Family First Health Corporation

Financial Statements,
Schedule of Expenditures of Federal Awards,
Internal Control and Compliance
(With Supplementary Information)
and Independent Auditor's Reports

March 31, 2019

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Family First Health Corporation

Index

Independent Auditor's Report

To the Board of Directors
Family First Health Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Family First Health Corporation, (the "Center") which comprise the statement of financial position as of March 31, 2019, and the related statements of activities and change in net assets, 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. 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 Center'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 Center'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 the Center as of March 31, 2019, and the change 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 Matters

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. The supplementary information on page 24 is also 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 December 9, 2019, on our consideration of the Center'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's 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 Center's internal control over financial reporting and compliance.

CohnReznick LLP

Baltimore, Maryland
December 9, 2019

Family First Health Corporation

Statement of Financial Position
March 31, 2019

Assets

Current assets		
Cash and cash equivalents	$	765,572
Investments		615,070
Patient services receivable, net of allowance for doubtful accounts of $527,348		1,258,188
Grants receivable		491,632
Contracts receivable		10,458
340B pharmacy receivable		323,885
Prepaid expenses and other		131,768
Total current assets		3,596,573
Other assets		
Security deposits		24,548
Property and equipment, net		3,628,165
Total other assets		3,652,713
Total assets	$	7,249,286

Liabilities and Net Assets

Current liabilities		
Current maturities of long-term debt	$	153,382
Accounts payable and accrued expenses		560,558
Accrued payroll and taxes		558,244
Accrued interest		6,319
Accrued wrap payable		200,001
Deferred grant revenue		34,498
Total current liabilities		1,513,002
Long-term liabilities		
Long-term debt, less current maturities and unamortized debt issuance costs		2,461,198
Interest rate swap payable		7,462
Total liabilities		3,981,662
Commitments and contingencies		
Net assets		
Without donor restrictions		3,267,624
Total liabilities and net assets	$	7,249,286

See Notes to Financial Statements.

Family First Health Corporation

Statement of Activities and Change in Net Assets
Year Ended March 31, 2019

Revenue without donor restrictions	
Patient service revenue (net of contractual allowances and discounts)	$ 11,464,556
Provision for bad debts	(353,066)
Net patient service revenue less provision for bad debts	11,111,490
DHHS 330 grant revenue	2,887,276
Ryan White Part C Grant	544,787
Ryan White Part B Grant	127,638
Family Health Council of Central PA, Inc.	476,191
Maternal Infant Early Childhood	294,959
Contract services and other grants	2,244,633
340B pharmacy	2,918,604
Meaningful use	42,500
In-kind contributions - vaccines	643,454
Investment income	15,179
Rental income	111,803
Value based quality incentives	1,110,858
Other revenue	78,585
Total revenue without donor restrictions	22,607,957
Operating expenses	
Salaries and related benefits	15,053,916
Other than personnel services	6,822,804
In-kind contributions-vaccines	643,454
Interest expense	78,670
Total operating expenses	22,598,844
Operating income prior to depreciation	9,113
Depreciation	337,516
Operating loss	(328,403)
Nonoperating activities	
Unrealized loss on interest rate swap	(11,802)
Unrealized loss on investments	(2,282)
Change in net assets	(342,487)
Net assets, beginning	3,610,111
Net assets, end	$ 3,267,624

See Notes to Financial Statements.

Family First Health Corporation

Statement of Functional Expenses
Year Ended March 31, 2019

	Program services	General and administrative	Fundraising	Total
Salaries and wages	$ 10,707,483	$ 1,712,145	$ -	$ 12,419,628
Fringe benefits	2,279,299	354,989	-	2,634,288
Consultant and contractual services	1,174,575	4,852	-	1,179,427
Professional fees	46,600	254,912	-	301,512
Pharmacy, laboratory and radiology fees	2,568,841	-	-	2,568,841
Consumable supplies	1,569,079	14,767	-	1,583,846
Insurance	1,200	30,938	-	32,138
Equipment rental and maintenance	466,025	68,081	-	534,106
Travel, conferences and meetings	96,143	51,127	-	147,270
Dues and subscriptions	41,396	44,326	-	85,722
Printing, publications and postage	34,322	6,181	-	40,503
Training and seminars	27,285	21,622	-	48,907
Interest	78,670	-	-	78,670
Rent	275,055	-	-	275,055
Utilities	136,400	-	-	136,400
Computer billing	-	-	-	-
Other expenses	329,965	197,298	5,268	532,531
Total expenses before depreciation	19,832,338	2,761,238	5,268	22,598,844
Depreciation	316,713	20,803	-	337,516
Total functional expenses	$ 20,149,051	$ 2,782,041	$ 5,268	$ 22,936,360

See Notes to Financial Statements.

Family First Health Corporation

Statement of Cash Flows
Year Ended March 31, 2019

Cash flows from operating activities	
Change in net assets	$ (342,487)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	337,516
Amortization of debt issuance costs	3,308
Provision for bad debts	353,066
Unrealized loss on interest rate swap	11,802
Net realized and unrealized loss on investments	164
Changes in assets and liabilities	
Patient services receivable	(324,120)
Grants receivable	334,583
Other receivables	(59,603)
Prepaid and other expenses	12,235
Accounts payable and accrued expenses	(47,120)
Accrued wrap payable	200,001
Accrued payroll and taxes	(6,428)
Accrued interest	246
Deferred grant revenue	(18,323)
Net cash provided by operating activities	454,840
Cash flows from investing activities	
Purchase of investments	(860,062)
Proceeds from sale of investments	1,250,996
Purchase of property and equipment	(125,322)
Net cash provided by investing activities	265,612
Cash flows from financing activities	
Payments on long-term debt	(151,615)
Net cash used in financing activities	(151,615)
Net increase in cash and cash equivalents	568,837
Cash and cash equivalents, beginning	196,735
Cash and cash equivalents, end	$ 765,572
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	$ 75,116

See Notes to Financial Statements.

Note 1 - Organization and summary of significant accounting policies

Family First Health Corporation (the "Center") is a not-for-profit Federally Qualified Health Center network located in the city of York and counties of York, Adams and Lancaster, Pennsylvania. The Center provides various health services to a largely medically underserved population. The Center is incorporated as a not-for-profit corporation under the laws of the Commonwealth of Pennsylvania and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code").

The U.S. Department of Health and Human Services ("DHHS") provides substantial support to the Center. The Center is obligated under the terms of the DHHS grants to comply with specified conditions and program requirements set forth in the agreements.

The network consists of the following:

116 South George Street site (Federally Qualified Health Center)
At this location, the Center provides the following services: primary medical and dental care, pediatric care, immunizations, sexually transmitted disease testing and treatment, preventive care, routine health examinations, drivers' physical exam, referrals, HIV counseling and testing, reproductive health care, nutrition counseling and behavioral health. Its target population includes the uninsured and underinsured population in York County by reason of access, condition, payment source, or other factors creating a barrier to health care. It serves all ages and utilizes board certified physicians, certified registered nurse practitioners, physicians' assistants, and residency trained dentists. In addition, 116 South George Street has various service contracts with the York City Bureau of Health and Family Health Council of Central Pennsylvania.

Family First Health Community Services Division
The Community Service division provides case management services primarily for people infected with or affected by the HIV virus or AIDS. It serves clients at the Center's 116 South George Street site, as well as those using other community providers. Family First Health Community Services offers assistance with obtaining medical/dental services (including nursing, prescriptions, and hospice), enrollment in clinical trials, nutritional supplements and counseling (individual, couple, family, drug/alcohol, HIV, mental health), HIV testing, therapy sessions in English and Spanish, support group assistance, transportation, legal assistance, housing, rental assistance, food bank access and information, and behavioral health.

Hannah Penn Family Health Center (Federally Qualified Health Center)
The Hannah Penn Family Health Center is a school-based health center in the York City School District providing services to students and their families along with other community members. Its services include physicals, sick visits, health and wellness information, prevention and screenings, patient education, counseling, and referrals to other community services. It is funded by grants from York Hospital, York City School District, and United States Public Health Service Title 330 (the "PHS").

Rural Centers (Federally Qualified Health Centers)
The Rural Centers, located in Gettysburg, Hanover and Columbia, serve the uninsured and underinsured populations of York, Adams and Lancaster Counties. Their primary funding source is the Title 330 Grant. They provide medical and dental services including immunizations, STD tests, and referrals. WellSpan Healthcare Services provides funding for the Gettysburg medical and dental services.

Basis of presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

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

Net assets
The Center classifies its net assets into two categories, which are described as follows:

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. Net assets without donor restrictions include resources that the governing board may use for any designated purpose and resources whose use is limited by agreement between the Center and an outside party other than a donor or grantor.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and change in net assets.

Cash and cash equivalents
The Center maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed the limits of Federal Deposit Insurance Corporation ("FDIC") insurance coverage. The Center's bank deposits exceeded FDIC limits at various times during the year ended March 31, 2019. However, the Center has not experienced any losses in such accounts. The Center monitors its financial institutions and the concentration of credit risk on a regular basis and does not anticipate nonperformance by the financial institutions. All highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

Investments
Investments consist of money market accounts, certificate of deposits and mutual funds. Investments are recorded in the accompanying financial statements at fair value, which have been determined using quoted market prices. Realized gains are reflected in investment income and unrealized losses are reflected in nonoperating activities in the statement of activities and change in net assets.

Fair value of financial instruments
The Center's material financial instruments at March 31, 2019 for which disclosure of estimated fair value is required by certain accounting standards consisted of cash and cash equivalents, investments, patient services receivable, accounts payable, interest rate swap and obligations to unrelated parties. The fair values of cash and cash equivalents, patient services receivable and accounts payable are equal to their carrying value because of their liquidity and short-term maturity.

Investments are stated at fair value as described in Note 3. Management believes that the fair values of obligations to unrelated parties do not differ materially from their aggregate carrying values in that substantially all the obligations bear variable interest rates that are based on market rates or interest rates that are periodically adjusted to rates that are based on market rates. The fair value of the obligation related to the interest rate swap is described in Note 3.

Contributions

Contributions are recorded as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions received with no donor stipulations are recorded as revenue without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities and change in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions expire during the same fiscal year are recognized as revenue without donor restrictions.

Patient services receivable and concentration of credit risk

The collection of receivables from third-party payors and patients is the Center's primary source of cash for operations and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts and patient accounts for which the primary insurance payor has paid, but patient responsibility amounts (deductibles and copayments) remain outstanding. Patient receivables from third-party payors are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Receivables due directly from patients are carried at the original charge for the service provided less discounts provided under the Center's charity care policy, less amounts covered by third-party payors and less an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. The Center considers accounts past due when they are outstanding beyond 270 days with no payment. The Center generally does not charge interest on past due accounts. Patient receivables are written off against the allowance for doubtful accounts when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received.

Interest rate swap

The Center utilizes a derivative financial instrument to reduce interest rate risk. The Center does not hold or issue derivative financial instruments for trading purposes. Accounting and reporting standards for derivative instruments and hedging activities require the Center to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Changes in the fair value of those instruments are reported in change in net assets. The accounting for gains and losses associated with changes in the fair value of the derivative and the effect on the financial statements will depend on its hedge designation and whether the hedge is highly effective in achieving offsetting changes in the fair value of cash flows of the asset or liability hedged.

Inventory

Inventory, consisting of pharmaceuticals, is stated at the lower of cost (determined using the first-in, first-out method) or market and is included in prepaid expenses and other.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and amortization. Expenditures over $5,000 are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are included in the statement of activities and change in net assets. Depreciation is provided on a straight-line basis based upon the estimated useful lives of the assets as follows:

Land improvements	8 - 20 years
Building and leasehold improvements	10 - 40 years
Office equipment	3 - 20 years
Medical and dental equipment	10 - 15 years

According to federal regulations, any property and equipment items obtained through federal funds are subject to a lien by the federal government. Provided that the Center maintains its tax-exempt status and the property and equipment are used for their intended purpose, the Center is not required to reimburse the federal government. If the stated requirements are not met, the Center would be obligated to the federal government in an amount equal to the fair value of the property and equipment.

Impairment of long-lived assets
The Center reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing a review for impairment, the Center compares the carrying value of the assets with their estimated future undiscounted cash flows. If it is determined that impairment has occurred, the loss would be recognized during that period. The impairment loss is calculated as the difference between the asset carrying values and the present value of estimated net cash flows or comparable market values, giving consideration to recent operating performance and pricing trends. The Center does not believe that any material impairment currently exists related to its long-lived assets.

