

**MINUTES OF THE ARCHIVES PARTNERSHIP TRUST BOARD
AUDIT COMMITTEE MEETING
10:00 am, August 10, 2020
Video Conference Call**

Audit Committee Members Present

Christine W. Ward, Committee Chair
Bronwyn Hannon
Stephen Pagano

Staff Present

Janet Braga, Director

Others Present

UHY LLP representatives: Marilyn Pendergast, CPA, Partner and Brian Kearns, CPA, Principal, Paul Garrison, Trust Bookkeeper

Excused

Rosemary Vietor

Call to Order

Committee Chair, Ms. Ward, opened the meeting at 10:03 am, noting the presence of a quorum. On the agenda was the presentation and discussion of UHY's draft audit of the Trust for the fiscal year ending March 31, 2020. She welcomed all in attendance and invited the UHY representatives to proceed with their report on the audit.

Audit Review

Brian Kearns led the presentation noting due to COVID-19, work on this year's audit was done remotely. He reported the process went smoothly and was pleased to present a positive opinion letter. He noted this year's presentation included the Trust's 990 so that it can be approved and utilized for upcoming state charitable registration deadlines. Brian asked if the committee had questions on the draft audited financial statements and UHY's presentation sent previously and welcomed any questions or concerns as the presentation ensued.

Mr. Kearns reported on:

-Audit Objectives:

-The purpose of the independent audit is to ensure the financial statements are in accordance with generally accepted auditing standards and government auditing standards to: a) provide reasonable assurance that the financial statements (which are the responsibility of and prepared by Trust management) are presented fairly in all material respects in conformity with U.S. Generally Accepted Accounting Principles and b) provide feedback to Management and the Board on accounting/auditing issues, regulatory matters and other issues that may come up during the year. He thanked Trust management and staff for regular communications during the year that avoids any surprises come audit time.

-Audit Strategy:

-The audit process is a risk-based focus which includes understanding the entity, its business operations, internal controls, and general business practices, to assess the risk and develop audit procedures that are focused to mitigate that risk.

-Areas of Audit Focus:

-The audit focus is consistent with prior years and includes testing cash and cash equivalents, investments, accounts payable and accrued expenses, unearned revenue, revenue recognition, and net assets and classifications. Also, to make sure expense and revenue are recognized in the proper period.

-Reports to be Issued:

-Opinions on the Financial Statements of the Trust:

-As noted in the draft Financial Statement's Independent Auditor's Report, UHY states that the financial statements present fairly, in all material respects, the financial position of the Trust – or an “unmodified” (clean) opinion (the highest-level opinion possible). Brian noted the opinion is also in accordance with government auditing standards which results in additional opinions and additional work by UHY to look at compliance and internal controls and provides additional assurance to the Trust.

-Required Communications with Those Charged with Governance:

-UHY's responsibility: UHY's responsibility is to issue an opinion on the financial statements under generally accepted auditing standards. The Trust is responsible for the financial statements, which are prepared with UHY's assistance. If UHY had found any significant deficiencies or material weaknesses they would have issued a formal management letter in writing, but there were none.

-The planned scope and timing of the audit: There were no significant changes to the scope of the audit as laid out in the engagement letter.

-Areas of significant findings from the audit:

-The Trust's accounting policies are summarized in the financial statements. No new accounting policies were implemented, policies were consistently applied, and no transactions were both significant and unusual or lacked authoritative guidance.

-Accounting estimates: were found to be reasonable.

-Financial statement disclosures: were found to be neutral, consistent, and clear as concerns investments, related party transactions, pension plans and other post-employment benefits. He said that the Trust is not directly responsible for the net position of the multi-employer pension plan and so no liability for pension costs have been recorded. Since the Trust pays fringe benefits and indirect costs to the State Education Department (SED) which covers the pension costs, SED carries the liability for Trust staff pensions.

-No significant difficulties encountered in dealing with management during the audit.

-There were no uncorrected misstatements; routine adjustments (most are recurring year-end entries, consistent with prior years) for accrued expenses, beneficial interest, deferred revenue, reclassification and other areas were identified and reviewed and approved by management, and are properly reflected in the financial statements.

-Disagreements with management: UHY had no such disagreements.

- Management's consultations with other accountants: no other accountants were consulted for opinions about audit matters.
- Independence: UHY confirmed their role as independent accountants with respect to the Trust.
- Other Considerations:
 - Internal control-related matters: UHY worked with Trust staff to transition the year-end hard closing adjustments to the Trust, and noted these adjustments are not considered material weaknesses or significant deficiencies.
 - Presentation Comments: Brian noted there was a significant increase in Grants and Contributions due to two major grants (one for education and one for preservation). He noted that while fund raising revenue was up, the Trust's net position was lower due to a decrease in investment returns.

Discussion

Mr. Kearns asked Committee members if they had any further questions. None were raised. Ms. Ward said it was an excellent presentation and was pleased with the audit results. Committee members concurred it was a good audit and thanked Mr. Kearns for his presentation.

Resolution to Recommend Acceptance by the Board

Ms. Ward asked for a motion to recommend that the Audited Financial Statements be accepted by the Trust Board. A motion was made by Mr. Pagano, seconded by Ms. Hannon, and, with no further discussion, was unanimously approved.

Resolved, That the Archives Partnership Trust Board's Audit Committee, having examined and discussed in detail the Trust audit for the year ended March 31, 2020, hereby recommends that the Archives Partnership Trust Board accept the Audited Financial Statements.

Conclusion

A motion to adjourn the meeting was made by Mr. Pagano, seconded by Ms. Hannon, and unanimously approved. Ms. Ward thanked Brian, Marilyn and the committee and adjourned the meeting at 10:42 am.

Respectfully submitted,



Janet B Braga
Director
August 11, 2020