



# Reporting and insights from June 30, 2021 audit

## Susquehanna Community Health and Dental Clinic, Inc. d/b/a River Valley Health & Dental Clinic October 26, 2021

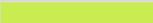
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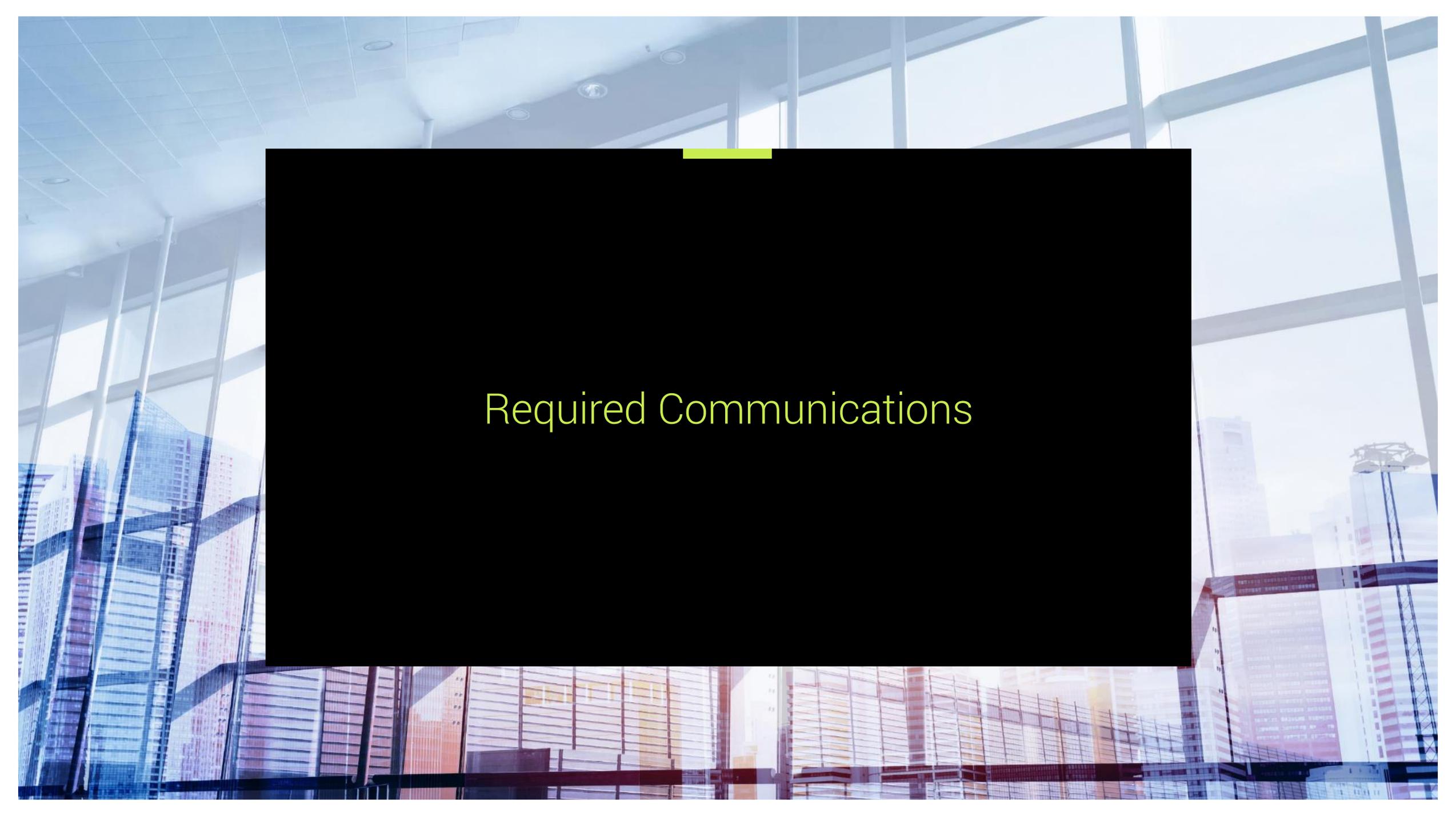


## Executive summary

We have completed our audit of the financial statements of Susquehanna Community Health and Dental Clinic, Inc. d/b/a River Valley Health and Dental Clinic (collectively, the Corporation for the year ended June 30, 2021). This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your consolidated financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of the Corporation's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas the Corporation should be aware of in your strategic planning. We are available to discuss these risks as they relate to the Corporation's financial stability and future planning.



