

**WESTCHESTER COUNTY HEALTH CARE CORPORATION
COMBINED FINANCE AND AUDIT COMMITTEE MEETING**

April 4, 2018

5:00 P.M.

BOARD ANNEX ROOM

EXECUTIVE OFFICES

FINANCE COMMITTEE MEMBERS PRESENT:

**Mr. Shroff
Mr. Hochberg
Mr. Wishnie
Mr. Tulis
Mr. McCoy
Mr. Vodola
Mr. Heimerdinger
Mr. Quintero – via phone
Mr. Israel**

AUDIT COMMITTEE MEMBERS PRESENT:

**Mr. Heimerdinger
Mr. Hochberg
Mr. McCoy
Mr. Wishnie
Mr. Tulis
Mr. Vodola
Mr. Quintero – via phone
Mr. Israel**

BOARD MEMBERS PRESENT:

**Dr. Frishman
Ms. Gevertz**

STAFF PRESENT:

**Mr. Brudnicki
Ms. Switzer
Mr. Fersko
Ms. Ariel
Mr. Ingber
Mr. Palovick
Mr. Esses
Ms. Fernandez**

GRANT THORNTON:

**Michael Sorelle
Derrick McGrow**

The April 4, 2018 meeting of the Westchester County Health Care Corporation combined Finance and Audit Committees was called to order at 5:00 p.m. by Mr. Heimerdinger, Chair, Audit Committee. A quorum was present.

Grant Thornton

Michael Sorelle, the engagement partner from Grant Thornton, addressed the Committees and introduced his colleague, Derrick McGrow, Senior Manager. He presented the 2017 Westchester County Health Care Corporation's ("WCHCC") audit results together with the 2017 final draft audited financial statements to the Committees, reviewing the respective responsibilities of Grant Thornton, WCHCC's management and those charged with governance. Mr. Sorelle outlined the scope of the 2017 audit as follows: issue an opinion as of and for the year ended December 31, 2017 on the financial statements of WCHCC, in conformity with accounting principles generally accepted in the U.S.; and issue an opinion on WCHCC's Federal Award compliance, now referred to as Uniform Guidance Report; and issue an opinion on the financial statements of the Westchester Medical Center Foundation. He noted that the financial statements of WCHCC (Bermuda) Limited are audited by Arthur Morris, a correspondent firm. In addition, Grant Thornton will issue a management letter. Mr. Sorelle noted that no significant deficiencies or material weaknesses were identified during the audit.

Mr. McGrow informed the Committees of Grant Thornton's areas of emphasis during the 2017 audit as follows: accounts receivables from patients, net patient service revenue, and related contractual allowances and bad debt reserves; estimated settlements with third party payors; cash and cash equivalents, investments, assets restricted as to use and investment income; capital assets; long term debt, compliance with debt covenants and debt transaction; accrued liabilities, including self-insured liabilities and contingencies and other liabilities; other postemployment benefit (OPEB) liabilities; net pension liability; subsequent events; financial reporting and financial statement presentation; tax matters related to not-for-profit component units; and fraud procedures.

A discussion ensued.

Mr. Sorelle advised the Committees that Grant Thornton is prepared to issue an unmodified opinion (previously referred to as unqualified opinion) on WCHCC's financial statements. He advised the Committees that the audit report for WCHCC's Bermuda Captive has been issued. He stated that this was a very good audit and thanked management for their hard work and cooperation.

MR. HEIMERDINGER ASKED FOR A MOTION TO RECOMMEND TO THE BOARD APPROVAL TO ISSUE THE 2017 AUDITED FINANCIAL STATEMENTS IN FINAL FORM. MR. TULIS MOTIONED, SECONDED BY MR. SHROFF. THE MOTION CARRIED UNANIMOUSLY.

MR. HEIMERDINGER MOTIONED TO MOVE INTO EXECUTIVE SESSION TO MEET WITH THE AUDITORS WITHOUT MANAGEMENT, SECONDED BY MR. HOCHBERG. THE MOTION CARRIED UNANIMOUSLY.

THE COMMITTEES MOVED OUT OF EXECUTIVE SESSION.

Minutes of February 7, 2018 Finance Committee Meeting

MR. SHROFF ASKED FOR A MOTION TO APPROVE THE FEBRUARY 7, 2018 WESTCHESTER COUNTY HEALTH CARE CORPORATION FINANCE COMMITTEE MEETING MINUTES. MR. WISHNIE MOTIONED, SECONDED BY MR. HEIMERDINGER. THE MOTION CARRIED UNANIMOUSLY.

Financial Statements

Valhalla and MidHudson

Statement of Net Position – February 28, 2018

Total Cash at the end of February 2018 was \$104.0 million
Current marketable securities at the end of February 2018 was \$131.3 million

Assets

Patient Accounts Receivable net - \$170.0 million
Total current assets - \$503.5 million
Total capital assets - \$514.4 million
Total assets - \$1.161 billion

Liabilities

Accounts payable and accrued expenses - \$148.6 million
Total current liabilities - \$310.0 million
Long term debt - \$692.8 million
Post-Retirement health liabilities - \$333.2 million
Total liabilities - \$1.532 billion

Statement of Operations

Total Operating Revenue - \$228.8 million
Total Operating Expenses - \$222.7 million
Operating Income - \$6.1 million
Income Before Excess Fringe Benefits - \$3.0 million
Excess pension costs - \$3.1 million
Excess post-retirement health costs - \$3.0 million
NYS pension adjustment - \$2.5 million
Net Loss - (\$5.6 million)

Statistics

Valhalla Campus

Total Acute Discharges – 3,104
Total Acute Discharges and Outpatient Cases – 3,973
Average Length of Stay – 8.58
Psychiatric Patient Days – 4,560
Total E.R. Visits – 8,602

MidHudson Campus

Total Acute Discharges – 649
Total Acute Discharges and Outpatient Cases – 818
Average Length of Stay – 8.12
Total E.R. Visits – 4,889

Executive Session

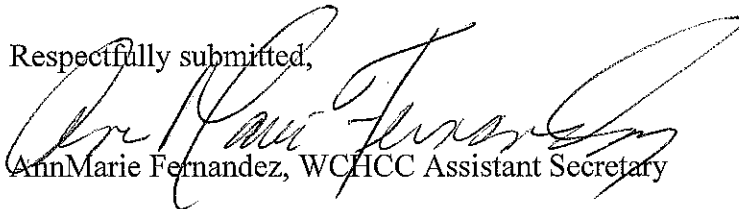
MR. SHROFF ASKED FOR A MOTION TO MOVE INTO EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING FINANCIAL STRATEGIC PLANNING, MR. WISHNIE MOTIONED, SECONDED BY MR. TULIS. THE MOTION CARRIED UNANIMOUSLY.

A MOTION WAS MADE BY MR. SHROFF, SECONDED BY MR. VODOLA, TO MOVE OUT OF EXECUTIVE SESSION. THE MOTION CARRIED UNANIMOUSLY.

Adjournment

THE MEETING OF THE WESTCHESTER COUNTY HEALTH CARE CORPORATION COMBINED FINANCE AND AUDIT COMMITTEE ADJOURNED AT 6:15 P.M.

Respectfully submitted,



AnnMarie Fernandez, WCHCC Assistant Secretary