Patient service revenue
The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. Payment arrangements include predetermined fee schedules and discounted charges. Service fees are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments under reimbursement agreements with third-party payors, which are subject to audit by administrating agencies. These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined.

The Center provides care to certain patients under Medicaid and Medicare payment arrangements. Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action. Self-pay revenue is recorded at published charges with charity care deducted to arrive at gross self-pay revenue. Contractual allowances are then deducted to arrive at net self-pay patient revenue.

Charity care and community benefits
The Center is open to all patients, regardless of their ability to pay. In the ordinary course of business, the Center renders services to patients who are financially unable to pay for healthcare. The Center provides care to these patients who meet certain criteria under its sliding fee discount policy without charge or at amounts less than the established rates. Charity care services are computed using a sliding fee scale based on patient income and family size. The Center maintains records to identify and monitor the level of sliding fee discount it provides. For uninsured self-pay patients that do not qualify for charity care, the Center recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy.

Community benefit represents the cost of services for Medicaid, Medicare, and other public patients that the Center is not reimbursed for.

Based on the cost of patient services, charity care amounted to approximately $1.2 million and community benefit amounted to approximately $5.4 million for the year ended March 31, 2019.

Grants and contracts
Revenue from government grants and contracts designated for use in specific activities is recognized in the period when the expenditures have been incurred in compliance with the grantor's restrictions. Grants and contract awards for the acquisition of long-lived assets are reported as unrestricted nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as refundable advances on the statement of financial position.

340B pharmacy
The Center participates in Section 340B of the Public Health Service Act ("PHS Act"), "*Limitation on Prices of Drugs Purchased by Covered Entities*" through its agreement with third-party administrative agents and certain unaffiliated local pharmacies. Participation in this program allows the Center to purchase pharmaceuticals at discounted rates for prescriptions to eligible patients. The Center records revenue based on the price of the pharmaceuticals dispensed.

Meaningful use incentive
The American Recovery and Reinvestment Act of 2009 ("ARRA") amended the Social Security Act to establish one-time incentive payments under Medicare and Medicaid programs for certain professionals that: (1) meaningfully use certified Electronic Health Record ("EHR") technology, (2) use the certified EHR technology for electronic exchange of health information to improve quality of healthcare, and (3) use the certified EHR technology to submit clinical and quality measures. These provisions of ARRA, together with certain of its other provisions, are referred to as the Health Information Technology for Clinical and Economic Health ("HITECH") Act. The criteria for meaningful use incentives will be staged in three steps over the course of six years and be paid out based on a transitional schedule. The Center has earned $42,500 for the year ended March 31, 2019.

In-kind contributions
The Center recognizes the value of donated vaccines, other supplies and facilities as contribution revenue and medical supplies, drugs and rent expense in the statement of activities and change in net assets.

Interest income
Interest earned on nonfederal funds is recorded as income on an accrual basis. Interest earned on federal funds is recorded as a payable to United States Public Health Service (the "PHS") in compliance with the Office of Management and Budget ("OMB").

Functional expenses
Expenses are charged to program services, general and administrative and fundraising based on a combination of specific identification and allocation determined by management on an equitable basis. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation basis such as time and effort and square footage.

Performance indicator
The statement of activities and change in net assets includes operating income as the performance indicator. Changes in net assets which are excluded from the performance indicator include unrealized gain on investments and interest rate swap.

Tax status
The Center has no unrecognized tax benefits at March 31, 2019. The Center's federal, state and city information tax returns prior to 2016 are closed. The Board of Directors continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in law and new authoritative rulings.

If applicable, the Center would recognize interest and penalties associated with tax matters as part of other than personnel services in the statement of activities and change in net assets and include accrued interest and penalties in accrued expenses in the statement of financial position. The Center did not recognize any interest or penalties associated with tax matters for the year ended March 31, 2019.

Advertising
The Center follows the policy of charging the costs of advertising to expense as incurred. For the year ended March 31, 2019, advertising expense was $27,313.

