

**Jefferson County Industrial Development Agency**  
800 Starbuck Avenue, Suite 800  
Watertown, New York 13601  
Telephone: (315) 782-5865 or (800) 553-4111 Facsimile (315) 782-7915  
[www.jcida.com](http://www.jcida.com)

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**Notice of Annual Board Meeting**

**Date:** December 22, 2022

**To:** William Johnson  
David Converse  
W. Edward Walldroff  
Paul Warneck  
Lisa L'Huillier  
John Condino

**From:** Chairman Robert Aliasso

**Re:** Notice of Annual Board of Directors' Meeting

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The Jefferson County Industrial Development Agency will hold their Annual Board Meeting on **Thursday, January 5, 2023 at 8:00 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

The live stream link will be available at [www.jcida.com](http://www.jcida.com).

**Zoom:**

<https://us02web.zoom.us/j/84355250468?pwd=R0t4VjRPdGJBZDJrL2JQYVVVjKytDdz09>

Meeting ID: 843 5525 0468

Passcode: 011440

1-929-205-6099 US (New York)

Please confirm your attendance with Peggy Sampson [pssampson@jcida.com](mailto:pssampson@jcida.com) at your earliest convenience.

pss

c: David Zembiec, CEO  
Marshall Weir  
Lyle Eaton  
Jay Matteson  
Joy Nuffer  
Robin Stephenson  
Christine Powers  
Greg Gardner  
Kent Burto  
Rob Aiken  
Justin Miller, Esq.  
Media

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**REVISED ANNUAL BOARD MEETING AGENDA**

**Thursday, January 5, 2023 - 8:00 a.m.**

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Privilege of the Floor**
- IV. Minutes – December 1, 2022**
- V. Treasurer’s Report – December 31, 2022**
- VI. Committee Reports**
  - a. Alternative Energy Ad Hoc Committee**
  - b. Audit Committee**
    - i. Resolution No. 01.05.2023.01 to Engage Auditors for Annual Audit**
  - c. Loan Review Committee**
    - i. Resolution No. 01.05.2023.02 for LCO Destiny, LLC**
  - d. Nominating Committee**
    - i. Resolution No. 01.05.2023.03 to Elect Officers**
    - ii. Resolution No. 01.05.2023.04 to Re-Appoint JCLDC Board Member Christine Powers**
- VII. Unfinished Business**
  - 1. 146 Arsenal Street update**
  - 2. Resolution No. 01.05.2023.05 to Authorize a Write-Off for the Standard Machine and Fabrication MICRO loan**
- VIII. New Business**
  - 1. Proposed Committee Structure for 2023**
- IX. Counsel**
- X. Adjournment**

**Jefferson County Industrial Development Agency  
Board Meeting Minutes  
December 1, 2022**

**DRAFT**

The Jefferson County Industrial Development Agency held their board meeting on Thursday, December 1, 2022 in the board room at 800 Starbuck Avenue, Watertown, NY.

**Present:** Robert E. Aliasso, Jr., Paul Warneck, Lisa L'Huillier, David Converse, William Johnson, W. Edward Walldroff, John Jennings

**Excused:** None

**Absent:** None

**Also Present:**

Zoom: Justin Miller, Esq.

**Staff Present:** David Zembiec, Lyle Eaton, Peggy Sampson, Jay Matteson, Joy Nuffer, Robin Stephenson

- I. **Call to Order:** Chairman Aliasso called the meeting to order at 8:35 a.m.
- II. **Pledge of Allegiance**
- III. **Privilege of the Floor:** Chairman Aliasso invited guests to speak. No one spoke.
- IV. **Minutes:** Minutes of the meeting held November 3, 2022 were presented. A motion to approve the minutes as presented was made by Mr. Converse, seconded by Ms. L'Huillier. All in favor. Carried.
- V. **Treasurer's Report:** Mr. Warneck reviewed the financials for the period ending November 30, 2022. Mr. Warneck reported that we won't meet the PILOT/Lease leaseback revenue we projected. Mr. Warneck reviewed the delinquent loans. He said that the board will consider a modification to the Colleen's Cherry Tree Inn loan later in the meeting. Mr. Eaton noted that there has not been any action on the demand letters. After discussion, a motion was made by Mr. Johnson to accept the financial statement as presented, seconded by Mr. Jennings. All in favor. Carried.
- VI. **Committee Reports:**
  - a. **Alternative Energy Ad Hoc Committee** – Mr. Warneck asked about solar project reassignments. He asked if we would know the amount the new company will pay for the project. Attorney Miller said, "kind of". He said they tend to tell us that it is confidential. However, we directed them to include that in their total costs, which will be used in calculating the IDA's fee.

DRAFT

**b. Loan Review Committee**

- i. **Resolution No. 12.01.2022.01 for Colleen's Cherry Tree Inn** – A modification to the MICRO loan to re-amortize \$23,626.53 (includes late fees and interest) for 10 years at 5% with an option for a 5-year call. Mr. Converse said they had problems through COVID, but noted that they have been responsive. A motion was made Mr. Converse to approve the resolution, seconded by Ms. L'Huillier. Mr. Jennings asked if they caught up on their JCLDC COVID loan. Ms. Nuffer said yes. All in favor. Carried.
- ii. **103 General Smith Dr, LLC RLF Request** – Mr. Converse said that the request has been withdrawn since they secured financing elsewhere.

**c. Governance Committee**

- i. **Resolution No. 12.01.2022.03 for Annual Internal Policy and Procedure Review** – Mr. Walldroff said the committee met to review the policies and is recommending changes to the bylaws, mission statement and lending/collection policy. Mr. Walldroff said there were only minor changes to the bylaws and the background information has been removed from the mission statement. Mr. Zembiec said that he plans to start the review for the county's CEDS plan and will review progress on those goals. A motion was made by Mr. Warneck to approve the resolution, seconded by Mr. Jennings. All in favor. Carried.
- ii. **Summary Results of Confidential Evaluation of Board Performance** – Mr. Walldroff said there were three areas discussed (#'s 5, 10 and 15) by the committee that he suggested could be discussed with all board members at an upcoming meeting.

