

**REPORT  
ON THE  
HOME OFFICE AUDIT**

**COMMUNITY HEALTH CENTERS OF THE  
CENTRAL COAST, INC.  
NIPOMO, CALIFORNIA**

**FISCAL PERIOD ENDED  
JUNE 30, 2011**

**Audits Section—Fresno  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Michael Harrold  
Auditor: Jaskaranjit Bal**



TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

February 3, 2014

Bob Lotwala, CFO  
Community Health Centers of the Central Coast, Inc.  
150 Tejas Place  
Nipomo, CA 98446

COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.  
FISCAL PERIOD ENDED JUNE 30, 2011

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended June 30, 2011. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Summary of Audited Home Office Costs to Health Care Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities and Supporting Schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief  
Audits Section—Fresno  
Financial Audits Branch

Addressee  
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Certified

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**SUMMARY OF AUDITED HOME OFFICE COSTS  
TO HEALTH CARE FACILITIES**

HOME OFFICE NAME:  
COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:  
JUNE 30, 2011

<b>HEALTH CARE FACILITIES</b>		<b>NPI NUMBER</b>	<b>FISCAL YEAR END</b>	<b>DIRECT COST</b>	<b>POOLED COST</b>	<b>AUDITED TOTAL</b>
				<b>1</b>	<b>2</b>	<b>(1+2)</b>
				<b>(Sch 2)</b>	<b>(Sch 2)</b>	
1.	Community Health Center - Arbor	1174859425	6/30/2011	\$16,213	\$565,542	\$581,755
2.	Community Health Center - Cambria	1881611705	6/30/2011	3,403	108,921	112,324
3.	Community Health Center - Lompoc	1326065103	6/30/2011	17,630	530,222	547,852
4.	Community Health Center - North County Pediatrics	1558540740	6/30/2011	7,744	254,770	262,514
5.	Community Health Center - Oceano	1336166248	6/30/2011	3,216	111,914	115,130
6.	Community Health Center - Santa Maria II	1851417703	6/30/2011	7,573	235,647	243,220
7.	Community Health Center - All Other Sites	Various	6/30/2011	372,756	6,744,418	7,117,174
8.				0	0	0
9.				0	0	0
10.				0	0	0
11.				0	0	0
12.				0	0	0
13.				0	0	0
14.				0	0	0
15.				0	0	0
16.				0	0	0
17.				0	0	0
SUBTOTAL (SUM OF LINES 1 - 17)				<u>\$428,535</u>	<u>\$8,551,434</u>	<u>\$8,979,969</u>

## COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:  
COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:  
JUNE 30, 2011

	NPI NUMBER	FISCAL YEAR END	REPORTED	AUDITED	VARIANCE	REPORTED	AUDITED	VARIANCE	
			DIRECT COSTS 1	DIRECT COST 2	(2-1)	POOLED COST 4	POOLED COST 5	(5-4)	
<b>HEALTH CARE FACILITIES</b>			(Sch 3)			(Sch 4)			
1.	Community Health Center - Arbor	1174859425	6/30/2011	\$16,213	\$16,213	\$0	\$639,521	\$565,542	(\$73,979)
2.	Community Health Center - Cambria	1881611705	6/30/2011	3,403	3,403	0	121,498	108,921	(12,577)
3.	Community Health Center - Lompoc	1326065103	6/30/2011	17,630	17,630	0	593,244	530,222	(63,022)
4.	Community Health Center - North County Pediatrics	1558540740	6/30/2011	7,744	7,744	0	285,843	254,770	(31,073)
5.	Community Health Center - Oceano	1336166248	6/30/2011	3,216	3,216	0	123,884	111,914	(11,970)
6.	Community Health Center - Santa Maria II	1851417703	6/30/2011	7,573	7,573	0	263,459	235,647	(27,812)
7.	Community Health Center - All Other Sites	Various	6/30/2011	221,396	372,756	151,360	7,393,900	6,744,418	(649,482)
8.				0	0	0	0	0	0
9.				0	0	0	0	0	0
10.				0	0	0	0	0	0
11.				0	0	0	0	0	0
12.				0	0	0	0	0	0
13.				0	0	0	0	0	0
14.				0	0	0	0	0	0
15.				0	0	0	0	0	0
16.				0	0	0	0	0	0
17.				0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 17)				\$277,175	\$428,535	\$151,360	\$9,421,349	\$8,551,434	(\$869,915)
				(To Sch 1)			(To Sch 1)		
<b>NONREIMBURSABLE ACTIVITY</b>									
18.	Rent			0	0	\$0	0	0	\$0
19.	Fund Raising			0	0	0	0	240,729	240,729
20.	Other - Health Promotions			0	0	0	0	210,999	210,999
21.	Other - Chain Components			0	0	0	0	0	0
22.				0	0	0	0	0	0
23.				0	0	0	0	0	0
24.				0	0	0	0	0	0
25.				0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 18 - 25)				\$0	\$0	\$0	\$0	\$451,728	\$451,728
<b>GRAND TOTAL</b>				\$277,175	\$428,535	\$151,360	\$9,421,349	\$9,003,162	(\$418,187)

