



**CCMC AUTHORITY BOARD OF DIRECTORS AGENDA
December 19, 2024 REGULAR MEETING
12:00PM HYBRID IN-PERSON**

CCMC, WE BELIEVE THAT HEALTHY PEOPLE CREATE A HEALTHY COMMUNITY.

Board of Directors
Kelsey Hayden exp. 3/26
Liz Senear exp. 3/27
Ann Linville exp. 3/25
Diane Ujioka exp. 3/27
Shelly Kocan exp. 3/25

CEO
Hannah Sanders, M.D.

OPENING: Call to Order
Roll Call - Kelsey Hayden, Liz Senear, Ann Linville, Diane Ujioka and Shelly Kocan.

Establishment of a Quorum
A. COMMUNICATIONS BY AND PETITIONS FROM VISITORS
(Speaker must give name and agenda item)
1. Audience Comments
2. Guest Speaker

B. BOARD DEVELOPMENT ~ none
C. CONFLICT OF INTEREST
D. APPROVAL OF AGENDA
E. APPROVAL OF MINUTES

1. November 21, 2024 Meeting Minutes Pgs 1-5

F. REPORTS OF OFFICERS OR ADVISORS
1. Board Chair Report
2. CEO Report
3. Director of Finance Report

Pg 6-7
Pgs 8-11

G. DISCUSSION ITEMS
H. ACTION ITEMS

1. CCMC 2025 Budget Approval Pgs 12-13
2. Approval of 2024 DZA Audit Engagement letter Pgs 14-26

I. AUDIENCE PARTICIPATION (limited to 3 minutes per speaker) Members of the public are given the opportunity to comment on matters which are within the subject matter authority of the Board and are appropriate for discussion in an open session.

J. BOARD MEMBERS COMMENTS
K. EXECUTIVE SESSION
L. ADJOURNMENT

This Board of Directors meeting will be held via ZOOM:
<https://us02web.zoom.us/j/4675701050?pwd=TXEvSFVHOHhIL1JvOGNua1RUUjdQUT09&omn=85438323102>

To call in: 1-253-215-8782
Meeting ID: 467 570 1050; Passcode: 379187

For a full packet, go to www.cityofcordova.net/government/boards-commissions/health-services-board

Minutes
CCMC Hospital Services Board Meeting
November 21, 2024 at 12:00pm

CALL TO ORDER AND ROLL CALL –

Kelsey Hayden called the Board Meeting to order at 12:09pm.

Board members present: **Kelsey Hayden, Diane Ujioka, Liz Senear, and Shelly Kocan.**

Board members absent: **Ann Linville**

Quorum was established. 4 members present.

CCMC staff present: Dr. Hannah Sanders, CEO; Denna Stavig, Director of Finance; Tamara Russin, Director of Ancillary Services; Barb Jewell, Director of Community Programs; Olivia Moreno, Long Term Care Director of Nursing and Abby Bourgeois.

A. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. **Audience Comments** ~ None
2. **Guest Speaker** ~ None

B. BOARD DEVELOPMENT ~ None

C. CONFLICT OF INTEREST ~ None

D. APPROVAL OF AGENDA

M/ Ujioka S/ Senear “I move to approve the agenda.”

Senear – yes, Hayden – yes, Ujioka – yes, Kocan – Yes, and Linville – absent.
4 yeas, 0 nay, 1 absent; Motion passed.

E. APPROVAL OF MINUTES

1. **October 29, 2024, Meeting Minutes**

M/Ujioka S/Kocan “I move to approve the minutes.”

Senear – yes, Hayden – yes, Ujioka –yes, Kocan– yes, and Linville-absent.
4 yeas, 0 nay, 1 absent; Motion passed.

F. REPORTS OF OFFICERS and ADVISORS

1. **Board Chair Report** – Kelsey Hayden states that she attended last night’s city council meeting and found that the council was particularly proud of the CCMC administration for figuring out our budget woes from years prior. Hayden states that the councilors spoke highly about how far the hospital has come, encouraged people to use its services, and thanked those who continue to do so. Hayden states that it was nice to hear words of appreciation at a city council meeting. Hayden states that the work session on November 4th went great.

