



Report of the Audit Committee - Revised

Committee Members: John Dax (Chair), Stuart Auchincloss, Robert Culp, Mark Wilson (ex officio)

Staff Liaisons: Tom Sloan, Linda Vittone

Committee members were sent copies of the Draft Audit Report and asked to review the document and submit any suggested corrections/changes/clarifications.

Committee members had no suggested corrections/changes/clarifications.

Mr. Dax noted the continuing unfunded accrued liability for post-employment benefits. MHLS staff noted the MHLS Board had revised the MHLS post-employment benefit of health insurance benefit in 2016 to increase the eligibility for this benefit to 20 years of continuous full-time service at MHLS.

Mr. Culp noted a grammatical error on page 9 and the need to state on page 9 that state funding is a function of both the Governor's and Legislature's actions. Sean Fay, RBT Auditor, agreed to make these changes.

Mr. Culp asked what caused the significant increase in capital assets and were the 2017 numbers consistently reported on page 10. Sean Fay, RBT Auditor, reported the increase in capital assets were due to the 2017 capital improvement project for Phase II renovation of the MHLS Auditorium, which included IT & online meeting/presentation equipment. Mr. Fay agreed to recheck the 2017 numbers reported.

Mr. Culp noted a discrepancy on page 10 between \$473,647 reported as the total investment in capital assess in the first sentence and \$592,211 reported as the total investment in capital assess in the table. Sean Fay, RBT Auditor, agreed the amount that should be reported in both cases is \$592,211 and will make change.

ACTION: The Audit Committee recommends that the MHLS Board approve the INDEPENDENT AUDITOR'S REPORT of MHLS financial statements, as amended, for the year ending December 31, 2017, as performed by RBT CPAs LLP.

AUDIT COMMITTEE

Reviews matters related to financial statements, the systems of internal controls and compliance, and the annual independent audit process, including the recommended engagement of and receiving of all reports from the auditors.