# Required Communications

  
**AUDIT OBJECTIVES**

# Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Included in that assessment is a consideration of internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion on the consolidated financial statements prepared by management, with the oversight of those charged with governance.
  - Are free from material misstatement
  - Present fairly, in all material respects, the financial position, results of operations, changes in net assets and cash flows in accordance with accounting principles generally accepted in the United States of America

  
**AUDIT OBJECTIVES**

## Our responsibilities

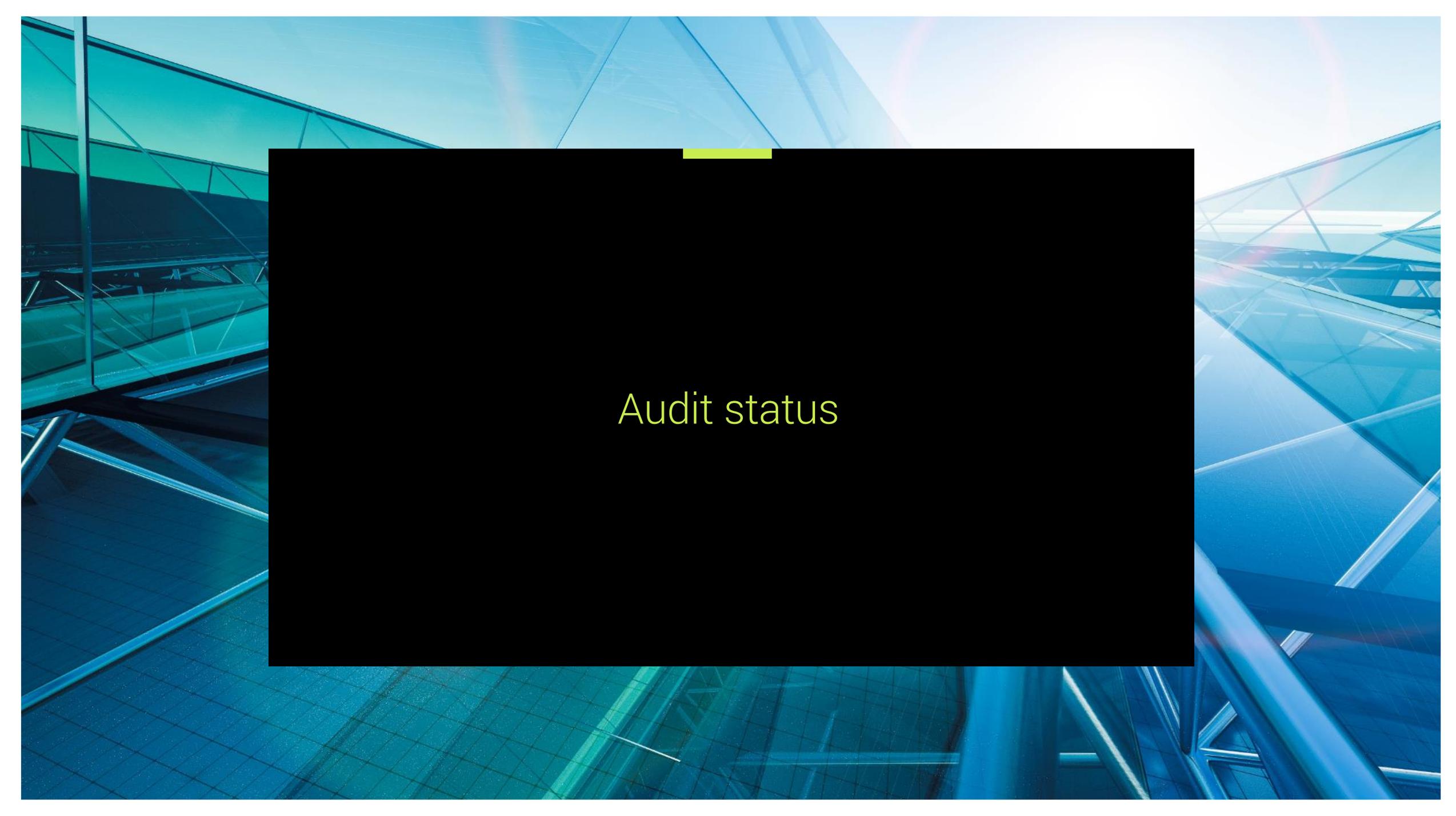
We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Qualitative aspects of the Corporation's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

