

**SPECIAL AUDIT AND COMPLIANCE COMMITTEE**  
**Waitzer Hall, Boardroom**  
**October 28, 2022**  
**10:30 A.M**

**BOARD MEMBERS PRESENT**

Blythe Scott, Chair  
Daun S. Hester  
W. Ashton Lewis, Sr.  
Bruce Waldholtz, MD

**BOARD MEMBERS- participating via Zoom**

Robert Bianchi, Rear Adm. (USN) Ret.  
Betty Bibbins, MD

**BOARD MEMBERS ABSENT**

Conrad M. Hall

**OTHERS PRESENT**

Alfred Abuhamad, MD  
Tammy Chrisman  
Vickie Dean  
Justynne Friend- KPMG  
Helen Heselius  
Trey Oglesby- KPMG

**CALL TO ORDER**

Ms. Blythe Scott, Chair, called the meeting to order at 10:31 A.M.

**KPMG EXTERNAL AUDIT REPORTS**

Mr. Trey Oglesby reviewed the audit of the EVMS consolidated financial statements for the year that ended June 30, 2022, as well as KPMG's audit process for providing audit quality. In summarizing the audit matters, Mr. Oglesby reported that all significant accounting policies were in accordance with generally accepted accounting principles. KPMG expects to issue an unmodified opinion, which is the highest level of assurance that can be provided.

Mr. Oglesby did not report any significant unusual transactions or material weaknesses in internal controls that were identified through the course of the audit work that would be required

to bring to the committee's attention. Additionally, there were also no corrected audit differences to report.

Ms. Justynne Friend reported there have been no changes to our risk assessment or plan audit strategy. Ms. Friend identified one significant accounting risk, which is the evaluation of implicit and explicit price concessions. KPMG evaluated key factors, and assumptions used to develop the allowances, including possible management bias, and determined that the estimates were reasonable in relation to the consolidated financial statements as a whole. KPMG did not identify any instances of management override of internal controls.

### **FINANCIAL STATEMENT HIGHLIGHTS**

Ms. Tammy Chrisman discussed highlights of the financial statements prepared by EVMS. She reviewed the major variances in the balance sheet and income statement from fiscal year 2022. Cash and operating investments increased \$3.4 million. Accounts receivable net increased \$5.8 million. Department reserves increased \$15 million. The patient services expenses decreased by 7.1 million due to an adjustment by the Medical Group to reverse out non-salary physician compensation also known as variable clinical compensation. Interest in net assets of affiliate decreased \$14.9 million, which represents the change in EVMS' interest in the EVMS Foundation.

**ACTION:** Upon a motion made and seconded, the Audit and Compliance Committee unanimously accepted the auditor's report and approved the financials for issuance as presented.

There being no further business to discuss, the meeting adjourned at 10:57AM.

Mireille Wynn  
Recording Secretary