- d. Nominating Committee** - Ms. L'Huillier reported that the committee met to discuss officers for the upcoming year. She said the nominations will take place during the January meeting.

Ms. L'Huillier said that John Condino (Senior Project Manager at Barton Loguidice) will be joining the board in January. She said that Mr. Converse and Mr. Walldroff were reappointed with terms to expire December 31, 2026.

**VII. Unfinished Business:**

1. **146 Arsenal Street update** – Mr. Zembiec reported that the YMCA closed on their \$7m financing a few weeks ago. He said that the project is progressing and is on schedule and indicated that they continue to have weekly progress meetings. He also said that we have been processing the DOD grant requests and have received and expensed half of the total amount.
2. **Convall** – Mr. Zembiec said that Convall is still planning to start clearing at the airport park. He said that we have received insurance certificates from Convall and their contractor.

Mr. Zembiec said that Mr. Achuthan is hosting representatives from Thailand today.



Jefferson County Industrial Development Agency  
Board Meeting Minutes  
December 1, 2022

DRAFT

VIII. New Business:

1. **MLR Realty, LLC – Watertown Savings Bank Subordination Request** – Watertown Savings Bank (WSB) has approved a \$5,000,000 construction to permanent mortgage for the expansion project at 901 Rail Drive. They are requesting JCIDA's subordination to the new \$5,000,000 debt, for a total amount of \$6,925,273 to include WSB's outstanding balances on the commercial mortgages dated August 31, 2012 and April 11, 2016.

Mr. Converse asked about the roadway/wetland issue. Mr. Zembiec indicated that a plan has been approved by DEC.

A motion was made by Mr. Warneck to approve the request, seconded by Mr. Jennings. Discussion ensued. Mr. Zembiec said the City of Watertown is proceeding with the mitigation of the storm water. All in favor. Carried.

IX. Counsel:

1. **Reassignment request from Wilna PV, LLC** – Chairman Aliasso said this item was removed from the agenda. Attorney Miller said that it may be ready for the January board meeting.

**Other –**

**Pre-Audit Committee Meeting** – The Audit Committee will meet with Bowers & Co. on Friday, December 16, 2022.

**March 2023 Board Meeting** – Bowers & Co. asked if the March board meeting could be moved from Thursday, March 2<sup>nd</sup> to Thursday, March 9<sup>th</sup> to have more time preparing the 15-month audit. Board members agreed to change the date.

- X. **Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Johnson, seconded by Mr. Jennings. All in favor. The meeting adjourned at 8:58 a.m.

