

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.

Finance and Audit Committee Meeting Minutes

March 8, 2022 12:00 PM

PRESENT: Kimberly Wetherhold, Board Chair; Chris Ebner, Board Secretary; Max Houseknecht, CFO; and Matt McLaughlin, COO

PRESENT VIA ZOOM: Jean Myers, Board Vice-Chair and Jim Yoxtheimer, President & CEO

I February 2022 Financial Report

The highlights of the Financial Report were reviewed for February 2022 as were set forth in the summary provided to the committee, which is hereby incorporated for all purposes herein. Max reported that for the month of February there was an excess of revenues over expenses of \$370,686 which brings the YTD increase in Net Assets to \$141,368. Max reported that patient visits were under budget by approximately 1,700. Patient revenue was under budget by \$104,405. Reproductive Health Services, Pharmacy, and Express Care Services were over budget for patient revenue. In other revenue Max reported the 340b drug program revenue was over budget by \$35,252 due to the addition of the CVS contract pharmacies that went live January 1 totally just over \$40,000 in revenue for January/February. Total federal grants were under budget by \$16,380 due largely to increased staffing budgets associated with the H8F grant that have not yet been hired. PA DOH testing was over budget by \$22,781 due to continued costs associated with testing related expenses. Grant for acquisition of PP&E was over budget by \$1,334 due to timing of expenses related to the 431-renovation project under the H8F grant.

The Provider Relief Fund was over budget by \$395,615 due to the lost revenue calculation for FY22. This funding stream allows organizations to allocate funds received to lost revenues attributed by COVID-19. As a ruling in Phase IV, these funds must be expended by December 31, 2022.

Max reported the Expense Analysis as follow: Expenses were over budget by \$71,143. Factoring out unbudgeted grant related expenses, month-end expenses would have been over by \$41,437. 340b program for RVH&DC pharmacy was over budget by \$8,959 due to increased revenues. Clinical software was over budget by \$9,913 due largely to timing of costs associated with Up-to-Date subscription for providers. IT support was over budget by \$7,255 due to costs associated with adding multi-factor authentication. Temp staffing fees were over budget by \$6,267. Services purchased was under budget by \$15,263 due to a reclassification of an invoice into a fixed asset.

Max reported the Balance Sheet Highlights as follows: Accounts payable – There is a perceived reporting error that the Finance Team is working on with Blackbaud. Accrued PTO payable increased by \$57,919 largely due to a floating holiday. There was no money transferred from the Super Money Market Fund and the balance was \$731,710. Total cash in the operating accounts at month-end was \$1,336,428.

- **Financial Summary Report:** Max reviewed the Summary Report which will be presented to the Full Board as follows: Year to date increase in net assets was \$141,368. Net days in A/R was 32. Days Cash on Hand 39.75 and Current Ratio was 1/65.

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The committee had no objections with the report being sent to the Full Board for approval after typographical errors were corrected.

II NOA

- **C8E Approvals:** There were two notice of awards received this month related to the C8E grant. The NOA dated February 7 approves the change of scope. The NOA dated February 28 officially changes the project from Muncy to Clinton County and gives the Center permission to move forward.

III Check Signing Authority

Max reminded the committee that several months ago the board approved the Financial Control Policy Manual changes to add the Chief Operating Officer as a check signer. This policy also indicated that the Treasurer of the board would also be an authorized signer. Since the Executive Committee has been having difficulties filling that position, management has recommended that the wording be changed to add the Board Chair as an authorized signer. After discussion, the committee agreed. The policy will be updated, and a resolution will be presented at the next Full Board meeting for approval.

IV Annual Grant Funds Review

Max reported that the Federal grant funding and COVID-19 grant funding is presented monthly as supporting documentation. It is required by HRSA to discuss in detail annually.

- **COVID-19 Grant Remaining Funds:** Max reported that the H8E and Provider Relief Funding have been fully expended and will be removed from the report next month. PA Testing Funding has \$204,618 remaining. H8F Funding has \$2,653,812 remaining. PA Vaccine funding was \$182,596 and C8E funding was at \$687,781.
- **Federal Grant Funds:** Max reported there was nothing new to report with the Federal Grant Funding. Staff continues to spend the funds down. FY22 330 Base Funding is used to supplement payroll expenses and has a balance of \$423,103. AIMS Ongoing Funding covers the LCSW monthly salary costs and has a balance of \$20,686. FY21 SUD-MH Ongoing Funding covers MAT Program Coordinator and MAT Provider costs. FY19 IBHS Funding has a balance of \$3,989. FY22 SUD-MH has a balance of \$151,000. FY20 SUD-MH has a balance of \$7,060. FY20 IBHS Ongoing funding has a balance of \$32,607. FY21 IBHS Ongoing Funding has a balance of \$125,250.

V FY23 Budget Process

Max reported an overview on the FY23 Budget Process. Realistically the initial budget will be presented to this committee in May to allow for review and suggestions or corrections to be made and finalized in the board meeting in June. However, the team will strive to have a rough draft for the April meeting.

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VI FY22 Year-End Outlook

In follow up to discussion from last month's meeting regarding the FY22 year-end financial outlook Max presented the following information. The "bottom line" on page 16 of the packet shows a loss of \$512,158. Management has been reviewing all grants to be sure there are no missed opportunities.

The FY22 Year-End Outlook, Cash Flow Projection shows the Center will be able to cash flow at the end of the fiscal year at 19.96 days which is a variance from the board approved by about 20.02 days. Max pointed out that while the visits have been consistently under budget, they are still consistently 13% over FY21, indicating continued growth. It was also discussed that the presented Outlook is a very conservative view and that the team will continue to strive towards the Board approved reforecast.

The committee was asked if management should present this as a re-budget to the board for approval, or if they would prefer to use it as a tool to be sure the Center stays on track. After discussion, all committee members agreed to use it as a tool and keep a close eye on it in the Finance and Audit Committee meetings.

Next Meeting: April 12, 2022 @ 12:00 PM Community Room, 431 Hepburn Street