



**REDWOOD COAST MEDICAL SERVICES, INC**  
**BOARD OF DIRECTORS - MEETING AGENDA**  
**In person: Elaine Jacob Center | Online: Zoom**  
**March 27, 2024 5:00 PM – 7:00 PM**

Order of Business	Business Item	Person	Vote(s) Required	Page #
5:00 pm	AGENDA <ul style="list-style-type: none"> <li>Review and vote on acceptance of Meeting Agenda</li> </ul>	Leslie Bates	Vote	Page 1
5:01 pm	MINUTES <ul style="list-style-type: none"> <li>Vote on acceptance of the Minutes of February 28, 2024</li> </ul>	Leslie Bates	Vote	Page 2-5
5:05 pm	WELCOME GUESTS <ul style="list-style-type: none"> <li>Perla Gaona, Community Member</li> <li>Jake Petrekowski, update on MHA Addiction Services</li> </ul>	Leslie Bates		
5:15 pm	HUMAN RESOURCES COMMITTEE REPORT <ul style="list-style-type: none"> <li>Update</li> </ul>	Renee Kaucnik		
5:25 pm	MEDICAL TEAM REPORT <ul style="list-style-type: none"> <li>Update on clinic operations</li> </ul>	Barbara Brittell		
5:35 pm	DEVELOPMENT, GRANTS, OUTREACH & RISK/COMPLIANCE REPORT <ul style="list-style-type: none"> <li>Updates</li> <li>Board Training: HRSA Compliance Manual Ch. 7: Coverage for Medical Emergencies During and After Hours</li> </ul>	Dawn McQuarrie		Page 6-9
5:45 pm	PERFORMANCE IMPROVEMENT COMMITTEE Update	Susan Hamlin		
5:55 pm	CEO REPORT Operations/Staffing Update	Ara Chakrabarti		
6:10 pm	FINANCE COMMITTEE REPORT <ul style="list-style-type: none"> <li>Report on February Financials</li> <li>Vote on acceptance of the February Financials</li> </ul>	Drew McCalley	Votes	Page 10-20
6:25 pm	INFORMATION TECHNOLOGY COMMITTEE REPORT <ul style="list-style-type: none"> <li>Update</li> </ul>	Drew McCalley		
6:35 pm	MENDONOMA HEALTH ALLIANCE REPORT <ul style="list-style-type: none"> <li>Update</li> </ul>	Janis Dolphin		
6:45 pm	AUDIT COMMITTEE REPORT <ul style="list-style-type: none"> <li>Report on Annual Audit Report and discuss new audit/tax service firm</li> <li>Vote on acceptance of Annual Audit and contract with new audit firm</li> </ul>	Drew McCalley	Votes	Page 21-25
6:55 pm	EXECUTIVE COMMITTEE REPORT	Leslie Bates		
7:00 pm	PUBLIC COMMENT/SHOUT OUTS	Leslie Bates		

The mission of Redwood Coast Medical Services (RCMS) is to provide high quality, family-oriented, community based medical care, dental care and behavioral health services, including a broad range of preventive health services to residents and visitors within the coastal areas of Southern Mendocino and Northern Sonoma Counties. Services are designed to meet identified needs of the communities served, are integrated with other existing health care services and systems and are evaluated on a regular basis to assure that community health needs are being met. As a non-profit corporation receiving public funds, RCMS provides services to qualifying individuals on a sliding fee scale as well as to patients with MediCal and MediCare coverage, private insurance or self pay status. RCMS plays a special role as the sole provider of medical care in the community and in responding to public health emergencies.



**Redwood Coast Medical Services, Inc.**  
 Board of Directors Meeting – Zoom Online Meeting  
**Meeting Minutes of February 28, 2024**

BOARD MEMBER	P	A/E	BOARD MEMBER	P	A/E
Leslie Bates	X		Drew McCalley	X	
Janis Dolphin	X		Jim Nybakken	X	
Susan Hamlin	X		Andrea Polk	X	
Hall Kelley	X		Janet Sanchez	X	
Kimberley Lakes	X		Laurie Voss	X	
Patricia Lynch	X		Harriet Wright	X	

STAFF PRESENT	
Ara Chakrabarti	
Barbara Brittell	
Renee Kaucnik	
Christie MacVitie	
Karen Wilder	

**Public Attendees: 1**

**CALL TO ORDER:** Leslie Bates called the meeting to order at 5:00 pm.

**APPROVAL OF AGENDA:** After review, Susan Hamlin moved to accept the agenda. Unanimously accepted.

**APPROVAL OF MINUTES:** After review and corrections, Janis Dolphin moved to accept the minutes of January 31, 2024. Seconded: Kelley.

**DEVELOPMENT, GRANTS, OUTREACH, AND RISK/COMPLIANCE REPORT:** Dawn McQuarrie, Programs Manager

- HRSA COVID-19 survey submitted February 5.
- UDS submitted February 8.
- PATH CITED Round 3 application submitted February 14.
- March 20, 2024 – fundraising event at The Sea Ranch Lodge.
- Looking at potential grants.
- Attended meetings for all grants.
- We are leveraging print media, social media, flyers, radio, TV monitors, and The Pulse.
- We respond to all messages received via Facebook and website.
- Javier Chavez continues to assist our community members.
- Community education is an ongoing activity.
- Reviewed the policies, procedures and staff credentialing for review and/or renewal.

**On behalf of the Performance Improvement Committee, Dawn McQuarrie made the recommendation for the board to accept the following policies and procedures as presented:**

- **Data Validation**
- **Emergency Codes**
- **Empanelment**
- **Uses and Disclosures of Protected Health Information**
- **QI-PI Work Plan 2024**

**Moved/Seconded: McCalley/Dolphin. Vote: Unanimously accepted.**

**On behalf of the Performance Improvement Committee, Dawn McQuarrie made the recommendation for the board to accept the credentialing/recredentialing of the following staff:**

- **Chris Eichele, MA**
- **Ivan Gustafson, MA**
- **Holly Hamm, FNP**
- **Michelle Kilday, MA**

**Moved/Seconded: Hamlin/McCalley. Vote: Unanimously accepted.**



### Uniform Data Systems (UDS)

- Health Center Program awardees and look-alikes report on a core set of operational and performance measures each calendar year as defined in the Uniform Data System (UDS).

### What is the UDS?

- The UDS is a standardized data set and annual program requirement that is defined in Section 330 of the Public Health Service Act.
- Health centers are expected to have a system in place to collect and organize data related to the HRSA-approved scope of project, as required to meet Health and Human Services (HHS) reporting requirements, including those data elements for UDS reporting; and that they submit timely, accurate, and complete UDS reports in accordance with HRSA instructions.

### **HUMAN RESOURCES REPORT:** Renee Kaucnik, HR/Operations Manager

- Reported on the Health Technician pilot program – designed as an introductory position for people without healthcare experience that helps lead them in to Medical Assistant or other health trainings.
- 4 potential candidates for the Front Desk position.
- Potential candidates for nursing and behavioral health.
- Continuing to utilize online job boards such as Indeed for recruitment.
- Continuing to develop comprehensive trainings for all in-house positions.
- February Anniversaries: Jessie Ernise (13 years), Tonia Franci (10 years), Afsoon Foorahar (7 years), Anna Lava (2 years), Holly Silva (6 years), Corky Haden (6 years), Cindy Ellison (6 years), Kathy Hall (40 years).
- Strategic planning meeting for dental recruitment in the works.

### **PERFORMANCE IMPROVEMENT COMMITTEE REPORT:** Susan Hamlin, Committee Chair

- Feedback from recent surveys indicated a need for more education on the roles of Physician Assistants and Family Nurse Practitioners. Currently working with Dawn to get that information out for public education. Will cycle that information on a regular schedule so that the information will continue to circulate.

### **CEO REPORT:** Ara Chakrabarti, CEO

- Communications:
  - 4 of the 6 candidates for the 2<sup>nd</sup> district Assembly did an onsite visit at RCMS – to understand the challenges of rural healthcare, and being the only provider in the community.
  - Will be attending Day at the Capital on April 15, to present lawmakers with information on challenges with rural healthcare and the impact of mandates from their legislative agendas.
  - Presented to the CLSD Board of Directors to update them on the Gualala Building Expansion and the Urgent Care financials for the first 6 months of the fiscal year.
- Operations Update:
  - Planning meeting with RCMS leadership team held on 2/17 to review and identify new strategic initiatives, and make actions plans for the next few months. Facilitated by Dr McCalley.
  - Dedicated Safety and Disaster Coordinator on staff and already making an impact.
  - Palliative Care – we believe we now have everything we need to submit our application to the state.
  - The financial audit is in progress and should be ready to submit next month.
  - Black and White event at Sea Ranch in March – donor meet and greet.
- Facility Update:
  - Continuing the installation of new flooring in the Gualala clinic.
  - Comment period for building permit application is now open to the public.
  - Capital Campaign Committee is creating campaign materials for the public. Planning for a broad capital campaign fundraising effort in a later phase of the project.



- Getting final bids from contractors for firm pricing which will help with planning how much money will be needed for each phase of the project.
- Also searching for any applicable grants.
- The goal is to have a new facility by the end of 2026.

**FINANCE COMMITTEE REPORT:** Drew McCalley, Board Treasurer

- Reviewed the Executive Summary for the month of January 2024.
- Positive nearly \$100k for the month. Nearly \$200k ahead of budget estimates for the year.
- Primary Care visits dipped in January – loss of two days due to storms, and provider absences due to illness contributed to lower visits for the month.
- Payor mix continues to be stable and on trend with prior months
- Reviewed the Net Patient Revenue Variance for the month \$69k over budget due in large part to higher rates of pay per visit.
- Reviewed the detailed balance sheet, no reason for concern.
- Net Operating Revenue is positive vs. budget.
- Grants are on target with budget estimates.
- Bottom line – the financial position is good.
- Reviewed the recent roll over investment of a Treasury Bill, yield continues to be over 5%.
- Reviewed financial plans for building expansion – design and permitting phase are covered. Also setting up a bank account solely for the expansion project.

**On behalf of the Finance Committee, Drew McCalley made the recommendation for the Board to accept the January 2024 financials as presented. Moved/Seconded: Lynch/Bates. Vote: Unanimously accepted.**

**INFORMATION TECHNOLOGY COMMITTEE REPORT:** Drew McCalley, Committee Chair

- Intellichart patient portal implementation is continuing to roll out to more and more patients. Further functionalities will be gradually rolled out as appropriate.
- Labdaq software will be ready for implementation in early March.
- Ara Chakrabarti, CEO reported that RCMS is working with PG&E to get a new generator for the clinic.
- The need to meet monthly has decreased and the IT Committee will now be meeting bi-monthly.
- Information sheet to help people enroll in patient portal will roll out next week.

**MENDONOMA HEALTH ALLIANCE REPORT:** Janis Dolphin, MHA Board Member

- Matter of Balance class currently in progress and another one planned in Point Arena for summer.
- Drug Take Back Event planned for April 4, representatives from Veterans Affairs office will be present to provide gun safety education.
- Enhanced Care Management Program (CaAIM) program continues to roll out and have met their goal of having over 50 billable encounters per month.
- In the process of seeking additional grants for CaAIM and Fort Ross Dental Clinic.
- Still several steps before the MHA Mobile Clinic will be ready to mobilize.

**EMERGENCY PREPAREDNESS COMMITTEE REPORT:** Leslie Bates, Board Chair

- Committee has formed and had their first meeting.
- Reviewing ways to better utilize medical personnel in emergency situations, the county can credential potential volunteers ahead of time.
- Still in the formative stages – please remember to have a go bag!



**EXECUTIVE COMMITTEE REPORT:** Leslie Bates, Board Chair

- The Board will now be more involved with celebrating employee milestones and will be working with HR to coordinate efforts to celebrate employees.

**PUBLIC COMMENT/SHOUT OUTS:**

- Ara Chakrabarti: Thank you Leah Seefeldt for coordinating the Palliative Care initiative and Lois Falk for providing the service and all the information needed to move this initiative forward.
- Ara Chakrabarti: Thank you Gabriel Ramirez, MD who is the radiologist overseeing the radiologic functions of RCMS, has agreed to continue to serve in this capacity through the end of the year.
- Ara Chakrabarti: Thank you to the Urgent Care staff for stepping up in the recent storms and caring for people over and above the call of duty.

**Meeting adjourned at 6:29 PM.**

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Karen Wilder, for Janis Dolphin, Board Secretary for the RCMS Board of Directors

# Grants, Development, Outreach, and Risk/Compliance Report

## March 2024 Activities

### Grants/Funding

- UDS updates submitted March 1
- HRSA COVID-19 survey submitted March 4
- FFR for ECV submitted March 7
- CalFresh RFP Response submitted March 12
- CPCA Medi-Cal Navigator Report submitted March 15
- California State Board of Pharmacy response packet submitted March 15
- Exact Sciences Colorectal Cancer Screening RFP Response submitted March 21
- March 20, 2024 – fundraising event at The Sea Ranch Lodge
- Looking at potential grants
- Attended meetings for all grants

### Marketing

- We are leveraging print media, social media, flyers, radio, TV monitors, and The Pulse
- We respond to all messages received via Facebook and website

### Outreach and Enrollment

- Javier Chavez continues to assist our community members
- Community education is an ongoing activity

### Surveys

Urgent Care surveys are sent weekly and compiled quarterly

Q1 CY24:	in process
Q4 CY23:	in process
Q3 CY23:	965 given – 103 surveys returned – 10.67% return rate
Q2 CY23:	1,075 were sent – 171 surveys returned – 15.91% return rate
Q1 CY23:	1,064 were sent – 112 surveys returned – 10.53% return rate

Primary Care surveys are sent quarterly and compiled quarterly

Q4 CY23:	
Gualala:	in process
Point Arena:	in process
Q3 CY23:	
Gualala:	1,164 were sent – 118 surveys returned – 10.14% return rate
Point Arena:	357 were sent – 33 surveys returned – 9.24% return rate
Q2 CY23:	
Gualala:	1,163 were sent – 123 surveys returned – 10.58% return rate
Point Arena:	327 were sent – 44 surveys returned – 13.46% return rate
Q1 CY23:	
Gualala:	1,076 were sent – 98 surveys returned – 9.11% return rate
Point Arena:	317 were sent – 47 surveys returned – 14.83% return rate

## Risk/Compliance

- Continuing to update and streamline PnPs
- Attending meeting and trainings

## Other/Policies and Procedures

- None to be presented

## Credentialing

- None to be presented

## Board Training

### Chapter 7: Coverage for Medical Emergencies During and After Hours

#### **Requirements**

To assure continuity of the required primary health services of RCMS, we must have:

- Provisions for promptly responding to patient medical emergencies during the health center's regularly scheduled hours; and
- Clearly defined arrangements for promptly responding to patient medical emergencies after the health center's regularly scheduled hours.

#### **Demonstrating Compliance**

- a. We have at least one staff member trained and certified in basic lift support present at each site.
- b. We follow our applicable operating procedures when responding to patient medical emergencies during regularly scheduled hours of operation.
- c. We have after-hours coverage by TEAMHealth, a medical advice line staffed by RNs.
- d. We receive reports of after-hours calls and any necessary follow-up.

## **Chapter 7: Coverage for Medical Emergencies During and After Hours**

### **Authority**

*Section 330(b)(1)(A)(IV) and Section 330(k)(3)(A) of the PHS Act; and 42 CFR 51c.102(h)(4), 42 CFR 56.102(l)(4), 42 CFR 51c.303(a), and 42 CFR 56.303(a)*

### **Requirements**

- To assure continuity of the [required primary health services](#) of the center, the health center must have:
  - Provisions for promptly responding to patient medical emergencies during the health center's regularly scheduled hours; and
  - Clearly defined arrangements for promptly responding to patient medical emergencies after the health center's regularly scheduled hours.

