

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

**April 1, 2020
5:00 P.M.
VIA WEBEX**

FINANCE COMMITTEE MEMBERS PRESENT:

**Mr. Tulis
Mr. Hochberg
Mr. Shroff
Mr. Wishnie
Mr. McCoy
Mr. Geist
Mr. Quintero
Mr. Heimerdinger
Ms. Mitchell
Dr. Frishman
Mr. Rosenblut
Mr. Flannery
Mr. Israel**

AUDIT COMMITTEE MEMBERS PRESENT:

**Mr. Heimerdinger
Mr. Hochberg
Mr. McCoy
Mr. Wishnie
Mr. Tulis
Mr. Quintero
Mr. Rosenblut
Mr. Israel**

BOARD MEMBERS PRESENT:

**Dr. Adamson
Ms. Gevertz
Mr. Rogowsky**

STAFF PRESENT:

**Mr. Brudnicki
Ms. Switzer
Ms. Bennorth
Mr. Fersko
Ms. Ariel
Mr. Ingber
Mr. Costello
Mr. Morgan
Mr. Ratner
Mr. Palovick
Ms. Fernandez**

GRANT THORNTON:

**Michael Sorelle
Lou Feuerstein
Derrick McGrow**

The April 1, 2020 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 colleagues, Lou Feuerstein, Managing Director and Derrick McGrow, Senior Manager. He presented the 2019 Westchester County Health Care Corporation's ("WCHCC") audit results together with the 2019 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 2019 audit as follows: issue an opinion as of and for the year ended December 31, 2019 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; issue an opinion on the financial statements of the Westchester Medical Center Foundation; issue an opinion on the financial statements of HealthAlliance, Inc.; and issue an opinion on the financial statements of Bon Secours Charity Health System, Inc. He noted that the financial statements of WCHCC (Bermuda) Limited were audited by a correspondent firm. In addition, Grant Thornton will issue a letter on Internal Controls. 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 2019 audit as follows: patient accounts receivable, 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 transactions; 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.

Mr. Sorelle informed the Committees that GASB 83, accounting for asset retirement obligations, was adopted and did not have a material impact on the financial statements. He stated that management disclosed the impact that the adoption of GASB 87 Leases will have on the statement of net position as of January 1, 2020.

A discussion ensued.

Mr. Sorelle advised the Committees that Grant Thornton is prepared to issue an unmodified 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 FOR APPROVAL TO ISSUE THE 2019 AUDITED FINANCIAL STATEMENTS IN FINAL FORM. MR. WISHNIE MOTIONED, SECONDED BY MR. TULIS. THE MOTION CARRIED UNANIMOUSLY.

Mr. Heimerdinger advised the Committee that they would reconvene next week with Grant Thornton in executive session without management.

Minutes of March 4, 2020 Finance Committee Meeting

MR. TULIS ASKED FOR A MOTION TO APPROVE THE MARCH 4, 2020 WESTCHESTER COUNTY HEALTH CARE CORPORATION FINANCE COMMITTEE MEETING MINUTES. MR. SHROFF MOTIONED, SECONDED BY MR. HOCHBERG. THE MOTION CARRIED UNANIMOUSLY.

Resolution

Mr. Morgan reminded the Committee that in 2011, WMC financed certain ongoing working capital requirements with a line of credit from TD Bank in an amount not to exceed \$25,000,000 (the "Loan"). He stated that in 2014, WMC increased the Loan by \$10,000,000, to \$35,000,000, and in 2019 WMC increased the Loan by \$35,000,000, to bring the total Loan to \$70,000,000.

Mr. Morgan presented a Resolution to the Committee for WMC to increase its line of credit with TD Bank by \$70,000,000, bringing the total line of credit to an amount not to exceed \$140,000,000, to use, as may become necessary, as a result of the financial impact of the COVID-19 pandemic.

A discussion ensued.

MR. TULIS ASKED FOR A MOTION TO RECOMMEND TO THE BOARD APPROVAL OF THE RESOLUTION AUTHORIZING THE CORPORATION TO INCREASE ITS LOAN WITH TD BANK BY \$70,000,000, TO AN AMOUNT NOT TO EXCEED \$140,000,000. MR. SHROFF MOTIONED, SECONDED BY MR. HOCHBERG. THE MOTION CARRIED UNANIMOUSLY.

Executive Session

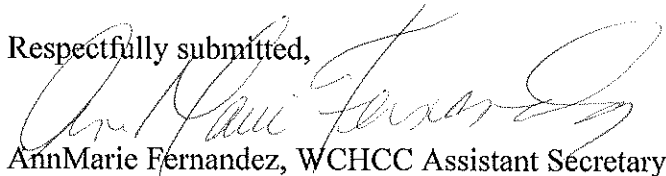
MR. TULIS ASKED FOR A MOTION TO MOVE INTO EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING FINANCIAL STRATEGIC PLANNING, MR. WISHNIE MOTIONED, SECONDED BY MR. SHROFF. THE MOTION CARRIED UNANIMOUSLY.

A MOTION WAS MADE BY MR. TULIS, SECONDED BY MR. HOCHBERG, 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 5:48 P.M.

Respectfully submitted,



AnnMarie Fernandez, WCHCC Assistant Secretary