Respectfully submitted,

*Peggy Sampson*

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

Prepared by Joy Nuffer, December 28, 2022

UNRECONCILED

**Income Statement for the Twelve Month Period Ending December 31, 2022**

|                               | Current<br>Year<br>Budget | Year-to-Date<br>Total | Current<br>Month | Previous<br>Month   | Balance<br>Remaining  |
|-------------------------------|---------------------------|-----------------------|------------------|---------------------|-----------------------|
| <b>Revenues</b>               |                           |                       |                  |                     |                       |
| Application & Process Fees    | \$ 11,000.00              | 28,250.00             | \$ 0.00          | 2,000.00            | (17,250.00)           |
| Bond Admin Fee                | 6,000.00                  | 3,000.00              | 0.00             | 0.00                | 3,000.00              |
| FTZ Annual Fee                | 1,200.00                  | 0.00                  | 0.00             | 0.00                | 1,200.00              |
| PILOT/Sale Leaseback Fees     | 1,227,142.00              | 1,006,867.33          | 0.00             | 0.00                | 220,274.67            |
| Fee Income - RLF Program      | 24,474.00                 | 54,278.40             | 3,618.56         | 3,618.56            | (29,804.40)           |
| Fee Income - Micro Program    | 13,389.00                 | 31,458.98             | 2,097.26         | 2,097.26            | (18,069.98)           |
| Gain on Property Acquisition, | 0.00                      | 118,000.00            | 0.00             | 0.00                | (118,000.00)          |
| Grant Income - Federal ARPA   | 0.00                      | 3,351,000.00          | 0.00             | 0.00                | (3,351,000.00)        |
| Interest Income               | 2,481.00                  | 759.44                | 0.00             | 16.15               | 1,721.56              |
| Interest Income - RLF Program | 29,085.00                 | 28,463.14             | 3,122.62         | 124.13              | 621.86                |
| Late Payment Penalty RLF      | 0.00                      | 114.42                | 0.00             | 0.00                | (114.42)              |
| Interest Income - City Fund   | 3,600.00                  | 1,945.39              | 0.00             | 0.00                | 1,654.61              |
| Interest Income - Micro Prog. | 9,650.00                  | 10,130.42             | 446.82           | 270.41              | (480.42)              |
| Late Payment Penalty - Micro  | 0.00                      | 338.24                | 7.46             | 0.00                | (338.24)              |
| Grant Income                  | 0.00                      | 300,000.00            | 0.00             | 0.00                | (300,000.00)          |
| Miscellaneous Income          | 1,500.00                  | (160,309.07)          | 0.00             | 0.00                | 161,809.07            |
| YMCA Income                   | 0.00                      | 49,212.75             | 7,528.40         | 0.00                | (49,212.75)           |
| YMCA Grant Income             | 0.00                      | 4,506,138.28          | 0.00             | 1,662,758.00        | (4,506,138.28)        |
| Overhead Recovery             | 0.00                      | 91,225.00             | 0.00             | 0.00                | (91,225.00)           |
| <b>Total Revenues</b>         | <b>1,329,521.00</b>       | <b>9,420,872.72</b>   | <b>16,821.12</b> | <b>1,670,884.51</b> | <b>(8,091,351.72)</b> |
| <b>Operations</b>             |                           |                       |                  |                     |                       |
| Office Expense                | 2,036.00                  | 3,875.05              | 0.00             | 297.54              | (1,839.05)            |
| Admin Services Exp            | 792,260.00                | 792,256.00            | 58,985.00        | 58,985.00           | 4.00                  |
| Electric Service              | 0.00                      | 734.96                | 0.00             | 0.00                | (734.96)              |
| Depreciation Expense - Siding | 40,739.00                 | 20,369.40             | 1,357.96         | 1,357.96            | 20,369.60             |
| D&O Insurance                 | 19,000.00                 | 20,329.60             | 1,300.66         | 1,300.66            | (1,329.60)            |
| Commercial Insurance          | 36,354.00                 | 31,451.49             | 635.71           | 635.71              | 4,902.51              |
| FTZ Expense                   | 1,250.00                  | 2,500.00              | 1,250.00         | 0.00                | (1,250.00)            |
| Legal- Retainer               | 0.00                      | 22,500.00             | 1,500.00         | 1,500.00            | (22,500.00)           |
| Legal - Unrestricted          | 50,000.00                 | 22,762.45             | 0.00             | 0.00                | 27,237.55             |
| Legal - Micro Program         | 0.00                      | 713.81                | 0.00             | 713.81              | (713.81)              |
| Legal YMCA                    | 10,000.00                 | 24,271.20             | 2,871.35         | 2,450.00            | (14,271.20)           |
| Accounting & Auditing         | 16,000.00                 | 11,400.00             | 0.00             | 0.00                | 4,600.00              |
| Coffeen Park Taxes            | 1,800.00                  | 1,743.44              | 0.00             | 0.00                | 56.56                 |
| Airport Park Taxes            | 1,200.00                  | 1,056.39              | 0.00             | 0.00                | 143.61                |
| Fees Expense                  | 3,000.00                  | 110.00                | 0.00             | 0.00                | 2,890.00              |
| Grant Expense - Federal ARPA  | 0.00                      | 2,351,000.00          | 0.00             | 0.00                | (2,351,000.00)        |
| Grant Expense YMCA            | 0.00                      | 4,506,138.28          | 0.00             | 1,662,758.00        | (4,506,138.28)        |
| Bad Debt-RLF                  | 190,000.00                | (19,699.50)           | 0.00             | 0.00                | 209,699.50            |
| Bad Debt-Micro                | 31,000.00                 | 59,358.25             | 0.00             | 0.00                | (28,358.25)           |
| RLF Program Expense           | 24,474.00                 | 54,289.00             | 3,618.56         | 3,629.16            | (29,815.00)           |
| Microenterprise Program Exp   | 13,389.00                 | 31,458.98             | 2,097.26         | 2,097.26            | (18,069.98)           |
| RLF Audit Expense             | 800.00                    | 0.00                  | 0.00             | 0.00                | 800.00                |
| 146 Arsenal Bldg Maintenance  | 0.00                      | 1,057.19              | 0.00             | 0.00                | (1,057.19)            |
| Plowing 146 Arsenal           | 0.00                      | 15,900.00             | 0.00             | 0.00                | (15,900.00)           |
| IDA 146 Arsenal Bldg Expense  | 0.00                      | 27,219.93             | 76.75            | 76.75               | (27,219.93)           |
| Building Depreciation         | 29,321.00                 | 59,277.38             | 8,076.64         | 8,076.64            | (29,956.38)           |
| 146 Arsenal Gas               | 0.00                      | 7,962.72              | 0.00             | 0.00                | (7,962.72)            |
| 146 Arsenal Electric          | 0.00                      | 39,351.41             | 0.00             | 1,584.64            | (39,351.41)           |
| 146 Arsenal Water             | 0.00                      | 4,285.02              | 0.00             | 312.27              | (4,285.02)            |
| Miscellaneous - Unrestricted  | 200.00                    | 103.23                | 0.00             | 0.00                | 96.77                 |
| <b>Total Operations</b>       | <b>1,262,823.00</b>       | <b>8,093,775.68</b>   | <b>81,769.89</b> | <b>1,745,775.40</b> | <b>(6,830,952.68)</b> |
| <b>Total Revenue</b>          | <b>1,329,521.00</b>       | <b>9,420,872.72</b>   | <b>16,821.12</b> | <b>1,670,884.51</b> | <b>(8,091,351.72)</b> |
| <b>Total Expenses</b>         | <b>1,262,823.00</b>       | <b>8,093,775.68</b>   | <b>81,769.89</b> | <b>1,745,775.40</b> | <b>(6,830,952.68)</b> |

For Internal Use Only

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

Prepared by Joy Nuffer, December 28, 2022

UNRECONCILED

**Income Statement for the Twelve Month Period Ending December 31, 2022**

|                              | Current<br>Year<br>Budget | Year-to-Date<br>Total | Current<br>Month      | Previous<br>Month  | Balance<br>Remaining  |
|------------------------------|---------------------------|-----------------------|-----------------------|--------------------|-----------------------|
| Net Income Over Expenditures | \$ <u>66,698.00</u>       | <u>1,327,097.04</u>   | \$ <u>(64,948.77)</u> | <u>(74,890.89)</u> | <u>(1,260,399.04)</u> |