## SUMMARY ALLOCATION OF DIRECT HOME OFFICE COSTS

HOME OFFICE NAME:  
COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:  
JUNE 30, 2011

	NPI NUMBER	HEALTH CARE COST	FACILITY COST	ADMINISTRATIVE COSTS	NONREIMBURSABLE COSTS	AUDITED TOTAL	
		1 (Sch 6-1)	2 (Sch 6-2)	3 (Sch 6-3)	3 (Sch 6-4)	(1:4)	
<b><u>HEALTH CARE FACILITIES</u></b>							
1.	Community Health Center - Arbor	1174859425	\$16,213	\$0	\$0	\$16,213	
2.	Community Health Center - Cambria	1881611705	3,403	0	0	3,403	
3.	Community Health Center - Lompoc	1326065103	17,630	0	0	17,630	
4.	Community Health Center - North County Pediatrics	1558540740	7,744	0	0	7,744	
5.	Community Health Center - Oceano	1336166248	3,216	0	0	3,216	
6.	Community Health Center - Santa Maria II	1851417703	7,573	0	0	7,573	
7.	Community Health Center - All Other Sites	Various	221,396	58,057	92,603	700	372,756
8.			0	0	0	0	
9.			0	0	0	0	
10.			0	0	0	0	
11.			0	0	0	0	
12.			0	0	0	0	
13.			0	0	0	0	
14.			0	0	0	0	
15.			0	0	0	0	
16.			0	0	0	0	
17.			0	0	0	0	
SUBTOTAL (SUM OF LINES 1 - 17)			\$277,175	\$58,057	\$92,603	\$700	\$428,535
<b><u>NONREIMBURSABLE ACTIVITY</u></b>							
18.	Rent		\$0	\$0	\$0	\$0	\$0
19.	Fund Raising		0	0	0	0	0
20.	Other - Health Promotions		0	0	0	0	0
21.	Other - Chain Components		0	0	0	0	0
22.			0	0	0	0	0
23.			0	0	0	0	0
24.			0	0	0	0	0
25.			0	0	0	0	0
SUBTOTAL (SUM OF LINES 18 - 25)			\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$277,175	\$58,057	\$92,603	\$700	\$428,535
							(To Sch 2)

## POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:  
JUNE 30, 2011

	NPI NUMBER	HEALTHCARE COST 1	FACILITY COST 2	ADMINISTRATIVE COST 3	NONREIMBURSABLE COST 4	TOTAL POOLED (1:4)
<b><u>HEALTH CARE FACILITIES</u></b>						
1.	Community Health Center - Arbor	1174859425	\$0	\$123,261	\$442,281	\$565,542
2.	Community Health Center - Cambria	1881611705	0	13,668	95,253	108,921
3.	Community Health Center - Lompoc	1326065103	0	77,369	452,853	530,222
4.	Community Health Center - North County Pediatrics	1558540740	0	41,942	212,828	254,770
5.	Community Health Center - Oceano	1336166248	0	8,299	103,615	111,914
6.	Community Health Center - Santa Maria II	1851417703	0	33,195	202,452	235,647
7.	Community Health Center - All Other Sites	Various	0	1,063,822	5,680,596	6,744,418
8.			0	0	0	0
9.			0	0	0	0
10.			0	0	0	0
11.			0	0	0	0
12.			0	0	0	0
13.			0	0	0	0
14.			0	0	0	0
15.			0	0	0	0
16.			0	0	0	0
17.			0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 17)			\$0	\$1,361,555	\$7,189,879	\$8,551,434
<b><u>NONREIMBURSABLE ACTIVITY</u></b>						
18.	Rent		\$0	\$0	\$0	\$0
19.	Fund Raising		0	1,743	31,960	207,026
20.	Other - Health Promotions		0	6,141	27,490	177,368
21.	Other - Chain Components		0	0	0	0
22.			0	0	0	0
23.			0	0	0	0
24.			0	0	0	0
25.			0	0	0	0
SUBTOTAL (SUM OF LINES 18 - 25)			\$0	\$7,884	\$59,450	\$384,394
<b>GRAND TOTAL</b>			\$0	\$1,369,439	\$7,249,329	\$384,394
						\$9,003,162