**AUDIT OBJECTIVES**

# Management's responsibilities

Management	Auditor
 <p>Prepare and fairly present the financial statements</p>	<p>Our audit does not relieve management or those charged with governance of their responsibilities</p>
 <p>Establish and maintain effective internal control over financial reporting</p>	<p>An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls</p>
 <p>Provide us with written representations at the conclusion of the audit</p>	<p>We provided the management representation letter to management. In turn, management has provided a copy of the management representation letter to those charged with governance.</p>



Audit status

  
**AUDIT STATUS**

## Significant changes to the audit plan

The following describes the changes we made to our planned audit strategy and to the significant risks and other areas of emphasis originally identified during our performance of risk assessment procedures, and the reasons for such changes.

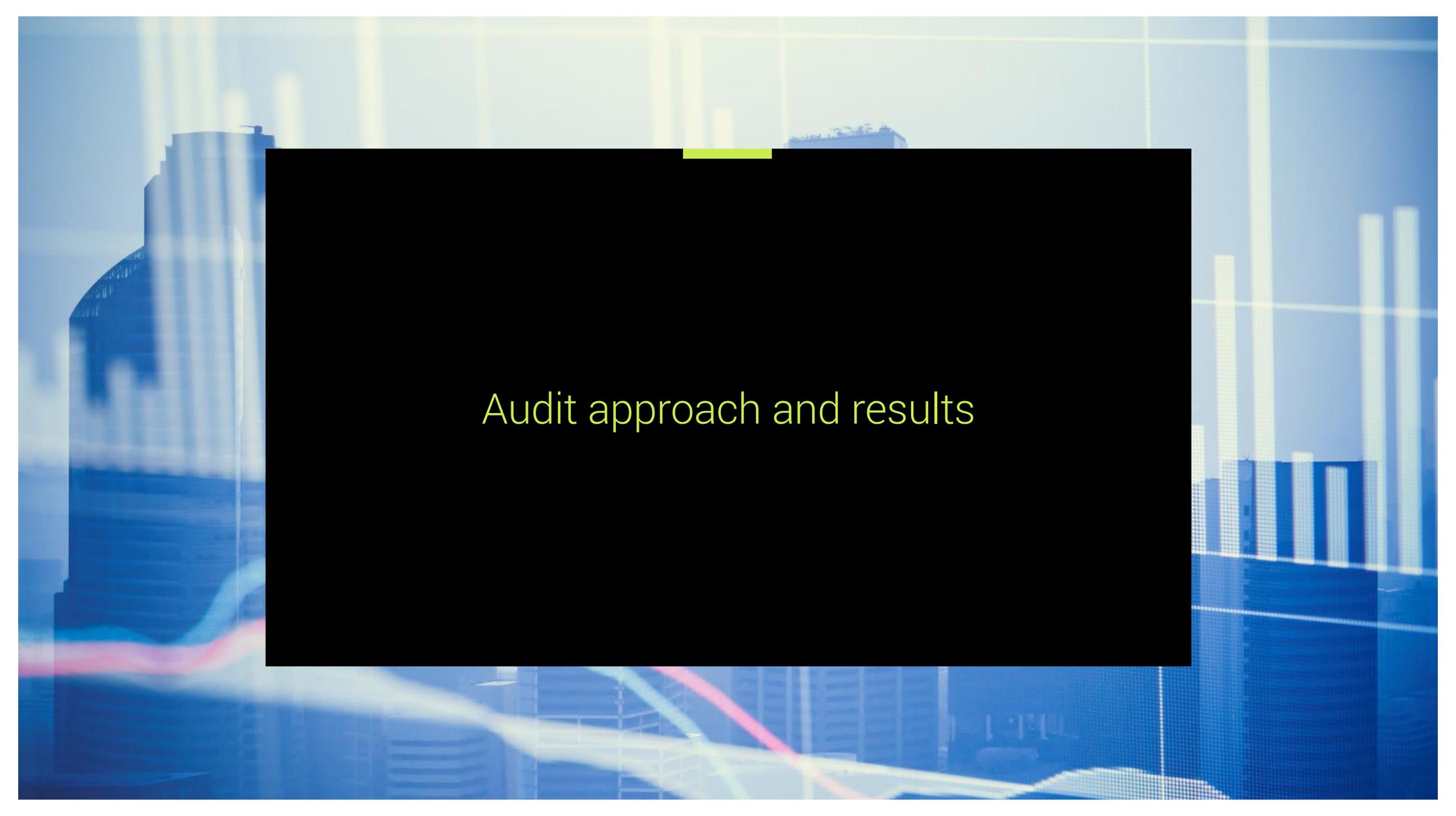
- We did identify one additional major program that required testing as part of the Single Audit based on our review of grant agreements. The Coronavirus Relief Fund (CFDA #21.019) was pass through funding from the PA Department of Health and was classified as a high-risk program by the OMB, which required us to test this funding in the current year.

