

THE RECREATION AND ECONOMIC DEVELOPMENT CORPORATION

OF SUFFOLK COUNTY

Board of Directors

Audit Committee Minutes

The Audit Committee Meeting of The Recreation and Economic Development Corporation Board of Directors was held on June 20, 2018 at the County Executive's Office, H. Lee Dennison Building, 100 Veterans Highway, Hauppauge, New York, 11788.

The following were in attendance:

Dennis Cohen – Chairman & President
Ann Marie Pastore – Vice President & Secretary
Dennis Madden - Director
Deborah Soehngen - Director
Lynne Bizzarro –County Attorney's Office
Valerie Smith – County Attorney's office
Brian Peterman – AVZ Certified Public Accountants

Minutes taken by Ann Marie Pastore

(Mr. Dennis Cohen called the meeting to order at 11:55 a.m.)

MR. COHEN:

We're going to call the Audit Committee meeting to order. We have with us Brian Peterman from Albrecht, Viggiano, Zureck & Co., P.C. (AVZ). I have a copy of the draft audit.

MR. PETERMAN:

The letter is the communication letter to those charged in governance, Draft. I just want to highlight a couple of things.

(Mr. Peterman read excerpts from the attached letters and Auditor's Report into the Record.)

MR. PETERMAN:

Are there any questions?

MS. SOEHNEN:

It seems pretty thorough. It seems like you didn't have a whole lot of problems, so that's awesome.

MR. PETERMAN:

It's not an easy audit because it is a new organization. Because of the lack of segregation of duties and things like that, it makes the audit a higher risk audit. And not that we expect to find anything wrong, but our standards dictate that we go to a certain level of testing as the risk gets higher. There were a significant amount of transactions we had to look at; meanwhile we would normally just look at a piece or a quarter. We ended up looking at every single one.

MR. COHEN:

There had been a turnover. That was one of the difficulties.

MR. PETERMAN:

Yes, that was the main issue.

MR. COHEN:

The former President of the Corporation left County employment early in 2017. He stayed on as President for a bit and then we had someone else in the office who was kind of working on the marathon, and then she left County employment. We went through a little bit of a tough period.

MR. MADDEN:

But the continuity as far as the checks were concerned -

MR. COHEN:

The former President was the one who was doing the check booking and things like that. When I took things over, I had to find everything and –

MR. MADDEN:

That's when everything was in different spots?

MR. COHEN:

Yes.

MR. MADDEN:

Now the invoices come into one place?

MR. COHEN:

Yes. And just to Brian's point of the revenue being down, a lot of that is attributed to the weather last year for the marathon. The marathon was on a Sunday, and the weather report starting on the Thursday before was predicting horrible weather, to the point where we were talking about whether we were going to cancel it.

We did have to cancel the Freedom Fest, which is a little bit of a party atmosphere in the Village of Patchogue. It's really a wonderful event. From dealing with our emergency responders, they didn't want the tents set up with the high winds and thunder and lightning.

MR. MADDEN:

But the vendor fees were collected way in advance, correct?

MR. COHEN:

Yes, the vendor fees were collected. They are being turned over, but they will be utilized – they won't have to pay again this year. They'll be able to put up their tents and sell their food and drinks.

MR. PETERMAN:

But this leads us to why it wasn't recognized as revenue for the 2017 year. In essence it was considered a deposit for them for next year.

MR. MADDEN:

But even the runners' fees, that should be done well in advance of an accurate weather forecast.

MR. COHEN:

They are, but there was a significant amount of walk-up registration. It was significant. I can't remember exactly what it was. And not only for the walk-ups but for the two or three days prior because the weather report was just horrible.

MR. PETERMAN:

That being said, there was \$143,000 that was being issued to veterans organizations and programs. That was great. We're looking at between \$93,000 and \$100,000 for this year.

MR. COHEN:

It should be \$100,000. It's already been authorized. The County Legislature adopted the resolution. We're working on contracts now with the veterans' organizations. There are between eight and eleven. We'll try to get those contracts within two weeks or a month.

Okay, the next step is voting on the resolution. I'll read the Resolved Clause.

I. Recommendation of Approval of Audited Financial Statements

RESOLVED, that the Audit Committee hereby recommends that the Board of the Corporation approve the audited financial statements of the Corporation presented by AVZ for the year ended December 2017, annexed hereto as Exhibit A.

MR. COHEN:

I will make that motion.

MR. MADDEN:

Second.

MR. COHEN:

All in favor? Opposed? The motion carries. (Vote: 4/0/0/0)

Is there any new business for the Audit Committee? There being none, I'll make a motion to adjourn.

MR. MADDEN:

Second.

MR. COHEN:

All in favor? Opposed? The motion carries. (Vote: 4/0/0/0)

(Mr. Dennis Cohen adjourned the meeting at 12:25 p.m.)

DC:ap

Attachments

CERTIFICATION

STATE OF NEW YORK)
COUNTY OF SUFFOLK) ss:

I, Ann Marie Pastore, the undersigned, Secretary of The Recreation and Economic Development Corporation of Suffolk County (the "Corporation"), do hereby certify that I have compared the foregoing minutes of a regular meeting of the Board of Directors of the Corporation, including the Resolutions contained therein, held on June 20, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolutions set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members had due notice of said meeting or notice was waived; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolutions are in full force and effect and have not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 30 day of Nov, 2018.


Secretary