

MINUTES
BUFFALO FISCAL STABILITY AUTHORITY
AUDIT, BUDGET, & FINANCE COMMITTEE
MONDAY, SEPTEMBER 24, 2007

The regular meeting of the Buffalo Fiscal Stability Authority (BFSA) Audit, Budget, & Finance Committee was called to order at 12:36 pm on Monday, September 24, 2007, at the Buffalo & Erie County Central Public Library by Committee Chair Richard A. Stenhouse. The meeting was convened by a Notice of Meeting sent to the Directors and announced to the public and press.

Directors Present: Stenhouse, Townsend and Mertz

Directors Absent: Giardino

Staff Present: Johnson, Kelly, Link, Miller, Mitchell, Mobley and Stefko

Opening Remarks

Committee Chair Stenhouse called the meeting to order and requested a roll of attendees. Finding a quorum present, the Committee meeting commenced. He also noted that Director Mertz was joining the meeting and was welcome to participate.

Approval of Minutes

Committee Chair Stenhouse requested approval of the June 5, 2007, committee meeting minutes.

Motion to approve by Townsend, second by Mertz. Vote 3-0, to take effect immediately.

RESOLUTION NO. 07-02

APPROVING COMMITTEE MINUTES FROM JUNE 5, 2007

BE IT RESOLVED that the Audit, Finance & Budget Committee of the Buffalo Fiscal Stability Authority approves the minutes of its meeting of June 5, 2007. This Resolution shall take effect immediately.

Approved September 24, 2007

Independent Audit

Committee Chair Stenhouse noted that the first issue on the Committee's agenda was BFSA's 2006-07 annual independent audit. He asked BFSA Chief Financial Officer Bertha Mitchell to introduce the issue and BFSA's independent auditor to the Committee. Ms. Mitchell presented John P. Schiavone, of Lumsden & McCormick LLP, and invited him to present the audit for the Committee.

Mr. Schiavone summarized the audit for the Committee, and stated that Lumsden & McCormick has declared the BFSAs audit to be a “clean audit” and has bestowed the highest opinion, an “unqualified opinion,” on BFSAs 2006-07 financial statements. He also noted that Lumsden & McCormick included a management letter, but that there were no special issues that needed attention. Mr. Schiavone informed the Committee that Lumsden & McCormick provided some normal guidance to BFSAs during the fiscal year regarding certain accounting treatments, and that new auditing standards required that disclosure. Outside of this normal guidance, no accounting services were provided to BFSAs outside of the audit.

Mr. Schiavone detailed BFSAs profit and loss statement; highlighted BFSAs audit and full accrual practices; and spoke on BFSAs balance sheet.

Director Townsend asked Mr. Schiavone if there were any disagreements with BFSAs management during the course of the audit, and if he felt the need for an executive session where he could meet with the Committee members in private. Mr. Schiavone replied that there were no problems, an executive session was not necessary, and that both Lumsden & McCormick and BFSAs staff were comfortable with the audit outcome. He went on to explain that the numbers BFSAs produced were always very close to the numbers that Lumsden & McCormick arrived at and that no audit findings were arrived at.

Director Mertz asked whether a management letter had been issued in the prior year. Mr. Schiavone replied that it had not, and that the management letter was simply a function of the new auditing standards.

Motion to approve by Townsend, second by Mertz. Vote 3-0, to send the audit to the full Board for approval.

There being no further business, Committee Chair Stenhouse requested a motion to adjourn the meeting which was seconded unanimously. The committee adjourned at 1:01 pm.