- 2. CEO Report** – Dr. Sanders states that her written report is in the packet. Sanders states that one disappointing bit of news includes the resignation of Alexis Allen, Director of Nursing. Sanders states that in her time working for CCMC she has seen this position turnover eight times. Sanders states that it is a hard job and oftentimes we see people in this position ending up taking on too many roles. Sanders states the DON position is especially difficult staffing in the hospital. Sanders states that we are looking at retention in this position. CCMC has been working nurse staffing, particularly for swing-shift and open discussion regarding how to increase nurse staffing was had. Kelsey Hayden asks Dr. Sanders how she feels about not having filled the executive administration assistant role, if it was a budget-saving strategy, and if that will add stress to CCMC staff. Dr. Sanders states that the position has not been filled for the last year. CCMC is prioritizing which positions to fill. At this time although we are not filling the executive administrative assistant role, CCMC's FTE count is still staying the same.
- 3. Director of Finance Report** – Denna Stavig states that the draft budget and narrative for 2025 is in the packet. October financials will be in next months packet. Stavig states it was a challenging budget with our health insurance going up 35%. but that she feels good about it and that she is open to answering any questions. Shelly Kocan states how painful it is to see the rising health insurance rates resulting in an estimated \$500,000 increase. Kelsey Hayden comments that the city's insurance also went up 35% because they are on the same plan. Sanders reports that we are working with the city to evaluate insurance options in 2025. Open discussion regard claims history and the difficulty of finding insurance due to high claims history. Dr. Sanders reports that employee pay in the budget includes salary adjustments that are within 10% of the established pay band with the exception of leadership salaries that continue to fall below the 10% level. Dr. Sanders states that if the budget allows, she aims to close those pay gaps for managers in 2026. Open discussion regarding the pay bands including Dr. Sanders explaining that our board-approved salary strategy includes using a salary survey that designates pay ranges for positions based off salaries across Alaska and factors in cost of living and inflation increases. Diane Ujioka asks which projects are the \$200,000 for maintenance going toward, and Dr. Sanders states that the most imperative project is the generator which has been on the list for the third year in a row. Ujioka asks if the \$200,000 could get the job done, and Dr. Sanders states that it is somewhere closer to \$300,000, but that the hospital should be able to support some of those added costs. Sanders states that the biggest obstacle is getting the architect and engineer to Cordova to do the job. Kelsey Hayden asks if we have already utilized the \$300,000 from the city this year, and Dr. Sanders replied that yes, it is in our operations, but that some will be set aside if we are able to do so. Dr. Sanders states that in 2024 we had the unforeseen large expense of the CT scanner project

G. DISCUSSION ITEMS

1. **Follow up from November 4th work session** – Dr. Sanders states that this is just a place to reflect on how the work session went. She states that she thinks the meeting went very well and that the next step is for her to work with the city to understand the PERS liability and the financial value of the hospital in terms of the facility and property. Kelsey Hayden asks if these tasks can be accomplished before the February 4th meeting with the tribal health board. Dr. Sanders answers that understanding the PERS liability is something she is working on, but that CCMC's comprehensive evaluation is something that will take more time than the Feb goal. Open discussion regarding the need to work with the city and hire outside expertise for the valuation. Dr. Sanders states that NVE has done a fair amount of study of our building and equipment and has knowledge of what needs to be replaced and updated, which has been helpful in showing us which projects need to be prioritized. Kelsey Hayden asks if NVE's assessment of CCMC had a monetary value applied, to which Sanders answers no but it does include estimated cost of repairs. Diane Ujioka states that she is optimistic about working together and sharing information in hopes of taking the best route for Cordova's health care system. Ujioka states that she felt everyone seemed agreeable in not wanting to duplicate services and do what is financially sound for both entities while providing the best healthcare we can moving forward. Dr. Sanders agrees with Ujioka, stating that both sides seemed on the same page in terms of Cordovans receiving the best possible access to the best hospital, emergency room, clinic, and that we are all ready to work together to achieve that. Ujioka states that she doesn't think anyone was trying to undermine anyone else and that it was an open dialogue with open minds and ears. Shelly Kocan initiated a conversation asking about incentives for each entity to run the hospital and change in ownership could impact hospital finances. Discussion regard pros and cons of expanding the number long term care beds and ability to have an affiliation with a larger hospital to fill rehab beds may benefit tribal ownership. Dr. Sanders states that assisted living is something Cordova gravely needs to allow our elders to age in place and is something we need to address. Diane Ujioka states that assisted living is nationally scarce too, only providing medical emergency care to seniors and lacking the funding for that crucial step in senior living. Dr. Sanders adds that what most states require to qualify for Medicaid requires seniors to spend enough of their own resources at a facility first before they are deemed financially eligible. Liz Senear asks if there is any funding available for long-term care beds, to which Ujioka and Sanders answer no. Ujioka states that educating people on next steps they can take and understanding criteria necessary to qualify for services is something valuable we should be trying to implement within Cordova. Dr. Sanders CCMC is hoping to host estate planning and educational series so that we can help people start planning at least five years ahead of the time that they may need to enter long-term care. Liz Senear states that the issue is not that beds are unavailable, but rather that those

beds are unaffordable, to which Sanders agrees. Kelsey Hayden states that elder care is a task force in and of itself. Hayden states it was apparent how closely our staff works with Ilanka staff, how much we value one another's working relationships. Hayden adds that if there are any eventual meetings relating to PERS and liability information, she is happy to attend and participate.

