

Audit Committee Meeting

October 7, 2016

Meeting - Final Report on the Audit & Finance Committee - June 30, 2016 audit

In Attendance: Audit and Finance Committee Members: Kath Burgweger, Pam Fornero, Karen Keegan, Dan Fitzgerald, Patrick Sullivan, Mary Laughlin, Nancy Voye

In Attendance: Management: David Rabin, Jeremy Nappi

Not Attending: Eileen Kim

Guest: Bruce Blasnik, Partner, PFK O'Connor Davies; Philip Healy, Manager, PFK O'Connor Davies

Welcome/comments - Pam Fornero, Chair

Meeting will focus primarily on the Year End 6/30/16 review of the Financial Statements, presentation of the final report and required communications by Mr. Bruce Blasnik, Partner, and final approval of the financial statements at the conclusion of the meeting.

Pam requested and obtained approval of June 24, 2016 minutes.

Presentation of Final Financial statements and report - Bruce Blasnik, Partner, O'Connor Davies

Mr. Blasnik walked through the UWG Audit Wrap Up Report (see copy above). The following are highlights of the discussion:

- The fieldwork is completed and the audit report to be issued will be unqualified.
- The auditors are awaiting receipt of the management rep letter and the report will be dated thereafter. Final date - October 7th
- The Wrap up document includes all required communications. Bruce walked us through the document in detail and a copy is included herewith. Highlights below:
 - Bruce explained his firm's responsibility to remain independent and confirmed to the group that there were no independence matters noted during the audit process.
 - Bruce noted that Martin DeCruz has been extremely responsive
 - Accounting policies are of appropriate quality, disclosures are appropriate and consistent with prior year. No unusual matters or changes were noted that would result in changes to presentation or disclosure
 - Board allocation Payable is a separate Statement of Financial Position line item as the fundraising letter had been modified this year to eliminate the conditional language - as a result, the payables are no longer conditional upon fundraising as they were in PY.
 - We agreed that when there are proposed changes to agreed upon contract/fundraising letters etc - that there would be a review by the auditors and committee members to ensure we assess potential FS implication prior to the final adoption.

- The organizations Internal Controls are considered as part of developing and implementing the audit plan but the purpose of the Auditors report is not to report on the Internal Controls.
 - Bruce went on to highlight the estimates that require more judgement by management. He highlighted Pledges Receivable and Allowances and the Functional Allocation Expenses
- We reviewed the ‘management letter comments’. Two comments were made and discussed:
 - Functional expense methodology comment - It was agreed that the Finance Committee would conduct a meeting to reassess the allocation methodology for each line item in the functional expense statement
 - A recommendation was made to institute a formal journal entry approval process. Management explained they had already been in communications with DeCruz and are working through a plan. The finance committee should review the final policy and the policy handbook should be updated for the recommended change.
 - Bruce discussed that, given segregation of duties limitation (this was the only identified significant risk), they did more work around cash and they are comfortable that the impressed account set up (funding of accounts is done at the level needed to fund the checks written) minimizes the risk of misappropriation of assets.
- No Significant risks or material weaknesses were identified.

Phil went on to present the financial statements - highlighting key ratios and year over year changes. Questions were taken and it was agreed to add additional disclosure language

- Footnote 8 and - Support and Revenue - additional disclosures were made to provide insights to the strategic planning initiative
- Footnote 9 - Other income - was added to further clarify Other Income from the Statement of Activities
- Statement of Activities - State and national organizational dues line item was not originally included on the Statement of Functional Expenses. This caused a reconciling item (\$26,478) between the two statements. It was agreed that the State and national organization dues would be added to the functional expenses as an other expense allocated to management and general
- The changes have been reviewed and agreed by management and have been adjusted within the financial statements as of the report date (October 7)

Pam requested a motion to approve the financial statements are presented, with disclosure changes, which was seconded and approved.

The Financial Statements will be presented by O'Connor for review at the Board meeting on October 15th

The Financial statements were presented to the Board by Bruce Blasnik at the October 15th BOD meeting, questions were taken and the Board was informed that the combined AC and Finance Committee had approved the release in the October 7th meeting.

Meeting adjourned

Respectfully submitted,
Pam Fornero