

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
AUDIT COMMITTEE MEETING AGENDA**

Agenda subject to change

February 22, 2022 at 3:00 PM

Ernest J. LaBaff Industrial Building, 19 Commerce Lane, Suite 1, Canton, New York 13617

Call to Order

Roll Call

Public Notice

Posted to Website

Presentation from Audit Team

Pinto Mucenski Hooper VanHouse, CPA's, PC (Mark Mashaw, Auditor) to present audit plan for FY2021 audit

Discussion

Adjournment



St. Lawrence County Industrial Development Agency

2021 AUDIT SERVICE PLAN

February 22, 2022



Pinto·Mucenski·Hooper
Van House & Co.
Certified Public Accountants, P.C.

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**St. Lawrence County Industrial Development Agency
2021 Audit Service Plan**

February 22, 2022

The Board of Directors and Management
St. Lawrence County Industrial Development Agency

We are pleased to be of service to the St. Lawrence County Industrial Development Agency. The following report describes our audit plan for the year ending December 31, 2021, and discusses other services provided by us. This report is designed to communicate matters relevant to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. This report provides an overview of our plan for the 2021 audits including a summary of our overall objectives for the audit; the nature, scope, and timing of the planned audit work; and any other services required by the St. Lawrence County Industrial Development Agency.

Respectfully,

Pinto Mucenski Hooper Van House & Co.
Certified Public Accountants, P.C.

Engagement Team

The team members for this year's audit and tax services are listed below. All team members are available to be reached throughout the engagement.

Edward Mucenski, CPA
Quality Control Review Partner and Engagement Partner



(315) 265-6080

Mark Mashaw, CPA
Engagement Partner



(315) 393-7502

Jacqueline Davison
Senior Auditor



(315) 393-7502

Sarah Whitcombe, CPA
Senior Auditor



(315) 393-7502

Management's Responsibilities

The engagement letters provide specific details regarding management responsibilities. A summary of management responsibilities includes the following:

- Preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States.
- Designing, implementing, establishing, and maintaining effective internal controls over financial reporting.
- Implementing systems to achieve compliance with applicable laws and regulations.
- Selection and application of appropriate accounting principles.
- Making all financial records and related information available to us.
- Recording material audit adjustments and confirming to us that the effects of any uncorrected misstatements are immaterial to the financial statements taken as a whole.
- Designing and implementing programs and controls to prevent and detect fraud, and for informing us about any known or suspected fraud.
- Assuming all management responsibilities relating to the tax services, financial statements, related notes, and any other non-audit services.
- Evaluating whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern.
- Providing a letter confirming representations made during the audit.

Engagement Objectives and Auditor's Responsibilities

- Plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. Our audit does not provide absolute assurance and is subject to the inherent risk that errors or fraud, if they exist, may not be detected.
- Obtain a sufficient understanding of internal control to plan the audits of the financial statements. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern.
- Communicate our responsibilities in relation to the audit and establish an understanding of the terms of the engagement.
- Perform tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements.
- Communicate to management and the Audit Committee, in writing, significant deficiencies and material weaknesses identified during our audits.
- Use professional judgment and exercise professional skepticism throughout the audit.
- Maintain our independence with respect to the St. Lawrence County Industrial Development Agency.

Overall Audit Strategy

Overall, our audit strategy is to focus on areas with a higher risk of material misstatement (whether due to fraud or error) and any other areas of concern brought forward by management or the Board of Directors.

Our audit strategy includes consideration of the following:

- Prior year audit results together with interim financial information and preliminary analytical reviews, including discussions with management and others.
- Inherent risk within the Agency before recognizing internal controls.
- Materiality thresholds.
- New accounting and financial reporting standards and guidance.
- Industry developments and general economic conditions.
- Accounting policies and procedures of the Agency.
- Significant management judgments and accounting estimates.
- Changes to internal controls and the susceptibility of internal controls to failure.
- Computer systems.

Partners are heavily involved in all aspects of the audit.

Preliminary Risk Assessment

The assessment and identification of risk is performed throughout the audit process in coordination with management and staff. Our focus is on the risks that have a potential impact on financial reporting and financial accounting systems and assessing controls that mitigate those risks.

High Risk Assessment

- Long-term receivables
- Grant receivables and related revenue
- Due from Other Governments
- Related-party transactions
- Post-retirement and pension liabilities
- Other significant and unusual transactions

Moderate or Low Risk Assessment

- Cash and cash equivalents
- Investments
- Other receivables
- Property and equipment
- Accounts payable and accrued expenses
- Long-term debt
- Payroll and related payroll expenses
- Net position (or net assets)

Statements on Auditing Standards (SASs)

The AICPA's Auditing Standards Board has published SAS No. 134 through 140. Traditionally, new SASs aren't something the general public needs to understand. However, in this case, these new SASs require broader understanding because of their direct applicability to management and governance.

- SAS No. 134 – Auditor Reporting
 - Main goal is to overhaul the audit report and converge with International Standards
 - Customizes the report for the auditee – identification of key audit matters
 - Clearly expresses an opinion by reordering report paragraphs
- SAS No. 135 – Omnibus SAS
 - Changes to the auditor's communication with governance regarding significant unusual transactions, difficult or contentious matters, and uncorrected misstatements
 - Enhanced focus on audit procedures over significant unusual transactions and related party transactions
- SAS No. 136 – Employee Benefit Plan ERISA Audits
 - Requires enhanced audit quality and a revised auditor's report
- SAS No. 137 – Other Information Included in Annual Reports
- SAS No. 138 – Amendments to the Description of the Concept of Materiality
 - Amends the definition of materiality
- SAS No. 139 – Amendments to Incorporate Changes from SAS No. 134
- SAS No. 140 – Amendments to Incorporate Changes from SAS No. 134 and 137

FASB Accounting Standards

The Financial Accounting Standards Board (FASB) has issued several accounting standards that are effective for the year ending December 31, 2021 or later. These standards are as follows:

- ASU 2016-02 – *Leases (Topic 842)*
- ASU 2020-07 – *Not-for-Profit Entities (Topic 958) - Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*

GASB Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued several accounting standards that are effective for the year ending December 31, 2021 or later. These standards are as follows:

- GASB Statement No. 87 – *Leases*
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*

Financial Statement Audit Timeline

Preliminary management meetings, interim audit fieldwork, and engagement communications will run from December 2021 through January 2022.

The development of audit strategy, the determination of the nature and scope of audit procedures, and client communications will run throughout the engagement and will change as necessary.

Trial balances and audit binders were delivered to us by January 25, 2022.

The individual audits will be presented to the Audit Committee and/or Board of Directors in March 2022.

Significant Transactions and Events

St. Lawrence County Industrial Development Agency

- Solar project fees
- Paid off SLRVRA loan for the Canton Industrial Building

2021 Reporting Requirements

	SLC IDA	CDC	IDA-LDC	GMEDF	SLRVRA	PDC
Financial statement audit in accordance with GAAP	X	X	X	X	X	X
Auditor's required communications letter	X	X	X	X	X	X
Financial statement audit in accordance with Government Auditing Standards	X	X	X	X	X	X
Federal form 990 and NYS form CHAR500			X			X