Adoption of new accounting pronouncement
For the year ended March 31, 2019, the Organization adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities* (Topic 958), *Presentation of Financial Statements for Not-for-Profit Entities.* This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

Note 2 - Availability and liquidity

The following represents the Center's financial assets at March 31, 2019:

Cash and cash equivalents	$	765,572
Investments		615,070
Patient services receivable, net		1,258,188
Grants receivable		491,632
Contracts receivable		10,458
340B pharmacy receivable		323,885
Total financial assets available to meet general expenditures over the next 12 months	$	3,464,805

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures come due. In addition, excess cash is invested in short-term investments including money market accounts, certificate of deposits and mutual funds. The Center has a $1,500,000 line of credit available to meet cash flow needs.

Note 3 - Fair value measurements

The Center values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

When necessary, the Center recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In determining fair value, the Center utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. Financial assets and liabilities carried at fair value at March 31, 2019 are classified in the tables below in one of the three categories described above:

	Quoted prices in active markets for identical market approach (Level 1)	Significant other observable cost approach (Level 2)	Unobservable inputs income approach (Level 3)	Total
Money market	$ 6,543	$ -	$ -	$ 6,543
Certificates of deposit	-	362,427	-	362,427
Mutual funds	252,643	-	-	252,643
	$ 259,186	$ 362,427	$ -	$ 621,613
Interest rate swap liability	$ -	$ (7,462)	$ -	$ (7,462)

Investments in money market accounts are cash equivalent sweep accounts and the fair values as of March 31, 2019 are included in cash and cash equivalents on the statement of financial position.

Certificates of deposit are valued using market prices on active markets and valuations and are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

Mutual funds are valued using their estimated bid price which is derived from market prices in active markets obtained from real-time quotes for transactions in an active exchange.

The fair value of the interest rate swap represents an estimate of the net present value of the expected cash flows using relevant mid-market data inputs.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4 - Patient services receivable, net

Patient services receivable consist of the following at March 31, 2019:

Medicaid including managed care and wraparound	$ 1,028,581
Medicare including managed care and wraparound	162,871
Private insurance and commercial managed care plans	248,622
Self-pay	345,462
Subtotal	1,785,536
Less allowance for doubtful accounts	(527,348)
Total	$ 1,258,188

Patient services receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of patient services receivable, the Center 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, the Center 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 include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Center 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 provided by the Center's policy and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

The Center's allowance for doubtful accounts for all payors was 30% of patient services receivable at March 31, 2019. In addition, the Center's write-offs were $353,066 for fiscal year 2019.

The Center has allocated portions of its allowance for doubtful accounts to all payors receivable balances at March 31, 2019.

Note 5 - Property and equipment, net

Property and equipment are stated at cost and are comprised of the following as of March 31, 2019:

Land	$	150,000
Building and leasehold improvements		5,989,353
Office and medical equipment		1,740,608
		7,879,961
Less accumulated depreciation		(4,251,796)
Property and equipment, net	$	3,628,165

Note 6 - Lines of credit

The Center entered into a line of credit with Wells Fargo Bank in the amount of $1,500,000 maturing on October 1, 2019. The line is a revolving line of credit with interest equal to LIBOR + 3% with a minimum rate of 3.478% (5.49% at March 31, 2019). The line is secured by all assets of the Center. As of March 31, 2019, there was no outstanding balance due. On October 1, 2019, the line was closed.

On October 30, 2019, the Center entered into a line of credit with First National Bank of Pennsylvania for a line of credit in the amount of $1,500,000. The line is a revolving line of credit with interest equal to LIBOR + 2.35%. The line is secured by all assets of the Center and is due upon demand by the bank.

Note 7 - Long-term debt

Wells Fargo Bank
The Center entered into a loan agreement with Wells Fargo Bank in the amount of $2,560,000 maturing on November 1, 2019, with a balloon payment of $1,877,122. The loan bears interest at 2.36% per annum. Monthly interest and principal payments of $12,675 are due. The loan is secured by the George Street property and improvements. For the year ended March 31, 2019, interest charged totaled $47,714, of which $3,973 remains payable. As of March 31, 2019, the outstanding balance was $1,951,370.

The loan has certain debt covenants, such as maintaining a minimum annual debt coverage ratio of 1:15 to 1:00 and a current ratio of not less than 1:35 to 1:00. These ratios are computed at the end of each fiscal year and the second quarter of each fiscal year.

