

**ST. LAWRENCE COUNTY IDA
ST. LAWRENCE COUNTY IDALDC
ST. LAWRENCE COUNTY IDACDC**

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AUDIT & FINANCE COMMITTEE MEETING

March 15, 2011

Call to Order at 10:02 AM.

Present: Joseph Weekes, Mark Hall, Andy McMahon

Others: Donald Hooper, Kimberly Gilbert, Patrick Kelly

2010 Audit:

Mr. Hooper reviewed the 2010 Audits:

IDA: In the Independent Auditors report, paragraph 3, Mr. Hooper notes that it states a clean opinion and that the financials present a fair representation. The management discussion and analysis, which is prepared by staff of the IDA is not audited by the firm at this point in time. As of next year's audit, this portion will be a required part of GASB 45 and need to be audited by the firm.

Mr. Hooper notes that a new addition to the books and the audit is the Post Employment Benefits other than Pension section. This is required GASB 45 and was calculated based on an actuarial study that the IDA had completed by Armory Associates. Mr. Hooper also notes that an additional section in the audit is the Valuation of Time. This is required by GASB 16 and accounts for the earned, unused time employees have accrued and appoints a liability for that future cost. These new sections are due to the reorganization of the IDA in the fall of 2010 and the addition of direct employees.

Mr. Hooper notes that the agency has a very solid balance sheet.

Mr. Hooper notes that there are a few new notes in the audit. These refer to the creation of the IDA CDC and the SLRVRA.

Page 36 of the audit, otherwise referred to as the "Yellow Book Report" states that no deficiencies are noted. There are no instances of non-compliance. Page 38-40 is the auditor's disclosure section. Page 42 notes comments and recommendations of the audit team.

09-01 – Payroll timesheets review and approval
Status – Corrected.

Time sheets are now completed on a bi-weekly basis, signed by personnel and approved by management. The CFO has updated the financial procedures manual to cover the management of payroll procedures.

10-1 – Unclear Reimbursements – Northern Corridor Transportation Group (NCTG)

Expenses incurred by the NCTG and submitted to the IDA for reimbursement are managed by the Business Development Corp for Greater Massena (BDC). In reviewing invoices submitted by the BDC we [audit team] noticed that it was difficult to correlate if the cost was a NCTG or BDC charge since no specific organization was tagged. Vendors have not clearly marked the user of the goods/service on the invoices. It is the recommendation of the audit team that the director or staff person incurring the expense should advise the vendor to clearly identify the user of the goods/service and request that the name of user be clearly printed on the invoice to ease confusion.

IDACDC: Mr. Hooper then proceeded to review the audit for the IDACDC focusing on the same key areas of the audit. He notes that it states a clean opinion and that the financials present a fair representation.

IDALDC: Mr. Hooper then proceeded to review the audit for the IDALDC focusing on the same key areas of the audit. He notes that it states a clean opinion and that the financial present a fair representation.

Discussion ensued on the reporting of the GMEDF, IDALDC and SLRVRA records. It was discussed that all fall under the same tax ID number. They are “funds” of one entity. After a lengthy discussion, it was decided that this topic should be addressed and discussed at the entrance meeting at the end of 2011 to determine how the reports will be handled for the 2011 audit. It is possible that a combined audit may also be needed in addition to the three separate fund audits.

Mr. Hooper also made mention of the fact that some companies (in all entities) seem to be struggling in repayment of debt. Mr. Kelly did note that the companies that are showing in arrears have been struggling for multiple years and that it is not just in correlation to this year’s rough economy but that there are many other factors as well.

The committee members also had the opportunity to review the assessment of effectiveness of internal controls for the three entities. This document highlights the procedures used and how they safeguard the entities. All members affirmed that there are no material control weaknesses, and the internal control structure appears to be sufficient to meet internal control objectives that pertain to the prevention and detection of errors and irregularities.

Meeting Adjourned 11:31 AM