

# The MetroHealth System Board of Trustees

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## AUDIT AND COMPLIANCE COMMITTEE

Wednesday, March 22, 2023

2:30 – 3:00 pm

Meeting held at MetroHealth Board Room K-107 and via Zoom

### Meeting Minutes

<b>Committee Members Present:</b>	Ms. Maureen Dee-R, Mr. John Moss-I, Ms. Vanessa Whiting-I
<b>Other Trustees Present:</b>	Ms. Inajo Davis Chappell-I, Mr. John Corlett-I, Mr. John Hairston-I, Dr. E. Harry Walker-I
<b>Staff Present:</b>	Dr. Airica Steed-I, Dr. Jennifer Bailit-I, Dr. Richard Blinkhorn-I, Mr. Joe Frolik-I, Mr. Geoff Himes-I, Dr. Olusegun Ishmael-I, Dr. William Lewis-I, Ms. Laura McBride-I, Ms. Christina Morales-I, Ms. Sonja Rajki-I, Mr. Nicholas Sukalac-R, Ms. Cheryl Wahl-I
<b>Guests:</b>	Ms. Jasmine Boutros-I, Ms. Suzanne Boutros-I, Tess Boutros-R, Ms. Veronica Despoth (KPMG)-I, Ms. Lori Kalic (RSMUS)-I, Ms. Halle Pallante (RSMUS)-I, Mr. Jim Mylen-I (KPMG)

I - In Person  
R - Remote

Ms. Dee called the meeting to order at 2:35 pm.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

#### I. Approval of Minutes

The minutes of the February 22, 2023, Committee meeting were approved as submitted.

Ms. Dee stated the purpose of the meeting today is to hear the results of RSM's annual audit. Members of the Board held an Audit Conference earlier with RSM to hear the results



# The MetroHealth System Board of Trustees

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of the audit and to have an opportunity to ask questions. Ms. Dee asked Ms. Lori Kalic, Partner, RSM to present the findings of their 2022 audit.

## II. Information Items

### A. 2022 Audit Report for the System's Annual Financial Statements – Lori Kalic and Hallie Pallante, RSM

Ms. Kalic presented the results of The MetroHealth System's 2022 audit, indicating that RSM has issued an unqualified opinion and that there were no audit adjustments. Ms. Kalic provided an overview of the accounting policies and practices, which included significant accounting estimates. There were no significant changes to the planned audit strategy.

Ms. Kalic stated that RSM identified a significant risk related to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87-Leases after the report provided earlier. The System adopted numerous GASB Standards as disclosed in Note 2 to the financial statements. GASB Statement No. 87, Leases, had a significant impact to the financial statements and related disclosures.

Ms. Kalic also presented information on the Fair Value of Investments, Leased Assets and Liabilities, additional Matters to Report, Audit Adjustments, Uncorrected Misstatements, Internal Control Matters and Observations About the Audit Process and concluded with a Market and Industry Update.

Ms. Dee stated that the report showed we have a clean audit. She asked if there were any questions from the Board. She also thanked Ms. Morales for her significant efforts in supporting the audit process.

There was a question and brief discussion regarding Leases that had to be transitioned due to GASB 87. Ms. Kalic explained the various leases and how they are all recorded on one standard line item on the balance sheet.

## IV. Recommendation/Resolutions Approvals

### A. Recommendation to Accept the 2022 Audit Report for the System's Annual Financial Statements.



## The MetroHealth System Board of Trustees

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RSM met with the Audit and Compliance Committee and presented their Audit Report for the System's annual financial statements for the year ended December 31, 2022. The Committee unanimously approved the recommendation for full Board action.

There being no other business to bring before the Committee, the meeting was adjourned at approximately 2:54 pm.

Geoff Himes, Interim Chief Financial Officer

Cheryl Forino Wahl  
Senior Vice President, Chief Ethics and Compliance  
Officer / Chief Employee Engagement Officer