In October 30, 2019, the Center entered a loan agreement with First National Bank of Pennsylvania in the amount of $1,900,000. The Center used these funds to pay off the remaining balance due on the Wells Fargo loan. The loan matures on October 30, 2034.

The Center entered a swap agreement with First National Bank of Pennsylvania for a notional principal amount of $1,900,000 with a maturity date of October 30, 2034. Under the swap agreement the Center pays interest monthly at a fixed rate of 3.12%. The Center entered the agreement to manage their interest rate risks. The agreement is designated as a freestanding instrument. The interest rate swap is not designated as a hedging instrument.

BB&T Company
The Center entered into a loan agreement with Branch Banking and Trust Company ("BB&T") totaling $860,000 on August 30, 2015, with a maturity date of September 1, 2030. The loan incurs interest at a variable interest rate of LIBOR plus 195 basis points (3.89% at March 31, 2019). The loan is secured by the Hanover property and improvements. For the year ended March 31, 2019, interest charged on the loan was $30,956 which includes debt issuance cost amortization of $3,308 based on an imputed interest rate of 4.27%. As of March 31, 2019, the outstanding balance and accrued interest was $700,980 and $2,346, respectively.

Mortgage payable - BB&T	$	700,980
Unamortized debt issuance costs		(37,770)
Mortgage payable - BB&T, net	$	663,210

The Center entered into a swap agreement with BB&T for a notional principal amount of $860,000 with a maturity date of September 1, 2030. Under the swap agreement the Center pays interest on a monthly basis at a fixed rate of 3.88%. The Center entered into the agreement to manage their interest rate risks. The agreement is designated as a freestanding instrument. The interest rate swap is not designated as a hedging instrument.

The cumulative market-to-market gain or loss on the swap agreement's fair value is a liability of $7,462 at March 31, 2019, (included in the statement of financial position as a liability) and is shown on the statement of activities and change in net assets in nonoperating activities.

The minimum principal payments due on long-term debt for each of the next five years and thereafter are as follows:

2020	$	153,382
2021		153,324
2022		158,610
2023		164,079
2024		169,612
Thereafter		1,853,343
Total	$	2,652,350

Note 8 - Patient services revenue, net

The Center recognizes patient services revenue associated with services provided to patients who have Medicaid, Medicare, third-party payor and managed care plans coverage on the basis of contractual rates for services rendered. For uninsured patients that do not qualify for charity care, the Center recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy. On the basis of historical experience, a significant portion of the Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Center records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient services revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, are as follows at March 31, 2019:

Medicaid including managed care and wraparound	$ 8,158,254
Medicare including managed care and wraparound	1,071,562
Private insurance	1,606,371
Self-pay	628,369
Total	$ 11,464,556

Note 9 - Department of Health and Human Services ("DHHS")

DHHS 330 Grant
The Center was awarded grants from the United States Department of Health and Human Services under the PHS-Section 330 Grant Program. This grant was awarded to the Center to develop and operate community health centers located in York City, Hanover, Lewisberry, and Gettysburg Pennsylvania. The Center earned $2,887,276 under the program for the year ended March 31, 2019.

Ryan White Part C Grant
The Center was awarded grants from the United States Department of Health and Human Services. The grants were awarded to the Center to provide early intervention services and primary care related to HIV. The Center earned $544,787 under the program for the year ended March 31, 2019.

Ryan White Part B Grant
The Center was awarded a pass-through grant from Family Health Council of Pennsylvania to provide support and comprehensive primary medical care, case management and oral health care to indigent, uninsured and underinsured persons who are HIV-infected and living in Pennsylvania. The Center earned $542,661 under the program for the year ended March 31, 2019, of which $127,638 was federal funds and $415,023 was state funds.

Family Planning
The Center was awarded a pass-through grant from the Family Health Council of Pennsylvania to provide quality family planning services to patients in Pennsylvania. The Center earned $569,263 under the program for the year ended March 31, 2019, of which $476,191 was federal funds and $93,072 was state funds.

Nurse Family Partnership Grant
The Center was awarded a pass-through grant from Pennsylvania to provide funds for nurses to visit mothers, infants and young children in Pennsylvania. The Center earned $332,706 under the program for the year ended March 31, 2019, of which $294,959 was federal funds and $37,747 was state funds.

Note 10 - Contract services and other grants

Contract services and other grant revenue consist of the following at March 31, 2019:

The Office of Child Development and Early Learning	$	403,252
WellSpan Healthcare Services		215,000
Family Health Council of Central Pennsylvania - state portion		508,095
Pennsylvania Department of Health - Columbia Grant		104,654
York County Office of Children, Youth and Families		220,461
Pennsylvania Department of Health - Center of Excellence		317,310
Memorial Health Fund - Connections to a Healthy Pregnancy		156,271
Pennsylvania Department of Human Services - state portion		37,747
Other		281,843
Total	$	2,244,633

Note 11 - Rental income

The Center subleases space at the 116 South George Street location to WellSpan Healthcare Services for the purpose of operating a public pharmacy. The terms of the lease include a period of 10 years and initial monthly rent of $3,245 and common area costs with rent increases of 3% annually. The lease expired on July 1, 2018 and was automatically extended for an additional 5 years under the original terms.

Minimum annual rentals are as follows for the years ending March 31:

2020	$	51,828
2021		53,383
2022		54,985
2023		56,634
2024		19,063

The Center also subleases space to other various tenants. The terms of the leases include monthly rents. Rental income associated with the space rental is included in the statement of activities and change in net assets.

Note 12 - Operating lease commitments

Leases that do not meet the criteria for capitalization are classified as operating leases, with rental expense charged to operations as incurred.

As of March 31, 2019, the Center had entered into various operating lease agreements for its office facilities and parking spaces, with expiration dates through December 2028.

Minimum annual rentals are as follows for the next five years ending March 31:

2020	$ 176,121
2021	180,827
2022	185,644
2023	190,582
2024	195,634

Total rent expense under operating leases was $275,055 for the year ended March 31, 2019.

Note 13 - Retirement plan

The Center maintains a 403(b) plan that covers substantially all eligible employees. The amounts contributed to the plan include 3% of the participant's compensation of which 2% is contributed by employees and 1% matched by the Center, unless an elective deferral is completed and a discretionary dollar-for dollar matching contribution by the Center. For the year ended March 31, 2019, $82,496 was matched by the Center, and no discretionary contribution has been approved by the Board.

Note 14 - Commitments and contingencies

The Center has contracted with various funding agencies to perform certain healthcare services and received Medicaid and Medicare revenue from the federal and state governments. Reimbursements received under these contracts and payments under Medicaid and Medicare are subject to audit by the federal and state governments and other agencies. Upon audit, if discrepancies are discovered, the Center could be held responsible for reimbursing the agencies for the amounts in question.

The Center maintains its medical malpractice coverage under the Federal Tort Claims Act ("FTCA"). FTCA provides malpractice coverage to eligible PHS-Supported programs and applies to the Center and its employees while providing services within the scope of employment included under grant-related activities. The Attorney General, through the U.S. Department of Justice, has the responsibility for the defense of the individual and/or grantee for malpractice cases approved for FTCA coverage.

The healthcare industry is subject to voluminous and complex laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretations as well as regulatory actions unknown or unasserted at the time. These laws and regulations include, but are not necessarily limited to matters such as, licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws and false claims prohibitions. In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes and regulation by healthcare providers. The Center believes that it is in material compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Upon audit, if discrepancies are discovered, the Center could be held responsible for refunding the amounts in question.

The Commonwealth of Pennsylvania has required all Federally Qualified Health Centers in the state to resubmit their 2016 wraparound report using a method different from the way the report was originally submitted. The state has not given guidance as to how it will proceed regarding money that may potentially be owed as a result of the revised report. As of March 31, 2019, the Center has accrued $200,000 as the estimated balance to be repaid if the state requires money to be paid as a result of the revised report.