Jefferson County IDA  
Balance Sheet  
December 31, 2022

ASSETS

|                                |                |                             |
|--------------------------------|----------------|-----------------------------|
| Current Assets                 |                |                             |
| General Checking               | \$             | 1,603,831.15                |
| Savings Account                |                | 258,449.44                  |
| Microenterprise Account        |                | 105,090.00                  |
| City Loan Account              |                | 287,874.95                  |
| Revolving Loan Fund Account    |                | 2,455,191.55                |
| Miscellaneous Receivable       |                | 21,117.35                   |
| Accounts Receivable YMCA       |                | 2,871.35                    |
| Acct Receivable - Rogers       |                | 17,519.31                   |
| RLF Loans Receivable           |                | 1,986,727.39                |
| Microenterprise Loans Rec.     |                | 180,735.77                  |
| Allowance for Bad Debt-RLF     |                | (190,000.00)                |
| Allow. for Bad Debts-MICRO     |                | (90,000.00)                 |
| Prepaid Expense                |                | 16,576.88                   |
|                                |                | <hr/>                       |
| Total Current Assets           |                | 6,655,985.14                |
| Property and Equipment         |                |                             |
| Accum Depr - Building          | (1,074,984.44) |                             |
| Accum Depr. Equipment          | (52,269.66)    |                             |
| Accumulated Depreciation Sidin | (27,159.20)    |                             |
|                                |                | <hr/>                       |
| Total Property and Equipment   |                | (1,154,413.30)              |
| Other Assets                   |                |                             |
| IT Server                      | 6,050.00       |                             |
| Equipment                      | 13,366.00      |                             |
| Corp. Park Improvements        | 209,995.14     |                             |
| Airport Property               | 884,326.02     |                             |
| Intangible Asset               | 53,195.00      |                             |
| WIP Airport                    | 338,847.06     |                             |
| WIP Intersection               | 244,973.52     |                             |
| Woolworth Building             | 505,000.00     |                             |
| Rail Siding CCIP               | 244,434.00     |                             |
| Land 146 Arsenal               | 126,577.50     |                             |
| 146 Ars Building Improvements  | 3,264,556.08   |                             |
|                                |                | <hr/>                       |
| Total Other Assets             |                | 5,891,320.32                |
| Total Assets                   | \$             | <u><u>11,392,892.16</u></u> |

LIABILITIES AND CAPITAL

|                               |    |              |
|-------------------------------|----|--------------|
| Current Liabilities           |    |              |
| Accounts Payable - Unrestrict | \$ | 5,360.72     |
| RLF Loan Payable              |    | 700,000.00   |
| Due HUD - RLF Interest        |    | 1,015.81     |
| Due HUD - MICRO Interest      |    | 8.62         |
| Due HUD - CITY Loan Interest  |    | 4.81         |
| Due To JCIDA                  |    | (565.35)     |
| Maintenance Reserve Convergys |    | 14,445.48    |
| Maintenance Expense Convergys |    | 25,927.57    |
| ARPA Airport Sewer            |    | 1,208,000.00 |
| Car Freshner Signage          |    | 11,000.00    |
|                               |    | <hr/>        |
| Total Current Liabilities     |    | 1,965,197.66 |

Jefferson County IDA  
Balance Sheet  
December 31, 2022

|                                |                     |                             |
|--------------------------------|---------------------|-----------------------------|
| Long-Term Liabilities          |                     |                             |
| Due NYS/IAP L.T.               | 180,159.78          |                             |
| Deferred Revenue - Rogers      | <u>18,000.51</u>    |                             |
| Total Long-Term Liabilities    |                     | <u>198,160.29</u>           |
| Total Liabilities              |                     | 2,163,357.95                |
| Capital                        |                     |                             |
| General Fund Bal - Unrestrict. | 1,826,227.59        |                             |
| Fund Bal - RLF Restricted      | 4,419,309.27        |                             |
| Fund Bal - Micro Restricted    | 414,850.76          |                             |
| Fund Bal - City Restricted     | 262,489.22          |                             |
| Cap. Impr. Convergys           | 979,560.33          |                             |
| Net Income                     | <u>1,327,097.04</u> |                             |
| Total Capital                  |                     | <u>9,229,534.21</u>         |
| Total Liabilities & Capital    | \$                  | <u><u>11,392,892.16</u></u> |

**Jefferson County IDA**  
**General Checking Cash Receipts Journal**  
**For the Period From Dec 1, 2022 to Dec 31, 2022**

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

| Date     | Account ID                 | Transaction | Line Description                              | Debit Amnt       | Credit Amnt        |
|----------|----------------------------|-------------|---|------------------|--------------------|
| 12/1/22  | 125001<br>100001           | 2196        | Invoice: 3733<br>JEFFERSON COUNTY INDUSTRIAL  | 3,618.56         | 3,618.56           |
| 12/1/22  | 125001<br>100001           | 1296        | Invoice: 3734<br>JEFFERSON COUNTY INDUSTRIAL  | 2,097.26         | 2,097.26           |
| 12/1/22  | 205602<br>202702<br>100001 | ACH         | DUE SHLDC<br>DUE JCIDA<br>CONVALT ENERGY. LLC | 2,625.00         | 500.00<br>2,125.00 |
| 12/8/22  | 125001<br>100001           | 0722        | Invoice: 3778<br>YMCA                         | 2,566.75         | 2,566.75           |
| 12/21/22 | 125001<br>100001           | 0729        | Invoice: 3793<br>YMCA                         | 2,450.00         | 2,450.00           |
| 12/21/22 | 127003<br>205602<br>100001 | 19658       | Invoice: 3274<br>DUE SHLDC<br>PAINFULL ACRES  | 989.37           | 565.35<br>424.02   |
|          |                            |             |   | <b>14,346.94</b> | <b>14,346.94</b>   |

**Jefferson County IDA**  
**Miscellaneous Receivables**  
**As of Dec 31, 2022**

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

| Customer ID<br>Customer<br>Bill To Contact<br>Telephone 1 | Invoice/CM | 0 - 30   | 31 - 60 | 61 - 90 | Over 90 days | Amount Due |
|---|------------|----------|---------|---------|--------------|------------|
| CONVALT<br>CONVALT ENERGY. LLC                            | 3669       |          |         |         | 27,486.30    | 27,486.30  |
| CONVALT<br>CONVALT ENERGY. LLC                            |            |          |         |         | 27,486.30    | 27,486.30  |
| YMCA<br>YMCA<br>EX DIRECTOR DENISE YOUNG                  | 3794       | 2,207.05 |         |         |              | 2,207.05   |
| YMCA<br>YMCA  |            | 2,207.05 |         |         |              | 2,207.05   |
| Report Total  |            | 2,207.05 |         |         | 27,486.30    | 29,693.35  |

