

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
LOCAL DEVELOPMENT CORPORATION**

**AUDIT AND FINANCE COMMITTEE MEETING  
March 28, 2017**

**AUDIT EXIT CONFERENCE  
Audit Dates: January 23, 2017 to January 27, 2017**

Time: 8:50 AM

Present: **Audit and Finance Committee:** (Andrew McMahon and Mark Hall); IDA Board Member (Donald Hooper); **PMHV & Co.:** Mark Mashaw, **IDA staff:** Kimberly Gilbert and Lori Sibley.

Committee Chair (Mark Hall) calls the meeting to order. A quorum is recognized.

Mark Mashaw provides an overview of the financial statements and distributes a combined balance sheet, to include the SLCIDA-LDC, GMEDF and RVRDA, through December 31, 2016 (Attachment A). Also, Mr. Mashaw distributes a combined Income Statement, which includes the SLCIDA-LDC, GMEDF and RVRDA, through December 31, 2016 (Attachment B).

Highlights - Statement of Net Position:

- Assets/Liabilities: Decreased by \$1.3 million, mainly a cash decrease due to the Curran Renewable Energy line-of-credit.
- The IDA and RVRDA split marketing expenses in half. As a result, \$16,000 was due the IDA in December to pay for its share of marketing expenses.
- The St. Lawrence County Local Development Corporation dissolved in 2016, merging the available assets into the St. Lawrence County Industrial Development Agency – Local Development Corporation, showing a total of \$263,392 on the income statement for the year
- No direct loan write-offs were indicated.
- \$300,000 was provided to the IDA. This is in-line with the previous year.

Mr. Hall asks Mr. Mashaw, the Lead Auditor for the firm for this engagement, about questions that came up during the NYS Authorities Budget Office's review of the IDA-LDC last year regarding the level of fiduciary oversight provided by the board. He would specifically like to know if Mr. Mashaw, after undertaking this year's audit, felt there were any issues or concerns that he saw with the level of the fiduciary duty being undertaken by the board of the IDA-LDC. Mr. Mashaw notes that he understood that the ABO expressed their discontent with the way the IDA-LDC documented that its members were the same as the IDA's members, but he did not see any issues or concerns with the level of fiduciary duty being undertaken by the IDA-LDC's board members.

Required Communications: Mr. Mashaw notes there is nothing to report, no problems with management.

At 9:00 AM, IDA Staff (Kimberly Gilbert and Lori Sibley) exit the meeting to allow the Audit and Finance Committee members the opportunity to discuss matters confidentially and directly with the auditor.

Staff members return to the meeting at 9:03 AM. With no further questions or comments, Mr. Hall motions to conclude the Audit and Finance Committee Meeting at 9:03 AM, seconded by Mr. McMahon.

**SLCIDA-LDC (Combining)**  
**Balance Sheets - December 31, 2016**

	2016				2015	Increase
	SLC IDA-LDC	GMEDF	SLRVRA	Total	Total	(Decrease)
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 2,045,895	\$ 1,954,416	\$ 7,997,203	\$ 11,997,514	\$ 13,319,950	\$ (1,322,436)
Interest Receivable	2,485	1,588	6,047	10,120	4,751	5,369
Accounts Receivable	2,931	-	4,022	6,953	5,857	1,096
Notes Receivable	1,115,493	661,370	3,186,044	4,962,907	3,804,865	1,158,042
Capital Lease Receivable	459,330	-	-	459,330	492,207	(32,877)
Due from Affiliate	-	-	2,842	2,842	-	2,842
Other Assets	125	-	532	657	531	126
Fixed Assets (net)	-	-	754,474	754,474	783,540	(29,066)
<b>Total Assets</b>	<b>3,626,259</b>	<b>2,617,374</b>	<b>11,951,164</b>	<b>18,194,797</b>	<b>18,411,701</b>	<b>(216,904)</b>
<b>Liabilities:</b>						
Accrued & Other Expenses	\$ 2,600	\$ -	\$ 21,041	\$ 23,641	\$ 39,809	\$ (16,168)
Due to Affiliate	-	2,842	-	2,842	-	2,842
<b>Total Liabilities</b>	<b>2,600</b>	<b>2,842</b>	<b>21,041</b>	<b>26,483</b>	<b>39,809</b>	<b>(13,326)</b>
<b>Net Assets:</b>						
Unrestricted	595,957	-	-	595,957	376,323	219,634
Temporarily Restricted	3,027,702	2,614,532	11,930,123	17,572,357	17,995,569	(423,212)
<b>Total Net Assets</b>	<b>3,623,659</b>	<b>2,614,532</b>	<b>11,930,123</b>	<b>18,168,314</b>	<b>18,371,892</b>	<b>(203,578)</b>
<b>Total</b>	<b>\$ 3,626,259</b>	<b>\$ 2,617,374</b>	<b>\$ 11,951,164</b>	<b>\$ 18,194,797</b>	<b>\$ 18,411,701</b>	<b>\$ (216,904)</b>

**SLCIDA-LDC (Combining)**  
**Income Statements for the Year Ending December 31, 2016**

	2016			2015 Total	Increase (Decrease)	
	SLC IDA-LDC	GMEDF	SLRVRA			Total
<b>Revenue and Support:</b>						
Interest Income - Loans	\$ 37,792	\$ 22,682	\$ 56,121	\$ 116,595	\$ 122,495	\$ (5,900)
Interest Income - Banks	407	381	4,987	5,775	7,756	(1,981)
Rent Income	-	-	82,315	82,315	49,077	33,238
Related Party Admin. Fees	300,000	-	-	300,000	300,000	-
Other Revenue	761	10	2,260	3,031	2,325	706
Grant Income	-	-	25,000	25,000	59,715	(34,715)
WIB Director	32,452	-	-	32,452	37,148	(4,696)
<b>Total Revenue and Support</b>	<b>371,412</b>	<b>23,073</b>	<b>170,683</b>	<b>565,168</b>	<b>578,516</b>	<b>(13,348)</b>
<b>Expenses:</b>						
Salaries and Wages	126,274	-	-	126,274	86,488	39,786
Employee Benefits & Taxes	12,141	-	-	12,141	7,396	4,745
Community Development	-	-	145,928	145,928	361,488	(215,560)
Administration Fees	-	7,200	200,000	207,200	207,200	-
Marketing	250	-	20,203	20,453	36,946	(16,493)
Contractual	-	-	344,300	344,300	348,600	(4,300)
Insurance	1,712	-	6,931	8,643	12,455	(3,812)
Other Expenses	34,117	5,319	8,197	47,633	29,741	17,892
Depreciation	-	-	29,066	29,066	22,789	6,277
Bad Debts	-	-	-	-	239,570	(239,570)
Bad Debt Reserves	500	(5,000)	95,000	90,500	189,000	(98,500)
<b>Total Expenses</b>	<b>174,994</b>	<b>7,519</b>	<b>849,625</b>	<b>1,032,138</b>	<b>1,541,673</b>	<b>(509,535)</b>
<b>Subtotal</b>	<b>196,418</b>	<b>15,554</b>	<b>(678,942)</b>	<b>(466,970)</b>	<b>(963,157)</b>	<b>496,187</b>
<b>Micro-Loan Acquisition</b>	<b>263,392</b>	<b>-</b>	<b>-</b>	<b>263,392</b>	<b>-</b>	<b>263,392</b>
<b>Change in Net Assets</b>	<b>\$ 459,810</b>	<b>\$ 15,554</b>	<b>\$ (678,942)</b>	<b>\$ (203,578)</b>	<b>\$ (963,157)</b>	<b>\$ 759,579</b>