

**Minutes of February 21, 2023**  
**San Joaquin Health Centers Board of Directors – Audit Committee**

**Board Members Present:** Farhan Fadoo (CEO); Brian Heck (Audit Chair); Jodie Moreno (Audit); **Rod Place (Audit)\***

**Board Members Excused Absent:**

**Board Members Unexcused Absent:** none

**SJHC Staff:** Michael Allen; Alice Soulligne; Kris Zuniga

**Guests:** Vasquez Company

AGENDA ITEM	ATTACHMENTS	ACTION
<p><b>1. <u>Call to Order (Brian Heck)</u></b>            The meeting was called to order at 4:03 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p><b>2. <u>Approval of Minutes from 11/28/2022 (Brian Heck)</u></b>            Minutes from November 28, 2022 were approved unanimously.</p>	Finance Committee Meeting Minutes 2022-11-28	Jodie motioned to approve the minutes and Rod seconded; motion was approved unanimously
<p><b>3. <u>Approval of Fiscal Year 2022 Audit (Vasquez Company)</u></b>            Engagement team was introduced and declared their independence, as a 3<sup>rd</sup> party auditor.</p> <p>The scope of work was noted as the Financial Statement Audit and Single Audit for the fiscal year ending 6/30/2022. This is an unmodified "clean" opinion and fairly presents SJ Health's financial position, results of operations changes in net assets, functional expenses, and cash flows.</p> <p>Areas of emphasis were cash &amp; cash equivalents, revenues &amp; receivables (including grants, QIP &amp; pharmacy revenues, and related receivables), property &amp; equipment, accounts payable &amp; accrued expenses, estimated settlement amounts due from/to 3<sup>rd</sup> party payers, due from affiliate, and net assets with donor restrictions.</p> <p>No material weaknesses, but one significant finding was inaccurate application of Sliding Fee Discount. Of the 40 patients selected for testing, 3 were overcharged by \$45 and 3 were undercharged by \$280, with a total discrepancy of \$235 in undercharges.</p> <p>Single audit found total federal expenditures at \$1.7 million with \$1.6 million (96%) tested.</p>	No attachments	Jodie motioned to accept the audit and Brian seconded; motion was approved unanimously
<p><b>4. <u>Adjournment (Brian Heck)</u></b>            There being no further topics of discussion, Brian Heck adjourned the meeting at 4:37 p.m.</p>	No attachments	No action required