



## Marin Healthcare District

100B Drakes Landing Road, Suite 250, Greenbrae, CA 94904

Telephone: 415-464-2090 Fax: 415-464-2094

Website: [www.marinhealthcare.org](http://www.marinhealthcare.org) / Email: [info@marinhealthcare.org](mailto:info@marinhealthcare.org)

### FINANCE AND AUDIT COMMITTEE

#### Regular Meeting

April 23, 2019, 5:30pm

#### MINUTES

- I. **Call to Order:** Chair Simmonds called the Regular Meeting of the District Finance & Audit Committee to order at 5:30pm.
- A. Roll Call:
- ✓ Committee Members Present: Harris Simmonds, MD (Chair); Jennifer Rienks (Member)
  - ✓ Staff Members Present: Jean Noonan (Controller), Beverly Wells (Assistant Controller), Michael Lighthawk (EA)
  - ✓ Guests – Katherine Jackson & Ety Goldstein (Moss Adams)
- B. Approval of Agenda: **Agenda Approved.**
- C. Approval of Minutes for March 26, 2018. **Minutes Approved.**
- D. General Public Comment – **No public.**

II. **Audit – Marin Healthcare District**

Moss Adams

- A. Report of Independent Auditors and Financial Statements December 31, 2018 (Action)

Kate Jackson introduced herself as the Moss Adams Partner assigned to the District Audit and Ms. Etta Goldstein as the Audit Manager. Ms. Jackson then outlined the scope of services provided to the District as well as the responsibilities of the auditors.

Scope of Services – Moss Adams performed the following services for the District:

- ✓ Annual financial statement audit as of and for the year ended December 31, 2018
- ✓ Assisted in drafting the financial statements of the District
- ✓ Assisted in preparation of the Special Districts Transaction Reports.

The auditors have provided an Unmodified Opinion that the 2018 Marin Healthcare District Financial Statements are presented fairly and in accordance with United States Generally Accepted Accounting Principles (GAAP).

Areas of Audit Emphasis – Ms. Ety Goldstein presented areas of emphasis as the financial process points with the highest potential risk to the District:

- ✓ Accounts Receivable – Valuation and Allowances
- ✓ Revenue Recognition Cutoff
- ✓ Tax Assessment Receivables and Revenues cutoff
- ✓ Transactions with Affiliated Entities
- ✓ Management Override of Control



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The AR audit analysis includes several steps including internal control testing for valuation and allowances for the year's receivables and a prior year look back analysis of collections billed in the prior year and collected in 2019. The results are then compared to the payor group accounts' receivable balance at year end.

Capital Assets increased significantly in 2018 mainly due to the new hospital construction. Bond Assets Held in Trust decreased due to spend on the MGH 2.0 construction. Net Assets have been positive year over year. Net Patient Revenues will go away in 2019 due to the transition of the clinics to UCSF.

Communications with Those Charged with Governance – Ety ended the presentation by stating that the organization's accounting estimates are reasonable; there are no corrected or uncorrected audit adjustments; no material weaknesses found; no disagreements with management, and; no instances of fraud or noncompliance with laws and regulations.

The committee thanked Kate Jackson and Ety Goldstein for their expertise and work on behalf of the District.

**Motion:** To recommend the MHD Board of Directors accept the Report of Independent Auditors and Financial Statements for the Marin Healthcare District of December 31, 2018 as presented to the MHD Finance and Audit Committee.

Chair Simmonds so moved. Member Rienks seconded. Vote: All Ayes. **Motion passed.**

### III. Finance

#### A. Financial Report – March 31, 2019

Jean Noonan noted that cash increased \$309K from February due to collections on Clinic accounts receivables for services prior to 2019.

The District Board approved investing \$2M in April and management is working through the logistics of the new investment with our Investment Advisors, Canterbury Consulting.

Hospital construction costs will continue to increase with corresponding bond requisitions averaging about \$13M per month while the Assets Limited to Use Bond Funds will decrease due to spending on current invoices.

### IV. Adjournment – Chair Simmonds adjourned the meeting at 6:25pm.