(To Sch 2)

**POOLED ALLOCATION OF HOME OFFICE COST TO CHAIN COMPONENTS  
STATISTICS**

**HOME OFFICE NAME:**  
**COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.**

**FISCAL PERIOD ENDED:**  
**JUNE 30, 2011**

	NPI NUMBER	HEALTHCARE COST	FACILITY COST	ADMINISTRATIVE COST
		( Med Staff Salary ) 1 (Adj )	( Square Footage ) 2 (Adj 22 )	( Accumulated Cost ) 3 (Adj 30, 31)
<b><u>HEALTH CARE FACILITIES</u></b>				
1.	Community Health Center - Arbor	1174859425	14,853	2,864,906
2.	Community Health Center - Cambria	1881611705	1,647	617,005
3.	Community Health Center - Lompoc	1326065103	9,323	2,933,382
4.	Community Health Center - North County Pediatrics	1558540740	5,054	1,378,610
5.	Community Health Center - Oceano	1336166248	1,000	671,174
6.	Community Health Center - Santa Maria II	1851417703	4,000	1,311,395
7.	Community Health Center - All Other Sites	Various	128,191	36,796,428
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
SUBTOTAL (SUM OF LINES 1 - 17)			0	164,068
				46,572,900
<b><u>NONREIMBURSABLE ACTIVITY</u></b>				
		(Adj )	(Adj 23 - 25)	(Adj 26 - 29 )
18.	Rent			
19.	Fund Raising		210	207,026
20.	Other - Health Promotions		740	178,068
21.	Other - Chain Components			
22.				
23.				
24.				
25.				
SUBTOTAL (SUM OF LINES 18 - 25)			0	950
				385,094
<b>GRAND TOTAL</b>			<b>0</b>	<b>165,018</b>
				<b>46,957,994</b>
TOTAL STATISTICS			0	165,018
<b>COST TO BE ALLOCATED (From Sch 7)</b>			<b>\$0</b>	<b>\$1,369,439</b>
UNIT COST MULTIPLIER			0.000000	8.298725
				0.154379

DIRECT ALLOCATION OF HEALTH COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:  
JUNE 30, 2011

HEALTH CARE FACILITIES	NPI NUMBER	REPORTED TOTAL	Malpractice Insurance	Medical Director Salary	Medical Director Fringe Benefits	Other (Specify)			AUDITED TOTAL
			1.00	2.00	3.00	4.00	(Adj )	(Adj )	
			(Adj )	(Adj )	(Adj )	(Adj )	(Adj )	(Adj )	
1. Community Health Center - Arbor	1174859425	\$16,213	0	0	0	0	0	0	\$16,213
2. Community Health Center - Cambria	1881611705	3,403	0	0	0	0	0	0	3,403
3. Community Health Center - Lompoc	1326065103	17,630	0	0	0	0	0	0	17,630
4. Community Health Center - North County Pediatrics	1558540740	7,744	0	0	0	0	0	0	7,744
5. Community Health Center - Oceano	1336166248	3,216	0	0	0	0	0	0	3,216
6. Community Health Center - Santa Maria II	1851417703	7,573	0	0	0	0	0	0	7,573
7. Community Health Center - All Other Sites	Various	221,396	0	0	0	0	0	0	221,396
8.		0	0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 17)		\$277,175	\$0	\$0	\$0	\$0	\$0	\$0	\$277,175
<b>NONREIMBURSABLE ACTIVITY</b>									
18. Rent		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19. Fund Raising		0	0	0	0	0	0	0	0
20. Other - Health Promotions		0	0	0	0	0	0	0	0
21. Other - Chain Components		0	0	0	0	0	0	0	0
22.		0	0	0	0	0	0	0	0
23.		0	0	0	0	0	0	0	0
24.		0	0	0	0	0	0	0	0
25.		0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 18 - 25)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>		<b>\$277,175</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$277,175</b>

(To Sch 3)

## DIRECT ALLOCATION OF FACILITY COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:

COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:

JUNE 30, 2011

	NPI NUMBER	REPORTED TOTAL	Depreciation	Depreciation	Taxes and	Plant	Maintenance		AUDITED TOTAL	
			Buidling 8.00 (Adj )	Eq;uipment 9.00 (Adj )	Licenses 15.00 (Adj 4 )	Operations 18.00 (Adj 4 )	19.00 (Adj 4 )			(Adj )
<b><u>HEALTH CARE FACILITIES</u></b>										
1.	Community Health Center - Arbor	1174859425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	Community Health Center - Cambria	1881611705	0	0	0	0	0	0	0	0
3.	Community Health Center - Lompoc	1326065103	0	0	0	0	0	0	0	0
4.	Community Heal h Center - North County Pediatrics	1558540740	0	0	0	0	0	0	0	0
5.	Community Heal h Center - Oceano	1336166248	0	0	0	0	0	0	0	0
6.	Community Heal h Center - Santa Maria II	1851417703	0	0	0	0	0	0	0	0
7.	Community Heal h Center - All Other Sites	Various	0	0	399	46,789	10,869	0	58,057	0
8.			0	0	0	0	0	0	0	0
9.			0	0	0	0	0	0	0	0
10.			0	0	0	0	0	0	0	0
11.			0	0	0	0	0	0	0	0
12.			0	0	0	0	0	0	0	0
13.			0	0	0	0	0	0	0	0
14.			0	0	0	0	0	0	0	0
15.			0	0	0	0	0	0	0	0
16.			0	0	0	0	0	0	0	0
17.			0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 17)			\$0	\$0	\$0	\$399	\$46,789	\$10,869	\$0	\$58,057
<b><u>NONREIMBURSABLE ACTIVITY</u></b>										
18.	Rent		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	Fund Raising		0	0	0	0	0	0	0	0
20.	Other - Health Promotions		0	0	0	0	0	0	0	0
21.	Other - Chain Components		0	0	0	0	0	0	0	0
22.			0	0	0	0	0	0	0	0
23.			0	0	0	0	0	0	0	0
24.			0	0	0	0	0	0	0	0
25.			0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 18 - 25)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$399	\$46,789	\$10,869	\$0	\$58,057

(To Sch 3)

## DIRECT ALLOCATION OF ADMINISTRATIVE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:

COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:

JUNE 30, 2011

	NPI NUMBER	REPORTED TOTAL	Salaries	Payroll	Fringe	Telephone	Office	Reproduction	AUDITED TOTAL	
			Others 24.00 (Adj 5)	Taxes 25.00 (Adj 5)	Benefits 26.00 (Adj 5)	29.00 (Adj 4)	Supplies 30.00 (Adj 4)	34.00 (Adj 4)		
<b>HEALTH CARE FACILITIES</b>										
1.	Community Health Center - Arbor	1174859425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	Community Health Center - Cambria	1881611705	0	0	0	0	0	0	0	0
3.	Community Health Center - Lompoc	1326065103	0	0	0	0	0	0	0	0
4.	Community Health Center - North County Pediatrics	1558540740	0	0	0	0	0	0	0	0
5.	Community Health Center - Oceano	1336166248	0	0	0	0	0	0	0	0
6.	Community Health Center - Santa Maria II	1851417703	0	0	0	0	0	0	0	0
7.	Community Health Center - All Other Sites	Various	0	54,796	6,024	14,010	786	16,977	10	92,603
8.			0	0	0	0	0	0	0	0
9.			0	0	0	0	0	0	0	0
10.			0	0	0	0	0	0	0	0
11.			0	0	0	0	0	0	0	0
12.			0	0	0	0	0	0	0	0
13.			0	0	0	0	0	0	0	0
14.			0	0	0	0	0	0	0	0
15.			0	0	0	0	0	0	0	0
16.			0	0	0	0	0	0	0	0
17.			0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 17)			\$0	\$54,796	\$6,024	\$14,010	\$786	\$16,977	\$10	\$92,603
<b>NONREIMBURSABLE ACTIVITY</b>										
18.	Rent		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	Fund Raising		0	0	0	0	0	0	0	0
20.	Other - Health Promotions		0	0	0	0	0	0	0	0
21.	Other - Chain Components		0	0	0	0	0	0	0	0
22.			0	0	0	0	0	0	0	0
23.			0	0	0	0	0	0	0	0
24.			0	0	0	0	0	0	0	0
25.			0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 18 - 25)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$54,796	\$6,024	\$14,010	\$786	\$16,977	\$10	\$92,603