There were no other significant changes made to our planned audit strategy and to the significant risks and other areas of emphasis identified during the performance of risk assessment procedures.

  
**AUDIT STATUS**

## Status of the audit

The audit is substantially complete. We have some follow-up questions for management and documentation to we finished on the part of the audit team, but testing is complete.



## Audit approach and results

  
**AUDIT APPROACH AND RESULTS**

## Planned scope and timing

There were no significant changes made to either our planned audit strategy or to the significant risks identified during the performance of our risk assessment procedures.

Based on our understanding of the organization and environment in which you operate, we focused our audit on the following key areas:

- IT general controls
- Revenue recognition, including net realizable value of accounts receivable and patient service revenue
- Estimated third-party settlements
- Property and equipment, including impairment considerations
- Long-term debt, including compliance with debt covenants and recording of PPP loan (including loan forgiveness considerations)
- Provider Relief Fund and other COVID-19 related funding revenue recognition
- Completeness and accuracy of financial statement disclosures

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about current year results.

**AUDIT APPROACH AND RESULTS**

# Significant risks

A significant risk is an identified and assessed risk of material misstatement that, in the auditor’s professional judgment, requires special audit consideration. Within our audit, we focused on the following significant risks noted below.

Significant risks	Testing approach	Conclusion
Management override of controls	Journal entry testing, retrospective review of significant estimates, understanding significant unusual transactions	No identified issues
Improper revenue recognition due to fraud	Control design and implementation walkthroughs, substantive analytics, test of details, trend analysis	No identified issues
COVID-19 impact, including recognition of funding received and recognized and impact on operating results	Review of expenses and lost revenues applied to provider relief funding, receipt of SBA forgiveness letter to verify recognition of PPP loan forgiveness, testing of additional grant funding as part of the Single Audit	No identified issues

  
**AUDIT APPROACH AND RESULTS**

## Internal control matters

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

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

A material weakness is a deficiency or 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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.

  
**AUDIT APPROACH AND RESULTS**

# Required communications

## Qualitative aspect of accounting practices

- **Accounting policies:** Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Corporation are described in Note 2 to the consolidated financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2021. We noted no transactions entered into by the Corporation during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice. We noted no transactions during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- **Financial statement disclosures:** The disclosures in the financial statements are neutral, consistent and clear.
- **Accounting estimates:** Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. There have been no significant changes made by management to the processes used to develop the particularly sensitive accounting estimates or changes to the significant assumptions for such estimates.

**AUDIT APPROACH AND RESULTS**

# Required communications

The following estimates are of most significance to the consolidated financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Allowances for explicit price concessions (contractual adjustments) and implicit price concessions	Analysis of historical collections and application of appropriate allowance percentages by payor and aging categories	No identified issues
Estimated third-party settlements	Reconciliation of cost reports and calculation of wrap-around liability/receivable based on interim PPS rates and actual encounters	No identified issues
Recoverability of the carrying value of long-lived assets	Depreciation based on industry useful lives tables	No identified issues
COVID-19 grant funding estimate of lost revenues	Calculated based on actual net patient services revenues as compared to prior period net patient service revenues in accordance with the terms and conditions of the funding source	No identified issues

  
**AUDIT APPROACH AND RESULTS**

# Required communications

## Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

## Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as your auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

  
**AUDIT APPROACH AND RESULTS**

## Required communications

### Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified.

### Significant unusual transactions

There have been no significant transactions that are outside the normal course of business or that otherwise appear to be unusual due to their timing, size or nature.

### Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

### Written communications between management and Baker Tilly

The Appendix includes copies of material written communications with management, including a copy of the draft auditor's report and a draft of the management representation letter.

  
**AUDIT APPROACH AND RESULTS**

## Required communications

### Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

### Fraud

We did not identify any known or suspected fraud during our audit.

### Going concern

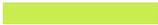
Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the organization's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued , including the effects on the consolidated financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. . No such matters or conditions have come to our attention during our engagement.

### Independence

We are not aware of any relationships between Baker Tilly and the corporation that, in our professional judgment, may reasonably be thought to bear on our independence.

### Related parties

We did not have any significant findings or issues arise during the audit in connection with related parties.

