14,327,003	\$ -	\$ 14,327,003	\$ 12,832,283
Provision for doubtful accounts	(474,423)	-	(474,423)	(229,689)
Capitation payments	1,789,152	-	1,789,152	775,155
Risk pool incentives	1,544,116	-	1,544,116	806,473
Grants	6,059,963	330,653	6,390,616	5,580,457
Contributions	-	322,719	322,719	596,671
In-kind contributions	-	179,966	179,966	535,691
Other revenue	323,387	-	323,387	246,541
Fundraising events, net	17	-	17	51,453
Net assets released from restriction	<u>833,338</u>	<u>(833,338)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>24,402,553</u>	<u>-</u>	<u>24,402,553</u>	<u>21,195,035</u>
Functional expenses				
Program services				
Medical services	13,885,946	-	13,885,946	10,169,196
Dental services	2,077,065	-	2,077,065	2,076,976
Nutrition services	832,610	-	832,610	783,165
Counseling services	1,891,420	-	1,891,420	2,028,548
Community wellness services	<u>983,240</u>	<u>-</u>	<u>983,240</u>	<u>1,109,964</u>
Total program services	<u>19,670,281</u>	<u>-</u>	<u>19,670,281</u>	<u>16,167,849</u>
Support services				
Management and general	<u>3,849,017</u>	<u>-</u>	<u>3,849,017</u>	<u>3,288,329</u>
Total support services	<u>3,849,017</u>	<u>-</u>	<u>3,849,017</u>	<u>3,288,329</u>
Total functional expenses	<u>23,519,298</u>	<u>-</u>	<u>23,519,298</u>	<u>19,456,178</u>
Changes in net assets	883,255	-	883,255	1,738,857
Net assets, beginning of year	<u>17,844,161</u>	<u>-</u>	<u>17,844,161</u>	<u>16,105,304</u>
Net assets, end of year	<u>\$ 18,727,416</u>	<u>\$ -</u>	<u>\$ 18,727,416</u>	<u>\$ 17,844,161</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, 2016
(With Comparative Totals for 2015)