Jefferson County Industrial Development Agency  
Revolving Loan Fund Receivables  
December 31, 2022

|                       | Recipient           | Date Issued | Loan Amount    | Current Balance | Payment Amount | Current Status | Purpose of Loan                    |
|-----------------------|---------------------|-------------|----------------|-----------------|----------------|----------------|------------------------------------|
| 1                     | Convalt             | 07/13/22    | \$850,000.00   | \$850,000.00    | \$2,625.00     | Current        | Participation (SHLDC) Bridge loan  |
| 2                     | JCIDA               | 08/01/21    | \$2,000,000.00 | 700,000.00      | \$0.00         | Current        | 146 Arsenal Remediation            |
| 3                     | MLR, LLC            | 07/01/07    | \$250,000.00   | 71,107.49       | \$1,307.83     | Current        | Expand Warehouse                   |
| 4                     | Meadowbrook Terrace | 08/01/12    | \$250,000.00   | 2,947.72        | \$2,879.32     | Current        | Working Cap During Construction    |
| 5                     | RBM Manufacturing   | 11/22/19    | \$400,000.00   | 362,582.18      | \$7,187.48     | Current        | Working Capital Additional 11/2020 |
|                       |                     |             |                |                 |                |                |                                    |
|                       |                     |             |                |                 |                |                |                                    |
|                       |                     |             |                |                 |                |                |                                    |
|                       |                     |             |                |                 |                |                |                                    |
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|                       |                     |             |                |                 |                |                |                                    |
|                       |                     |             |                |                 |                |                |                                    |
|                       |                     |             |                |                 |                |                |                                    |
| Total RLF Receivables |                     |             | \$3,750,000.00 | \$1,986,637.39  |                | -              |                                    |



**Jefferson County Industrial Development Agency**  
**MICRO Loan Fund Receivables**  
 December 31, 2022

|  | Recipient                    | Date Issued | Original Amount | Current Balance | Payment Amount | Current Status | Purpose of Loan                    |
|--|------------------------------|-------------|-----------------|-----------------|----------------|----------------|------------------------------------|
|  | Colleens Cherry Tree Inn     | 5/1/2019    | \$40,000.00     | \$23,015.96     | \$1,421.18     | Current        | Expand Restaurant - Ice Ceram Shop |
|  | R. L. Gould & Son, LLC       | 3/1/2019    | \$40,000.00     | \$13,678.50     | \$750.30       | Current        | Open UPS Store                     |
|  | Tl Area Habitat For Humanity | 4/1/2018    | \$40,000.00     | \$5,196.91      | \$754.85       | Current        | Open ReStore                       |
|  | Painfull Acres               | 3/1/2018    | \$40,000.00     | \$16,333.15     | \$565.35       | Current        | Amish Furniture Store              |
|  | Pink Kettle                  | 2/23/2022   | \$24,800.00     | \$21,462.67     | \$468.01       | Current        | Retail Beverages                   |
|  | Sarah's Barber Shop          | 3/11/2020   | \$10,000.00     | \$6,867.40      | \$188.71       | Demand Letter  | Barber Shop                        |
|  | The Scrub Hub                | 4/1/2018    | \$18,656.00     | \$1,718.51      | \$352.06       | Current        | Scrubs Clothing                    |
|  | Standard Machine             | 8/21/2021   | \$40,000.00     | \$37,352.70     | \$749.30       | Legal Pending  | Fabrication                        |
|  | Taste of Design              | 4/1/2007    | \$40,000.00     | \$14,271.06     | \$277.54       | 2 Months       | Coffee Shop                        |
|  | Therartpy                    | 7/1/2021    | \$10,102.00     | \$7,490.71      | \$190.64       | Current        | Art Therapy                        |
|  | Willowbrook                  | 7/28/2021   | \$40,000.00     | \$33,348.20     | \$754.85       | Current        | Purchase Golf Club                 |
|  |                              |             |                 |                 |                |                |                                    |
|  |                              |             |                 |                 |                |                |                                    |
|  |                              |             |                 |                 |                |                |                                    |
|  |                              |             |                 |                 |                |                |                                    |
|  |                              |             |                 |                 |                |                |                                    |
|  | Total MICRO Receivables      |             | \$343,558.00    | \$180,735.77    |                | -              |                                    |

**Jefferson County IDA**  
**Cash Disbursements Journal**  
**For the Period From Dec 1, 2022 to Dec 31, 2022**

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

| Date         | Check # | Account ID                 | Line Description  | Debit Amount     | Credit Amount    |
|--------------|---------|----------------------------|---|------------------|------------------|
| 12/1/22      | 7856    | 200001<br>100001           | Invoice: 8888831<br>HARRIS BEACH  | 1,500.00         | 1,500.00         |
| 12/1/22      | 7857    | 200001<br>100001           | Invoice: 2372<br>JEFF COUNTY LDC  | 58,985.00        | 58,985.00        |
| 12/1/22      | 7858    | 200001<br>200001<br>100001 | Invoice: 45150-11/22<br>Invoice: 45157-11/22<br>NATIONAL GRID               | 363.54<br>208.98 | 572.52           |
| 12/1/22      | 7859    | 200001<br>100001           | Invoice: 700-398-325-11-2022<br>SELICTIVE INSURANCE CO                      | 20.00            | 20.00            |
| 12/1/22      | 7860    | 200001<br>100001           | Invoice: 7-951-75558<br>FEDERAL EXPRESS CORP.                               | 77.54            | 77.54            |
| 12/7/22      | 7865    | 200001<br>100001           | Invoice: 12/22 CONVALT<br>JEFFERSON COUNTY INDUSTRIAL                       | 2,125.00         | 2,125.00         |
| 12/7/22      | 7866    | 200001<br>100001           | Invoice: 200970<br>NATIONAL ASSOCIATION OF                                  | 1,250.00         | 1,250.00         |
| 12/7/22      | 7867    | 200001<br>100001           | Invoice: 12/22 CONVALT<br>SACKETS HARBOR LDC                                | 500.00           | 500.00           |
| 12/7/22      | 7868    | 200001<br>100001           | Invoice: DFS-00003833<br>XACTUS   | 10.60            | 10.60            |
| 12/8/22      | 7861    | 200001<br>100001           | Invoice: 22-1324<br>BERNIER, CARR & ASSOCIATES, P.C.                        | 6,676.55         | 6,676.55         |
| 12/8/22      | 7863    | 200001<br>200001<br>100001 | Invoice: 0011-11/22<br>Invoice: 1851-11/22<br>CITY OF WATERTOWN COMPTROLLER | 268.89<br>43.38  | 312.27           |
| 12/8/22      | 7864    | 200001<br>100001           | Invoice: 8888832<br>HARRIS BEACH  | 2,450.00         | 2,450.00         |
| 12/15/22     | 7869    | 200001<br>100001           | Invoice: 17024-11/22<br>NATIONAL GRID                                       | 1,012.12         | 1,012.12         |
| 12/15/22     | 7870    | 200001<br>100001           | Invoice: 37612<br>WESTELCOM   | 76.75            | 76.75            |
| <b>Total</b> |         |                            |   | <b>75,568.35</b> | <b>75,568.35</b> |

