

Audit Committee Meeting Notes

DATE & TIME: September 24, 2019 – 5:09
LOCATION: KL Binder Library, 6th Floor, County Office Building,
244 Fair Street, Kingston, NY
PRESIDING OFFICER: Joseph Maloney, Chairman
LEGISLATIVE STAFF: Natalie Kelder
PRESENT: Legislator Hector Rodriguez
ABSENT: Legislators Lynn Archer, Richard Gerentine, Herbert Litts
QUORUM PRESENT: No
OTHER ATTENDEES: Legislator Kathy Nolan, Christopher Rioux – Executive
Designee, Evan Gallo – Comptroller Designee, Drescher &
Malecki; Carl Widmer, Erica Hadley, March Gallagher –
Comptroller Candidate

- **Chairman Maloney called the meeting to order at 5:09 PM**
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Carl Widmer CPA, introduced himself and Erica Handley, CPA, both of Drescher & Malecki, the external auditors for the 2018 Fiscal Year. Carl gave an overview of the audit process and explained that there is a focus on the general fund. Carl also noted that everyone at the firm is independent from Ulster County and there are no conflicts of interest and there was full cooperation with no limitations on all requested information.

Carl Widmer provided a copy of a PowerPoint presentation to the committee members and others in attendance. He noted that the last 5 years of activity is shown in the graph provide and the year over year expenses are predictable while the revenues are more volatile. Both the revenues and expenses have increased from 2018 to 2019.

Total 2018 Revenues were \$275.8 million and exceeded 2018 Expenses of \$273.6 million leading to a \$2.2 million increase in fund balance.

Legislator Kathy Nolan asked why there was a 4 year look back period, and why not any longer. Carl Widmer explained that 5 years is a typical for comparison purposes. Legislator Rodriguez commented that when a longer look back is done, you can be comparing the finances before the sale of Golden Hill.

Carl Widmer reviewed a slide showing a ratio of revenue to expenses, explaining they are 1:1. Legislator Rodriguez commented that a longer look back may be required here and inquired how we were maintaining this ratio for specific large dollar, one time increases, such as the large increase to healthcare costs that occurred a few years ago.

Carl Widmer explained that unassigned fund balance increased \$7.4 million and grew to a total of \$34.5 million. In addition, Carl stated that revenues increased \$8 million, under non-property tax items (sales tax). State Aid increased while Federal Aid decreased, leading to a slight net increase.

Carl Widmer commented that per GFOA guidance on best practices, there should be two (2) months' worth (16.67%) of general operating funds in unassigned fund balance. Ulster County is just shy of this recommendation at 14%.

Carl Widmer stated there are no reportable findings for 2018. There are no significant deficiencies or material weaknesses in internal control. In addition, there are no compliance findings on the 6 programs tested in the single audit.

Carl Widmer also noted that this year's management letter will have two new items this year. The first is a change in the cash management policy when federal aid is received in advance. Chairman Maloney questioned if any other counties have already implemented this new policy. Carl explained that unfortunately it is new and everyone is doing it at the same time.

The second item is updated GASBY statements. There are two in particular that will take more effort to properly implement. GASBY 84 is related to fiduciary activities and GASBY 87 is regarding lease operations.

Chairman Maloney and Legislator Rodriguez requested an update from Christopher Rioux and Evan Gallo on the bank reconciliation process. It was noted that they are very close to finalizing this process.

Chairman Maloney also noted we have received the requested work charts from the Sheriff, County Clerk and Comptroller. However, the District Attorney and the County Executive have not provided work charts for their areas.

Meeting ended at 5:55 PM.