

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

Independent Auditor's Reports and Financial Statements

June 30, 2019 and 2018

**Crusaders Central Clinic Association
d/b/a Crusader Community Health
June 30, 2019 and 2018**

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Independent Auditor's Report

Board of Directors
Crusaders Central Clinic Association
d/b/a Crusader Community Health
Rockford, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Crusaders Central Clinic Association, d/b/a Crusader Community Health (the "Organization"), which comprise the balance sheets as of June 30, 2019 and 2018, and the related statements of operations, changes in net assets and cash flows for the years 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 audits. We conducted our audits 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 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 Crusaders Central Clinic Association, d/b/a Crusader Community Health, as of June 30, 2019 and 2018, and the results of its operations, changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2019, the Organization adopted ASU 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of the Organization'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 Organization'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 Crusaders Central Clinic Association, d/b/a Crusader Community Health's, internal control over financial reporting and compliance.

BKD, LLP

Springfield, Missouri
December 19, 2019

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

**Balance Sheets
June 30, 2019 and 2018**

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 8,717,750	\$ 8,088,284
Patient accounts receivable, net of allowance; 2019 – \$3,198,613, 2018 – \$3,859,783	2,502,861	1,976,515
Grants and other receivables	2,311,190	1,905,257
Supplies	72,600	40,029
Prepaid expenses and other	198,531	194,989
Total current assets	13,802,932	12,205,074
Assets Limited As To Use		
Externally restricted	87,217	101,099
Internally designated	35,682,086	30,659,620
	35,769,303	30,760,719
Property and Equipment, At Cost		
Land and land improvements	3,380,478	3,080,247
Buildings and leasehold improvements	27,446,953	26,604,052
Equipment	8,855,098	8,398,949
Construction in progress	471,408	-
	40,153,937	38,083,248
Less accumulated depreciation	23,480,185	21,578,966
	16,673,752	16,504,282
Interest in Net Assets of Crusaders Health Foundation	4,007,046	3,413,504
Total assets	\$ 70,253,033	\$ 62,883,579
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 1,988,066	\$ 915,471
Accrued expenses	4,083,825	3,499,875
Deferred revenue	-	13,333
Total current liabilities	6,071,891	4,428,679
Net Assets		
Without donor restrictions	59,881,119	54,557,996
With donor restrictions	4,300,023	3,896,904
Total net assets	64,181,142	58,454,900
Total liabilities and net assets	\$ 70,253,033	\$ 62,883,579

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

Statements of Operations

Years Ended June 30, 2019 and 2018

	2019	2018
Revenues, Gains and Other Support Without Donor Restrictions		
Net patient service revenue (net of contractual discounts and allowances)	\$ 40,155,506	\$ 37,320,109
Provision for uncollectible accounts	1,122,398	2,245,094
Net patient service revenue less provision for uncollectible accounts	39,033,108	35,075,015
Federal grant revenue	7,039,215	6,893,091
Other grant and contract revenue	221,297	349,984
Contributions	70,552	240,958
Other	463,273	545,381
Net assets released from restrictions used for operations	190,423	-
	47,017,868	43,104,429
Expenses and Losses		
Salaries and wages	23,193,049	23,023,429
Employee benefits	5,137,676	4,357,766
Purchased services and professional fees	4,562,751	4,373,130
Supplies and other	9,499,900	7,608,657
Depreciation	1,901,217	2,172,639
	44,294,593	41,535,621
	2,723,275	1,568,808
Operating Income		
	1,839,390	460,862
Other Income		
Investment return	1,839,390	460,862
	1,839,390	460,862
Excess of Revenues Over Expenses		
	4,562,665	2,029,670
Grants for acquisition of property and equipment	-	2,405,000
Contributions for acquisition of property and equipment	760,458	257,556
	760,458	257,556
Increase in Net Assets Without Donor Restrictions	\$ 5,323,123	\$ 4,692,226

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

**Statements of Changes in Net Assets
Years Ended June 30, 2019 and 2018**

	2019	2018
Net Assets Without Donor Restrictions		
Excess of revenues over expenses	\$ 4,562,665	\$ 2,029,670
Grants for acquisition of property and equipment	-	2,405,000
Contributions for acquisition of property and equipment	760,458	257,556
Increase in net assets without donor restrictions	5,323,123	4,692,226
Net Assets With Donor Restrictions		
Contributions received	-	483,400
Net assets released from restrictions	(190,423)	-
Change in interest in net assets of Crusaders Health Foundation	593,542	725,316
Increase in net assets with donor restrictions	403,119	1,208,716
Change in Net Assets	5,726,242	5,900,942
Net Assets, Beginning of Year	58,454,900	52,553,958
Net Assets, End of Year	\$ 64,181,142	\$ 58,454,900

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

Statements of Cash Flows

Years Ended June 30, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ 5,726,242	\$ 5,900,942
Items not requiring (providing) operating cash flows		
Depreciation	1,901,217	2,172,639
Net unrealized (gain) loss on investments	(803,345)	99,386
Change in interest in net assets of Crusaders Health Foundation	(593,542)	(725,316)
Grants for acquisition of property and equipment	-	(2,405,000)
Contributions for acquisition of property and equipment	(760,458)	(257,556)
Changes in		
Patient accounts receivable, net	(526,346)	1,517,613
Accounts payable and accrued expenses	1,203,524	(637,533)
Other current assets and liabilities	(455,379)	368,182
Net cash provided by operating activities	5,691,913	6,033,357
Investing Activities		
Acquisition of assets limited as to use	(4,205,239)	(7,472,442)
Purchase of property and equipment	(1,617,666)	(806,633)
Net cash used in investing activities	(5,822,905)	(8,279,075)
Financing Activities		
Proceeds from grants for acquisition of property and equipment	-	2,405,000
Proceeds from contributions for acquisition of property and equipment	760,458	257,556
Net cash provided by financing activities	760,458	2,662,556
Increase in Cash and Cash Equivalents	629,466	416,838
Cash and Cash Equivalents, Beginning of Year	8,088,284	7,671,446
Cash and Cash Equivalents, End of Year	\$ 8,717,750	\$ 8,088,284
Supplemental Cash Flows Information		
Property and equipment acquisitions in accounts payable	\$ 473,496	\$ 20,475

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Crusaders Central Clinic Association, d/b/a Crusader Community Health (the “Organization”), primarily earns revenues by providing health care services through clinics and programs located in Rockford, Illinois, and surrounding areas.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2019 and 2018, cash equivalents consisted primarily of money market deposit accounts. At June 30, 2019, the Organization’s cash accounts exceeded federally insured limits by approximately \$11,613,000.

Assets Limited As To Use

Assets limited as to use include (1) assets externally restricted for unemployment claims and (2) internally designated assets set aside by the Board of Directors for future capital improvements or operating needs over which the Board retains control and may at its discretion subsequently use for other purposes.

Investments and Investment Return

Investments include mutual funds carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct investment expense.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of operations and changes in net assets as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts.

For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers 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), the Organization records a significant provision for uncollectible accounts 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 or provided by sliding fee or other policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Organization's allowance for uncollectible accounts for self-pay patients was 96 percent and 92 percent of self-pay accounts receivable at June 30, 2019 and 2018, respectively. The Organization's write-offs increased approximately \$115,000 from approximately \$1,670,000 for the year ended June 30, 2018, to approximately \$1,785,000 for the year ended June 30, 2019.

Supplies

The Organization states supply inventories at the lower of cost, determined using the first-in, first-out method, or net realizable value.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Land improvements	5–15 years
Building and leasehold improvements	5–40 years
Equipment	3–15 years

Certain property and equipment have been purchased with grant funds received from the U.S. Department of Health and Human Services. Such items or a portion thereof may be reclaimed by the federal government if not used to further the grant's objectives.

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2019 and 2018.