	Program services					Support services			2016 Total	2015 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	\$ 6,485,835	\$ 1,300,212	\$ 490,423	\$ 1,091,358	\$ 497,073	\$ 9,864,901	\$ 2,069,283	\$ 2,069,283	\$ 11,934,184	\$ 10,169,397
Employee benefits	1,076,380	175,762	98,787	199,450	56,940	1,607,319	301,962	301,962	1,909,281	1,693,105
Payroll taxes	507,513	100,685	39,789	84,712	41,921	774,620	155,790	155,790	930,410	750,049
Total personnel expenses	8,069,728	1,576,659	628,999	1,375,520	595,934	12,246,840	2,527,035	2,527,035	14,773,875	12,612,551
Contractual services	2,245,262	3,812	-	22,431	166,769	2,438,274	174,639	174,639	2,612,913	1,475,156
Supplies	1,047,547	141,583	29,985	33,652	12,810	1,265,577	104,979	104,979	1,370,556	1,340,341
Rent and leases	793,010	5,552	114,933	97,173	3,093	1,013,761	167,940	167,940	1,181,701	839,278
Depreciation and amortization	480,309	47,225	150	65,962	64,347	657,993	16,439	16,439	674,432	449,695
Occupancy	355,966	49,047	14,541	29,999	15,109	464,662	42,725	42,725	507,387	245,447
Professional fees	139,747	30,364	1,504	33,257	33,257	238,129	142,837	142,837	380,966	306,192
Dues and subscriptions	179,235	35,092	1,923	30,353	31,229	277,832	82,211	82,211	360,043	267,952
Communications	178,889	34,798	19,834	41,446	14,268	289,235	25,576	25,576	314,811	589,019
Repairs and maintenance	96,600	23,271	8,609	19,471	17,027	164,978	82,002	82,002	246,980	371,674
Recruitment and training	62,825	5,909	3,028	7,519	3,976	83,257	56,900	56,900	140,157	113,308
Equipment rental	11,257	-	-	-	-	11,257	140,336	140,336	151,593	2,935
Miscellaneous	26,670	114	3	32,010	6,859	65,656	72,271	72,271	137,927	128,707
Dental and laboratory fees	39,880	75,380	-	-	-	115,260	-	-	115,260	119,755
Insurance	41,703	4,894	611	1,363	653	49,224	56,599	56,599	105,823	99,827
Legal fees	2,380	31,930	-	-	965	35,275	59,723	59,723	94,998	84,101
Travel	3,759	1,852	6,085	32,889	9,036	53,621	27,793	27,793	81,414	79,618
Food	16,560	1,031	946	15,620	3,538	37,695	34,935	34,935	72,630	42,642
Bad debts	-	2,476	-	47,524	-	50,000	-	-	50,000	200,200
Taxes, licenses and permits	27,520	5,485	358	2,991	1,962	38,316	2,057	2,057	40,373	30,679
Interest expense	39,472	-	-	-	-	39,472	5,838	5,838	45,310	-
Printing	20,912	550	1,072	2,160	2,408	27,102	3,465	3,465	30,567	28,812
Postage	6,715	41	29	80	-	6,865	16,080	16,080	22,945	22,949
Advertising	-	-	-	-	-	-	6,637	6,637	6,637	5,340
	<u>\$ 13,885,946</u>	<u>\$ 2,077,065</u>	<u>\$ 832,610</u>	<u>\$ 1,891,420</u>	<u>\$ 983,240</u>	<u>\$ 19,670,281</u>	<u>\$ 3,849,017</u>	<u>\$ 3,849,017</u>	<u>\$ 23,519,298</u>	<u>\$ 19,456,178</u>
Percentage of total	<u>59 %</u>	<u>9 %</u>	<u>4 %</u>	<u>8 %</u>	<u>4 %</u>	<u>84 %</u>	<u>16 %</u>	<u>16 %</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, 2016
(With Comparative Totals for 2015)

	2016	2015
Cash flows from operating activities		
Changes in net assets	\$ 883,255	\$ 1,738,857
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	674,432	449,695
Provision for doubtful accounts	349,637	229,689
Changes in operating assets and liabilities		
Accounts receivable	(878,953)	(255,391)
Grants and contributions receivable	452,722	205,017
Deposits and prepaid expenses	18,160	(86,020)
Accounts payable and accrued expenses	(175,236)	181,848
Accrued personal time off	145,985	79,788
Deferred revenue	(8,340)	8,340
Net cash provided by operating activities	1,461,662	2,551,823
Cash flows from investing activities		
Purchase of property and equipment	(6,070,080)	(118,825)
Purchase of investments	-	(1,510,358)
Proceeds from sale of investments	2,252,497	520,966
Net cash used in investing activities	(3,817,583)	(1,108,217)
Cash flows from financing activities		
Proceeds from note payable	1,905,446	-
Net cash provided by financing activities	1,905,446	-
Net increase (decrease) in cash and cash equivalents	(450,475)	1,443,606
Cash and cash equivalents, beginning of year	5,747,107	4,303,501
Cash and cash equivalents, end of year	\$ 5,296,632	\$ 5,747,107

Supplemental disclosure of cash flow information

Cash paid during the year interest	\$ 45,310	\$ -
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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, 2016
(With Comparative Totals for 2015)

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 their 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 - 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: 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.

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

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statement presentation (continued)

- *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 IHCSCV 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 restrictions. There were no temporarily restricted net assets at June 30, 2016 and 2015.
- *Permanently restricted net assets* - Net assets subject to donor-imposed restrictions that they be maintained permanently by IHCSCV. Generally, the donors of these assets permit IHCSCV 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, 2016 and 2015.
- Recent Accounting Guidance: IHCSCV follows the FASB guidance for Health Care Entities Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities. The amendments in this update require certain healthcare entities to change the presentation to their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, those healthcare entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts), as well as qualitative and quantitative information about changes in the allowance for doubtful accounts.

Cash and cash equivalents

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

Investments

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

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. IHCSCV provides for losses on accounts receivable using the allowance method. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable (continued)

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, IHSCCV analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts.

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, IHSCCV 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).

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), IHSCCV 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.

Allowance for doubtful accounts

The allowance for doubtful accounts is maintained at a level believed adequate by management to absorb probable losses in the 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, 2016 and 2015, management determined that allowances for doubtful accounts are adequate to reduce receivables to its 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.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

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 expended 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.

Fund accounting

To ensure observance of certain constraints and restrictions placed on the use of resources by the grantors, the accounts are maintained internally in accordance with principles of fund accounting.

Accrued personal time off

Unpaid vacation benefits are recognized as liabilities of IHCSCV in the unrestricted general fund.

Revenues and support

Government grant revenue is funded primarily by Federal, State, and County grants which generally restrict the use of such funds to cover the operating expenses directly related to providing primary care services under contracts and grants. IHCSCV 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.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and support (continued)

IHCSCV receives revenues from third-party payors and patients. IHCSCV 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.

IHCSCV's Federally Qualified Health Center (FQHC) is reimbursed on an interim basis for the difference between its tentative Prospective Payment System (PPS) rate and its Medi-Cal Managed Care reimbursement. The estimated amount reimbursed may differ from the actual amount when the final settlement is determined by the California Department of Health Service after submission of annual cost reports by IHCSCV. An annual reconciliation is required for the total interim reimbursements against the calculated amount of the actual number of encounter visits furnished by IHCSCV multiplied by the adjusted PPS rate. IHCSCV does not recognize the resulting adjustments as they cannot be reliably estimated or assured to be collected. Instead, IHCSCV recognizes the actual settlement payments/refunds when received or paid.

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, 2016 and 2015, IHCSCV received in-kind donations in the form of vaccines amounting to \$179,966 and \$535,691, respectively, from the State of California which was included in donations and contributions in the statement of activities.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and support (continued)

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 program. 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.

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 accounts receivable and grants and contributions receivable.

Reclassifications

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

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 IHSCCV's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

Subsequent events

Management has evaluated subsequent events through October 7, 2016, the date at which the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2016	2015
Medi-Cal	\$ 1,385,758	\$ 1,306,888
Medicare	395,572	97,178
Child Health and Disability Prevention (CHDP)	254,866	212,515
Santa Clara Family Health Plan (SCFHP)	869,051	462,331
Third party and other health plans	296,851	253,548
Sliding scale	99,760	90,445
	3,301,858	2,422,905
Allowance for doubtful accounts	(816,099)	(516,462)
	\$ 2,485,759	\$ 1,906,443

Changes in the allowance for doubtful accounts are as follows:

	2016	2015
Balance, beginning of year	\$ 516,462	\$ 535,705
Allowance charged for the year	474,423	229,689
Adjustments	(174,786)	(248,932)
Balance, end of year	\$ 816,099	\$ 516,462

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

3. ACCOUNTS RECEIVABLE (continued)

IHCSCV's allowance for doubtful accounts at June 30, 2016, are 91% and 9% for third party insurance payors and self-pay patients, respectively (at June 30, 2015: 86% and 14%, respectively). IHCSCV's allowance for doubtful accounts for third party insurance payors increased from 19% of total third party insurance payor accounts receivable at June 30, 2015, to 23% of third party insurance payor accounts receivable at June 30, 2016. In addition, IHCSCV adjusted its allowance for doubtful accounts without writing off specific bad accounts. The allowance balance at June 30, 2016 was \$816,099. This increase was the result of trends experienced from the increased level of patient service activity leading to a higher level of doubtful accounts. IHCSCV has not changed its charity care or uninsured discount policies during the years ended June 30, 2016 or 2015.

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of the following:

	2016	2015
County of Santa Clara	\$ 501,811	\$ 401,634
Federal - Indian Health Services	99,059	551,294
Federal - HRSA section 330 grant	79,240	228,342
Federal - Women, Infants, and Children Program	287,908	216,260
Others	83,046	106,256
	1,051,064	1,503,786
Allowance for doubtful accounts	(88,071)	(38,071)
	\$ 962,993	\$ 1,465,715

Changes in the allowance for doubtful accounts are as follows:

	2016	2015
Balance, beginning of year	\$ 38,071	\$ 14,439
Write-offs and adjustments	-	(176,568)
Allowance charged for the year	50,000	200,200
Balance, end of year	\$ 88,071	\$ 38,071

5. INVESTMENTS

Investments represent certificate of deposit (CD) accounts at local U.S. banks with management's intent to invest the assets with maturities of more than three months at the date of their origination.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

5. INVESTMENTS (continued)

Investments consist of the following:

	2016	2015
CDs maturing in less than twelve months	\$ 1,001,621	\$ 3,254,118

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2016	2015
Land	\$ 2,254,126	\$ 2,254,126
Buildings and improvements	8,867,617	5,427,917
Furniture and equipment	227,859	158,708
Vehicles	54,434	54,434
Leasehold improvements	4,033,407	1,816,186
Work in progress	364,405	20,398
	15,801,848	9,731,769
Accumulated depreciation and amortization	(3,767,496)	(3,093,064)
	\$ 12,034,352	\$ 6,638,705

Depreciation and amortization expense for the years ended June 30, 2016 and 2015, amounted to \$674,432 and \$449,695, respectively.

7. ACCRUED PERSONAL TIME OFF

Accumulated unpaid personal time off is recognized as liabilities of IHCSCV. The liability is recognized in the program to which the liability relates. The total liability for personal time off as of June 30, 2016 and 2015, amounted to \$762,563 and \$616,579, respectively.

IHCSCV operates a Personal Time Off (PTO) System where the employee gained hours for unused vacation and sick leave is accounted for. The accrued personal time are paid out at separation or severance of employment of the employee from IHCSCV.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

8. NOTE PAYABLE

Note payable is detailed as follows:

	2016	2015
<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.	\$ 1,905,446	\$ -
Current portion	(47,005)	-
	\$ 1,858,441	\$ -

The future maturities of the note payable are as follows:

<u>Year ending June 30,</u>	
2017	\$ 47,005
2018	48,922
2019	50,918
2020	52,803
2021	13,442
Thereafter	1,692,356
	\$ 1,905,446

9. LEASE COMMITMENTS

IHCSCV leases several office facilities under non-cancelable operating leases that expire at various times through 2020. These leases provide for annual escalation charges and renewal options.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

9. LEASE COMMITMENTS (continued)

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

<u>Year ending June 30,</u>	
2017	\$ 1,059,808
2018	700,471
2019	720,802
2020	<u>497,764</u>
	<u>\$ 2,978,845</u>

IHCSCV has other month-to-month operating leases and equipment rentals. Total rent expense for the years ended June 30, 2016 and 2015 amounted to \$1,111,334 and \$760,050, respectively.

10. PENSION PLAN

IHCSCV maintains a 401(k) pension plan covering all employees who are eligible to participate in the plan. An employee is eligible for the 401(k) plan upon the first day of the month following the date of hire. 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. Upon attainment of age 21 and completion of a year of service, the 401(k) plan provides for a match of up to 2.5% of the participants' compensation. IHCSCV contributed \$99,816 and \$101,260 during the years ended June 30, 2016 and 2015, respectively, accounted for in employee benefits. The match has a 4-year graduated vesting provision.

11. 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, 2016 and 2015.

12. 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.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

12. CONTINGENCIES (continued)

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.

13. 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.

14. 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.

Indian Health Center of Santa Clara Valley
Notes to Financial Statements
June 30, 2016
(With Comparative Totals for 2015)

14. PATIENT SERVICE FEES (continued)

- Medi-Cal: Medical, dental and behavioral health services rendered to Medi-Cal beneficiaries are paid under a Prospective Payment System, using rates established by IHSCCV'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 IHSCCV's scope of service. IHSCCV is required to file a payment reconciliation report with the state.

