

To: *Audit/Finance Committee Members*  
Re: *Minutes of March 11, 2016*

*Present:* Mitch Amado – Treasurer/Chair of Committee  
Jim Siplon -Member  
Arleen Girard – EDC Chair

*Absent:* Judy Calogero, Representative, City of Glens Falls

*Staff:* Ed Bartholomew, President/CEO  
Jennifer Switzer, Director of Finance/CFO

On March 11, 2016 the Audit & Finance Committee of the Economic Development Corporation met in the Conference Room at EDC Offices located at 234 Glen Street in Glens Falls, New York. The following items of business were discussed:

**I.** **Welcome & Call to Order:** Chairman Mitch Amado welcomed Karl Newton of Marvin & Company along with committee members and staff and called the meeting to order at 8:31 a.m.

**II.** **Approval of October 13, 2015 Minutes:** The group reviews the minutes distributed previous to today's meeting. A motion is made by Arleen Girard, seconded by Mitch Amado and carried unanimously to approve the minutes of the October 13, 2015 Audit & Finance Committee as presented.

**III.** **2015 Draft Annual Financial Statement Audit - Presentation.** Karl Newton, CPA – Director of Marvin and Company was introduced to those in attendance who have not had the opportunity to meet. Karl began with a review of some of the bigger events and projects that took place having an impact in 2015. He discussed the merger of Hudson River LDC (HRLDC) into EDC, with HRLDC now fully integrated into the financial statements and the addition of footnotes to the statements outlining this transaction. He continued his review with the Table of Contents, Independent Auditors Report. Karl indicated to the committee EDC had received a Qualified Opinion and points out an Unmodified Opinion for the year ended December 31, 2015. He begins a discussion with the group detailing the rationale behind the Qualified Opinion due to the fact these statements include beginning balances which do not include the financials of HRLDC and the use of comparative format of the financial statements. The discussion continued with the committee regarding the impact on financial statements for the year ending 2016. Mr. Newton continued his review of the audited financial statements including the Statement of

Financial Position, Statement of Activities and the impact of the merger on cash, land, and land development. He then began review of the notes with the committee drawing their attention to page 8 and the Land and Land Development Costs, page 9 and the note regarding Unconsolidated Entities, and page 11 the note for Related party transactions – Hudson River Local Development Corporation. Committee members inquired as to EDC's liability related to the employee SEP. Discussion continued with a request from committee members for additional information about the SEP, EDC's legal responsibilities. Karl indicated he would provide information from his office after a request from Marvin's personnel arm. Jennifer Switzer offered to forward any documentation EDC has regarding this program and contacting legal counsel if necessary. She also will follow up with Keena to set up a meeting to discuss this benefit and Keena's contract and role in EDC's operations. Karl continued with review of the notes to the financial statements including page 12 and the Board Designated Assets. Karl outlined that there were no issues contained in the Report on Internal Control, thanked staff for their assistance and cooperation during the audit. The Committee then discussed one issue in the management letter regarding the procurement process and additional review by Ed of the transactions in question. The Committee continued with a short discussion of a review of the procurement policy in the next couple of months. The discussion of the financial statements concluded with a request for a response from management regarding the Qualified Opinion to be drafted and forwarded to committee members for their review. This response will be included with the draft financials to be distributed to all EDC board members and their review. Jennifer will draft the management response and forward as requested.

A motion is made by Jim Siplon, seconded by Mitch Amado, and carried unanimously to recommend approval of the draft 2014 – 2015 Audited Financial Report with management's response, to the full EDC Board at their Annual meeting.

**IV.** Upon no further business to come before the Audit & Finance Committee, a motion is made by Jim Siplon, seconded by Arleen Girard, and carried unanimously to adjourn the meeting at 9:50 a.m.