Interest in Net Assets of Crusaders Health Foundation

Crusaders Health Foundation (the "Foundation") and the Organization are financially interrelated organizations. The Foundation seeks private support for and holds net assets on behalf of the Organization. The Organization accounts for its interest in the net assets of the Foundation (Interest) in a manner similar to the equity method. Changes in the Interest are included in change in net assets. Transfers of assets between the Foundation and the Organization are recognized as increases or decreases in the Interest.

Net Assets With Donor Restrictions

Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose or have been restricted by donors to be maintained by the Organization in perpetuity.

Net Patient Service Revenue

The Organization has agreements with third-party payers that provide for payments to the Organization at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods, as adjustments become known.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

340B Revenue

The Organization participates in the 340B “Drug Discount Program” which enables qualifying health care providers to purchase drugs from pharmaceutical suppliers at a substantial discount. The 340B Drug Discount Program is managed by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs. The Organization earns revenue under this program by purchasing pharmaceuticals at a reduced cost to fill prescriptions to qualified patients.

The Organization has a network of participating pharmacies that dispense the pharmaceuticals to its patients under a contract arrangement with the Organization.

Grant Revenue

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by granting agency and as a result of such audit adjustments could be required.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

Income Taxes

The Organization has been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible organizations that demonstrate meaningful use of certified electronic health records technology (EHR). Payments under the Medicare program are generally made for up to four years based on a statutory formula. Payments under the Medicaid program are generally made for up to six years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services. Payment under both programs are contingent on the Organization continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period. The final amount for any payment year is determined based upon an audit by the state, fiscal intermediary or Medicare Administrative Contractor. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

The Organization recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period.

The Organization has recorded revenue of approximately \$0 and \$170,000 for the years ended June 30, 2019 and 2018, respectively, which is included in other revenue in the statements of operations.

Excess of Revenues Over Expenses

The statements of operations include excess of revenues over expenses. Changes in net assets without donor restrictions which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions and grants of long-lived assets (including assets acquired using contributions or grants which by donor or granting agency restriction are to be used for the purpose of acquiring such assets).

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

Change in Accounting Principle

In 2019, the Organization adopted ASU 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. A summary of the changes is as follows:

Balance Sheet

- The balance sheet distinguishes between two new classes of net assets—those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets—unrestricted, temporarily restricted and permanently restricted.

Statement of Operations

- Investment income is shown net of external and direct internal investment expenses. Disclosure of the expenses netted against investment income is no longer required.

Notes to the Financial Statements

- Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one year from the date of the balance sheet.
- Expenses are reported by both nature and function in one location.

This change had no impact on previously reported total change in net assets.

Subsequent Events

Subsequent events have been evaluated through December 19, 2019, which is the date the financial statements were available to be issued.

Note 2: Grant Revenue

The Organization is the recipient of a Consolidated Health Centers (CHC) grant from the U.S. Department of Health and Human Services. The general purpose of the grant is to provide expanded health care service delivery for residents of Rockford, Illinois, and surrounding areas. Terms of the grant generally provide for funding of the Organization's operations based on an approved budget. Grant revenue is recognized as qualifying expenditures are incurred over the grant period. During the years ended June 30, 2019 and 2018, the Organization recognized \$6,665,753 and \$6,518,493, respectively, in CHC grant revenue. Funding for the grant budget period ending December 31, 2019, is approved at \$6,892,911.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

The Organization is a recipient of a Ryan White Outpatient Early Intervention Services with Respect to HIV Disease (Ryan White) grant from the U.S. Department of Health and Human Services. The general purpose of the grant is to provide expanded HIV services in Rockford, Illinois, and surrounding areas. Terms of the grant generally provide for funding of the Organization's operations based on an approved budget. During the years ended June 30, 2019 and 2018, the Organization recognized \$373,462 and \$379,598, respectively, in Ryan White grant revenue. Funding for the grant budget period ending March 31, 2020, is approved at \$379,172.

In addition to these grants, the Organization receives additional financial support from other federal, state and private sources. Generally, such support requires compliance with terms and conditions specified in grant agreements and must be renewed on an annual basis.