(To Sch 3)

DIRECT ALLOCATION OF NONREIMBURSABLE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:  
JUNE 30, 2011

<u>HEALTH CARE FACILITIES</u>		<b>NPI NUMBER</b>	<b>REPORTED TOTAL</b>	<b>Rent 39.00</b>	<b>Fund Raising 40.00</b>	<b>Health Promotions 41.00</b>	<b>Other Chain Components 42.00</b>	<b>43.00</b>	<b>43.00</b>	<b>AUDITED TOTAL</b>
				(Adj )	(Adj )	(Adj 4 )	(Adj )	(Adj )	(Adj )	
1.	Community Health Center - Arbor	1174859425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	Community Health Center - Cambria	1881611705	0	0	0	0	0	0	0	0
3.	Community Health Center - Lompoc	1326065103	0	0	0	0	0	0	0	0
4.	Community Health Center - Nor h County Pediatrics	1558540740	0	0	0	0	0	0	0	0
5.	Community Health Center - Oceano	1336166248	0	0	0	0	0	0	0	0
6.	Community Health Center - Santa Maria II	1851417703	0	0	0	0	0	0	0	0
7.	Community Health Center - All Other Sites	Various	0	0	0	700	0	0	0	700
8.			0	0	0	0	0	0	0	0
9.			0	0	0	0	0	0	0	0
10.			0	0	0	0	0	0	0	0
11.			0	0	0	0	0	0	0	0
12.			0	0	0	0	0	0	0	0
13.			0	0	0	0	0	0	0	0
14.			0	0	0	0	0	0	0	0
15.			0	0	0	0	0	0	0	0
16.			0	0	0	0	0	0	0	0
17.			0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 17)			\$0	\$0	\$0	\$700	\$0	\$0	\$0	\$700
<b><u>NONREIMBURSABLE ACTIVITY</u></b>										
18.	Rent		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	Fund Raising		0	0	0	0	0	0	0	0
20.	Other - Health Promotions		0	0	0	0	0	0	0	0
21.	Other - Chain Components		0	0	0	0	0	0	0	0
22.			0	0	0	0	0	0	0	0
23.			0	0	0	0	0	0	0	0
24.			0	0	0	0	0	0	0	0
25.			0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 18 - 25)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$700	\$0	\$0	\$0	\$700

(To Sch 3)

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
COMMUNITY HEALTH CENTERS OF THE CENTRAL COAST, INC.

FISCAL PERIOD ENDED:  
JUNE 30, 2011

COST CENTER DESCRIPTION	REPORTED POOLED COST	ADJUSTMENT NUMBER(S)	ADJUSTMENT AMOUNT(S)	AUDITED POOLED COST	DIRECT ALLOCATION
(Adj 4, 5)					
<b>HEALTH CARE COST</b>					
1 00 Malpractice Insurance	\$0			\$0	
2 00 Medical Director - Salary	0			0	220,215
3 00 Medical Director - Fringe Benefits	0			0	56,960
4 00 Other (Specify)	0			0	
5 00					
6 00					
7 00 Subtotal - Health Care Cost	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$277,175</u>
				(To Sch 5)	(To Sch 6-1)
<b>FACILITY COST</b>					
8 00 Depreciation - Building	\$270,170	6	(\$11,762)	\$258,408	
9 00 Depreciation - Equipment		20, 21	25,183	25,183	
10 00 Other Depreciation and Amortization				0	
11 00 Leases and Rentals - Building	353,432			353,432	
12 00 Leases and Rentals - Equipment	51,133			51,133	
13 00 Interest - Mortgages	35,040			35,040	
14.00 Interest - Other	118,972	7 - 9	(76,310)	42,662	
15.00 Taxes and Licenses	63,026	4	(399)	62,627	399
16.00 Utilities	65,111			65,111	
17.00 General Insurance (Capital Related)	85,256			85,256	
18.00 Plant Operations	63,656	4	(46,789)	16,867	46,789
19.00 Maintenance	470,665	4, 19	(96,945)	373,720	10,869
20.00 Other (Specify)				0	
21.00				0	
22.00 Subtotal - Facility Cost	<u>\$1,576,461</u>		<u>(\$207,022)</u>	<u>\$1,369,439</u>	<u>\$58,057</u>
				(To Sch 5)	(To Sch 6-2)
<b>ADMINISTRATIVE COST</b>					
23 00 Salaries - Officers and CEO	\$1,295,515			\$1,295,515	
24 00 Salaries - Others	3,278,343	1, 2, 3, 5	(308,771)	2,969,572	54,796
25 00 Payroll Taxes	360,427	1, 2, 3, 5	(33,947)	326,480	6,024
26 00 Fringe Benefits	838,169	1, 2, 3, 5	(78,942)	759,227	14,010
27.00 Travel	320,080	19	(28,795)	291,285	
28.00 Legal and Accounting	125,713	10	10,000	135,713	
29.00 Telephone	207,897	4	(786)	207,111	786
30.00 Office Supplies	199,428	4, 19	(113,099)	86,329	16,977
31.00 Contracts Administration	117,891	11	(2,500)	115,391	
32.00 Data Processing	134,779	19	(31,387)	103,392	
33.00 Outside Services				0	
34.00 Reproduction	28,064	4	(10)	28,054	10
35.00 Insurance (General Liability and Umbrella)				0	
36.00 Other (Specify)	938,582	12 - 17	(7,322)	931,260	
37.00 Other (Specify)				0	
38.00 Subtotal - Administrative Cost	<u>\$7,844,888</u>		<u>(\$595,559)</u>	<u>\$7,249,329</u>	<u>\$92,603</u>
				(To Sch 5)	(To Sch 6-3)
TOTAL ALLOWABLE EXPENSES	<u>\$9,421,349</u>		<u>(\$802,581)</u>	<u>\$8,618,768</u>	<u>\$427,835</u>
<b>NONREIMBURSABLE COST</b>					
39 00 Rent				0	
40 00 Fund Raising		2, 3	207,026	207,026	
41 00 Other - Heal h Promotions	33,191	1, 4, 18	144,177	177,368	700
42 00 Other Chain Components (specify)				0	
43 00 Subtotal - Nonreimbursable Cost	<u>\$33,191</u>		<u>\$351,203</u>	<u>\$384,394</u>	<u>\$700</u>
				(To Sch 4)	(To Sch 6-4)
<b>TOTAL EXPENSES</b>	<u>\$9,454,540</u>		<u>(\$451,378)</u>	<u>\$9,003,162</u>	<u>\$428,535</u>

Provider Name							Fiscal Period	Provider NPI		Adjustments
COMMUNITY HEALTH CENTERS OF CENTRAL COAST							JULY 1, 2010 THROUGH JUNE 30, 2011	N/A		31
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
<b><u>ADJUSTMENTS TO REPORTED STATISTICS</u></b>										
30	5	5B			3	15	CHC - All Other Sites (Accumulated Cost)	36,645,068	76,530	36,721,598 *
	5	5B			3	17	Total - Accumulated Cost Statistic	* 46,806,634	76,530	46,883,164 *
							To include direct expenses into Accumulated cost statistics for Other Components for proper allocation of home office pooled costs in conjunction with adjustment 4. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2300, 2306 and 2328			
31	5	5B			3	15	CHC - All Other Sites (Accumulated Cost)	* 36,721,598	74,830	36,796,428
	5	5B			3	17	Total - Accumulated Cost Statistic	* 46,883,164	74,830	46,957,994
							To include direct expenses into Accumulated cost statistics for Santa Maria High School for proper allocation of home office pooled costs in conjunction with adjustment 5. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2300, 2306 and 2328			

\*Balance carried forward from prior/to subsequent adjustments