



GATRA Audit & Finance Committee Meeting November 20, 2018

The meeting was called to order at 12:45 pm by Mayor Thomas Hoye, Member, in Raynham, MA.

Those in attendance were:

Mayor Thomas Hoye, Taunton Rep.
Joseph Collins, N.Attleboro Rep
Andrew R. Lima, Auditor
Daniel Burgess, CFO, GATRA

Mayor Paul Heroux, Attleboro Rep.
Joseph Ryan, Pembroke Rep.
Francis J. Gay, Administrator, GATRA
Kim Catania, Admin Secy, GATRA

1. Approval of the November 29, 2017 Minutes:

The Minutes of the November 29, 2017 GATRA Audit and Finance Committee meeting were distributed to the Committee for approval.

MOTION by Mayor Heroux to approve the Minutes of the November 29, 2017 GATRA Audit and Finance Committee meeting as circulated.

SECONDED by Joseph Ryan and **passed** by the Audit & Finance Committee.

2. Approval of FY2018 Financial Report:

The FY2018 Financial Statements were distributed for review and acceptance.

Mr. Lima, as the Audit Manager, gave a short overview of the Annual Financial Statements and the Single Audit Report (federal awards) for FY2018. Mr. Lima touched on several of the items in the annual financial statements as follows: (1) the independent auditor report and GATRA had a clean opinion and complied with all regulatory standards; (2) the management discussion and analysis which is a basic overview of the financial statement in layman's terms and includes how the statement is structured, current operations, financial analysis and discussion on economic factors; (3) the 6/30/18 balance sheet including Statement of Net Position, Revenues, Expenses, Changes in Net Position and Cash Flows; (4) the Notes which give details on the balance sheet; (5) the Notes on Reserve and Retirement Plans; (6) the supplementary schedules; and (7) the net cost of service. The Single Audit Report was clean and had no findings and the summary can be found on Page 8 of the report.

Mayor Hoye asked if there were any questions for Mr. Lima. None noted.

MOTION by Mayor Heroux to accept GATRA's FY2018 Financial Statements as circulated and recommend bringing before GATRA's Advisory Board for approval.

SECONDED by Joseph Collins and **passed** by the Audit & Finance Committee.

3. FY2019 Budget Revision 1:

The FY2019 Budget Revision 1 was distributed for review and acceptance. Mr. Gay stated to the Committee that when the GATRA Advisory Board met and approved the FY2019 Budget in June 2018 it was level funded from FY2018 Budget due to the uncertainty at that time with the state budget. Now that the state budget has been determined, GATRA is still level funding the FY2019 Budget with just some slight changes in operations of the fixed route and demand response service. Cuts with some of the programs GATRA runs with the Councils on Aging may have to be made. Due to the fact the GATRA staff did not receive any raises in FY2018; Mr. Gay will ask the GATRA Advisory Board today to approve a 3% raise for the GATRA staff, which would cover 1.5% for FY2018 and 1.5% for FY2019. GATRA did borrow more money this year and the interest rate has increased a little so there is more net interest expense. The Commonwealth has not given any new funding. The legislature did vote to raise the budget to 88 million dollars but the state budget for all RTAs was set at 82 million dollars and 6 million dollars was set aside to pay deficits from prior years for a couple RTAs. Four million dollars was to be put into a fund by MassDOT to use for service related improvements. Discussions have been taking place since summer on how this money will be allocated. MassDOT just announced a competitive program for the 4 million dollars. Mr. Gay stated that at this time it is unsure how this will all play out and whether GATRA will get any additional funding from the state. For this reason, Mr. Gay is presenting to the Board a mostly level funded budget revision for FY2019. If GATRA does receive more money, then the budget will need to be adjusted later on. The only other item on the budget which has changed is the human service transportation which is the brokerage work GATRA does for Medicaid and other state funded social service programs which continues to increase. GATRA estimates this year it will increase another 8% and has adjusted the human service transportation to \$41,600,000 and also adjusted the revenue for the human service transportation.

Mayor Heroux asked about the 3% increase for staff. Mr. Gay informed him it was a cost of living increase for the two years.

MOTION by Mayor Hoyer to accept GATRA's FY2019 Budget Revision 1 as circulated and recommend bringing before GATRA's Advisory Board for approval.

SECONDED by Mayor Heroux and **passed** by the Audit & Finance Committee.

In regards to other business, Mr. Gay did inform the Committee GATRA had a State Audit conducted this summer. It was maintenance related but grew into other issues. GATRA received the report in late August early September 2018 and there were two findings. First, GATRA is to set up a motor pool system to better monitor the two vehicles GATRA has for its supervisors. The second finding was on our Open Checkbook information which is on our website. The statewide oversight of Open Checkbook has now been moved to the Comptroller's Office and GATRA has been working with the Comptroller's Office and made the adjustments on its website.

Mr. Gay informed the Committee GATRA also had its federal Triennial Review this summer which is done every three years. The final report was recently issued and GATRA had two findings. The first was on its DBE program in which GATRA is not monitoring prompt payment to its DBE contractors. GATRA needs to develop a process to handle this. Second, under the ADA federal regulation, the finding was GATRA needed to make updates on its website so better information is provided on ADA issues. GATRA has until February to make any updates to be in compliance. Mr.

Gay will make the two reports available to any board members who wish to review it. The report was only provided to the Chairman of the Board.

With no further business to discuss;

MOTION by Mayor Heroux to adjourn the meeting.

SECONDED by Joseph Ryan and **passed** by the Audit & Finance Committee.

The meeting was adjourned at 1:10 PM.