### **Demonstrating Compliance**

***A health center would demonstrate compliance with these requirements by fulfilling all of the following:***

- a. The health center has at least one staff member trained and certified in basic life support present at each HRSA-approved [service site](#) (as documented on [Form 5B: Service Sites](#)) to ensure the health center has the clinical capacity to respond to patient medical emergencies<sup>1</sup> during the health center's regularly scheduled hours of operation.<sup>2</sup>
- b. The health center has and follows its applicable operating procedures when responding to patient medical emergencies during regularly scheduled hours of operation.
- c. The health center has after-hours coverage operating procedures, which may include formal arrangements<sup>3</sup> with non-health center providers/entities, that ensure:
  - Coverage is provided via telephone or face-to-face by an individual with the qualification and training necessary to exercise professional judgment in assessing a health center patient's need for emergency medical care;

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<sup>1</sup> Medical emergencies may, for example, include those related to physical, oral, behavioral, or other emergent health needs.

<sup>2</sup> See Chapter 6: [Accessible Location and Hours of Operation](#) for more information on hours of operation.

<sup>3</sup> See Chapter 12: [Contracts and Subawards](#) for more information on oversight over such arrangements.



## **Health Center Program Compliance Manual**

- Coverage includes the ability to refer patients either to a licensed independent practitioner for further consultation or to locations such as emergency rooms or urgent care facilities for further assessment or immediate care as needed; and
  - Patients, including those with [limited English proficiency](#),<sup>4</sup> are informed of and are able to access after-hours coverage, based on receiving after-hours coverage information and instructions in the language(s), literacy levels, and formats appropriate to the health center's patient population needs.
- d. The health center has documentation of after-hours calls and any necessary follow-up resulting from such calls for the purposes of continuity of care.<sup>5</sup>

### **Related Considerations**

The following points describe areas where health centers have discretion with respect to decision-making or that may be useful for health centers to consider when implementing these requirements:

- The health center determines the means by which after-hours coverage is provided to health center patients. Examples include: telephone coverage by health center providers, primary care services after hours to address urgent medical conditions on an extended or 24-hour basis at certain service sites, after-hours phone coverage arrangements with other community providers,<sup>6</sup> or "nurse call" lines.
- The health center determines how to make patients aware of the availability of, and procedures for, accessing professional coverage after hours. Examples include after-hours instructions that are: integrated into an automated message on the health center's main phone line explaining how to access after-hours coverage, posted on the door of all health center service sites, provided as part of the initial patient registration process, posted on the health center's website, and/or provided as patient brochures or cards.

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<sup>4</sup> Under Section 602 of Title VI of the Civil Rights Act and the Department of Health and Human Services implementing regulations (45 C.F.R. Section 80.3(b)(2)), recipients of Federal financial assistance, including health centers, must take reasonable steps to ensure meaningful access to their programs, services, and activities by eligible [Limited English Proficient \(LEP\)](#) persons. See <http://www.hhs.gov/ocr/civilrights/resources/laws/summaryguidance.html> for further guidance on translating vital documents for LEP persons.

<sup>5</sup> See Chapter 8: [Continuity of Care and Hospital Admitting](#) for more information on continuity of care.

<sup>6</sup> Health centers that are deemed under the Federal Tort Claims Act (FTCA) should ensure that they are familiar with the applicable restrictions on FTCA coverage for services provided to non-health center patients. Review the [FTCA Health Center Policy Manual](#) for further information.

## REDWOOD COAST MEDICAL SERVICES, INC.

### EXECUTIVE SUMMARY-PRELIMINARY

February 2024

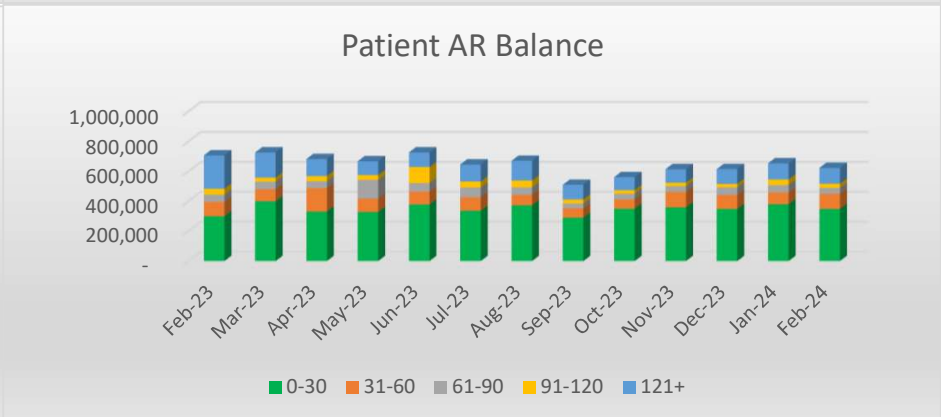
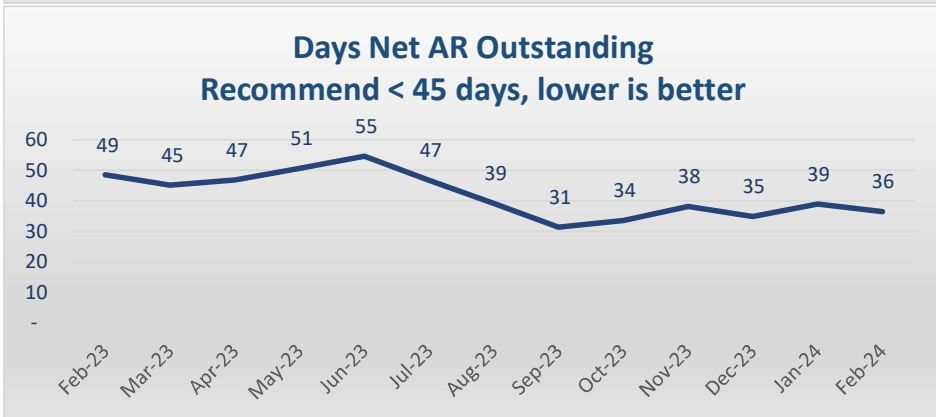
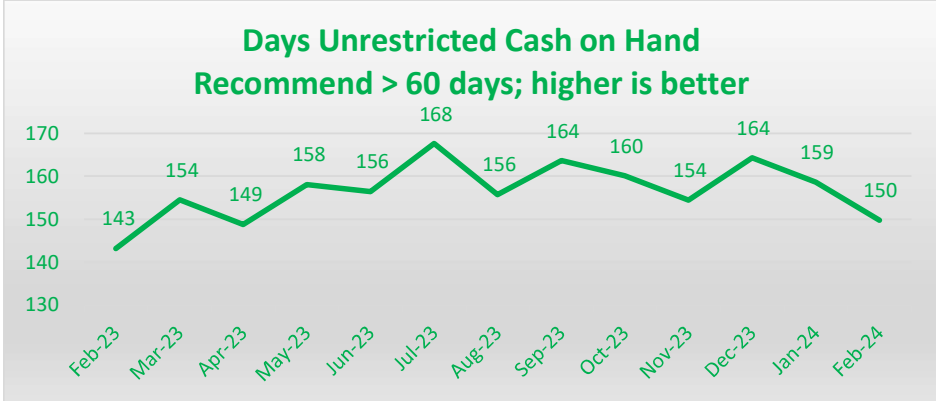
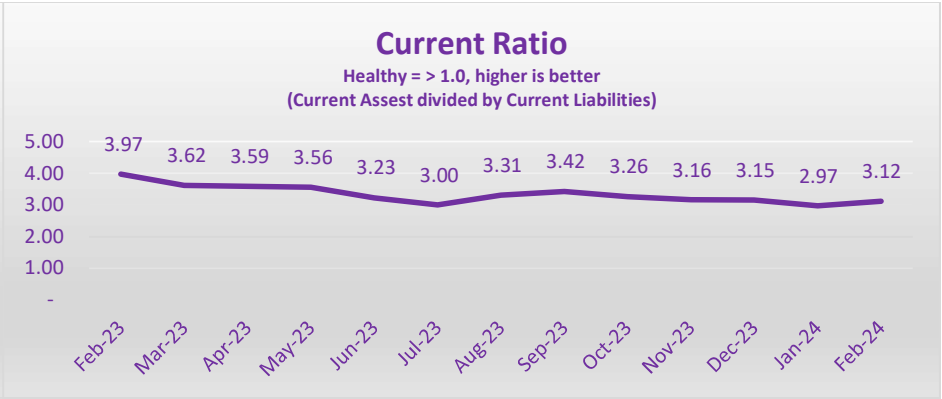
#### STATEMENT OF FINANCIAL POSITION