  
**AUDIT APPROACH AND RESULTS**

# Required communications

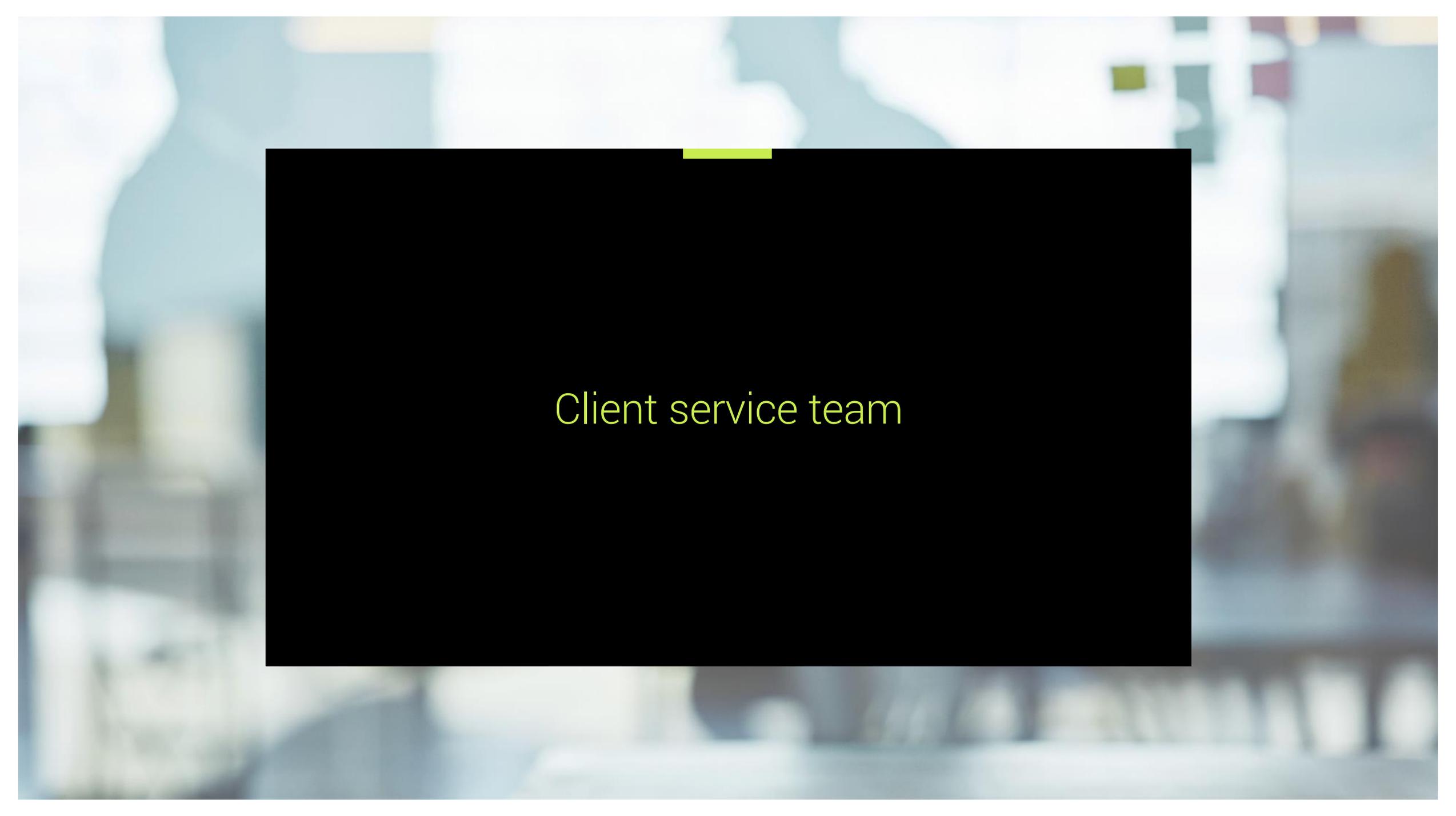
## Other matters

With respect to the supplementary information accompanying the consolidated financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or the consolidated financial statements themselves.

## Non-attest services

The following non-attest services were provided by Baker Tilly:

- Preparation of the financial statements and related notes
- Proposal of journal entries (if applicable)
- Preparation of Form 990
- Preparation of PA Charitable Registration Form
- Data entry of the auditee section of the data collection form
- Cost report preparation



Client service team

**CLIENT SERVICE TEAM**

# Client service team



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A photograph of a modern building with a glass facade, reflecting the sky and surrounding environment. The building is partially obscured by a large black rectangular overlay in the center. The text 'Appendix: Management representation letter' is written in a light green font on this overlay. A small yellow rectangular mark is visible at the top center of the black overlay.

Appendix: Management  
representation letter

October 26, 2021

Baker Tilly US, LLP  
1000 Commerce Park Drive, Suite 430  
Williamsport, PA 17701

Dear Baker Tilly US, LLP:

This representation letter is provided in connection with your audits of the financial statements of Susquehanna Community Health and Dental Clinic, Inc. (the Corporation), which comprise the balance sheets as of June 30, 2021 and 2020, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, as of October 26, 2021, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 26, 2021 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility for 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.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

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Baker Tilly US, LLP  
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- 5) Related party relationships and transactions, if any, have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which U.S. GAAP require adjustment or disclosure have been adjusted or disclosed.
- 7) The effects of all known actual or possible litigation, claims, and assessments, if any, have been accounted for and disclosed in accordance with U.S. GAAP.
- 8) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Corporation is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.

#### Information Provided

- 10) We have provided you with:
  - > Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
  - > Additional information that you have requested from us for the purpose of the audit;
  - > Unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.
  - > Communications from regulatory agencies, if any, concerning noncompliance with, or deficiencies in, financial reporting practices
  - > All minutes of the meetings of the Board of Directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Corporation and involves:
  - > Management;
  - > Employees who have significant roles in internal control; or

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- > Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Corporation's financial statements communicated by employees, former employees, grantors, regulators or others.
- 15) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 16) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing the financial statements.
- 17) We have no knowledge of any known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- 18) We have disclosed to you the identity of the Corporation's related parties, if any, and all the related party relationships and transactions of which we are aware.