Patient service fees for the year ended June 30, 2016 consist of the following:

	<u>Patient Fees</u>	<u>Contractual Adjustments</u>	<u>Total</u>
Medi-Cal	\$11,439,366	\$ (119,578)	\$11,319,788
Medicare	1,882,701	(1,012,683)	870,018
Santa Clara Family Health Plan (SCFHP)	3,881,399	(2,718,558)	1,162,841
Child Health and Disability Prevention (CHDP)	1,354,820	(920,817)	434,003
Third party and other health plans	697,782	(441,955)	255,827
Self-pay	529,695	(217,185)	312,510
FQHC PPS settlement	<u>(27,984)</u>	<u>-</u>	<u>(27,984)</u>
	<u>\$19,757,779</u>	<u>\$(5,430,776)</u>	<u>\$14,327,003</u>

Patient service fees for the year ended June 30, 2015 consist of the following:

	<u>Patient Fees</u>	<u>Contractual Adjustments</u>	<u>Total</u>
Medi-Cal	\$10,332,664	\$ (51,830)	\$10,280,834
Medicare	513,552	105,868	619,420
Santa Clara Family Health Plan (SCFHP)	3,467,716	(2,306,553)	1,161,163
Child Health and Disability Prevention (CHDP)	439,429	(146,398)	293,031
Third party and other health plans	1,024,288	(965,369)	58,919
Self-pay	783,251	(357,591)	425,660
FQHC PPS settlement	<u>-</u>	<u>(6,744)</u>	<u>(6,744)</u>
	<u>\$16,560,900</u>	<u>\$(3,728,617)</u>	<u>\$12,832,283</u>

15. OTHER REVENUE

Other revenue includes meaningful use and quality improvements incentive of \$301,226 and \$227,094 for the years ended June 30, 2016 and 2015, respectively.

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 (the "U.S.") 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 "IHCSCV"), which comprise the statement of financial position as of June 30, 2016, 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 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the IHCSCV'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 IHCSCV's internal control. Accordingly, we do not express an opinion on the effectiveness of the IHCSCV'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 IHCSCV'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 IHSCCV'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 IHSCCV's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armanino^{LLP}
San Jose, California

October 7, 2016



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, 2016. 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 "U.S."); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the U.S.; 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, 2016.

Report on Internal Control Over Compliance

Management of the IHSCSV 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 IHSCSV'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 IHSCSV'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 weaknesses 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 7, 2016

Indian Health Center of Santa Clara Valley
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

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 Cluster - Health Center Program - Section 330	93.224		\$ 1,647,161
Health Center Cluster - Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527		179,823
Urban Indian Health Services	93.193		845,397
Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects	93.237		241,902
Special Diabetes Program for Indians (SDPI) Diabetes Prevention and Healthy Heart Initiative	93.442		306,057
Substance Abuse and Mental Health Services Projects of Regional and National Significance (SAMHSA - Circle of Care)	93.243		511,069
Pass-through program from:			
Native American Health Center			
Substance Abuse and Mental Health Services Projects of Regional and National Significance - Red Vision	93.243	2076	<u>172,920</u>
Total U.S. Department of Health and Human Services			<u>3,904,329</u>
U.S. Department of Agriculture			
Pass-through program from:			
California State Department of Health and Human Services			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	<u>793,987</u>
Total Expenditures of Federal Awards			<u>\$ 4,698,316</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, 2016

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 (the "IHCSCV") under programs of the federal government for the year ended June 30, 2016. 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 the IHCSCV, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the IHCSCV.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Expenditures reported on the Schedule are reported on the accrual basis of accounting.
- Expenditures of federal awards made on or after December 26, 2014 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.
- Expenditures of federal awards made prior to December 26, 2014 are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, 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, 2016

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>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243
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, 2016

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.

SECTION IV - STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

SECTION V - CORRECTIVE ACTION PLAN

There is no corrective action plan required.