

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.

Finance and Audit Committee Meeting Minutes

June 14, 2021 5 PM

PRESENT: Kim Wetherhold, Board Chair; Phil Allen, Senior Accountant; Rebekah VanSickle, Accountant; Max Houseknecht, Jr., CFO; and Jim Yoxtheimer, President & CEO (ex-officio)

PRESENT VIA ZOOM: Dewy Hilliard, Board Treasurer and Matt McLaughlin

Excused: Barbara Barbus and Adanma Akujieze

I FY21 Audit Timeline Presentation, Baker Tilly

Deb Bowes, Partner and Kate Hoover, Manager from Baker Tilly were present via zoom to present the audit FY21 audit plan to the Committee. Deb defined what is expected from management as well as what management should expect from Baker Tilly.

Kate Hoover reviewed the deliverables expected from Baker Tilly, which includes, but is not limited to, the audited financial statements, single audit for federal awards, prepare tax returns, prepare cost reports, and prepare data collection form. The audit includes consideration of internal controls over financial reporting as a basis for designing their audit procedures, but not for the purpose of expressing an opinion on the effectiveness of RVH&DC's internal controls over financial reporting.

Kate reviewed the audit timeline which included the preliminary fieldwork which will start the week of July 5. Final fieldwork will be September 7 – 17. Baker Tilly will present the final audit to the Finance and Audit Committee at their October meeting and, if approved by the committee, will be presented to the Full Board in October as well. Deb indicated the auditors are available for any questions the Finance Committee, or any board member, may have.

Deb reported that the only accounting standards update for 2021 that would affect RVH&DC will be effective 06/30/2023 and involves leases.

II May 2021 Financials

The highlights of the Financial Report were reviewed for May 2021 as were set forth on the summary provided to the committee, which is hereby incorporated for all purposes herein. Max reported that for the month of May there was a deficiency of revenues over expenses of \$75,743. This brings the YTD excess of revenues over expenses to \$1,808,830. Max reviewed the Patient Revenue Analysis indicating that Medical was under budget by 441 visits, however 273 of those visits were due to provider vacancies. Express Care was under budget by 502 visits but should start to show improvement in July. Patient Revenue was over budget for the month by \$3,777 due largely to general dental services revenue being over budget by \$48,794, reproductive health services revenue being over budget by \$20,056, and pharmacy revenue being over budget by \$49,339.

Max reported in other revenue that incentive revenue was over budget by \$28,577 due largely to the timing of incentive payments. Year to date across incentive payments across the organization are over budget by \$32,168. 340b drug program (contract pharmacy) was under budget by \$12,493. Max indicated he would be looking into the decrease but felt that the on-site pharmacy may be the reason. If that would be the case, the increased on-site revenues would

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offset the contract pharmacies. Federal grants revenue was over budget by \$23,713 due largely to unbudgeted grant expenses.

Phil reported the Expense Analysis as follows: Expenses were under budget by \$8,001. Factoring out Grant related expenses that were unbudgeted of \$25,349 total expenses would have been under budget by \$33,350. Environmental supplies were under budget by \$8,999 due to savings associated with the discontinuation of building fogging. Minor equipment was over budget by \$6,163 due largely to costs associated with an x-ray unit in Dental that needed replaced and di not meet capitalization thresholds. Recruitment/Retention was over budget by \$11,864 due to costs associated with a prepaid expense for a provider onboarding that is no longer with the organization. Temp staffing fees were over budget by \$38,526 due to increased costs associated with nursing staff for COVID vaccination, staff shortage, and testing (most of these costs are covered by grant dollars).

Phil reviewed the balance sheet highlights for the month indicating the 340b receivable was at \$346,442 a decrease over the prior month of \$19,026. Accounts payable was at \$206,557. Total cash in the operating accounts at month-end was \$1,707,129 which was an increase of \$25,282.

Motion #1 Dewy Hilliard made the motion to recommend approval of the May 2021 Financial Report by Full Board. Matt McLaughlin seconded the motion. The motion passed unanimously.