H. ACTION ITEMS

1. Delineation of Radiology Telemedicine Privileges for Dr. Zaing (John) Lu

M/Ujioka S/Senear "I move that the CCMC Authority Board of Directors approve the Delineation of Radiology Telemedicine Privileges for Dr. Zaing (John) Lu as presented."

Voice Vote on Motion

Senear – yes, Hayden – yes, Ujioka – yes, Kocan – yes, and Linville – absent.

4 yeas, 0 nay, 1 absent; Motion passed.

I. AUDIENCE PARTICIPATION ~ None

J. BOARD MEMBERS COMMENTS

Senear ~ I think the work session went great and thank you to everyone and apologies for being late.

Hayden ~ Thank you all for your hard work.

Ujioka ~ Apologies for my tardiness.

Kocan ~ I think the meeting with NVE was very productive and look forward to being involved in that moving forward.

K. EXECUTIVE SESSION ~ None

L. ADJOURNMENT

M/Senear S/Ujioka to adjourn the meeting.

Hearing no objection, Kelsey Hayden declared the meeting adjourned 12:54pm.

CCMC December 2024 CEO Board Report

Operational Updates

Leadership Transitions

Olivia Moreno has stepped in as Interim Director of Nursing (DON), bringing stability and strong leadership during this time of change. Her efforts have been key to keeping patient care and staff support running smoothly. Staff across departments have stepped up to cover gaps caused by extended leave. We're working hard to preserve institutional memory and make sure operations stay smooth, even with changes in leadership and staffing.

Security Enhancements

We've added a new Hospital Security role, offering current employees specialized training in areas like situational awareness, conflict de-escalation, and handling emergencies.

We're also working closely with the Cordova Police Department (CPD) to refine our safety protocols and improve response plans for high-risk situations. This partnership is helping us strengthen security for both patients and staff.

Budget Updates

Budget season has been tough, with rising costs hitting us from every angle. Limited revenue growth has made it hard to offer competitive pay raises. We had to make more conservative adjustments to stay within budget, which we know affects employee morale and retention. We're committed to finding creative ways to support our team while staying financially stable.

Capital Budget:

For 2025, our capital improvement plan remains focused on replacing the generator and switchgear. The appropriation from the City of Cordova to help fund this project. Additionally, this upcoming year, we will prioritize securing funding and initiating a comprehensive facility update.

In 2019, the Native Village of Eyak conducted an engineering condition report and repair estimate for CCMC. The report indicated that the facility had exceeded its useful life and

required extensive upgrades to meet modern healthcare standards. The study identified critical deficiencies in structural integrity, plumbing, electrical, and HVAC systems, many of which are no longer serviceable. At that time, the cost estimates for the necessary fixes were projected at \$6,868,565. Given inflation and rising construction costs, the actual financial requirement has likely increased. This estimate does not account for building expansion, design, or the displacement of services during renovations. The current investment needed to prepare our hospital for the continued delivery of quality healthcare services to our community is estimated at \$25 million. We are actively collaborating with other community-owned critical access hospitals in Alaska to request state support for these capital improvements.

Clinical Services and Quality

Infection Control

We've made good progress on partnering with other facilities to create improved processes for sterile processing roles. This will help us build a stronger team and keep growing professionally. We continue to look at our

Medical Staffing

We're actively recruiting two full-time physicians to join our team and fill the gaps in medical staffing. It's been challenging to operate without a full team, but we're committed to bringing in the right people to support our community.

This year has been full of challenges, but it's also been a year of teamwork and resilience. We've faced staffing gaps, financial pressures, and a lot of transitions, but we've kept our focus on what matters most—providing great care and supporting our staff and community. Thank you for your ongoing support as we move into the new year with optimism and determination.