**Jefferson County Industrial Development Agency  
(Jefferson County Civic Facility Development Corporation)  
Audit Committee Meeting Minutes  
December 16, 2022**

The Jefferson County Industrial Development Agency (Jefferson County Civic Facility 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, Robert Aiken, David Converse, Paul Warneck

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

**I. Call to Order:** The meeting was called to order at 8:13 a.m.

**II. 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. It was noted that the JCIDA audit will include the JCCFDC.

Ms. Bush said there is a new lease standard. Mr. Eaton said that he is not aware of any leases for the JCIDA.

Ms. Bush asked if there was any concerns or litigation; no one was aware of any. Ms. Bush asked if there were any questionable/problem loans or significant commitments. Mr. Eaton said no. He said that we have turned over one account to our legal firm for collection. Ms. Bush asked if there were any bankruptcies. Mr. Eaton said he is not aware of any.

Ms. Bush said there will be a single audit this year due to the YMCA DOD grant and the ARPA grant – both of which are federal monies.

The audit has been scheduled to start January 26, 2023. This will be the fifth year for Ms. Bush as lead partner. The fee is \$14,900 plus \$1,200 for information returns (JCCFDC) plus \$4,800 for the single audit for a total of \$20,900. Mr. Eaton will provide Ms. Bush with a list of the loan balances for the loan confirmations.

A motion was made by Mr. Warneck 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. Aiken. All in favor.

**III. Adjournment:** With no further business before the committee, a motion to adjourn was made by Mr. Converse, seconded by Mr. Aiken. The meeting adjourned at 8:20 a.m.

Respectfully submitted,

*Peggy Sampson*

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**Resolution Number 01.05.2023.01  
to Engage Auditors for Annual Audit**

**WHEREAS**, the Audit Committee met on December 16, 2022 to meet with Bowers & Company CPAs PLLC, and

**WHEREAS**, Bowers & Company presented an engagement letter to audit the financial statements for the 15-month period October 1, 2021 - December 31, 2022 (including JCCFDC). The fee will be \$14,900 for the audit, \$1,200 for the preparation of information returns (JCCFDC), and \$4,800 for the single audit for a total of \$20,900, and

**WHEREAS**, the Audit Committee recommends approval of the engagement letter, and

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the recommendation as set forth in this Resolution, and be it further,

**RESOLVED**, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

---

W. Edward Walldroff  
Secretary



# BOWERS & COMPANY CPAs PLLC

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS



December 16, 2022

To the Board of Directors  
Jefferson County Industrial Development Agency  
800 Starbuck Avenue  
Watertown, NY 13601

We are pleased to confirm our understanding of the services we are to provide for Jefferson County Industrial Development Agency for the fifteen months ended December 31, 2022.

## **Audit Scope and Objectives**

We will audit the financial statements of the business-type activities, including the disclosures, which collectively comprise the basic financial statements, of Jefferson County Industrial Development Agency as of and for the fifteen months ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Jefferson County Industrial Development Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Jefferson County Industrial Development Agency's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

### **1. Management's Discussion and Analysis**

We have also been engaged to report on supplementary information other than RSI that accompanies Jefferson County Industrial Development Agency's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Combining Statements of Fund Net Position - Jefferson County Industrial Development Agency and Component Units.
- 2) Combining Statements of Fund Revenues, Expenses and Changes in Fund Net Position - Jefferson County Industrial Development Agency and Component Units.
- 3) Combining Statement of Fund Net Position – Component Units.
- 4) Combining Statement of Fund Net Position.
- 5) Combining Statement of Fund Revenues, Expenses and Changes in Fund Net Position.
- 6) Schedule of Expenditures of Federal Awards.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objects also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### **Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of your accounting records of Jefferson County Industrial Development Agency and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.



We have identified the following significant risks of material misstatement as part of our audit planning:

Management override of controls

Improper revenue recognition due to fraud

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.



### ***Audit Procedures—Compliance***

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Jefferson County Industrial Development Agency's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Jefferson County Industrial Development Agency's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Jefferson County Industrial Development Agency's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures and federal awards, and related notes of Jefferson County Industrial Development Agency in conformity with accounting principles generally accepted in the United States of America and the uniform guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The government is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bowers & Company CPAs PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to U.S. Department of Housing and Urban Development or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bowers & Company CPAs PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the U.S. Department of Housing and Urban Development. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Liz Bush is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to them. We expect to begin our audit on approximately January 26, 2023.

Our fees for the audit and other services other than the preparation of the information returns will be \$14,900, \$600 for the preparation of the information returns for the period ended 9/30/22, \$600 for the preparation of the information returns for the period ended 12/31/22, and \$4,800 for the Single Audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. All matters related to the Agency's adoption of new accounting standards including, but not limited to, lease accounting standard pursuant to Accounting Standards Codification (ASC) 842, will be accounted for and billed separately. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.



We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

To ensure that Bowers and Company CPAs PLLC's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of Jefferson County Industrial Development Agency and that no other person or entity shall be authorized to enforce the terms of this engagement.

