

**Jefferson County Local Development Corporation
Audit Committee Meeting Minutes
October 10, 2019**

The Jefferson County Local Development Corporation held an audit committee meeting on Thursday, October 10, 2019 in the board room, 800 Starbuck Avenue, Watertown, NY.

Present: John Jennings, Chair, Robert E. Aliasso, Jr., Paul Warneck

Also Present: Donald Alexander, Lyle Eaton, Peggy Sampson, Bryan Olson and Liz Bush from Bowers & Company

Excused: None

Absent: Rich Duvall

I. Call to Order: Mr. Jennings called the meeting to order at 8:16 a.m.

II. Engage Audit Firm:

A pre-audit meeting to engage Bowers & Company to complete the 2018-2019 audit.

Mr. Olson asked the committee and staff members if there were any fraud or illegal acts; no one was aware of any. Mr. Olson asked if there was any litigation; no one was aware of any. Mr. Olson asked if there were any questionable/problem loans. Mr. Eaton said that we may have an issue with AYDM Associates because they are over 90 days past due and are not making any payments. He said that we are in a second position behind the bank (Watertown Savings Bank) and co-proportional with NCA. He said the bank has taken the lead on collections; however, he sent a default letter that was not accepted and returned to us unsigned. Mr. Eaton said that there were no new loans issued.

Mr. Olson said there are new accounting standards for net assets, allocating time for programs/services, and a new footnote for liquidity disclosure. He said the change to net assets would affect the LDC because we don't have donor restrictions and noted that Mr. Eaton already has a system in place for allocating time for programs/services.

The audit has been scheduled to start on November 4, 2019. Liz Bush will be the lead partner (second year).

Mr. Olson presented the engagement letter. The fee is \$5,600 plus \$300 for information returns. Mr. Eaton will provide Mr. Olson with a list of the loan balances and will present him with a trial balance soon.

A motion was made by Mr. Warneck to recommend approval of the engagement letter to the full board of directors, seconded by Mr. Aliasso. All in favor.

III. Adjournment: With no further business before the committee, a motion to adjourn was made by Mr. Aliasso, seconded by Mr. Warneck. The meeting adjourned at 8:24 a.m.