- **Summary Report:** Max reviewed the May 2021 Summary Report that will be presented to the full Board. Days in A/P was 34.89. Net Days in A/R was 25. Days Cash on Hand was 36.81. Current Ratio was 1.71.

III Federal 330 Grant Funds/COVID-19 Grant Funds

Max reported the Federal Grant Funds and COVID-19 Grant Funds remaining worksheet was included in the packet. If anyone has any questions on the remaining dollars, please reach out and he will be happy to discuss with you.

IV Policy Change

- **4.9.2 Legislative Manadates**

Max reported it is required by HRSA to review and update the Legislative Mandates Restricting the Uses of Federal Grant Funds Policy. The only changes made to this policy was to update the year from 2020 to 2021 to be in compliance.

V NOA's

- **H8C Grant Closeout:** The H8C grant was a COVID related grant which has been fully spent. RVH&DC submitted the final report to HRSA, and it is now officially closed out.
- **Addition of Jersey Shore Location:** This NOA authorizes the Center to begin services in the Jersey Shore location, which need to begin in 120 days. Once services do begin there the Center will submit that information to HRSA.

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- **12-Month Extension of Project Period:** Max indicated this NOA extends the current SAC project period from 05/31/23 to 05/31/24. The next SAC application will be due January 2024.

VI Vocera Communications System

Max presented to the committee information on the Vocera Communications System. The Vocera system is a platform that enables staff to communicate and collaborate immediately with each other without needing to be at their phone or computer.

There are two ways to purchase the system. The first option is a Capital Purchase option, the total investment would be \$78,353. The second option is a Leasing Option for 36 months and the total investment will be \$68,020. Management is recommending option 2, the leasing option. After discussion, the following motion was made:

Motion #2 Kim Wetherhold made the motion to recommend approval of the purchase of the Vocera System. Dewy Hilliard seconded the motion. The motion passed unanimously.

VII C8E Budget (HRSA Capital Grant)

Max reviewed the HRSA Capital Grant—as part of the American Rescue Plan (C8E Grant) proposal. RVH&DC is eligible for a total grant reward of \$687,781. This is a noncompetitive grant, which means as long as the Center submits a plan that fits into the guidelines, the Center will receive the \$687,781. The grant is not to be used to purchase land or a building, acquire a practice, or pay off a lease. The following projects would be contingent on the acquisition of the property at 151 John Brady Drive in Muncy, PA.

- Project 1: Mobile Unite Storage Facility
 - Total estimated project cost of \$271,000
- Project 2: Renovation of the Muncy Health Center
 - Total estimated project cost of \$416,781

Jim reiterated the need to make application to HRSA by June 24 in order to secure the funds. However, the use of the funds (specific projects) may change at any time yduring the three-year project period.

Management expressed a desire to submit the project as presented to the full board. After discussion, the committee felt it would be reasonable to take the request to full board for discussion.

VIII 427 Hepburn Street Lease—Joint Discussion with Finance and Executive Committee

Jim reported to the committee that the current space available to the Center is filled to capacity. With the upcoming budget there is an opportunity to add additional services which will be great for the organization. Management has been searching for space for administration to relocate. The current landlord of the Hepburn Street locations reached out to management to let them know that there is a space available at the end of the parking lot of Hepburn Street.

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Max reported the space is adjacent to the cinema on Hepburn Street with approximately 1,840 square feet of space. After negotiations, the rate of \$13 per square ft was finalized. That would be \$1,993 per month for a 3-year term. There would also be an additional CAM fee which would take total cost to \$28,000 per year. While it is not the intention to keep spending money on leasing, it is also necessary to obtain property immediately. Jim indicated this space would more than likely support services such as billing, accounting, and the call center.

After discussion it was decided to add the item to the Full Board agenda for discussion.

Next Meeting: July 12, 2021 @ 5PM Community Room, 431 Hepburn Street