

**WVSOM Board of Governors
Finance and Audit Committee
Friday, June 21, 2024
Minutes**

Attendees:

Ms. Sharon Hall, Committee Chair	Dr. Drema Hill	Dr. Poling
Dr. Randall Belt	Daniel Hamrick	Ms. Leslie Bicksler
Dr. Michael Muscari	Dr. James Nemitz	

The June Finance Committee meeting was called to order by Sharon Hall at 8:35 am with Dr. Michael Muscari, and Dr. Randall Belt in attendance.

Dr. Muscari motioned to approve the March 29, 2024 meeting minutes with Dr. Belt seconded the approval.

Committee Items

Investment Update

Mr. Meadows introduced Jack Carvalho with Morgan Stanley. Mr. Carvalho's presentation was based on several questions previously provided to Morgan Stanley through Mr. Meadow's office. Mr. Carvalho's presentation included details on the structure and methodology of the WVSOM portfolio. Mr. Carvalho expressed that WVSOM and Morgan Stanley have built almost a ten-year relationship which will hopefully to help generate a larger return on their investments.

Morgan Stanley reported that WVSOM takes an middle-of-road approach to investment risks compared to institutions of comparable size that invest less than a hundred million dollars.. Through a conservative investment strategy advised by Morgan Stanley, the Foundation has realized \$12.7 million over the past few years.

Mr. Carvalho indicated that Morgan Stanley and the WVSOM Foundation have good communication with quarterly reviews and periodic risk reviews. He expressed that the Foundation has done a great job based on its obligations in terms of its investments and the portfolio appears "rock solid."

WVSOM FY 2023-2024 Financial Update as of May 31, 2024 (Meadows)

Mr. Meadows introduced Stephanie Braham, the recently hired WVSOM Director of Accounting.

Mr. Meadows noted that WVSOM financials look exceptionally well and is expecting another \$1.8 million in revenue before the end of the 4th quarter through state appropriation and tuition and fees. Expenditures were approximately 86% at the end of May. This is due to spending units being strategic with their spending at the end of the year. Mr. Meadows expressed no concerns in meeting budget coming into the end of the fiscal year. It was reported that WVSOM Tuition Waiver for 2023-2024 included a total of 22 in-state waivers and 14 out-of-state.

Robert C. Byrd Clinic Financial Update *(Meadows)*

Mr. Meadows, referencing the prepared RCBC slides, reported that he is extremely proud of the progress of RCBC through the leadership team at RCBC. As expected, there is a net operating loss which includes the Practice Plan expenses, however, the loss has decreased from where it was initially projected. He further noted that although the Practice Plan will not reimburse advanced payments to WVSOM this year, the expense is listed as a liability on the RCBC financial. RCBC has a board-approved budget for the FY 24-25. Kayla Trent, RCBC Financial Manager, has been instrumental in the creation of a conservative budget that projects a net operating surplus. On the revenue side, there is a 2-3% forecasted productivity increase through the new partnership with Coronis system, new grant funding, the teaching plan and reimbursements from WVSOM for the cleaning contract, DAX software, and utilities.

There was discussion between the Finance Committee, Mr. Meadows and Dr. Hill regarding the number of providers, patient flow and how it correlates with the budget. Mr. Meadows will review the gross patient information and Medicare/Medicaid reimbursement numbers and the impact on the financial statement. The Committee posed questions to Mr. Meadows and Dr. Hill regarding a number of metrics in the clinic, including the number of providers; patient flow; reimbursement from Medicare/Medicaid; patients seen per day and productivity goals of providers, and their correlation to the budget or impact on the financial statement. At the request of the Committee, Mr. Meadows will provide updates on these metrics at the next meeting.

It was noted that attrition continues to be a factor in the RCBC budget forecasting and preparation. Ms. Hall asked if attrition has an impact on WVSOM's educational mission. Mr. Meadows and Dr. Hill assured the committee that there has been no impact on the students.

Mr. Meadows reviewed the methodology used by RCBC leadership to create a balanced budget. The 2023 RCBC financial audit as expected, showed multiple areas needing improvement, including cash flows and that gradual improvement toward most categories is anticipated.

Mr. Meadows reported that in the FY2023 RCBC Financial Audit, the Auditor expressed substantial doubt on RCBC remaining a "going concern." This concerning comment is reflective of multiple years of decline, concerns of how RCBC used 1-time federal funding during COVID and the lack of improvements in multiple areas. Mr. Meadows and Dr. Hill are confident that the current implemented changes will be the catalyst necessary to keep RCBC functional in the future. Mr. Meadows noted that due to multiple years of decline, the 2023 RCBC Financial Audit Report, noted that RCBC remains a "going concern" and expressed doubt of the ability of the clinic to continue operations. He noted that RCBC's use of 1-time federal funding during COVID and the lack of improvements as contributing factors to the audit concerns. Mr. Meadows and Dr. Hill are confident that the current implemented changes will be the catalyst necessary to keep RCBC functional in the future. On a positive note, he reported that RCBC passed their federal audit confirming compliance with appropriate utilization of COVID funds.

Facilities Update *(Meadows)*

Mr. Meadows reported that the renovation of the Science Building is progressing with numerous planning meetings with Edward Tucker team.

As the research department grows, Ms. Hall inquired to Mr. Meadows about current WVSOM systems in place to monitor grant compliance. Mr. Meadows discussed Dr. Ponnoth's leadership and her department's work to monitor the pre-award grant compliance as well as OBA's work on the post-award side. He noted confidence that through Dr. Ponnoth's department, policies are in place to help with this monitoring.

At this time, WVSOM has not received the WV state funding for the deferred maintenance projects but WVSOM leadership is optimistic the funds will be passed during the upcoming special session. Mr. Meadows' budgetary plan is to utilize funds from the 2% draw from the Foundation Endowment to subsidize one-time institutional projects.

\$250K EMedley (ALLOfE) contract approval – At the start of the meeting, this agenda item was moved to a full board discussion by Ms. Hall.

Next Committee Meeting Date: To be determined

Motion for the meeting to be adjourned was made by Dr. Muscari with Dr. Belt seconded the motion at 9:46 am.

Approved on August 23, 2024

DocuSigned by:

2EEB574865B3445...
Sharon Hall, Chair