CORDOVA COMMUNITY MEDICAL CENTER
 OPERATING/INCOME STATEMENT
 FOR THE 10 MONTHS ENDING 10/31/24

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	S I N G L E M O N T H				Y E A R T O D A T E			
	ACTUAL	BUDGET	\$ VARIANCE	% VAR	ACTUAL	BUDGET	\$ VARIANCE	% VAR
REVENUE								
ACUTE	162,431	130,604	31,826	24	1,446,841	1,306,044	140,796	10
SWING BED	294,033	256,562	37,470	14	2,946,430	2,565,622	380,807	14
LONG TERM CARE	425,612	475,412	(49,800)	(10)	4,434,476	4,754,124	(319,647)	(6)
CLINIC	128,520	111,475	17,045	15	1,069,963	1,114,755	(44,792)	(4)
ANCILLARY DEPTS	309,064	299,550	9,513	3	2,765,310	2,995,506	(230,195)	(7)
EMERGENCY DEPART	323,275	422,279	(99,004)	(23)	3,451,361	4,222,793	(771,432)	(18)
BEHAVIORAL HEALT	22,419	24,974	(2,555)	(10)	211,652	249,743	(38,091)	(15)
RETAIL PHARMACY	217,960	131,666	86,293	65	1,759,877	1,316,667	443,210	33
PATIENT SERVIC	1,883,316	1,852,525	30,790	1	18,085,913	18,525,258	(439,345)	(2)
DEDUCTIONS								
CHARITY	2,747	21,138	18,390	87	103,437	211,387	107,949	51
CONTRACTUAL ADJU	663,454	447,366	(216,087)	(48)	5,040,473	4,473,667	(566,805)	(12)
ADMINISTRATIVE A	12,587	8,312	(4,275)	(51)	156,102	83,121	(72,981)	(87)
BAD DEBT	42,083	53,639	11,555	21	228,584	536,391	307,806	57
DEDUCTIONS TOT	720,873	530,456	(190,416)	(35)	5,528,597	5,304,567	(224,030)	(4)
COST RECOVERIES								
GRANTS	12,327	0	12,327	0	536,187	399,997	136,190	34
IN-KIND CONTRIBU	316,662	16,662	300,000	1800	466,626	166,626	300,000	180
OTHER REVENUE	8,130	12,704	(4,573)	(36)	111,615	127,043	(15,427)	(12)
COST RECOVERIE	337,120	29,366	307,753	1047	1,114,429	693,667	420,762	60
TOTAL REVENUES	1,499,563	1,351,435	148,127	10	13,671,745	13,914,358	(242,613)	(1)
EXPENSES								
WAGES	498,817	594,232	95,415	16	5,271,008	5,944,619	673,610	11
TAXES & BENEFITS	221,459	251,411	29,951	11	2,388,699	2,514,111	125,412	4
PROFESSIONAL SER	261,859	197,838	(64,020)	(32)	2,371,106	1,989,385	(381,721)	(19)
SUPPLIES	227,320	178,802	(48,517)	(27)	1,934,786	1,788,031	(146,754)	(8)
MINOR EQUIPMENT	4,910	4,002	(908)	(22)	23,300	40,021	16,720	41
REPAIRS & MAINTN	40,195	15,000	(25,195)	(167)	167,650	150,003	(17,646)	(11)
RENTS & LEASES	12,615	12,603	(12)	(0)	121,321	126,030	4,709	3
UTILITIES	49,094	51,940	2,845	5	473,739	519,403	45,663	8
TRAVEL & TRAININ	3,090	6,553	3,462	52	71,544	65,538	(6,006)	(9)
INSURANCES	22,577	21,101	(1,475)	(6)	207,121	211,017	3,896	1
RECRUIT & RELOCA	586	805	218	27	3,935	8,051	4,115	51
DEPRECIATION	50,098	41,542	(8,556)	(20)	476,654	416,323	(60,331)	(14)
OTHER EXPENSES	14,503	16,458	1,955	11	158,486	164,587	6,101	3
TOTAL EXPENSES	1,407,129	1,392,293	(14,836)	(1)	13,669,355	13,937,124	267,769	1
OPERATING INCO	92,433	(40,857)	133,290	326	2,389	(22,766)	25,156	110
NET INCOME	92,433	(40,857)	133,290	326	2,389	(22,766)	25,156	110

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CORDOVA COMMUNITY MEDICAL CENTER
 BALANCE SHEET
 FOR THE MONTH ENDING: 10/31/24

	Current Year	Prior Year	Net Change
ASSETS			
CURRENT ASSETS			
CASH	2,087,365	2,109,739	(22,374)
NET ACCOUNT RECEIVABLE	2,402,524	2,954,274	(551,749)
THIRD PARTY RECEIVABLE	(101,399)	5,776	(107,175)
CLEARING ACCOUNTS	96,692	210	96,482
PREPAID EXPENSES	225,546	220,114	5,432
INVENTORY	593,407	468,581	124,826
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TOTAL CURRENT ASSETS	5,304,137	5,758,695	(454,557)
PROPERTY PLANT & EQUIPMENT			
LAND	122,010	122,010	
BUILDINGS	8,666,889	8,666,889	
EQUIPMENT	10,142,184	9,625,416	516,767
	-----	-----	-----
SUBTOTAL PP&E	18,931,083	18,414,316	516,767
LESS ACCUMULATED DEPRECIATION	(15,145,192)	(14,599,707)	(545,485)
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TOTAL PROPERTY & EQUIPMENT	3,785,890	3,814,608	(28,717)
OTHER ASSETS			
GOODWILL - PHARMACY	150,000	150,000	
GOODWILL - PHARMACY	(102,500)	(87,500)	(15,000)
PERS DEFERRED OUTFLOW	949,242	1,037,998	(88,756)
TOTAL OTHER ASSETS	996,742	1,100,498	(103,756)
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TOTAL ASSETS	10,086,771	10,673,803	(587,031)
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CORDOVA COMMUNITY MEDICAL CENTER
 BALANCE SHEET
 FOR THE MONTH ENDING: 10/31/24