#### General

- 19) We have not completed the process of evaluating the impact of adopting the guidance in Financial Accounting Standards Board Accounting Standards Updates 2016-02 and 2020-07, as discussed in Note 1. The Corporation is therefore unable to disclose the impact that adopting the guidance in Financial Accounting Standards Board Accounting Standards Updates 2016-02 and 2020-07, will have on its financial position and the results of operations when such statement is adopted.
- 20) We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.
- 21) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
- 22) There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements.
- 23) We have no knowledge of concentrations existing at the date of the financial statements that make the Corporation vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements. We understand that concentrations include individual or group concentrations of customers, suppliers, lenders, products, services, sources of labor or materials, licenses or other rights, or operating areas or markets. We further understand that severe impact means a significantly disruptive effect on the normal functioning of the Corporation.
- 24) We have no relationships with variable interest entities.
- 25) Adequate provisions have been made for:

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- a) Accounts receivable balances that may be uncollectible.
  - b) Estimated adjustments to revenue, such as for denied claims or other estimated retroactive adjustments by third party payers.
- 26) The following have been properly recorded or disclosed in the financial statements:
- a) Compliance with bond indentures or other debt instruments
  - b) Agreements and settlements with third party payers.
  - c) Professional liability insurance coverage information. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
  - d) Pending changes in the organizational structure, financing arrangements, or other matters, if any, that could have a material effect on the financial statements.
- 27) Billings to third party payers comply in all respects with applicable coding principles (for example, ICD 10 CM and CPT 4) and laws and regulations (including those dealing with Medicare and Medicaid antifraud and abuse), and billings only reflect charges for goods and services that were medically necessary, properly approved by regulatory bodies (for example, the Food and Drug Administration), if required, and properly rendered.
- 28) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements, including:
- a) Violations or possible violations of laws or regulations, such as those related to the Medicare and Medicaid antifraud and abuse statutes, including but not limited to the Medicare and Medicaid Anti Kickback Statute, Limitations on Certain Physician Referrals (the Stark law), and the False Claims Act, in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency (other than those disclosed or accrued in the financial statements); and
  - b) Communications, whether oral or written, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations in any jurisdiction, including those related to the Medicare and Medicaid antifraud and abuse statutes, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
  - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by U.S. GAAP.

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- d) Designations of net assets disclosed to you that were not properly authorized and approved, or reclassifications of net assets that have not been properly reflected in the financial statements.
- 29) With respect to cost reports:
- a) We have filed all required Medicare, Medicaid, and similar cost reports.
  - b) We are responsible for the accuracy and propriety of all cost reports filed.
  - c) All costs reflected on such reports are appropriate, allowable under applicable reimbursement rules and regulations, patient related, and properly allocated to the applicable payers.
  - d) The reimbursement methodologies and principles employed are in accordance with applicable rules and regulations.
  - e) Adequate consideration has been given to, and appropriate provision made for, audit adjustments by intermediaries, third party payers, or other regulatory agencies.
  - f) All items required to be disclosed, including disputed costs that are being claimed to establish a basis for a subsequent appeal, have been fully disclosed in the cost report.
  - g) Recorded third party settlements include differences between filed (and to be filed) cost reports and calculated settlements, which are necessary based upon historical experience or new or ambiguous regulations that may be subject to differing interpretations. While management believes the entity is entitled to all amounts claimed on the cost reports, management also believes the amounts of these differences are appropriate.

#### Assets

- 30) Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- 31) The Corporation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, other than as disclosed in the notes to the financial statements.
- 32) We have reviewed long-lived assets to be held and used for impairment whenever events or changes in the circumstances have indicated that the carrying amount of assets might not be recoverable, and have appropriately recorded an adjustment if appropriate.
- 33) We believe all costs included in construction in progress at June 30, 2021 are of future value to the Corporation. All projects represent ongoing, viable projects that will be completed in the future.
- 34) We believe that the carrying amounts of all material assets will be recoverable.

