

Audit, Finance and Risk Management Committee (FARMC)
Meeting Minutes
September 23, 2014

Attendees

Directors:

Present: Christine S. Manfredi, Co-Chair; Martin W. Lynn

Conference Call: John Pregmon

Absent: Robert C. Gore, Co-Chair; Maggie Fellner Hunt; Christopher J. B. Fincham;

Susan Lavoie

Greenway Staff: Jesse Brackenbury; Renee C. Wood; Darryl Milton; Robert Gordon (8:10)

Public:

Present: Martin Suuberg

Conference Call: David Kelleher, AAF; Jeanie Gorlovsky-Schepp, AAF; Garrett Morand, AAF

Co-Chair Manfredi called the meeting to order at 8.02 a.m. Without a quorum present, there was no vote to approve the minutes from the prior meeting.

Per the suggestion of Executive Director Jesse Brackenbury, the committee decided to first discuss the results of the IT audit that was performed by AAF. It was also suggested that the committee, which has already received the IT Controls Review management letter in advance, spend time evaluating any risk factors noted. Committee Co-Chair Chris Manfredi asked if there were any critical concerns raised during the IT audit. IT Manager Darryl Milton and AAF IT auditor Garrett Morand both responded no, referencing the Overall Assessment in the management letter.

Both Mr. Milton and Mr. Morand walked the committee through the IT Controls Review, commenting on areas of recommendation. Mr. Milton noted that some of the recommended improvements have already been implemented, such as limiting administrative and system access in QuickBooks financial software to the appropriate IT personnel, as well as renaming the QuickBooks Administrator account. Mr. Milton also suggested that some of the recommendations, such as a more involved restoration testing system, would require a longer term strategy to implement. Mr. Morand noted that it would also be good practice to document and implement an IT disaster recovery plan. The committee thanked Mr. Morand and Mr. Milton for their report. At 8:20am Mr. Milton left the meeting and Mr. Morand left the conference call.

David Kelleher and Jeanie Gorlovsky-Schepp, auditors from AAF, then began to discuss changes that occurred to the draft of the audited financial statements since the last FARMC meeting on September 4. Referencing the list of statement changes, AAF pointed out that there were no material changes made to any numbers. Most of the statement improvements

involved updating policy descriptions and modifying language. As this is the first year with new auditors AAF, Committee members then discussed with Mr. Kelleher and Mrs. Gorlovsky-Schepp how they would present the audit findings to the public at the Annual board meeting on October 30. At 8:40 Mr. Kelleher and Mrs. Gorlovsky-Schepp left the conference call.

Mr. Brackenbury noted to the FARMC that one probable change to the draft financials would be made before the financials were sent to the full Board for review. Note 8 would be updated to include any extension to the lease with MassDOT that came through before the Board packet went out. All present agreed this was acceptable.

Mr. Brackenbury then discussed FY15 expenses through August 2014, all of which were tracking close to budget. He noted that since the Board first approved the budget in July, there have been several small changes to the forecasted budget resulting in about a \$10k variance. Mr. Brackenbury also noted that revenue projections for the new carousel are down slightly due to the timing of the season's peak attendance as it aligns with the structure of the operator's revenue share contract.

Mr. Brackenbury introduced an updated version of the Conservancy's organizational chart. It was noted that several vacancies have been filled, although two key maintenance positions remain open. Mrs. Manfredi observed that there would no longer be anticipated budget gains from vacancies.

Mr. Brackenbury reviewed an updated capital repairs document that was first introduced to the FARMC last year. He pointed out the progress that was made since last year and anticipated more repairs in the near future thanks to a matching capital repairs grant. It was mentioned that the Conservancy still doesn't have a capital reserve.

Mr. Brackenbury notified the FARMC that the Conservancy was interested in hosting a late-night food truck event at Dewey Square. He noted that the event would only involve the sale of food and that we would be partnering with the MBTA to promote their late-night service. As this would take place from 11:00pm to 1:30am, outside of normal park hours, Mr. Brackenbury wanted to know if there were any concerns. Mrs. Manfredi thought it was a good partnership and no one had any objections.

Mr. Brackenbury discussed that there were three FARMC members that were rolling off of the Conservancy board at the next annual meeting in October. Current bylaws state that the FARMC should consist of nine board members. However, give the difficulty of filling the seats, Mr. Brackenbury recommended amending the bylaws to reduce the FARMC to seven board members. All were in favor of the change.

With no further business to conduct and upon motion duly made and seconded the meeting was adjourned at 9:30am.