	Current Year	Prior Year	Net Change
LIABILITIES AND FUND BALANCE			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	393,057	611,984	(218,927)
PAYROLL & RELATED LIABILITIES	865,638	752,165	113,472
INTEREST & OTHER PAYABLES	7,675	7,175	500
LONG TERM DEBT - CITY	5,466,458	5,466,458	
OTHER CURRENT LONG TERM DEBT	377,194	8,449	368,744
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TOTAL CURRENT LIABILITIES	7,110,024	6,846,234	263,789
LONG TERM LIABILITIES			
NET PENSION LIABILITY	8,625,106	8,148,107	476,999
TOTAL LONG TERM LIABILITIES	8,625,106	8,148,107	476,999
DEFERRED INFLOWS OF RESOURCES			
PENSION DEFERRED INFLOW	(3,759,735)	(2,907,065)	(852,670)
TOTAL DEFERRED INFLOWS	(3,759,735)	(2,907,065)	(852,670)
TOTAL LIABILITIES	11,975,395	12,087,276	(111,881)
NET POSITION (EQUITY)			
UNRESTRICTED FUND BALANCE	(1,909,527)	(1,937,496)	27,968
TEMPORARY RESTRICTED FUND BALANCE	18,513	18,513	
CURRENT YEAR NET INCOME	2,389	505,509	(503,119)
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TOTAL NET POSITION	(1,888,623)	(1,413,473)	(475,150)
TOTAL LIABILITIES & NET POSITION	10,086,771	10,673,803	(587,031)
	=====	=====	=====

October Bad Debt Written Off: \$19,083.84

Cordova Community Medical Center Statistics

Days per Month	31	28	31	30	31	30	31	31	30	31	30	31	Cumulative Monthly Total	Monthly Average
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Hosp Acute+SWB Avg. Census			29											
FY 2021	1.3	3.2	2.2	1.7	2.2	1.6	2.1	2.4	3.3	5.6	4.3	1.4		2.6
FY 2022	1.6	3.3	2.8	2.1	1.5	1.9	3.5	3.5	3.9	0.5	1.0	2.1		2.3
FY 2023	2.5	1.3	2.3	3.6	2.0	0.5	1.1	0.5	2.3	2.7	2.9	2.9		2.1
FY 2024	1.4	1.4	1.4	0.6	1.9	1.3	1.7	2.4	2.7	1.6	0.9	0.0		1.4
Acute Admits														
FY 2021	2	6	4	1	8	7	4	4	4	3	1	2	46	3.8
FY 2022	6	1	2	3	5	7	8	4	3	4	3	5	51	4.3
FY 2023	1	3	6	2	5	4	5	4	2	2	3	4	41	3.4
FY 2024	4	4	2	1	5	8	3	4	12	7	4		54	4.9
Acute Patient Days														
FY 2021	4	13	8	2	17	11	9	14	15	18	13	2	126	10.5
FY 2022	15	11	7	10	8	10	21	9	12	7	5	14	129	10.8
FY 2023	3	9	16	15	15	11	18	4	12	4	9	10	126	10.5
FY 2024	12	14	10	1	18	29	15	15	31	13	10		168	15.3
SWB Admits														
FY 2021	2	2	0	1	1	0	2	2	4	3	1	0	18	1.5
FY 2022	1	3	0	1	2	2	3	2	4	2	2	1	23	1.9
FY 2023	2	1	3	2	1	1	1	0	3	2	3	1	20	1.7
FY 2024	2	2	1	0	4	1	2	1	3	1	2		19	1.7
SWB Patient Days														
FY 2021	37	77	60	49	50	36	55	60	85	155	117	40	821	68.4
FY 2022	34	81	79	54	37	48	89	101	104	7	24	52	710	59.2
FY 2023	73	28	55	94	48	5	15	13	57	80	79	81	628	52.3
FY 2024	30	25	34	16	42	11	39	58	50	38	18		361	32.8
CCMC LTC Admits														
FY 2021	0	0	0	0	0	0	2	0	0	0	1	1	4	0.3
FY 2022	0	0	0	0	0	1	0	0	0	0	0	0	1	0.1
FY 2023	0	0	0	1	1	0	1	2	0	1	0	0	6	0.5
FY 2024	1	0	0	0	0	0	0	0	0	1	0		2	0.2
CCMC LTC Resident Days														
