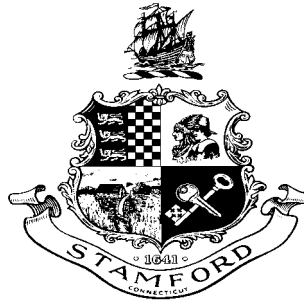


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DRAFT REPORT OF AUDIT COMMITTEE MEETING OF THE BOARD OF FINANCE

The Board of Finance will held its Audit Committee Meeting on
Thursday, November 14, 2019 at
6:00 p.m. in the Board of Finance Conference Room
for the following purpose:

ATTENDEES: COMMITTEE BOARD OF FINANCE CHAIR RICHARD FREEDMAN, VICE CHAIR MARY LOU RINALDI; AND MEMBERS SAL GABRIELE, KIERAN RYAN AND DUDLEY WILLIAMS; BOARD-MEMBER ELECT GEOFF ALSWANGER. ALSO IN ATTENDANCE: DAVID YANIK CONTROLLER, TERESA VISCARIELLO; AND MEMBERS OF THE BLUM SHAPIRO FIRM.

Board Chair Richard Freedman opened the meeting at 6:07 p.m. citing its purpose as a Review and discussion of the draft Comprehensive Annual Financial Report (CAFR) for the fiscal year 2019.

1. **REVIEW AND DISCUSSION – DRAFT COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) – FISCAL 2019: BLUM SHAPIRO**

Controller David Yanik introduced Blum Shapiro Auditors Nikoleta McTigue and Santo Carta who will review the highlights of the **draft** CAFR for Fiscal 2019.

Ms. McTigue said the report on the status of the CAFR (a draft of which was dated October 31 due to governmental deadlines) still has open items to be addressed and included in the final CAFR. The Board has since been provided an updated draft dated November 12.

General Fund

Ms. McTigue said they are still waiting on Police pension plan trial balance numbers and do not have financial statement disclosure information from the actuaries for the four (4) pension plans and the OPEB Trust. She also gave an update on the URC and it was noted that this will be an item for discussion at the next regular meeting of the Board of Finance.

Grants receivable and revenue numbers were not finalized due to an internal audit of this fund being presented and discussed next at this meeting.

Mr. Gabriele entered the conference room at 6:11 p.m.

With regard to the Statement of Net Position – Fiduciary Funds, this is the most open fund. When asked which funds had not provided Blum Shapiro with complete information, Ms. McTigue said Fire information was given to the firm last week but the auditors have not had time to complete it. Both Fire and Police missed the deadline, with Police information still outstanding. CERF, Custodians, OPEB and Mechanics reports are prepared internally by the City and had already been provided to Blum Shapiro.

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis – General Fund was brought to the Board's attention. As of now what they have is \$14,289,003 in excess of revenue. The revenues were higher than the budget expenditures which were under budget. This is a preliminary number.

There was a short discussion on the actuarial service provided to the City. Controller Yanik said last year the service was very responsive. He said we are now waiting on the Police information and, once it is made available, we'll send it immediately to the actuaries.

Mr. Freedman thanked Ms. McTigue, Mr. Carta and Mr. Yanik for the report, noting that the final CAFR is due to be completed by December 31.

INTERNAL AUDIT REVIEW OF FEDERAL/STATE GRANTS CAPITAL PROJECT RECEIVABLE PROCESS

Teresa Viscariello, the City's Internal Auditor, presented a review of the Federal/State grants capital project receivable process, covering period July 1, 2018 to April 30, 2019. Ms. Viscariello indicated that the audit's objective was to determine whether the City's Grants Department has effective internal controls in place to govern the collections process for state/federal grants accounts receivable balances and identify opportunities for improvements. This was accomplished through data analyses, documentation reviews, reconciliation reviews, and personnel interviews.

She provided the scope of the audit, including a review of the revenues (collections) process, the expenditures tracking and submission of request for payment process, and financial reporting of grants capital project accounts receivables process. She discussed her findings including a review of 14 grant capital projects out of 21 sampled had recorded incorrect beginning account receivable balances which resulted in a net adjustment to reduce beginning account receivables by (\$3,569,463).

Grants Officer Karen Cammarota spoke of activity that had an effect on the beginning account receivables and said steps are being put into place to address this. During a discussion there was a suggestion that some official oversight is needed for this department and Mr. Freedman asked internal auditor to check further into the numbers. Of the 21 there are about 9 right now that are currently going through a reimbursement audit by the State, so the numbers presented this evening could still change.

Due to time constraints, Ms. Viscariello was unable to complete her report on her findings and review with the Board her recommendations for change included in the draft report that was provided to the Audit Committee. The meeting was adjourned at 6:57 p.m.

[This meeting is on video.](#)

Cynthia R. Winterle

**Cynthia R. Winterle
Clerk of the Board**