Note 3: Net Patient Service Revenue

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for the sliding fee program, the Organization recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Organization's uninsured patients who do not qualify for the sliding fee program will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for uncollectible accounts related to uninsured patients who do not qualify for the sliding fee program in the period the services are provided. This provision for uncollectible accounts is presented on the statement of operations as a component of net patient service revenue.

The Organization is approved as a Federally Qualified Health Center (FQHC) for both Medicare and Medicaid reimbursement purposes. The Organization has agreements with third-party payers that provide for payments to the Organization at amounts different from its established rates. These payment arrangements include:

Medicare. Covered FQHC services rendered to Medicare program beneficiaries are paid in accordance with provisions of Medicare's Prospective Payment System (PPS) for FQHCs. Medicare payments, including patient coinsurance, are paid on the lesser of the Organization's actual charge or the applicable PPS rate. Services not covered under the FQHC benefit are paid based on established fee schedules.

Medicaid. Covered FQHC services rendered to Medicaid program beneficiaries are paid based on a prospective reimbursement methodology. The Organization is reimbursed a set encounter rate for all services provided under the plan.

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

**Notes to Financial Statements
June 30, 2019 and 2018**

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Organization has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates and discounts from established charges.

Additional net patient service revenue of approximately \$900,000 was recognized in 2019 due to changes in the estimated allowances on patient accounts receivable at June 30, 2018. No such change in the estimate was recorded in 2018.

Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized in the years ended June 30, 2019 and 2018, was approximately:

	2019	2018
Medicare	\$ 1,701,167	\$ 1,864,455
Medicaid	21,709,577	19,379,945
Other third-party payers	13,526,982	11,255,874
Self-pay	3,487,780	4,819,835
Total	\$ 40,425,506	\$ 37,320,109

Note 4: Concentrations of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at June 30, 2019 and 2018, was:

	2019	2018
Medicare	5%	6%
Medicaid	78%	77%
Other third-party payers	10%	9%
Self-pay	7%	8%
	100%	100%

**Crusaders Central Clinic Association
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Notes to Financial Statements

June 30, 2019 and 2018

Note 5: Investments and Investment Return

Assets Limited As To Use

Assets limited as to use include:

	2019	2018
Cash externally restricted for Unemployment Saving Trust	<u>\$ 87,217</u>	<u>\$ 101,099</u>
Internally designated		
Cash and cash equivalents	\$ 3,232,169	\$ 3,837,708
Mutual funds – money market	1,201,320	173,877
Mutual funds – equity securities	6,148,878	5,196,177
Mutual funds – debt securities	<u>25,099,719</u>	<u>21,451,858</u>
Total internally designated	<u>\$ 35,682,086</u>	<u>\$ 30,659,620</u>

Total investment return is comprised of the following:

	2019	2018
Interest and dividend income, net of investment expenses	\$ 1,036,045	\$ 560,248
Unrealized gain (loss) on securities	<u>803,345</u>	<u>(99,386)</u>
	<u>\$ 1,839,390</u>	<u>\$ 460,862</u>

Note 6: Interest in Net Assets of Crusaders Health Foundation

Crusaders Health Foundation (the “Foundation”) was established to benefit the general public and the Organization. The Foundation’s Board of Directors determines the amount, timing and purpose of the distribution of Foundation funds. The Organization recognizes its interest in the net assets held by the Foundation in a manner similar to the equity method. At June 30, 2019 and 2018, \$4,007,046 and \$3,413,504, respectively, is recognized as the Organization’s interest in the net assets of the Foundation, which includes contributions received by the Foundation and pledges receivable by the Foundation that are donor restricted to be used for Organization purposes.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

During the years ended June 30, 2019 and 2018, the Organization was granted \$791,010 and \$498,514 from the Foundation, respectively, which is recognized as contributions and contributions for acquisition of property and equipment in the statements of operations. The Organization also provides management services to the Foundation. During the years ended June 30, 2019 and 2018, the Organization recognized \$151,081 and \$187,470 in management fee revenue, respectively, which is recognized as other revenue in the statements of operations.