ASSETS	Feb-24	Feb-23	Change	Jan-24	Change
Current Assets	4,265,351	3,951,253	7.95%	4,470,406	-4.59%
Long-Term Assets	2,658,759	2,552,212	4.17%	2,654,616	0.16%
<b>TOTAL ASSETS</b>	<b>6,924,110</b>	<b>6,503,466</b>	<b>6.47%</b>	<b>7,125,022</b>	<b>-2.82%</b>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities	743,650	580,216	28.17%	929,083	-19.96%
Estimated Medi-Cal Liabilities	625,371	414,135	51.01%	574,193	8.91%
Total Liabilities	1,369,022	994,351	37.68%	1,503,276	-8.93%
Net Assets	5,555,089	5,509,114	0.83%	5,621,746	-1.19%
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>6,924,110</b>	<b>6,503,466</b>	<b>6.47%</b>	<b>7,125,022</b>	<b>-2.82%</b>

#### STATEMENT OF ACTIVITIES - YTD

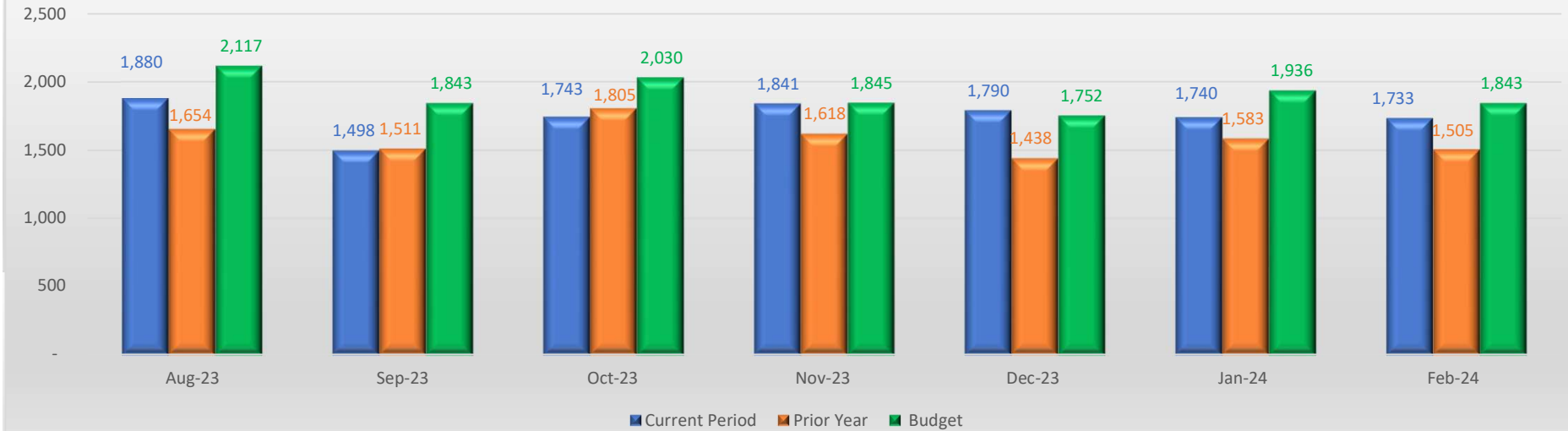
REVENUES	Actual	Budget	Variance	Prior Year	Variance
Patient Service Revenue	2,779,489	2,670,067	4.10%	2,235,931	24.31%
Grant & Other Revenue	2,496,624	2,568,016	-2.78%	2,827,952	-11.72%
<b>NET REVENUE</b>	<b>5,276,113</b>	<b>5,238,083</b>	<b>0.73%</b>	<b>5,063,883</b>	<b>4.19%</b>
<b>OPERATING EXPENSES</b>					
Salaries and Benefits	4,075,478	4,246,325	-4.02%	3,587,006	13.62%
Contracted Services	29,922	87,168	-65.67%	125,947	-76.24%
Facility Costs	183,696	213,008	-13.76%	187,573	-2.07%
Supplies	406,874	381,248	6.72%	380,717	6.87%
Depreciation & Amortization	53,773	63,264	-15.00%	51,222	4.98%
Other Operating Expenses	995,513	1,017,715	-2.18%	1,105,327	-9.93%
<b>TOTAL OPERATING EXPENSES</b>	<b>5,745,256</b>	<b>6,008,728</b>	<b>-4.38%</b>	<b>5,437,792</b>	<b>5.65%</b>
<b>OPERATING EXCESS/(DEFICIENCY)</b>	<b>(469,143)</b>	<b>(770,645)</b>	<b>-39.12%</b>	<b>(373,909)</b>	<b>25.47%</b>
Net Capital Income/(Expenses)	500,609	629,027	-20.42%	508,923	-1.63%
<b>TOTAL EXCESS/(DEFICIENCY)</b>	<b>31,466</b>	<b>(141,618)</b>	<b>-122.22%</b>	<b>135,014</b>	<b>-76.69%</b>

**REDWOOD COAST MEDICAL SERVICES, INC.**  
 EXECUTIVE SUMMARY-PRELIMINARY  
 February 2024



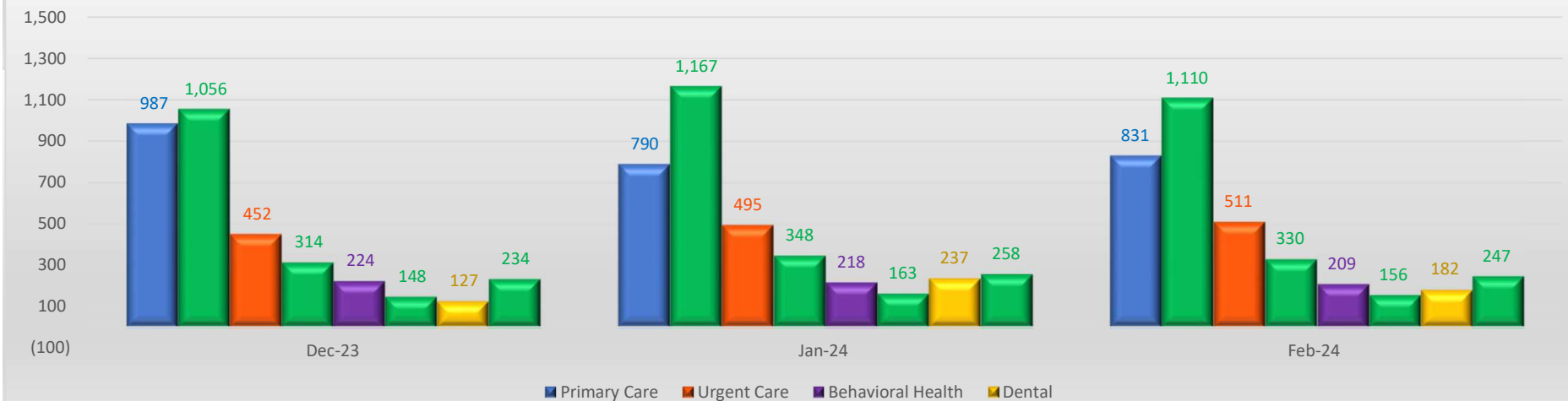
**REDWOOD COAST MEDICAL SERVICES, INC.**  
 EXECUTIVE SUMMARY-PRELIMINARY  
 February 2024

**Monthly Visits**



**Monthly Visits by Department**

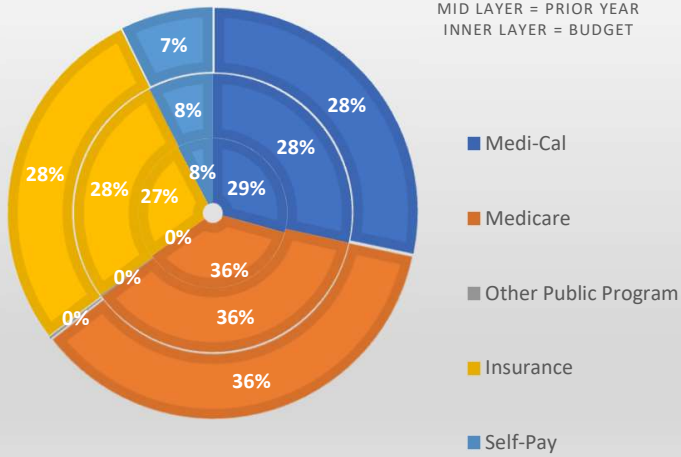
Budgeted visits depicted in green



**REDWOOD COAST MEDICAL SERVICES, INC.**  
 EXECUTIVE SUMMARY-PRELIMINARY  
 February 2024

**YTD PAYOR MIX**

OUTER LAYER = CURRENT YEAR  
 MID LAYER = PRIOR YEAR  
 INNER LAYER = BUDGET

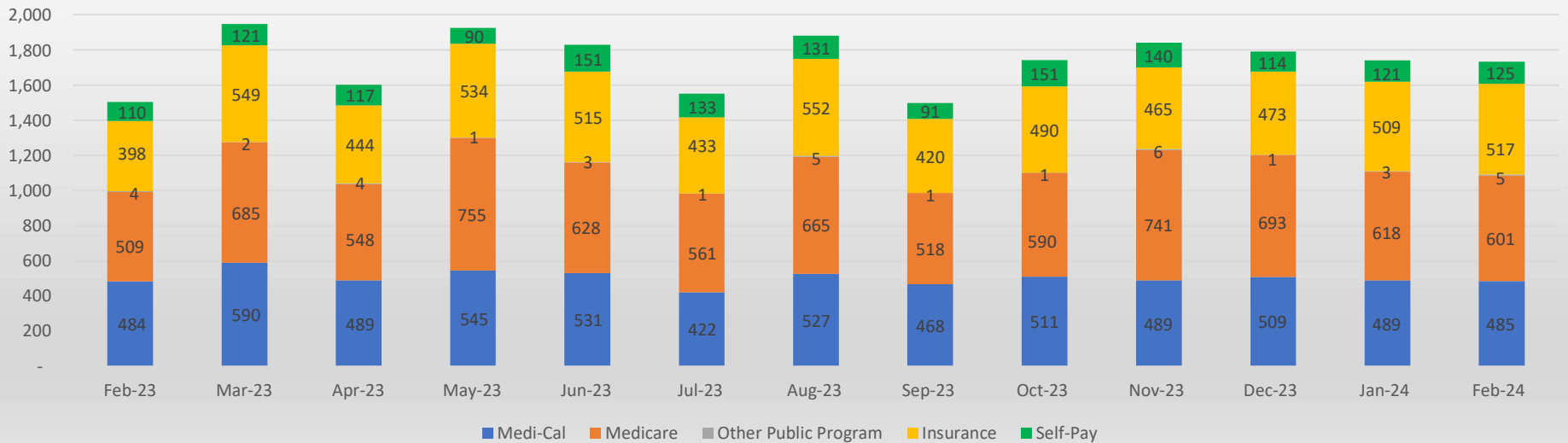


**Unduplicated Patients**

SAC = 5,000



**Monthly Visits by Financial Class**



**REDWOOD COAST MEDICAL SERVICES, INC.**

**FINANCIAL NARRATIVE – PRELIMINARY**

**February 2024**

Prepared by Christie MacVitie, contract CFO

**Operating financial results:**

The year-to-date bottom-line profit of \$31,466 was \$173,084 favorable to the budgeted loss of \$141,618. The bottom-line loss, for the month of February, of \$66,658 was \$45,318 worse than the budgeted loss of \$21,340. February’s Net Patient Revenue (NPR) of \$317,878 was \$9,321 less than budgeted.

NPR Variance	(9,321.48)
Due to higher/(lower) visits	(19,528.97)
Due to higher/(lower) rate per visit	10,207.49

- February visits of 1,733 were 110 less than the budgeted visits of 1,843.
- The average rate per visit of \$183.43 was \$5.89 higher than the budgeted average rate per visit of \$177.54.
- Operating Expenses of \$771,689 were \$41,746 over budget.
  - Total Compensation was \$8,460 over budget due to the inclusion of prior month fees for a contracted physician, unbudgeted staff performing a portion of the janitorial services originally budgeted as outside services, and the timing of payroll tax and retirement benefit costs.
  - Janitorial expenses were \$3,509 under budget.
  - Audit fees were \$15,000 over budget due to timing.
  - Computer Supplies and Support were \$4,463 over budget due, in part, to annual fees for Adobe licenses and a contract buyout.
  - Accounting Fees were \$5,782 over budget due to additional time required to compile historic data for an application for additional funding.
  - Recruiting Expense was \$5,589 below budget.

- Clinical Supplies were \$16,701 over budget due to purchases of seasonal vaccine supplies.
- 340B Supplies were \$3,455 under budget.
- Telephone and Communications were \$3,958 over budget, principally due to the receipt of invoices for prior period services.
- Travel and Conferences were \$2,942 over budget due to prior period mileage reimbursement, mileage reimbursements for three pay periods, and employee lodging due to severe weather.

**Changes in Financial position:**

- Cash and Investments were \$3,508,299 as of the end of February, which is \$334,726 higher than the balance as of the end of February 2023.
  - Cash and Investments decreased by \$127,304 during the month due to funding three payrolls during the month.

**Visits:**

- February visits of 1,733 were 110 lower than the budgeted visits of 1,843.
  - Primary Care – 279 fewer than budgeted (831 vs. 1,100)
  - Urgent Care – 181 more than budgeted (511 vs. 330)
  - Behavioral Health – 53 more than budgeted (209 vs. 156)
  - Dental – 65 fewer than budgeted (182 vs. 247)

## REDWOOD COAST MEDICAL SERVICES, INC.

### Statement of Financial Position-Preliminary

As of 2/29/2024

	Current Year	Prior Year	Variance
<b>Current Assets</b>			
<b>Cash &amp; Investments</b>			
Cash on Hand	1,305,381.40	1,982,812.45	(677,431.05)
Cash-Management Restricted	565,325.00	0.00	565,325.00
Investments	1,637,592.73	1,190,760.81	446,831.92
Total Cash & Investments	<u>3,508,299.13</u>	<u>3,173,573.26</u>	<u>334,725.87</u>
<b>Patient Accounts Receivable</b>			
Accounts Receivable	622,421.87	693,812.01	(71,390.14)
Allowance for Doubtful Accounts	(205,140.00)	(247,152.00)	42,012.00
Total Patient Accounts Receivable	<u>417,281.87</u>	<u>446,660.01</u>	<u>(29,378.14)</u>
<b>Other Current Assets</b>			
Grants Receivable	0.00	84,726.48	(84,726.48)
Medi-Cal Receivable - Current Year	74,210.00	0.00	74,210.00
QIP Receivable	129,972.00	44,788.00	85,184.00
340B Receivable	0.00	21,251.66	(21,251.66)
Other Accounts Receivable	1,477.66	66,666.66	(65,189.00)
Prepaid Expenses	128,110.29	107,587.00	20,523.29
Other Assets	6,000.00	6,000.00	0.00
Total Other Current Assets	<u>339,769.95</u>	<u>331,019.80</u>	<u>8,750.15</u>
Total Current Assets	<u>4,265,350.95</u>	<u>3,951,253.07</u>	<u>314,097.88</u>
<b>Property &amp; Equipment</b>			
Property & Equipment	5,157,771.29	4,952,988.60	204,782.69
Accumulated Depreciation	(2,499,012.00)	(2,400,776.17)	(98,235.83)
Total Property & Equipment	<u>2,658,759.29</u>	<u>2,552,212.43</u>	<u>106,546.86</u>
<b>Total Assets</b>	<u>6,924,110.24</u>	<u>6,503,465.50</u>	<u>420,644.74</u>
<b>Current Liabilities</b>			
Accounts Payable	116,069.98	79,179.98	36,890.00
Patient Refunds Due	5,635.33	0.00	5,635.33
Accrued Compensation and Related Liabilities	402,959.45	433,051.45	(30,092.00)
Medi-Cal Payable - Current Year	0.00	56,656.00	(56,656.00)
Medi-Cal Payable - Prior Year	625,371.30	357,478.93	267,892.37
Other Liabilities	2,800.00	2,800.00	0.00
Other Accounts Payable	32,510.00	49,718.00	(17,208.00)
Current Portion of Long Term Debt	0.00	15,467.00	(15,467.00)
Deferred Revenue	183,675.66	0.00	183,675.66
Total Current Liabilities	<u>1,369,021.72</u>	<u>994,351.36</u>	<u>374,670.36</u>
<b>Total Liabilities</b>	<u>1,369,021.72</u>	<u>994,351.36</u>	<u>374,670.36</u>
<b>Net Assets</b>			
Unrestricted Net Assets	5,523,622.55	5,374,099.98	149,522.57
Current Year Net Excess/Deficit	31,465.97	135,014.16	(103,548.19)
Total Net Assets	<u>5,555,088.52</u>	<u>5,509,114.14</u>	<u>45,974.38</u>
<b>Total Liabilities &amp; Net Assets</b>	<u>6,924,110.24</u>	<u>6,503,465.50</u>	<u>420,644.74</u>



# REDWOOD COAST MEDICAL SERVICES, INC.

## Statement of Activities

From 2/1/2024 Through 2/29/2024

	<u>MTD Actual</u>	<u>MTD Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
<b>Patient Revenue</b>						
Medi-Cal	115,280.00	117,382.00	(2,102.00)	973,700.45	956,178.00	17,522.45
Medicare	136,378.72	119,062.00	17,316.72	1,192,313.99	973,121.00	219,192.99
Family Pact	1,148.33	1,092.00	56.33	5,788.36	9,555.00	(3,766.64)
Insurance	63,195.58	68,953.00	(5,757.42)	498,589.59	563,288.00	(64,698.41)
Self Pay & Other	24,035.95	38,132.00	(14,096.05)	239,538.65	310,266.00	(70,727.35)
Sliding Scale & Other Write-Offs	(21,615.00)	(18,618.00)	(2,997.00)	(166,544.50)	(151,909.00)	(14,635.50)
Cost Report & Other Settlements	0.00	1,613.00	(1,613.00)	41,153.00	12,904.00	28,249.00
Patient Refunds	(546.06)	(417.00)	(129.06)	(5,050.60)	(3,336.00)	(1,714.60)
<b>Total Patient Revenue</b>	<u>317,877.52</u>	<u>327,199.00</u>	<u>(9,321.48)</u>	<u>2,779,488.94</u>	<u>2,670,067.00</u>	<u>109,421.94</u>
<b>Operating Expenses</b>						
Operating Expenses	771,688.82	729,943.00	(41,745.82)	5,745,255.61	6,008,728.00	263,472.39
<b>Total Operating Expenses</b>	<u>771,688.82</u>	<u>729,943.00</u>	<u>(41,745.82)</u>	<u>5,745,255.61</u>	<u>6,008,728.00</u>	<u>263,472.39</u>
<b>Net Before Other Revenue</b>	<u>(453,811.30)</u>	<u>(402,744.00)</u>	<u>(51,067.30)</u>	<u>(2,965,766.67)</u>	<u>(3,338,661.00)</u>	<u>372,894.33</u>
<b>Grants &amp; Other Revenue</b>						
Grant Revenue-Federal 330	162,409.00	154,628.00	7,781.00	1,344,068.00	1,237,024.00	107,044.00
Grant Revenue-CADRE	0.00	0.00	0.00	9,439.00	0.00	9,439.00
Grant Revenue-Fed Hypertension	0.00	2,577.00	(2,577.00)	73,889.00	20,616.00	53,273.00
Grant Revenue-ECV	0.00	9,800.00	(9,800.00)	0.00	78,400.00	(78,400.00)
Grant Revenue-Federal UDS	0.00	1,292.00	(1,292.00)	0.00	10,336.00	(10,336.00)
Grant Revenue-USAC	0.00	0.00	0.00	19,204.34	0.00	19,204.34
Grant Revenue-Other	38,858.84	19,906.00	18,952.84	112,557.84	159,248.00	(46,690.16)
340B Revenue	32,632.61	44,748.00	(12,115.39)	167,748.32	357,984.00	(190,235.68)
Contract Revenue-CLSD	66,666.66	66,667.00	(0.34)	533,333.28	533,336.00	(2.72)
QIP Revenue	23,928.00	17,499.00	6,429.00	163,631.50	139,992.00	23,639.50
Rental Income	3,002.00	1,385.00	1,617.00	24,091.00	11,080.00	13,011.00
Other Income	0.00	0.00	0.00	3,382.60	0.00	3,382.60
Interest & Dividends Earned	5,823.17	2,500.00	3,323.17	45,279.26	20,000.00	25,279.26
<b>Total Grants &amp; Other Revenue</b>	<u>333,320.28</u>	<u>321,002.00</u>	<u>12,318.28</u>	<u>2,496,624.14</u>	<u>2,568,016.00</u>	<u>(71,391.86)</u>
<b>Net Operating Income/(Loss)</b>	<u>(120,491.02)</u>	<u>(81,742.00)</u>	<u>(38,749.02)</u>	<u>(469,142.53)</u>	<u>(770,645.00)</u>	<u>301,502.47</u>
<b>Fundraising &amp; Capital Activity</b>						
Capital Grant Revenue	0.52	41,667.00	(41,666.48)	46,187.52	333,336.00	(287,148.48)
Fundraising Income	23,929.04	17,000.00	6,929.04	369,404.03	282,000.00	87,404.03
Fundraising Expense	(2,149.34)	(815.00)	(1,334.34)	(10,642.41)	(6,709.00)	(3,933.41)
Donations	(207.95)	1,550.00	(1,757.95)	5,465.37	12,400.00	(6,934.63)
Realized/Unrealized Gains/(Losses)	32,261.11	1,000.00	31,261.11	90,193.99	8,000.00	82,193.99
<b>Total Fundraising &amp; Capital Activity</b>	<u>53,833.38</u>	<u>60,402.00</u>	<u>(6,568.62)</u>	<u>500,608.50</u>	<u>629,027.00</u>	<u>(128,418.50)</u>
<b>Net Excess of Revenue over Expenses</b>	<u>(66,657.64)</u>	<u>(21,340.00)</u>	<u>(45,317.64)</u>	<u>31,465.97</u>	<u>(141,618.00)</u>	<u>173,083.97</u>

