

# CAMBRIDGE REDEVELOPMENT AUTHORITY

Audit exit conference –  
Roselli, Clark & Associates  
October 19, 2022

# Contents

- ▣ Presenter:
  - Tony Roselli, Partner
- ▣ Introduction
- ▣ Economic trends
- ▣ Informational items
- ▣ Findings and recommendations
- ▣ Questions

# Introduction -

- ▣ What is an audit?
- ▣ Performed in accordance with GAGAS (Yellow Book)
- ▣ Requires review of internal control over major transactions
- ▣ Requires risk assessment and enhanced procedures in identified material areas
- ▣ Single Audit Uniform Guidance if applicable
- ▣ Required under MGL Chapter 121
- ▣ Clean opinion verse qualified opinion
- ▣ SAS #115

# Economic Trends

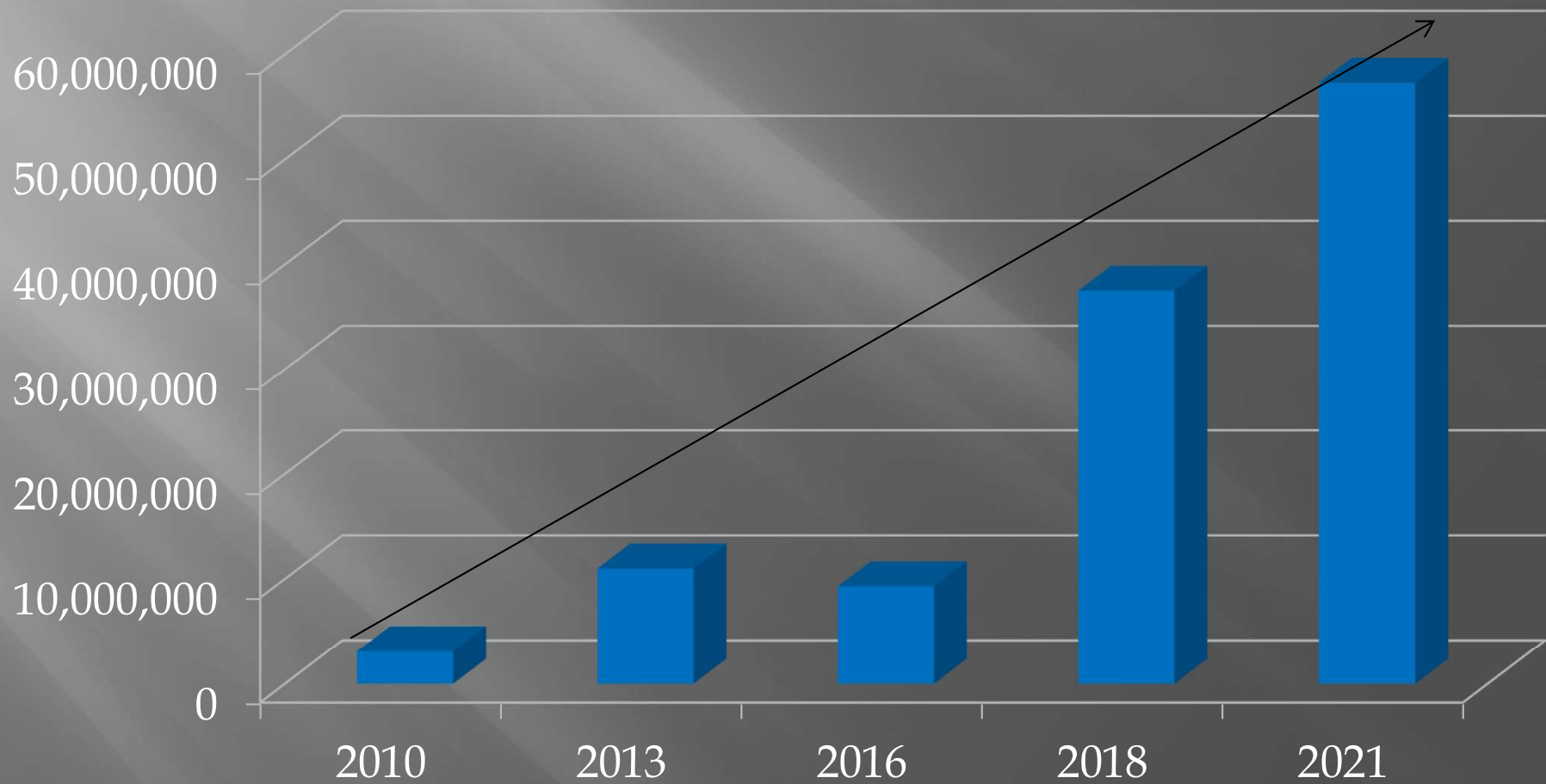
- ▣ Financial trends coupled with internal controls over the passed decade have been very strong
- ▣ Net position has increased from \$3.1 million in 2010 to \$57.3 million in 2021
- ▣ Accomplished mostly through the sale of developmental rights
- ▣ The Board's mission to make the Authority viable, relevant and a productive asset to the City of Cambridge has been accomplished

# Economic Trends

- ▣ Currently included as a component unit in the City's Annual Comprehensive Financial Report
- ▣ Cash and investments at 12/31/21 were in aggregate \$41.6 million
- ▣ Approximately \$33 million of this balance is in a managed investment account
- ▣ Earned \$2.8 in investment income in 2021

# Economic Trends

## Net Position



# Long Term Obligations

- ▣ Pension –
  - Member City of Cambridge Contributory Retirement
  - Unfunded liability \$10,844
  - Decrease of about \$320,000 over prior year
  - Almost 100% funded as of 12/31/21
  - One of only a handful in the Commonwealth



# Long Term Obligations

## ▣ OPEB

- Self sponsored plan
- Unfunded liability \$789,000
- Increase of \$55,000 over the prior year
- Funding ratio only 7%
- With available assets, consider fully funding over one to three years
- Approximately \$590,000 to fully fund
- Such a process would increase discount rate from 4% to 6.25%
- Would result in a savings of \$200,000
- Would also result in possibly the first entity in Massachusetts both fully funded in Pension and OPEB



# Informational Items

- ▣ Network security
- ▣ GASB 87 – Leases
- ▣ Fraud risk assessment – reminder to keep policies up to date and enforced
- ▣ Controls have been strong for the past decade

# Findings and Recommendations

- Cash reconciliation process – any revisions to the general ledger after the reconciliations have been completed should be passed back through the reconciliations

# Questions