Note 7: Medical Malpractice Claims

The U.S. Department of Health and Human Services deemed the Organization and its practicing medical professionals covered under the Federal Tort Claims Act (FTCA) for damage for personal injury, including death, resulting from the performance of medical, surgical, dental and related functions. FTCA coverage is comparable to an occurrence policy without a monetary cap.

Claim liabilities are determined without consideration of insurance recoveries. Expected recoveries are based upon the Organization's claims experience. No accrual has been made for medical malpractice costs for the years ended June 30, 2019 and 2018. However, because of the risk of providing health care services, it is possible that an event has occurred which will be the basis of a future material claim.

Note 8: Employee Medical Insurance Claims

The Organization provides certain health care medical insurance coverage for all eligible employees. Under the terms of the insurance policy, the Organization is at risk for covered claims submitted, not to exceed \$80,000 per person per year. The Organization is indemnified for claims in excess of approximately \$2,296,000 in the aggregate by the stop-loss insurance policy coverage.

Note 9: Line of Credit

The Organization had a \$2,000,000 bank line of credit which expired December 12, 2019. The line was collateralized by substantially all of the Organization's assets. Interest varied with the London Interbank Offered Rate (LIBOR) plus 1.75 percent (5.00 percent at June 30, 2019). At June 30, 2019 and 2018, the Organization had no outstanding borrowings against this line of credit.

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 10: Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are available for the following purposes or periods:

	2019	2018
Subject to expenditure for specified purpose		
Health care services	\$ 292,977	\$ 483,400
Interest in net assets of Crusaders Health Foundation		
Subject to expenditure for specified purpose		
Health care services	385,219	441,432
Subject to passage of time		
Periods after June 30	1,725,696	1,110,024
Subject to endowment spending policy and appropriation		
Endowments	1,456,899	1,424,384
Not subject to spending policy or appropriation		
Beneficial interest in perpetual trusts	439,232	437,664
	<u>4,007,046</u>	<u>3,413,504</u>
	<u>\$ 4,300,023</u>	<u>\$ 3,896,904</u>

Net assets are released from restrictions upon satisfaction of the purpose restriction or when a stipulated time restriction ends. Purpose restrictions satisfied during the years ended June 30, 2019 and 2018, were as follows:

	2019	2018
Health care services	\$ 190,423	\$ -

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

Notes to Financial Statements

June 30, 2019 and 2018

Note 11: Liquidity and Availability

The Organization's financial assets available within one year of the balance sheet date for general expenditure are:

	<u>2019</u>	<u>2018</u>
Financial assets at year end		
Cash and cash equivalents	\$ 8,717,750	\$ 8,088,284
Assets limited as to use	35,769,303	30,760,719
Patient accounts receivable, net	2,502,861	1,976,515
Grants and other receivables	<u>2,311,190</u>	<u>1,905,257</u>
Total financial assets	<u>49,301,104</u>	<u>42,730,775</u>
Less amounts not available to be used within one year		
Externally restricted assets limited as to use	87,217	101,099
Board designated assets limited as to use	<u>35,682,086</u>	<u>30,659,620</u>
Financial assets not available to be used within one year	<u>35,769,303</u>	<u>30,760,719</u>
Financial assets available to meet general expenditures within one year	<u>\$ 13,531,801</u>	<u>\$ 11,970,056</u>

The Organization has certain board-designated assets that are designated for future capital expenditures (see *Note 15*). These assets limited to use, which are more fully described in *Notes 1* and *5*, are not available for general expenditure within the next year. However, the board-designated amounts could be made available, if necessary.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 12: Functional Expenses

The Organization provides health care services primarily to residents within its geographic area. Certain costs attributable to more than one function have been allocated among the health care and general and administrative services functional expense classifications based on various methods. The following schedule presents the natural classification of expenses by function:

	2019		
	Health Care Services	General and Administrative	Total
Salaries and wages	\$ 18,575,291	\$ 4,617,758	\$ 23,193,049
Employee benefits	4,079,035	1,058,641	5,137,676
Purchased services and professional fees	3,114,090	1,448,661	4,562,751
Supplies and other	7,877,517	1,622,383	9,499,900
Depreciation	1,522,683	378,534	1,901,217
	<u>\$ 35,168,616</u>	<u>\$ 9,125,977</u>	<u>\$ 44,294,593</u>

For 2018, the Organization had \$34,150,871 of expenses related to the provision of health care services and \$7,384,750 of general and administrative expenses.

Note 13: Retirement Plan

The Organization has a 403(b) defined contribution plan covering substantially all employees. For each eligible participant, the Organization contributes a matching contribution equal to 75 percent of employee contributions that do not exceed 6 percent of compensation; however, any employer contributions are discretionary in nature and are subject to reduction or termination. Retirement plan expense for the years ended June 30, 2019 and 2018, was \$591,244 and \$598,952, respectively.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

Note 14: Disclosures About Fair Value of Assets and Liabilities

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2019 and 2018:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2019				
Mutual funds – money market	\$ 1,201,320	\$ 1,201,320	\$ -	\$ -
Mutual funds – equity securities	6,148,878	6,148,878	-	-
Mutual funds – debt securities	25,099,719	25,099,719	-	-
	<u>\$ 32,449,917</u>	<u>\$ 32,449,917</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2018				
Mutual funds – money market	\$ 173,877	\$ 173,877	\$ -	\$ -
Mutual funds – equity securities	5,196,177	5,196,177	-	-
Mutual funds – debt securities	21,451,858	21,451,858	-	-
	<u>\$ 26,821,912</u>	<u>\$ 26,821,912</u>	<u>\$ -</u>	<u>\$ -</u>

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

Following is a description of the valuation methodology and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification as such pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2019.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Organization has no investments classified as Level 2 or Level 3.

Note 15: Construction in Progress

The Organization has begun the process of constructing a replacement facility for the existing clinic at West State Street in Rockford, Illinois. The new construction will be adjacent to the existing facility, which will be razed for parking upon occupancy of the new construction. Active construction began in October 2019 and is expected to be completed in winter 2021. The estimated cost of the project is \$16,000,000. The Organization plans to finance the project through a combination of fundraising and board designated assets limited as to use (see *Notes 5 and 11*).

Note 16: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerability due to certain concentrations. Those matters include the following:

Grant Revenues

Concentration of revenues related to grant awards and other support are described in *Note 2*.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1* and *3*.

Estimated Liability for Employee Health Care

Estimates related to the accrual for self-insurance claims are described in *Note 8*.

Malpractice Claims

Estimates related to the accrual for professional liability claims are described in *Note 7*.

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

340B Drug Pricing Program

The Organization participates in the 340B Drug Discount Pricing Program (340B Program) enabling the Organization to receive discounted prices from the drug manufacturers on outpatient pharmaceutical purchases. This program is overseen by the Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA). HRSA is currently conducting routine audits of these programs at health care organizations and increasing its compliance monitoring processes. Laws and regulations governing the 340B Program are complex and subject to interpretation and change. As a result, it is reasonably possible that material changes to the financial statement amounts related to the 340B Program could occur in the near term.

Crusaders Central Clinic Association d/b/a Crusader Community Health

Notes to Financial Statements

June 30, 2019 and 2018

Note 17: Future Change in Accounting Principle

Revenue Recognition

The Financial Accounting Standards Board (FASB) amended its standards related to revenue recognition with the issuance of Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for the Organization's annual period beginning July 1, 2019, and any interim periods therein. The Organization is in the process of evaluating the impact the amendment will have on the financial statements.

Clarifying Accounting Contributions

The FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* to clarify existing guidance on determining whether a transfer of assets (or the reduction, settlement or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how the recipient organization determines whether a resource provider (including a foundation, a government agency or other) is receiving commensurate value in return for the resources transferred and whether contributions are conditional or unconditional. If commensurate value is received by the resource provider, the transaction would be accounted for as an exchange transaction by applying Topic 606, *Revenue from Contracts with Customers*, or other topics. The standard clarifies that a resource provider is not synonymous with the general public. Indirect benefit received by the public as a result of the assets transferred is not equivalent to commensurate value received by the resource provider. If commensurate value is not received by the resource provider, *i.e.*, the transaction is nonexchange, the recipient organization would record the transaction as a contribution under Topic 958 and determine whether the contribution is conditional or unconditional. The standard should be applied on a modified prospective basis for the Organization's annual period beginning July 1, 2019, and any interim periods therein. Retrospective application is permitted. The Organization is in the process of evaluating the impact the amendment will have on the financial statements.

Supplementary Information

**Crusaders Central Clinic Association
d/b/a Crusader Community Health
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services/Health Center Program/Health Center Program Cluster	93.224	N/A	\$ -	\$ 1,637,195
U.S. Department of Health and Human Services/Grants for New and Expanded Services under the Health Center Program/ Health Center Program Cluster	93.527	N/A	-	<u>5,028,558</u>
Total Health Center Program Cluster			-	6,665,753
U.S. Department of Health and Human Services/Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	-	373,462
U.S. Department of Health and Human Services/State of Illinois Department of Public Health/Maternal and Child Health Services Block Grant to the States	93.994	96380040G	-	66,230
U.S. Department of Health and Human Services/State of Illinois Department of Public Health/Social Services Block Grant	93.667	96380040G	-	<u>32,834</u>
			<u>\$ -</u>	<u>\$ 7,138,279</u>

**Crusaders Central Clinic Association
d/b/a Crusader Community Health**
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Crusaders Central Clinic Association, d/b/a Crusader Community Health, under programs of the federal government for the year ended June 30, 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 Crusaders Central Clinic Association, d/b/a Crusader Community Health, it is not intended to and does not present the financial position, results of operations, changes in net assets, or cash flows of Crusaders Central Clinic Association, d/b/a Crusader Community Health.
2. 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 reimbursement. Crusaders Central Clinic Association, d/b/a Crusader Community Health, has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.
3. Crusaders Central Clinic Association, d/b/a Crusader Community Health, did not have any federal loan programs during the year June 30, 2019.

**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***

Independent Auditor's Report

Board of Directors
Crusaders Central Clinic Association
d/b/a Crusader Community Health
Rockford, Illinois

We have audited, 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, the financial statements of Crusaders Central Clinic Association, d/b/a Crusader Community Health (the "Organization"), which comprise the balance sheet as of June 30, 2019, and the related statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2019, which contained an "Emphasis of Matter" paragraph regarding a change in accounting principle.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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.

Board of Directors
Crusaders Central Clinic Association
d/b/a Crusader Community Health

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Springfield, Missouri
December 19, 2019

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
Crusaders Central Clinic Association
d/b/a Crusader Community Health
Rockford, Illinois

Report on Compliance for the Major Federal Program

We have audited Crusaders Central Clinic Association, d/b/a Crusader Community Health's (the "Organization"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Crusaders Central Clinic Association, d/b/a Crusader Community Health's, major federal program for the year ended June 30, 2019. The Organization's major federal program is 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 Crusaders Central Clinic Association, d/b/a Crusader Community Health's, major federal program 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 Organization'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 the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Board of Directors
Crusaders Central Clinic Association
d/b/a Crusader Community Health

Opinion on the Major Federal Program

In our opinion, Crusaders Central Clinic Association, d/b/a Crusader Community Health, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Crusaders Central Clinic Association, d/b/a Crusader Community Health, 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 Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 Organization'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.

BKD, LLP

Springfield, Missouri
December 19, 2019

**Crusaders Central Clinic Association
d/b/a Crusader Community Health
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019**

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? Yes None reported

Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)? Yes None reported

Material weakness(es)? Yes No

5. The opinion expressed in the independent auditor's report on compliance for major federal award programs was:

Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes No

**Crusaders Central Clinic Association
d/b/a Crusader Community Health
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019**

7. The Organization's major program was:

Cluster/Program	CFDA Number
Health Center Program Cluster	93.224 and 93.527

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The Organization qualified as a low-risk auditee? Yes No

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
No matters are reportable.	

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
No matters are reportable.	

**Crusaders Central Clinic Association
d/b/a Crusader Community Health
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019**

Reference Number	Summary of Finding	Status
	No matters are reportable.	