

APPROVED

**AUDIT ADVISORY BOARD REGULAR MEETING
CITY OF FORT LAUDERDALE
7th Floor Conference Room
Thursday, March 7, 2019, 5:00 PM**

<u>Board Member</u>	<u>Attendance</u>	Cumulative Attendance	
		10/1/18 – 9/30/19	
		<u>Present</u>	<u>Absent</u>
Martin Kurtz, Chair	P	2	1
D. Keith Cobb	P	3	0
Paul Czerwonka	P	3	0
Thomas Bradley	P	3	0

Staff Present

Kirk Buffington, Director, Finance
Linda Logan-Short, Interim Assistant City Manager / CFO (via telephone)
John Herbst, City Auditor (via telephone)
Laura Garcia, Acting Deputy Director, Finance
Devin Carter, Acting Controller
Marco Hausy, Assistant City Auditor III
Linda Picciolo, Board Liaison
Anthony Fajardo, Director, Sustainable Development
Laura Reece, Director, Budget
Yvette Matthews, Senior Budget & Management Analyst

Other Attendees

Michelle Blackstock, Crowe, LLP
Roy Rodriguez, Crowe, LLP
John Weber, Crowe, LLP

Call to Order

Chairman Kurtz called the meeting to order at 5:01 PM.

Roll Call

At the time of roll call, four appointed members to the Board were present, allowing for a quorum.

Review of Meeting Minutes for Approval

Chairman Kurtz directed the review of the previous meeting minutes.

He asked for a motion to approve the January 31, 2019 meeting minutes. Keith Cobb made the motion and Paul Czerwonka seconded. The meeting minutes were approved unanimously in a voice vote.

Floor Open for Public Input

Chairman Kurtz opened the floor for public input. No members of the public came forward.

Presentation CRA Draft Audit Report

John Weber from Crowe, LLP was available to give the CRA audit report results. The report is still in draft form. There are no significant changes expected. Internal control and compliance report is what is done towards government auditing standards. There was a material weakness in internal control, related to CRA and Revenue recognition. The City posted a receivable for the Wave for the funds they expect to receive back from the South Florida Regional Transportation Authority. The offset of that was posted to the Revenue. On a modified accrual basis of accounting for the actual fund statement that cannot be posted to Revenue if it not collected within 60 days. It is still outstanding and when audit procedures were performed and proposed a journal entry it was roughly about \$6.7 million dollars. Beyond, that there were no other material weaknesses, significant deficiencies, or non-compliance. The responsibilities under general accepted auditing standards, is to form an opinion on the financials to determine that they are reasonably stated and to follow government auditing standards and to report any non-compliance. They were no new accounting policies or changes to the footnotes of the financial statements. Management judgements and accounting estimates, there are estimates which are in the financial statements and actuals would be different from estimates in the future. There are two fair values of investments in the financials.

Laura explained about \$6.7 million regarding the Wave Project which was no longer a valid project and that the Commission decided not to move forward. The City started sending letters to Broward County and South Florida Regional Transportation Authority. Broward County returned the money immediately, but South Florida Regional Transportation Authority had not returned the money prior to the 60 days which created revenue. When South Florida Regional Transportation Authority returns the money, the City in return will repay the CRA loan per the agreement.

Audit Status Report/ CAFR Update

Laura stated that the City still has not received pension liabilities report from Police and Fire. Also, that 85% of the CAFR is complete and that she will be asking for an extension for the CAFR.

Kirk explained the Pension Board hires their actuaries and auditors who manage their relationship with the City.

Martin Kurtz asked who appoints the Pension Board.

Linda Logan-Short explained that some are elected and appointed.

Other Business

Martin Kurtz mentioned change of ordinance that requires the relief of Board members. Martin stated that April 25, 2019 will be his last meeting. They are looking for two new Board members to join. Ray Rodriguez was recommended by John Herbst.

Communication to the City Commission

Keith suggested that they should advise the Commission that the Audit Advisory Board is uncomfortable with the delays and production of the Annual financial statements due to the extremely late deliveries of the Pension Boards. Keith put in motion to request the Commission to take action to accelerate the deliveries of the reports from Police and Fire. Paul Czerwonka seconded the motion. No one opposed.

Adjournment

The next regular meeting of the Audit Advisory Board is April 25, 2019.

The meeting adjourned at 5:35 PM.

[Minutes prepared by Debra Conyers and Linda Picciolo, Board Liaison]