Note 15 - Subsequent events

Events that occur after the statement of financial position date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Center through December 9, 2019 (the date the financial statements were available to be issued) and concluded that except for Notes 6 and 7 no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Family First Health Corporation

Schedule of Operations - Nurse Family Partnership
Year Ended March 31, 2019

	Actual	Budget DPW (unaudited)
Revenues		
DPW	$ 403,252	$ 397,467
Required match	58,500	58,500
Donations	-	-
Medical assistance fee for service	68,761	-
Total revenues	530,513	455,967
Expenses		
Salaries/wages	287,151	307,096
Benefits/payroll taxes	62,687	63,871
Total personnel expenses	349,838	370,967
Occupancy	5,786	5,000
Communications	3,302	4,000
Supplies	3,882	5,500
Transportation	6,199	12,000
Purchased services	10,546	12,000
Indirect costs	23,517	41,500
Insurance	900	-
Printing/publications	1,072	-
Training	4,183	5,000
Client related	-	-
Total operating expenses	59,387	85,000
Total expenses	409,225	455,967
Excess of revenue over expenses	$ 121,288	$ -

See Independent Auditor's Report.

Family First Health Corporation

Schedule of Expenditures of Federal Awards
Year Ended March 31, 2019

Federal grantor/pass-through grantor/program or cluster title	Federal CFDA number	Agency or pass-through entity identifying number	Passed through to subrecipients	Expenditures
U.S. Department of Health and Human Services				
Direct programs				
Health Centers Cluster				
Consolidated Health Centers	93.224	N/A	$ -	$ 836,241
Affordable Care Act Grants for New and Expanded Services Under the Health Center Program	93.527	N/A	-	2,051,035
Subtotal - Health Centers Cluster			-	2,887,276
Outpatient Early Intervention Services with respect to HIV Disease	93.918	N/A	203,391	544,787
Passed through Family Health Council of Central PA, Inc.				
HIV Care Formula Grant	93.917	SAP4100063217	-	127,638
Passed through Family Health Council of Central PA, Inc.				
Family Planning Services	93.217	FPHPA 036257-01-00	-	392,690
Passed through Family Health Council of Central PA, Inc.				
Social Services Block Grant	93.667	SAP4100060420	-	63,501
Passed through Family Health Council of Central PA, Inc.				
Maternal and Child Health Services Block Grant To The States	93.994	SAP4100081504	-	20,000
Passed through PA Office of Child Development Home Visiting				
Maternal, Infant, and Early Childhood Home Visiting Cluster				
Maternal, Infant, and Early Childhood Home Visiting Program	93.870	SAP4100070305	-	294,959
Total expenditures of federal awards			$ 203,391	$ 4,330,851

See Notes to Schedule of Expenditures of Federal Awards.

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Family First Health Corporation (the "Center") under programs of the federal government for the year ended March 31, 2019. 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 Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. The Center did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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
Family First Health Corporation

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 Family First Health Corporation (the "Center"), which comprise the statement of financial position as of March 31, 2019, and the related statements of activities and change in net assets, 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 December 9, 2019.

Internal Control over Financial Reporting

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

CohnReznick LLP

Baltimore Maryland
December 9, 2019

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Family First Health Corporation

Report on Compliance for Each Major Federal Program

We have audited Family First Health Corporation's (the "Center") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2019. The Center'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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center'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; 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* ("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 Center'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 Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each its major federal program for the year ended March 31, 2019.

Report on Internal Control over Compliance

Management of the Center 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 Center'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 Center'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.

CohnReznick LLP

Baltimore, Maryland
December 9, 2019

Family First Health Corporation

Schedule of Findings and Questioned Costs
Year Ended March 31, 2019

Section I - Summary of Auditor's Results

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	__yes	_x_ no
• Significant deficiency(ies) identified?	__yes	_x_ none reported
Noncompliance material to financial statements noted?	__yes	_x_ no

Federal Awards:

Internal control over major programs:		
• Material weakness(es) identified?	__yes	_x_ no
• Significant deficiency(ies) identified?	__yes	_x_ 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)	__yes	_x_ no

Identification of major programs:

CFDA Number	Name of Federal Program
93.224	U.S. Department of Health and Human Services: Health Centers Cluster Consolidated Health Centers
93.527	Affordable Care Acts Grants for New and Expanded Services Under the Health Center Program

Dollar threshold used to distinguish between type A and type B programs:	750,000	
Auditee qualified as low-risk auditee?	_x_ yes	__no

Schedule of Findings and Questioned Costs
Year Ended March 31, 2019

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

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