

**Jefferson County Local Development Corporation
Audit Committee Meeting Minutes
December 16, 2022**

The Jefferson County Local Development Corporation held an audit committee meeting on Friday, December 16, 2022 in the board room, 800 Starbuck Avenue, Watertown, NY.

Present: John Jennings, Chair, David Converse, Rob Aiken, Paul Warneck

Also Present: David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Liz Bush and Andrew Swords from Bowers & Company

I. Call to Order: Mr. Jennings called the meeting to order at 8:00 a.m.

II. Pledge of Allegiance

III. Engage Audit Firm:

Mr. Jennings indicated that the purpose of the pre-audit meeting is to engage Bowers & Company to complete the 15-month audit covering October 1, 2021 through December 31, 2022. This will be the fifth year for Ms. Bush as lead partner.

Ms. Bush said that the NYS Charities Bureau will accept a 15-month audit, but noted that the IRS will not so they will split the tax returns. Mr. Swords handed Mr. Eaton a list of documents to send in advance and to have ready for the audit. Ms. Bush said the audit will start January 26, 2023. She thanked members for moving the March board meeting to March 9, 2023 to allow them more time to finish/present the audit.

Ms. Bush presented the engagement letter. The fee is \$8,000 plus \$1,200 for tax returns (\$600 each for the 3-month stub period and the new calendar fiscal year) for a total of \$9,200. Ms. Bush said that she doesn't think the LDC will need a single audit (\$750,000 threshold), but indicated that they will know for sure when they start. She noted the deferred ARPA allocations on the balance sheet. Mr. Eaton said the money was transferred from the JCIDA (grantee).

Ms. Bush said that there is a new lease standard. She said this will include the leased office space from WICLDC and things like the copier lease. She said they will record the 'right of use' on the balance sheet.

Ms. Bush asked if there was any litigation; no one was aware of any. Ms. Bush asked if there were any questionable/problem loans or any significant commitments. Mr. Eaton said no. Mr. Eaton will provide Ms. Bush with a list of the loan balances so they can pick who they will send loan confirmations to.

Mr. Warneck asked if they will review the ARPA grant applications/paperwork. Ms. Bush said that they will do a sampling.

A motion was made by Mr. Aiken to recommend approval of the engagement letter for the 15-month audit (10/1/21 – 12/31/22) to the full board of directors, seconded by Mr. Warneck. All in favor.

IV. Adjournment: With no further business before the committee, a motion to adjourn was made by Mr. Converse, seconded by Mr. Warneck. The meeting adjourned at 8:13 a.m.

Respectfully submitted,

Peggy Sampson