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### Liabilities

- 35) Guarantees, whether written or oral, under which the Corporation is contingently liable have been properly recorded or disclosed in the financial statements.
- 36) Susquehanna Community Health and Dental Clinic, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities, if any, of which we are aware that would jeopardize the Corporation's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 37) We are not aware of any uncertain tax positions that would be required to be disclosed under current authoritative guidance surrounding accounting for uncertainty in income taxes.
- 38) We are not aware of any debt or financial covenant requirements.
- 39) The United States Department of Health and Human Services has deemed the Corporation and its practicing providers 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 on the Corporation's claims experience. No accrual has been made formal practice costs for the years ended June 30, 2021 and 2020 based on this information; 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. This has been appropriately disclosed in our financial statements.

### Statement of Activities

- 40) The Corporation has properly recorded, classified, and disclosed the existence or absence of donor imposed restrictions on contributions received that would have a material effect on net assets with donor restrictions in the financial statements in accordance with U.S. GAAP.
- 41) We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy the donor's restrictions.
- 42) The internal controls over the receipt and recording of contributions are appropriate. All contributions have been properly classified in accordance with donor restrictions, if any. In addition, we are not aware of any unrecorded split interest agreements (i.e. charitable gift annuities, charitable remainder trusts, or beneficial interest trusts).
- 43) We believe we have complied with the terms and conditions of the CARES Act Provider Relief Fund (Relief Fund). Revenues recognized in 2021 are based on lost revenues incurred or eligible expenses in accordance with the terms and conditions of the funding and are recognized in accordance with generally accepted accounting principles. Lost revenue calculations applied to the funding are in accordance with the terms and conditions of the Relief Fund.

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**Single Audit**

- 44) With respect to federal award programs:
- a) We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. "Code of Federal Regulations" (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance) including requirements relating to preparation of the schedule of expenditures of federal awards.
  - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards and related notes in accordance with the requirements of the Uniform Guidance and we believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.
  - c) If the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date we issue the schedule of expenditures of federal awards and the auditors' report thereon.
  - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the schedule of expenditures of federal awards expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
  - e) We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
  - f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
  - g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

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- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the "OMB Compliance Supplement" relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards..
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report, if any.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Grant Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditors' report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- s) The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

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- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance. We understand that an unlocked searchable version of the financial statements will be submitted to the Federal Clearinghouse along with the Data Collection Form.
- x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

#### Other

- 45) We have provided and/or will provide you with all documents, if any, to which we have attached and/or intend to attach the audited financial statements, including your independent auditors' report thereon, for the year ended June 30, 2021, for your review and comment prior to publication by our Corporation.
- 46) As part of your audit, you provided the following nonattest services:
  - Preparation of the financial statements and related notes
  - Preparation of Form 990
  - Preparation of PA Charitable Registration Form
  - Data entry of the auditee section of the data collection form
  - Cost report preparation

We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for the adequacy and results of the nonattest services received.

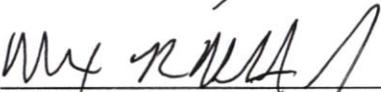
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- 47) We have made all management decisions and performed all management functions in relation to the nonattest services provided by Baker Tilly US, LLP, as identified in the engagement letter or an addendum to the engagement letter. We have designated an employee with suitable skill, knowledge, and/or experience to oversee the services received. Furthermore, we have established and maintained internal controls, including monitoring activities related to the nonattest services provided by Baker Tilly US, LLP, and we have evaluated and accept responsibility for the adequacy and results of the nonattest services received.
- 48) We have forwarded a copy of these representations to Baker Tilly US, LLP's primary contact in the governance structure.

**SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.**

Signature:  Title: CEO

Printed: James H. Foxheimer

Signature:  Title: CFO

Printed: Max R. Houseknecht, Jr.

Date: 10/26/21