FY 2020	310	289	310	293	296	300	301	310	300	309	277	310	3,605	300.4
FY 2021	300	300	298	300	310	299	298	310	300	310	298	309	3,632	302.7
FY 2022	310	280	310	300	310	299	310	310	300	310	290	310	3,639	303.3
FY 2023	310	280	310	309	296	270	257	268	252	271	270	279	3,372	281.0
FY 2024	309	290	290	270	262	240	248	248	240	254	270		2,921	265.5
CCMC LTC Avg. Census														
FY 2021	10	10	10	10	10	10	10	10	10	10	10	10		9.9
FY 2022	10	10	10	10	10	10	10	10	10	10	10	10		10.0
FY 2023	10	10	10	10	10	9	8	9	8	9	9	9		9.2
FY 2024	10	10	9	9	9	8	8	8	8	8	9			8.7
ER Visits														
FY 2021	38	42	35	44	77	61	74	78	67	34	32	40	622	51.8
FY 2022	38	38	42	50	75	85	76	97	64	63	38	46	712	59.3
FY 2023	62	39	67	39	56	84	109	100	69	40	48	45	758	63.2
FY 2024	58	44	37	39	51	97	80	78	79	55	42		660	60.0
PT Procedures														
FY 2021	327	494	646	372	352	444	471	337	413	602	493	310	5,261	438.4
FY 2022	275	459	551	394	307	352	396	384	360	201	274	442	4,395	366.3
FY 2023	364	322	458	405	345	209	304	325	479	550	436	343	4,540	378.3
FY 2024	302	213	291	289	341	252	256	321	402	270	266		3,203	291.2
OT Procedures														
FY 2021	25	223	183	49	36	115	174	118	161	350	309	120	1,863	155.3
FY 2022	122	190	251	134	120	229	243	200	197	53	87	164	1,990	165.8
FY 2023	94	51	152	115	75	94	70	106	167	163	144	104	1,335	111.3
FY 2024	121	56	79	86	133	85	122	82	131	92	107		1,094	99.5
Lab Tests														
FY 2021	885	1,010	1,004	805	682	637	1,261	1,115	853	605	614	549	10,020	835.0
FY 2022	825	576	671	902	958	699	610	822	594	585	499	553	8,294	691.2
FY 2023	545	546	575	578	801	655	766	649	512	501	478	539	7,145	595.4
FY 2024	513	526	503	778	814	628	703	637	667	593	576		6,938	630.7
X-Ray Procedures														
FY 2021	48	50	49	64	64	70	79	86	88	68	53	72	791	65.9
FY 2022	82	63	64	94	60	82	69	93	51	72	58	61	849	70.8
FY 2023	72	45	63	49	50	88	97	107	83	71	61	67	853	71.1
FY 2024	76	54	88	54	75	54	82	64	60	62	58		727	66.1
CT Procedures														
FY 2021	24	27	26	20	27	32	28	38	25	16	12	22	297	24.8
FY 2022	21	21	36	25	29	42	31	26	16	30	15	28	320	26.7
FY 2023	30	18	22	18	16	36	39	34	26	4	23	24	290	24.2
FY 2024	38	27	2	16	19	29	31	32	29	17	17		257	23.4
CCMC Clinic Visits														
FY 2021	125	134	161	157	188	224	265	277	296	452	303	275	2,857	238.1
FY 2022	288	196	199	237	260	241	221	212	304	359	219	182	2,918	243.2
FY 2023	221	158	151	176	214	188	230	289	242	371	216	193	2,649	220.8
FY 2024	205	188	196	188	241	202	250	209	235	298	205		2,417	219.7
Behavioral Hlth Visits														
FY 2021	85	62	65	74	90	96	60	97	50	35	63	76	853	71.1
FY 2022	84	74	83	79	82	67	74	99	126	125	108	94	1,095	91.3
FY 2023	150	68	86	98	122	86	94	97	94	106	136	118	1,255	104.6
FY 2024	167	128	117	118	79	51	17	75	68	96	99		1,015	92.3