# REDWOOD COAST MEDICAL SERVICES, INC.

## Schedule of Expenses

From 2/1/2024 Through 2/29/2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
<b>Salaries &amp; Wages</b>						
Salaries & Wages	442,337.68	425,370.00	(16,967.68)	3,457,730.25	3,524,468.00	66,737.75
<b>Total Salaries &amp; Wages</b>	<u>442,337.68</u>	<u>425,370.00</u>	<u>(16,967.68)</u>	<u>3,457,730.25</u>	<u>3,524,468.00</u>	<u>66,737.75</u>
<b>Benefits</b>						
Payroll Taxes	30,543.63	31,858.00	1,314.37	249,982.39	263,938.00	13,955.61
Health Insurance	39,961.29	47,712.00	7,750.71	310,578.18	395,308.00	84,729.82
Workmans Compensation	4,948.00	5,981.00	1,033.00	37,467.00	49,554.00	12,087.00
Retirement	4,786.19	0.00	(4,786.19)	15,719.76	0.00	(15,719.76)
Other Benefits	500.00	1,576.00	1,076.00	4,000.00	13,057.00	9,057.00
<b>Total Benefits</b>	<u>80,739.11</u>	<u>87,127.00</u>	<u>6,387.89</u>	<u>617,747.33</u>	<u>721,857.00</u>	<u>104,109.67</u>
<b>Contracted Services</b>						
Contracted Physician	5,400.00	3,485.00	(1,915.00)	14,940.00	28,876.00	13,936.00
Contracted Physicians Assistant	0.00	4,846.00	4,846.00	0.00	40,154.00	40,154.00
Contracted Mental Health Provider	500.00	0.00	(500.00)	500.00	0.00	(500.00)
Contracted Dentist Svcs	2,000.00	1,672.00	(328.00)	10,437.50	13,854.00	3,416.50
Contracted Pharmacist	500.00	517.00	17.00	4,044.86	4,284.00	239.14
<b>Total Contracted Services</b>	<u>8,400.00</u>	<u>10,520.00</u>	<u>2,120.00</u>	<u>29,922.36</u>	<u>87,168.00</u>	<u>57,245.64</u>
<b>Total Compensation</b>	<u>531,476.79</u>	<u>523,017.00</u>	<u>(8,459.79)</u>	<u>4,105,399.94</u>	<u>4,333,493.00</u>	<u>228,093.06</u>
<b>Facility Expenses</b>						
Depreciation-Facility	4,972.65	6,022.00	1,049.35	38,933.31	48,176.00	9,242.69
Janitorial	2,067.00	5,576.00	3,509.00	19,193.83	44,608.00	25,414.17
Rent	10,398.00	10,398.00	0.00	83,709.00	83,184.00	(525.00)
Repairs & Maint-Facility	855.73	1,773.00	917.27	9,510.30	14,184.00	4,673.70
Utilities	8,703.38	6,946.00	(1,757.38)	58,732.09	55,568.00	(3,164.09)
Real Estate Taxes	1,321.23	1,933.00	611.77	12,550.45	15,464.00	2,913.55
<b>Total Facility Expenses</b>	<u>28,317.99</u>	<u>32,648.00</u>	<u>4,330.01</u>	<u>222,628.98</u>	<u>261,184.00</u>	<u>38,555.02</u>
<b>Other Expenses</b>						
Advice Line	1,820.00	1,771.00	(49.00)	14,560.00	14,168.00	(392.00)
Audit Fees	15,000.00	0.00	(15,000.00)	15,000.00	20,000.00	5,000.00
Bad Debt	0.00	0.00	0.00	1,655.00	0.00	(1,655.00)
Bank Charges	1,387.59	683.00	(704.59)	8,647.60	5,464.00	(3,183.60)
Board Expense	1,888.00	1,223.00	(665.00)	16,793.44	9,784.00	(7,009.44)
Billing Services	3,373.76	1,557.00	(1,816.76)	16,523.92	12,456.00	(4,067.92)
Computer Supplies & Support	40,701.90	36,239.00	(4,462.90)	313,324.67	289,912.00	(23,412.67)
Consulting Fees	3,980.37	2,336.00	(1,644.37)	41,179.48	18,688.00	(22,491.48)
Consulting Fees - Accounting	14,358.00	8,576.00	(5,782.00)	66,374.00	68,608.00	2,234.00
Consulting Fees - Government Compliance	1,046.00	2,417.00	1,371.00	12,812.00	19,336.00	6,524.00
Consulting Fees - CFO	2,118.00	2,167.00	49.00	15,093.70	17,336.00	2,242.30
Continuing Education	875.00	2,606.00	1,731.00	12,468.81	20,848.00	8,379.19
Depreciation Expense	1,942.88	1,886.00	(56.88)	14,840.01	15,088.00	247.99
Donations/Contributions	2,097.05	580.00	(1,517.05)	3,469.48	4,640.00	1,170.52
Dues & Subscriptions	1,847.01	1,841.00	(6.01)	19,779.81	14,728.00	(5,051.81)
Employment Advertising	0.00	15.00	15.00	0.00	120.00	120.00
Employee Recognition	542.62	0.00	(542.62)	14,495.83	0.00	(14,495.83)
Equipment Lease	2,019.07	1,789.00	(230.07)	15,253.73	14,312.00	(941.73)
Fundraising Allocation	(2,149.34)	(815.00)	1,334.34	(10,642.41)	(6,709.00)	3,933.41
Infectious Waste Disposal	1,650.00	1,812.00	162.00	16,373.85	14,496.00	(1,877.85)
Insurance-General	2,798.36	3,933.00	1,134.64	25,017.64	31,464.00	6,446.36
Insurance-D&O	2,788.00	1,924.00	(864.00)	22,404.52	15,392.00	(7,012.52)
Insurance-Malpractice	1,036.00	1,060.00	24.00	7,164.00	8,480.00	1,316.00
Interest Expense	0.00	41.00	41.00	321.41	328.00	6.59

# REDWOOD COAST MEDICAL SERVICES, INC.

## Schedule of Expenses

From 2/1/2024 Through 2/29/2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>
Lab Services	3,330.01	5,785.00	2,454.99	29,510.30	46,280.00	16,769.70
Memberships & Publications	44.00	187.00	143.00	795.00	1,496.00	701.00
Minor Equipment	2,178.70	2,473.00	294.30	6,677.63	19,784.00	13,106.37
Outreach & Hlth Ed Matls Exp	380.00	2,486.00	2,106.00	7,987.25	19,888.00	11,900.75
Payroll Service Fees	3,162.91	2,054.00	(1,108.91)	19,193.01	16,432.00	(2,761.01)
Penalties & Late Fees	461.90	0.00	(461.90)	856.64	0.00	(856.64)
Postage & Shipping	1,038.88	1,193.00	154.12	7,794.67	9,544.00	1,749.33
Publicity/Advertising	162.00	1,423.00	1,261.00	6,198.30	11,384.00	5,185.70
Recruiting Expense	1,250.00	6,839.00	5,589.00	7,850.00	54,712.00	46,862.00
Recruiting-Moving Expense	0.00	125.00	125.00	0.00	1,000.00	1,000.00
Provider Housing	3,246.60	2,302.00	(944.60)	20,807.99	18,416.00	(2,391.99)
Repairs & Maint-Equipment	2,175.16	2,414.00	238.84	32,624.72	19,312.00	(13,312.72)
Retirement Administration	587.50	78.00	(509.50)	2,290.00	624.00	(1,666.00)
Supplies-Office	6,238.07	5,656.00	(582.07)	59,225.39	45,264.00	(13,961.39)
Supplies-Clinical	44,362.05	27,661.00	(16,701.05)	273,894.17	221,288.00	(52,606.17)
Supplies-Vaccines	1,917.53	3,736.00	1,818.47	22,077.46	29,888.00	7,810.54
Supplies-Pharmaceutical	4,943.34	4,161.00	(782.34)	25,085.24	33,288.00	8,202.76
Supplies-340B Pharmaceutical	1,792.47	5,247.00	3,454.53	18,796.68	41,976.00	23,179.32
Taxes & Licenses	1,512.00	1,240.00	(272.00)	12,200.34	9,920.00	(2,280.34)
Telephone/Communication	13,401.74	9,444.00	(3,957.74)	83,198.87	75,552.00	(7,646.87)
Transcription Services	6,952.87	7,782.00	829.13	51,242.58	62,256.00	11,013.42
Travel & Conferences	7,001.41	4,059.00	(2,942.41)	32,236.29	32,472.00	235.71
X-Ray Expenses	<u>4,634.63</u>	<u>4,292.00</u>	<u>(342.63)</u>	<u>33,773.67</u>	<u>34,336.00</u>	<u>562.33</u>
Total Other Expenses	<u>211,894.04</u>	<u>174,278.00</u>	<u>(37,616.04)</u>	<u>1,417,226.69</u>	<u>1,414,051.00</u>	<u>(3,175.69)</u>
<b>Total Operating Expenses</b>	<u>771,688.82</u>	<u>729,943.00</u>	<u>(41,745.82)</u>	<u>5,745,255.61</u>	<u>6,008,728.00</u>	<u>263,472.39</u>
<b>Total Operating Expenses After Allocation</b>	<u>771,688.82</u>	<u>729,943.00</u>	<u>(41,745.82)</u>	<u>5,745,255.61</u>	<u>6,008,728.00</u>	<u>263,472.39</u>

**REDWOOD COAST MEDICAL SERVICES, INC.**

## Statement of Cash Flows

As of 2/29/2024

	<u>Current Period</u>	<u>Current Year</u>
Operating Activities		
Change in Net Assets	(66,657.64)	31,465.97
Adjustments to Reconcile Change in Net Assets to Cash		
Depreciation and Amortization	6,915.53	53,773.32
(Increase)/Decrease in Accounts Receivable	28,869.01	185,291.20
(Increase)/Decrease in Grants Receivable	54,028.48	(12,881.52)
(Increase)/Decrease Estimated Medi-Cal Receivable	(268.00)	(74,210.00)
(Increase)/Decrease in Prepaid Expenses	(4,878.11)	(33,401.32)
(Increase)/Decrease Other Assets	0.00	0.00
Increase/(Decrease) in Accounts Payable	(22,167.49)	74,751.29
Increase/(Decrease) in Accrued Expenses	(159,689.68)	(94,449.65)
Increase/(Decrease in Estimated Medi-Cal Payable	51,178.00	39,102.90
Increase/(Decrease) in Deferred Revenue	(3,575.34)	(30,769.34)
Increase/(Decrease) in Other Board Approved Liability	0.00	0.00
Total Adjustments to Reconcile Change in Net Assets to Cash	<u>(49,587.60)</u>	<u>107,206.88</u>
Total Operating Activities	<u>(116,245.24)</u>	<u>138,672.85</u>
Cash Flows from Investing Activities		
Investing Activities		
Land Purchases & Sales	0.00	0.00
Building Improvements	0.00	(12,719.06)
Equipment Purchases & Disposals	0.00	(7,031.30)
Construction in Progress	(11,058.40)	(166,551.09)
Total Investing Activities	<u>(11,058.40)</u>	<u>(186,301.45)</u>
Total Cash Flows from Investing Activities	<u>(11,058.40)</u>	<u>(186,301.45)</u>
Cash Flows from Financing Activities		
Financing Activities		
Increase/(Decrease) in Notes Payable	0.00	0.00
Total Financing Activities	<u>0.00</u>	<u>0.00</u>
Total Cash Flows from Financing Activities	<u>0.00</u>	<u>0.00</u>
Prior Period Adj. to Net Assets	0.00	0.00
Net Increase(Decrease) in Cash	<u>(127,303.64)</u>	<u>(47,628.60)</u>
Cash at Beginning of Period	3,635,602.77	3,555,927.73
Cash at End of Period	<u><u>3,508,299.13</u></u>	<u><u>3,508,299.13</u></u>

March 27, 2024

The Audit Committee met with the auditors (Pun Group) on March 22 and reviewed their audit report for the fiscal year ending June 30, 2023. We received a clean opinion on the audit, and the auditors reported no accounting exceptions and no internal control weaknesses. The full audit report is being sent to board members separately by email. The auditors' two-page summary of the audit is attached.

**Recommended Action:** The Audit Committee recommends that the Board of Directors accept the audit report as presented.

Earlier, on February 21, the Audit Committee met and reviewed the proposals submitted by various accounting firms in response to our RFP (Request for Proposal) for audit and tax services going forward. At that time, Ara and Christie presented their analysis (attached) of the proposals and their recommendation for contracting with a new audit firm. The Audit Committee concurred with the recommendation.

**Recommended Action:** The Audit Committee recommends that the Board of Directors authorize the hiring of CHW LLP on a three-year contract for audit and tax services beginning with the fiscal year 2024 audit, at the pricing indicated in the attached analysis.

**Redwood Coast Medical Services, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

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**Section I – Summary of Auditors’ Results**

**Financial Statements**

Types of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Reported Noncompliance material to financial statements noted?

No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors’ report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in Accordance with the 2 CFR 200.516 (a)?

No

Identification of major federal programs:

Major Program or Cluster	Assistance Listing Number	Federal Expenditures
Health Center Program Cluster	93.224	\$ 1,980,581
	<b>Total Major Program Expenditures</b>	<b>\$ 1,980,581</b>
	<b>Total Expenditures of Federal Awards</b>	<b>\$ 2,205,921</b>
	<b>Percentage of Total Federal Expenditures</b>	<b>89.78%</b>

Dollar threshold used to distinguish between type A and type B program

\$750,000

Auditee qualified as low-risk auditee under the 2 CFR 200.520?

Yes

**Redwood Coast Medical Services, Inc.**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2023**

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**Section II – Financial Statement Findings**

**A. Current Year Financial Statement Findings**

No financial statement findings were noted for the year ended June 30, 2023.

**B. Prior Year Financial Statement Findings**

No financial statement findings were noted for the year ended June 30, 2022.

**Section III – Federal Awards Findings**

**A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit**

No federal award findings were noted for the year ended June 30, 2023.

**B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit**

No federal award findings were noted for the year ended June 30, 2022.



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 46900 Ocean Drive  
 Gualala, CA 95445  
 95468  
 Tel: 707-884-4005

PO Box 629  
 30 Mill Street  
 Point Arena, CA 95468  
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P.O. Box 629  
 175 Main Street  
 Point Arena, CA  
 Tel: 707-882-2189

February 14, 2024

To:

RCMS AUDIT COMMITTEE

Re: Audit firm recommendation from Management

In November and December of 2023, RCMS received quotes for audit and tax services for fiscal years ending 6/30/24, 6/30/25, and 6/30/26, from five audit firms, with quotes for the first audit period ranging from \$25,500 to \$83,000.

RCMS invited firms known to have experience and expertise in auditing California Federally Qualified Health Centers (FQHCs). All of the responding audit firms are qualified to perform an audit that will satisfy the compliance requirement for our Federal 330 grant.

Based on multiple factors, including those listed below, Management recommends CHW LLP, with the understanding that the final selection decision rests with the audit committee.

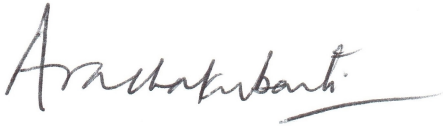
- CHW LLP quoted the lowest price.
- Our contracted accounting staff is currently working with CHW LLP on other audits and is familiar with the documents that will be requested, which will help save time, reducing audit support fees.
- The new accounting support contract has been in effect for less than a year, so contracting with an audit firm the team has not yet worked with could add time and delay the FY24 audit conclusion.
- Given RCMS’s recent history of clean audits, and Management’s belief that financial controls in place are effective, Management thinks it is unnecessary to contract with a firm known for more expansive and expensive audits at this time.

Below is a summarized list of proposals received:

<b>Proposals for Audit &amp; Tax Services</b>			
<b>Audit Firm</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>
CHW LLP	\$ 25,500	\$ 26,000	\$ 26,500
Vasquez & Co.	41,860	44,259	46,758
Pun Group	43,000	45,150	47,408
Moss Adams	59,500	64,950	66,100
Marcum LLP	83,000	89,000	95,000



Sincerely,

A handwritten signature in black ink that reads "Ara Chakrabarti". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Ara Chakrabarti  
Chief Executive Officer  
Tel: (707) 884 – 4050  
achakrabarti@rcms-healthcare.org