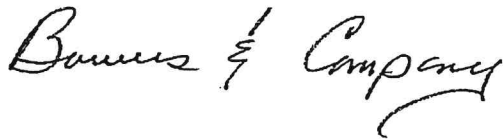
## **Reporting**

We will issue a written report upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of Jefferson County Industrial Development Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

A handwritten signature in cursive script that reads "Banner & Company". The signature is written in dark ink and is positioned below the "Very truly yours," text.

RESPONSE:

This letter correctly sets forth the understanding of Jefferson County Industrial Development Agency.

Management Signature: \_\_\_\_\_

Governance Signature: \_\_\_\_\_

**Jefferson County Industrial Development Agency  
Loan Review Committee Meeting Minutes  
December 28, 2022**

**Present:** David Converse (Chair), Rob Aliasso, Christine Powers, Kent Burto via Zoom

**Excused:** John Jennings

**Also Present:** David Zembiec, Marshall Weir, Lyle Eaton, Joy Nuffer, Robin Stephenson, Bill Johnson, Paul Warneck, John Condino via Zoom, and Lexi Bruening from Channel 7

- I. Call to Order:** Chair Converse called the meeting to order at 8:01 a.m.
- II. Pledge of Allegiance**
- III. Executive Session** – At 8:03 a.m. Mr. Converse requested the committee move into executive session to discuss the financial history of a particular person or corporation. A motion was made by Mr. Aliasso to enter executive session for the above reasons, seconded by Ms. Powers. Mr. Converse stated all staff and board members present could remain.  
  
At 8:21 Mr. Aliasso made a motion to leave executive session, seconded by Ms. Powers. All in favor.
- IV. LCO Destiny, LLC (RLF Loan Request)** – A request for a loan from the RLF Loan Fund in the amount of \$250,000. Total amount of the loan requested is \$375,000 and staff has recommended the Revolving Loan Fund for \$250,000 at a rate of 4% for a 5-year amortization. Mr. Zembiec stated that the North Country Alliance would be willing to be part of a participation agreement loan in the amount of \$125,000, though their board does not meet until the third week of January. There are currently 28 employees with a plan to add 7 within three years. Collateral would be co-proportional position lien on assets of the business and personal guarantee of Lisa Weber.

At 8:30 a.m. Ms. Weber arrived. Ms. Weber stated that prior to the beginning of Covid they lost their largest customer as they went out of business. Shortly after that, they were shut down due to the pandemic. She faced many challenges, but was able to keep the business active with PPP funds and the sale of one of her buildings. Ms. Weber stated that she was able to get full payment from the customer who had abruptly closed by leveraging artwork that had been commissioned to be framed. She stated that there is no lack of orders at this time, and in fact has a backlog of over \$200,000 in orders. One of the greatest challenges she has at this point is being able to hire employees and there is a lack in the labor field. Ms. Powers asked about the labor and if Ms. Weber felt confident that she would be able to meet production. Ms. Weber said that she has a very competent production staff, who can do whatever is needed. She also said that she would be hiring as much as possible when candidates become available. She also said she is moving into importing product from China and some orders may not go through their facility.



**Jefferson County Industrial Development Agency  
Loan Review Committee Meeting Minutes  
December 28, 2022**

Mr. Warneck asked about the custom framing portion of the business. Ms. Weber stated that the Timeless Décor portion of the business was shut down but will do custom framing for local customers if needed. Mr. Aliasso asked if she was concerned about importation issues. Ms. Weber stated that the major issues of getting product from China are subsiding and the costs associated with importing have decreased.

At 8:45 a.m. a motion was made by Mr. Aliasso to move back to executive session to be able to discuss with Ms. Weber proprietary business and personal financial information, seconded by Ms. Powers. All members of staff and board remained. All in favor.

At 9:07 a.m. a motion was made by Mr. Aliasso to move out of executive session, seconded by Ms. Powers. All in favor.

There was discussion about the interest rate, and Mr. Aliasso stated that he would feel more comfortable with a 5% interest rate being a floor, with the rising interest rates. Mr. Zembiec stated that the North Country Alliance has an interest rate of prime minus 1% which would make it 6.5% currently.

A motion was made by Mr. Aliasso to recommend the request of a \$250,000 RLF loan to the full board of directors, with 5% interest for 5 years, with the contingency that Lisa Weber and Joseph Weber not collect payment on their personal loans to the company as long as the company owed money to the JCIDA. The committee requested that Ms. Weber investigate requesting SBA to subordinate their loan to the JCIDA and NCA seconded by Ms. Powers. All in favor.

**V. Other/Unfinished Business – None.**

**VI. Adjournment:** With no further business before the committee, Mr. Aliasso made a motion to adjourn the meeting, seconded by Ms. Powers. The meeting adjourned at 9:14 a.m.

Respectfully submitted,

*Joy Nuffer*

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Resolution Number 01.05.2023.02**

**RESOLUTION FOR AUTHORIZING A  
REVOLVING LOAN TO  
LCO DESTINY, LLC d/b/a Timeless Frames**

**WHEREAS**, LCO Destiny, LLC d/b/a Timeless Frames has requested a Revolving Loan in the amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000) to be used for working capital, and

**WHEREAS**, There are currently 28 employees with a plan to add 7 within three years, staff reviewed the request and recommends approval of a JCIDA Revolving Loan in the amount of \$250,000, with the balance of the request coming from a \$125,000 from the North Country Alliance, and

**WHEREAS**, on December 28, 2022 the Loan Review Committee of the Jefferson County Industrial Development Agency reviewed the request and recommends approval by the full Board of Directors for a \$250,000 loan at a rate of 5% with a 5 year amortization. Collateral will be a co-proportional first position lien on assets of the business and personal guarantee for Lisa A. Weber. The loan will be contingent upon approval of a \$125,000 participation loan from the North Country Alliance with the additional contingency that Lisa Weber and Joseph Weber do not collect payment on their personal loans to the company as long as the company owes money to the JCIDA, and

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the request for a Two Hundred Fifty Thousand Dollar (\$250,000) loan to LCO Destiny, LLC with all terms and conditions as set forth in this Resolution, and be it further,

**RESOLVED**, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

---

W. Edward Walldroff  
Secretary

**Jefferson County Industrial Development Agency  
Nominating Committee Meeting Minutes  
November 23, 2022**

The Jefferson County Industrial Development Agency held a nominating committee meeting on Wednesday, November 23, 2022.