RUN DATE 12/02/24
 TIME 13:29

CORDOVA COMMUNITY MEDICAL CENTER
 OPERATING/INCOME STATEMENT
 Projected 2024 vs Budgeted 2025

	Actual 2023	Annualized 2024	Projected 2025	\$ Variance	% Variance
REVENUE					
ACUTE	1,485,872.43	1,712,546.55	1,858,099.55	(145,553.00)	(7.84)
SWING BED	4,334,938.88	3,562,681.90	3,684,720.84	(122,038.94)	(3.32)
LONG TERM CARE	5,628,667.97	5,345,152.47	5,506,584.83	(161,432.36)	(2.94)
CLINIC	1,311,788.81	1,255,256.37	1,334,723.38	(79,467.01)	(5.96)
ANCILLARY DEPTS	3,315,852.15	3,274,995.56	3,481,673.55	(206,677.99)	(5.94)
EMERGENCY DEPARTMENT	4,492,587.91	4,170,782.11	4,433,079.81	(262,297.70)	(5.92)
BEHAVIORAL HEALTH	305,065.76	252,311.19	268,125.35	(15,814.16)	(5.90)
RETAIL PHARMACY	1,611,155.12	2,055,889.15	2,170,570.58	(114,681.43)	(5.29)
	-----	-----	-----	-----	-----
PATIENT SERVICES TOTAL	22,485,929.03	21,629,615.30	22,737,577.89	(1,107,962.59)	(4.88)
DEDUCTIONS					
CHARITY	234,926.16	134,252.51	137,114.53	(2,862.02)	(2.09)
CONTRACTUAL ADJUSTMENTS	7,126,911.13	5,836,025.12	5,735,281.24	100,743.88	1.75
ADMINISTRATIVE ADJUSTMENTS	76,734.65	194,492.08	198,570.26	(4,078.18)	(2.06)
BAD DEBT	710,690.92	248,668.07	283,757.74	(35,089.67)	(12.37)
	-----	-----	-----	-----	-----
DEDUCTIONS TOTAL	8,149,262.86	6,413,437.78	6,354,723.77	58,714.01	.92
COST RECOVERIES					
GRANTS	586,865.01	503,493.94	488,247.03	15,246.91	3.12
PPP GRANT	.00	.00	.00	.00	.00
IN-KIND CONTRIBUTIONS	662,301.56	499,951.56	399,951.56	100,000.00	25.00
OTHER REVENUE	138,253.03	138,086.10	138,406.10	(320.00)	(.24)
	-----	-----	-----	-----	-----
COST RECOVERIES TOTAL	1,387,419.60	1,141,531.60	1,026,604.69	114,926.91	11.19
	-----	-----	-----	-----	-----
TOTAL REVENUES	15,724,085.77	16,357,709.12	17,409,458.81	(1,051,749.69)	(6.05)
EXPENSES					
WAGES	6,448,046.58	6,351,731.09	6,594,281.40	(242,550.31)	(3.68)
TAXES & BENEFITS	2,528,400.57	2,888,992.53	3,404,370.68	(515,378.15)	(15.14)
PROFESSIONAL SERVICES	2,336,951.19	2,812,329.62	3,012,329.62	(200,000.00)	(6.64)
SUPPLIES	2,173,531.64	2,274,897.16	2,330,978.47	(56,081.31)	(2.41)
MINOR EQUIPMENT	51,944.87	24,520.24	25,255.15	(734.91)	(2.91)
REPAIRS & MAINTENANCE	183,613.96	169,939.49	175,037.34	(5,097.85)	(2.92)
RENTS & LEASES	177,833.14	144,907.83	149,254.78	(4,346.95)	(2.92)
UTILITIES	590,103.45	566,193.48	581,475.06	(15,281.58)	(2.63)
TRAVEL & TRAINING	105,451.04	91,271.45	94,009.13	(2,737.68)	(2.92)
INSURANCES	230,273.56	245,085.50	248,376.81	(3,291.31)	(1.33)
RECRUIT & RELOCATE	7,610.13	4,466.26	4,600.26	(134.00)	(2.92)
DEPRECIATION	621,304.23	576,795.93	580,104.66	(3,308.73)	(.58)
OTHER EXPENSES	241,053.25	200,649.15	209,385.45	(8,736.30)	(4.18)
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TOTAL EXPENSES	15,696,117.61	16,351,779.73	17,409,458.81	(1,057,679.08)	(6.08)
	-----	-----	-----	-----	-----
OPERATING INCOME	27,968.16	5,929.39	.00	5,929.39	.00
NET INCOME	27,968.16	5,929.39	.00	5,929.39	.00
	=====	=====	=====	=====	=====



Memorandum

To: CCMC Authority Board of Directors

Subject: CCMC 2025 Budget

Date: 12/19/2024

Suggested Motion: "I move that the CCMC Authority Board of Directors approve the CCMC 2025 Budget as presented."



December 9, 2024

Health Services Board
and Dr. Hannah Sanders, CEO
Cordova Community Medical Center
602 Chase Ave.
Cordova, Alaska 99574

We are pleased to confirm our understanding of the services we are to provide Cordova Community Medical Center (the Hospital) for the year ending December 31, 2024.

Audit Scope and Objectives

We will audit the financial statements of the Hospital, which comprise the statement of net position as of December 31, 2024, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ending, and the disclosures.

Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Hospital's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Hospital's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the Hospital's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditors' report on the financial statements:

- Schedule of expenditures of federal awards.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP) and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on —

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditors' Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of your accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs.

However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

With respect to cost reports that may be filed with a third party (such as federal and state regulatory agencies), the auditors have not been engaged to test in any way, or render any form of assurance on, the propriety or allowability of the specific costs to be claimed on, or charges to be reported in, a cost report. Management is responsible for the accuracy and propriety of all cost reports filed with Medicare, Medicaid, or other third parties.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable amount of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures — Internal Control

We will obtain an understanding of the entity and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures — Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Hospital's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Hospital's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Hospital's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

The auditors' procedures do not include testing compliance with laws and regulations in any jurisdiction related to Medicare and Medicaid antifraud and abuse. It is the responsibility of management of the entity, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures on the entity's financial statements. Therefore, management's responsibilities for compliance with laws and regulations applicable to its operations, including, but are not limited to, those related to Medicare and Medicaid antifraud and abuse statutes.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements.) Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for making all financial records, including the schedule of expenditures of federal awards, and related information available to us and for the accuracy and completeness of that information, including information from outside of general and subsidiary ledgers) and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as: records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements, that we report.

Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review at the beginning of audit fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Hospital in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement, schedule of expenditures of federal awards, and related notes previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes, and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Preparation of Cost Reports and Consulting

We will prepare the Hospital's Medicare cost report and Medicaid cost report for the year ending December 31, 2024.

We remind you that you have the final responsibility for the Medicare cost report and Medicaid cost report and, therefore, you should review them carefully before you sign and file them. We make no representation that our services will identify any or all opportunities to maximize reimbursement.

All of the information included in the cost reports is the representation of management. We direct your attention to the fact that management has the responsibility for the proper recording of the transactions in the books of account, for the safeguarding of assets, for the substantial accuracy of the cost reports, and for identifying and ensuring the Hospital complies with the laws and regulations applicable to its activities.

We will also provide Medicare and other reimbursement consulting services as requested throughout the year, including but not limited to review of Medicare rate settings and desk-review and audit adjustments. These services will be provided at our standard rates.

You are also responsible for management decisions and functions; for designating a senior management-level individual with suitable skill, knowledge, or experience to oversee the cost report preparation services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Conformance with Section 952 of Public Law 96-499

Section 952 of P.L. 96-499 requires access by the Secretary of Health and Human Services and the U.S. Comptroller General to the books and records of subcontractors of Medicare providers. Absent the allowability of such access, the provider's cost for such services would not be allowable for Medicare reimbursement purposes if the contract value over 12 months is \$10,000 or more. We would grant such access if this law is applicable to our services.

HIPAA Business Associate Agreement

You agree that you are solely responsible for the accuracy, completeness, and reliability of all data and information you provide us for our engagement. You agree to provide any requested information on or before the date we commence performance of the services. To protect the privacy and provide for the security of any protected health information, as such is defined by the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, and the regulations and policy guidances thereunder (“HIPAA”), we shall enter into a HIPAA Business Associate Agreement (“BAA”).

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management’s responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors’ reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors’ reports or nine months after the end of the audit period.

We will provide copies of our reports to the Hospital; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of DZA PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the regulatory agency, cognizant or oversight agency for the audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of DZA PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Suralink is used solely as a method of exchanging information and is not intended to store your information. At the end of the engagement, DZA PLLC will provide you with a copy (in an agreed-upon format) of deliverables and data related to the engagement from Suralink. For multi-year engagements, this exchange will occur annually.

Upon completion of the engagement, data and other content will either be removed from Suralink or become unavailable to DZA PLLC within a reasonable time frame. For multi-year engagements, completion of the engagement occurs when the deliverables are completed for that year.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by a regulatory agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in approximately March 2025 and to issue our reports no later than May 2025. Shaun Johnson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be as follows:

Audit	\$38,000
Uniform Guidance Single Audit (if necessary)	\$10,000
Preparation of Medicare cost report	\$13,000
Preparation of Medicaid cost report	\$5,500
State of Alaska Single Audit (if necessary)	\$10,000

Our fee for the Uniform Guidance Single Audit includes one major program to be audited. Each additional major program will increase our fee by \$5,000.

Out-of-pocket travel and shipping costs will be billed at our cost in addition to the above fees.

Travel time will be billed in addition to the above fees at hourly rates ranging from \$80 to \$180 per hour.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2022 peer review report accompanies this letter.

Reporting

We will issue a written report upon completion of our audit of the Hospital's financial statements. Our report will be addressed to management and those charged with governance of the Hospital. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express an opinion or withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Cordova Community Medical Center and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please print and sign a copy or e-sign and return it to us.

DZA PLLC



Shaun Johnson, CPA
Owner

RESPONSE:

This letter correctly sets forth the understanding of Cordova Community Medical Center.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Report on the Firm's System of Quality Control

To the Members of
Dingus, Zarecor & Associates PLLC
and the Peer Review Committee of
the Colorado Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Dingus, Zarecor & Associates PLLC (the firm) in effect for the year ended November 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Dingus, Zarecor & Associates PLLC in effect for the year ended November 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Dingus, Zarecor & Associates PLLC has received a peer review rating of *pass*.

KraftCPAs PLLC

KraftCPAs PLLC

May 30, 2023



MEMORANDUM

To: CCMC Authority Board of Directors

Subject: Dingus, Zarecor & Associates PLLC

Date: 12/19/2024

Suggested Motion: "I move that the CCMC Authority Board of Directors authorizes Hannah Sanders, CEO to enter into an agreement with Dingus, Zarecor & Associates PLLC for the purpose of conducting the 2024 Financial Audit."

January 2025

This is a blank and printable January Calendar. Courtesy of WinCalendar.com

January 2025						
◀ Dec 2024						Feb 2025 ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

More Calendars: [Feb 2025](#), [Mar 2025](#), [2021](#)