

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE
AUDIT AND INTERNAL CONTROLS COMMITTEE
HELD ON DECEMBER 8, 2011

Pursuant to a notice dated December 2, 2011, the Audit and Internal Controls Committee (“Committee”) of the Nassau County Interim Finance Authority (“NIFA”) was convened at 4:05 PM, at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY 11553.

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

Christopher Wright, Chairman
George Marlin
Ronald Stack
Robert Wild

Also present were Leonard Steinman, NIFA Director; Thomas Stokes, NIFA Director; Dermond Thomas, 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 20, 2011 meeting.

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

Resolution No. 11-21

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE APRIL 20, 2011 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 20, 2011 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 recommend to the NIFA Board that it continue the employment of Albrecht, Viggiano and Zureck as NIFA's financial consultant. He stated that NIFA has paid them \$139,000 over the past few years which has enabled NIFA to save \$150,000 a year on a vacant position.

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

Resolution No. 11-22

AUTHORIZATION TO CONTINUE THE EMPLOYMENT OF ALBRECHT, VIGGIANO, ZURECK & COMPANY AS CONSULTANTS TO THE NASSAU COUNTY INTERIM FINANCE AUTHORITY AND TO TAKE RELATED ACTIONS

WHEREAS, the Nassau County Interim Finance Authority ("NIFA") or the ("Authority") was created by Chapter 84 of the Laws of 2000 (the "Act") to be a corporate governmental agency

constituting a public benefit corporation to issue bonds that are backed by county sales tax revenues as well as to perform certain budgetary oversight functions as set out in the Act; and

WHEREAS, the Authority currently has a Treasury Department that performs a variety of functions, including the principal and interest payments on approximately \$1.5 billion of outstanding NIFA bonds; and

WHEREAS, as a result of NIFA's Treasurer resigning on March 28, 2008, the Directors authorized the employment of the accounting firm of Albrecht, Viggiano, Zureck & Company, P.C. ("AVZ") to assist NIFA staff; and

WHEREAS, AVZ continues to have a large presence on Long Island and has experience in the types of areas that NIFA needs to compensate for the absence of its Treasurer; and

WHEREAS, AVZ has adequately performed its assigned tasks and responsibilities since being hired; and

WHEREAS, AVZ was previously hired from the State approved procurement contract vendor list, but said list not longer exists for accounting firms; and

WHEREAS, the experience gained by AVZ would make issuance of a request for proposals both impractical and inappropriate because of the extensive depth of experience that they have gained by working for NIFA over the past few years.

NOW, THEREFORE, BE IT RESOLVED, that the Materials presented to this meeting are hereby ordered to be filed with the records of the the Audit and Internal Controls Committee (the "Committee") of the Nassau County Interim Finance Authority; and be it further

RESOLVED, that this Committee approves the request to continue the employment of AVZ as consultants to the Authority for an additional term commencing January 1, 2012 and continuing for five years or the total additional expenditure of \$200,000, whichever comes first, and all in accordance with the Materials; and be it further

RESOLVED that Committee recommends that this resolution be forwarded to the NIFA Directors for their review and approval.

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Chairman Wright stated that the next item on the agenda was a resolution to recommend that the NIFA Directors adopt a new fund balance accounting policy. He stated that it is a new Governmental Accounting Standards Board Statement applicable to NIFA that requires renaming certain fund balances, such as, “reserve for prepaid” will be called “non-spendable”, “reserve for debt service” will be called “restricted” and “unreserved” will be called “unassigned”.

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

Resolution No. 11-23

RECEIPT AND ACCEPTANCE OF THE FUND BALANCE POLICY AND
RECOMMENDATION THAT THE FUND BALANCE POLICY BE SENT TO THE DIRECTORS
OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY.

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 of the Nassau County Interim Finance Authority (the “Committee”); and be it further

RESOLVED, that in accordance with the Materials, the Fund Balance Policy is hereby approved; and be it further

RESOLVED that the Committee recommends that the Fund Balance Policy be released to the Directors of the Nassau County Interim Finance Authority for their review and approval.

RESOLVED, that this resolution shall take effect immediately.

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Chairman Wright stated that the next item on the agenda was a discussion on NIFA’s ten

month budget versus actual variance. Acting Treasurer Jane Cunneen stated that NIFA is on track to finish the year within its planned budget except for the control period expenses which due to timing were not included in the budget.

Chairman Wright stated that the final item on the agenda was a discussion on the audit plan with NIFA's auditor, Deloitte and Touche. He then asked Mike Molloy from Deloitte and Touche to give the presentation.

Mr. Molloy gave a brief presentation on the 2011 Annual Audit Plan which included an overview of the Deloitte team, audit scope for planning and testing, reporting and 2011 audit issues.

The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the members voted unanimously to adjourn the meeting at 4:17 PM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary