

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.

Finance and Audit Committee Meeting Minutes

September 14, 2020 5:00 PM

PRESENT: Dewy Hilliard, Board Treasurer; Barb Barbus, Board Secretary; Adanna Akujieze; Dr. John Boll, Board Chair; Abbey Eschbach, Board Vice-Chair; Max Houseknecht, Jr, CFO; Phil Allen, Senior Accountant; and Jim Yoxtheimer, President & CEO

I August 2020 Financials

The highlights of the Financial Report were reviewed for August 2020 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 August there was an excess of revenues over expenses of \$254,245. This brings the YTD excess of revenues over expenses to \$596,444. Max reviewed the net income by department pointing out that the pharmacy showed a profit of \$3,092. Max reported the patient visits were above target across the board although patient revenue was under budget by \$42,232. Medical services revenue was under budget by \$19,468, general dental services revenue was over budget by \$15,991, reproductive health services revenue was under budget by \$19,169, chiropractic services revenue was under budget by \$6,663 (due to an unplanned vacation), and behavioral health services revenue was under budget by \$17,327 (due to a provider being out unexpectedly).

Max reported that incentive/care gaps revenue was over budget by \$4,666 due to timing of incentive payments. 340b drug program income for contract pharmacy was over budget by \$74,394 due to increase capture rates with Pharmaforce for the Wegmans and Walmart contract pharmacies. Community health center base funding was over budget by \$14,963 due to the utilization of additional funds that were delayed from the Paycheck Protection Program (PPP) Loan. Supplemental federal grants revenues were over budget by \$124,210 due to drawdowns associated with supplemental awards not initially budgeted such as COVID-19, OHI, QI, and SUD-MH funds. Act 24 funding was over budget by \$165,559 due to the deposit of funds not initially budgeted.

Phil reported on the Expense Analysis as follows: Expenses were over budget by \$65,340 due to total salaries, benefits, and payroll expenses were over budget by \$16,184 due largely to an expedited return of Dental staff not initially budgeted based on new guidelines developed by the CDC and PA DOH not available at the time of budgeting. Medical Supplies were over budget by \$12,810 due to supplies costs associated with grant awards. Pharmaceuticals, Pharmaforce was over budget by \$8,137 due to increased capture rates. Promotional materials were over budget by \$12,095 due to the purchase of items associated with supplemental grant awards. Environmental supplies were over budget by \$11,637 due to costs associated with the continued fogging of the building associated with COVID-19 safety precautions. Administration software was over budget by \$11,887 due largely to start-up costs associated with credentialing software as well as increased costs associated with Microsoft Office. Grant for acquisition of PP&E was over budget by \$26,194 due to the purchase of equipment associated supplemental grant awards.

Phil reviewed the Balance Sheet Highlights as follows: Accounts payable at month-end was \$149,456. There were no transfers from the upper money market fund, interest accrued was \$43.70. Total cash in the operating accounts at month-end was \$1,745,699 which is an increase over last month of \$278,272. Total unrestricted cash, including super money market fund, at month-end was \$1,917,239 which is an increase over the previous month of \$278,315.

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Motion #1 Barb Barbus made the motion to recommend approval of the August 2020 Financial Report to the Full Board. Adanma Akujeze seconded the motion. The motion passed unanimously.

a. Summary Report: Max presented the Financial Summary Report to the committee. It is managements thought to pull the Financial Dashboard from the Full Board Agenda and replace the full three-page financial report with the one-page summary report as presented. If the full board is looking for detail, they can certainly refer to the Finance minutes and full document on the Board Portal and certainly any questions they might have would be answered in the Board meeting.

After discussion the committee agreed to removing the Financial Dashboard from the Full Board agenda and replacing the Financial Report with the one-page Summary Report.

II Federal 330 Grant Funds/COVID-19 Grant Funds

Max reported that for the month of August \$154,000 was spent in COVID grant funds and \$215,00 was spent in Federal grant funds. Any notations indicating carryforward needed can not be drawn cash on until after the audit is complete and approved by the Board. HRSA has recognized the challenge that COVID has placed on spending and has implemented a one-year extension on spending the grant funds.

III NOA

Max reported that the Center received the following Notice of Awards:

a. FY20 IBHS/QI: This award was in the amount of \$244,000. \$167,000 is for the IBHS funding and \$77,000 in Quality Incentive Funds. Max reported that the staff is currently working on a budget for those items. There should be more information available in the next month or two on how the Center plans to spend those dollars.

b. 431 Clinic Delivery Site: The Center received notice of approval of the change in delivery scope to the 431 Hepburn Street location. This is the change the Full Board took action on in last month's meeting.

IV Annual Increase

As a reminder, Max reported that the Full Board approved a 2% increase for all staff effective September 1 which would be retroactive to July 1. Max indicated the first two months of the fiscal year have looked good and the finance department is proceeding with the annual increase and retroactive payment in this week's payroll.

V Audit Update

Max reported that Baker Tilly has been working on finalizing the audit fieldwork remotely since last week. Other than taking a bit longer than when they were on-site, he indicated things are progressing well. There was progress call last Thursday, and one scheduled for Tuesday and Thursday of this week. The Finance Department is continuing to submit everything they have requested.

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Baker Tilly plans to present the audit results to the Finance Committee in the October meeting. Discussion was held with the Finance Committee and the following was decided. Full Board will be invited and encouraged to attend the October 12 Finance and Audit Committee meeting as this will be the only presentation from Baker Tilly. The Finance Committee will then provide a summarized report at the Full Board meeting for acceptance/approval of the audit.

With no further business to be brought before the committee the meeting was adjourned.

Next Meeting Date: October 12, 2020 @ 5 PM Community Room