**Present:** Chairwoman Lisa L'Huillier, Bill Johnson, John Jennings

**Absent:** None

**Also Present:** David Zembiec, Peggy Sampson, Marshall Weir, Robin Stephenson, David Converse, W. Edward Walldroff, Kent Burto

**I. Call to Order:** Chairwoman L'Huillier called the meeting to order at 9:54 a.m.

**II. Nominate Officers for 2023 CY** – Chairwoman L'Huillier indicated that the purpose of the meeting is to nominate officers for the 2023 calendar year. She said that the current slate of officers agreed to serve another year, except for Mr. Jennings whose term expires on December 31, 2022. Mr. Johnson indicated that he was willing to fill the Vice Chairman role. The Committee will recommend the following slate of officers: Chairman – Robert E. Aliasso, Jr., Vice Chairman – William Johnson, Treasurer – Paul Warneck, Secretary – W. Edward Walldroff.

A motion was made by Mr. Walldroff to recommend the proposed slate of officers to the full board of directors, seconded by Mr. Jennings. All in favor.

Ms. L'Huillier noted that the Jefferson County Board of Legislators reappointed David Converse and W. Edward Walldroff to the JCIDA Board for a term to expire December 31, 2026. She said that they also appointed John J. Condino to replace John Jennings for a term to expire December 31, 2026.

**III. Reappoint JCLDC Board Member (Christine Powers)** – Chairwoman L'Huillier said that Ms. Powers term expires December 31, 2022 and indicated that she is willing to serve another term on the JCLDC Board.

A motion was made by Ms. L'Huillier to recommend re-appointment of Ms. Powers to the JCLDC Board for a term to expire December 31, 2027, seconded by Mr. Johnson. All in favor.

**IV. Adjournment:** With no further business before the committee, a motion to adjourn the meeting was made by Ms. L'Huillier, seconded by Mr. Johnson. The meeting adjourned at 9:57 a.m.

Respectfully submitted,

*Peggy Sampson*

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Resolution Number 01.05.2023.03**  
**For Election of Officers**

**WHEREAS**, the Nominating Committee met on November 23, 2022 and recommended the following slate of officers for the 2023 calendar year:

|               |                          |
|---------------|--------------------------|
| Chairman      | Robert E. Aliasso, Jr.   |
| Vice Chairman | William Johnson          |
| Treasurer     | Paul Warneck             |
| Secretary     | W. Edward Walldroff, and |

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the slate of officers as set forth in this Resolution, and be it further,

**RESOLVED**, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

---

W. Edward Walldroff  
Secretary

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**Resolution Number 01.05.2023.04**

**Re-Appointing JCLDC Board Member Christine Powers**

**WHEREAS**, as initial member of the Corporation, the JCIDA shall appoint additional Directors to the JCLDC Board, and

**WHEREAS**, the Nominating Committee met on November 23, 2022 and recommended re-appointment of Christine Powers effective immediately and ending on December 31, 2027, and

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the recommendation as set forth in this Resolution, and be it further,

**RESOLVED**, that the Chairman, Vice Chairman, Secretary, and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

---

W. Edward Walldroff  
Secretary

**JCIDA Committee Structure  
Proposed 2023**

**Executive Committee:**

Chairman – Robert E. Aliasso, Jr.  
Vice Chairman – William Johnson  
Treasurer – Paul Warneck  
Secretary – W. Edward Walldroff  
Immediate Past Chairman – David Converse

**Audit/Finance Committee:**

Paul Warneck, Chair  
David Converse  
Christine Powers  
Rob Aiken  
Robert E. Aliasso, Jr.

**Governance Committee:**

W. Edward Walldroff, Chair  
Paul Warneck  
William Johnson

**Nominating Committee:**

Lisa L'Huillier, Chair  
William Johnson  
W. Edward Walldroff  
Kent Burto

**Loan Review Committee:**

David Converse, Chair  
Robert E. Aliasso, Jr.  
Christine Powers  
Kent Burto  
John Condino

**Corporate Park (ad hoc):**

David Converse  
Paul Warneck  
Rob Aiken  
Robert E. Aliasso, Jr.

**Alternative Energy (ad hoc):**

Paul Warneck, Chair  
William Johnson  
Christine Powers  
John Condino  
Staff – David Zembiec

**Building and Grounds (ad hoc):**

Kent Burto, Chair  
David Converse  
Lisa L'Huillier  
Greg Gardner  
Rob Aiken  
John Condino  
Staff – David Zembiec

## 2022 Board Attendance

[illegible]

**JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**Resolution Number 01.05.2023.05**

**RESOLUTION FOR AUTHORIZING A WRITE OFF TO THE MICRO ENTERPRISE  
LOAN FUND TO  
Standard Machine and Fabrication**

**WHEREAS**, Standard Machine and Fabrication is in default and has been issued a demand letter, providing no response, and

**WHEREAS**, our legal firm (Harris Beach) is suing to obtain judgement against Justin Poirier, and

**WHEREAS**, Staff recommends approval to write off the MICRO loan with an outstanding principal balance of \$37,352.70 effective December 31, 2022, and

**WHEREAS**, the balance for the MICRO bad debt reserve will be reduced to \$52,647.30 based upon our original review of questionable accounts. The reserve should be adequate for 2023, and

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Jefferson County Industrial Development Agency that it herein approves the request to write off this account and continue to seek collection, and be it further,

**RESOLVED**, that the Chairman, Vice Chairman, Secretary and/or Chief Executive Officer are authorized and directed to execute any and all documents necessary to carry out the purposes of this Resolution.

This resolution shall take effect immediately.

---

W. Edward Walldroff  
Secretary