

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE
AUDIT AND INTERNAL CONTROLS COMMITTEE
HELD ON AUGUST 18, 2010

Pursuant to notice dated August 10, 2010, the Audit and Internal Controls Committee (“Committee”) of the Nassau County Interim Finance Authority (“NIFA”) was convened at 4:15 PM, at the Nassau County Bar Association located at 15th and West Streets, Mineola, NY 11501.

The following members of the Audit and Internal Controls Committee of the Authority were present:

Christopher Wright, Chairman
George Marlin
Robert Wild

Also present were Ronald Stack, NIFA Chairman, Leonard Steinman NIFA Director, Thomas Stokes, NIFA Director, Evan Cohen, Executive Director, Maria Kwiatkowski, Deputy Director, Jeremy Wise, General Counsel, Jane Cunneen, Acting Treasurer and Laurie Boucher, Corporate Secretary.

Upon determining that a quorum was present, the meeting was called to order.

Chairman Christopher Wright stated that the first item on the agenda was a resolution to approve the minutes of the April 13th, 2010 meeting.

Upon motion duly made and seconded, the minutes were approved unanimously.

Resolution No. 10-13

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE APRIL 13, 2010 AUDIT AND INTERNAL CONROLS COMMITTEE MEETING OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the Audit and Internal Controls Committee meeting held on April 13, 2010 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

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Chairman Wright stated that the next item on the agenda was a resolution to review and approve NIFA's proposed fiscal 2011 budget and 2011-2014 multi-year plan.

Executive Director Cohen stated that the budget is required by the NYS Authority Budget Office and is consistent with the plan previously adopted by NIFA and the County's May Update.

Acting Treasurer Cunneen stated that this budget contains funds for hiring staff in 2011 in the event that it is needed. She stated that significant increases in the budget are the health insurance and pension expenses. The non-personnel items are increased by approximately 5 percent across the board.

Chairman Wright stated that NIFA has no plans to hire additional staff at this time but is leaving the vacant position open that was created when the Treasurer left NIFA over a year ago. He stated that currently Jane Cunneen is Acting Treasurer and NIFA has hired Albrecht, Viggiano and Zureck & Co. to assist her when needed at a cost savings to NIFA of approximately \$100,000 per year.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 10-14

APPROVE SUBMISSION OF NIFA'S 2011 BUDGET AND FY 2011 – FY 2014 FINANCIAL PLAN TO THE OFFICE STATE COMPTROLLER AND THE AUTHORITY BUDGET OFFICE TO COMPLY WITH 2 NYCRR, PART 203 AND THE TAKING OF RELATED ACTIONS

RESOLVED, that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Audit and Internal Controls Committee (“Committee”) of the Nassau County Interim Finance Authority; and be it further

RESOLVED, that the Committee acknowledges enactment of 2 NYCRR, Part 203 (the “Regulations”) and its requirement that the Directors of the Nassau County Interim Finance Authority receive, review and approve a proposed Budget for FY 2011 (“Budget”) and a proposed Financial Plan for FY 2011 – FY 2014 (“Plan”); and be it further

RESOLVED, that the Committee hereby conditionally approves the Budget and Plan subject to the conditions outlined in the Materials; and be it further

RESOLVED, that the Committee recommends to the Directors that they approve the Budget and Plan so that they may be disclosed and subsequently, if no negative comments from the public are received, officially filed with the State Comptroller and any other necessary parties.

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Chairman Wright stated that the next item on the agenda was a resolution authorizing the hiring of a consultant to assist NIFA with GASB (Governmental Accounting Standards Board) 53 testing. He stated that it is a new accounting standard that is required for NIFA’s swaps, which are derivative instruments. He further stated that NIFA received the lowest bid from the same entity that will be doing the same work for the Nassau University Health Care Corporation. Chairman Wright stated that since that firm, PFM, is a consultant for Nassau County, NIFA has checked and verified that it is not a conflict to hire them. He stated that the resolution recommends that it be forwarded to

the full NIFA Board for approval.

Upon motion duly made and seconded, the following resolution was approved with Director Marlin recusing on the matter:

Resolution No. 10-15

AUTHORIZATION TO HIRE A CONSULTANT TO ASSIST THE AUTHORITY WITH GASB 53 TESTING AND THE TAKING OF RELATED ACTIONS.

RESOLVED, that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the of the Nassau County Interim Finance Authority (“NIFA”) Audit and Internal Controls Committee (the “Committee”); and be it further

RESOLVED, that the Committee recognizes that the Governmental Accounting Standards Board has enacted GASB Statement 53, with which NIFA has chosen to comply; and be it further

RESOLVED that based upon the Materials, the Committee recommends to the NIFA Directors that NIFA contract with Public Financial Management to assist NIFA in its effort to comply with GASB 53 requirements for an amount not to exceed \$9,000.00

RESOLVED, that this resolution shall take effect immediately.

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Executive Director Cohen stated that the next item on the agenda was a discussion on NIFA’s operating revenues and expenses on a cash basis through July 31, 2010.

Acting Treasurer Cunneen stated that NIFA is on track to end the year within the budget.

Chairman Wright stated the next item for discussion is on banking internal controls.

Acting Treasurer Cunneen stated that Bank of America has indicated that if NIFA participates in its Positive Pay program, it would strengthen NIFA's internal controls. The cost would be \$600 a year.

The members of the Committee agreed that the ability to strengthen NIFA's internal controls at a cost of \$600 is reasonable.

The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the members voted unanimously to adjourn the meeting at 4:27 PM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary