

## **LAKE CHAMPLAIN – LAKE GEORGE REGIONAL DEVELOPMENT CORPORATION**

### **AUDIT COMMITTEE MEETING**

**March 30, 2022    Immediately following Finance Committee meeting  
LCLGRP offices 1 Lower Amherst Street, Lake George, NY 12845 and Zoom**

#### AGENDA

1. Approval of October 12, 2021 minutes
  2. 2021 Audit
  3. Assessment of the Effectiveness of Internal Controls
  4. Other
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Chairwoman Hunt called the meeting to order at 10:09 am.

#### MEMBERS PRESENT

Beth Hunt  
Glen Cutter  
John Strough

#### ALSO PRESENT

Dave O'Brien  
Beth Gilles  
Al Nolette  
Meg Wood  
Thomas Smith, EFPR Group (auditors)  
Brian Sawma, EFPR Group (auditors)

#### APPROVAL OF OCTOBER 12, 2021 MINUTES

Chairwoman Hunt asked for a motion to approve the October 12, 2021 Audit Committee minutes.

Motion made by Mr. Strough.

Seconded by Mr. Cutter.

Hearing no additions or corrections and no opposed, motion carried.

#### 2021 AUDIT

Ms. Hunt introduced Tom Smith from EFPR Group, who is the auditing firm that completed the RDC 2021 audit. Mr. Smith noted that they issued a clean, unmodified opinion, meaning the financial statements were fairly stated. They also issued a report on the internal controls of the Corporation. That reports states that when the auditors evaluated the internal controls present, they did not note any material weaknesses or significant deficiencies or non-compliance with laws and regulations. Mr. Smith noted he had great cooperation from management, who provide everything they needed in a timely manner.

Mr. Strough noted the language on page 11 that states the RDC may not have sufficient cash resources to make the required payments to USDA. Mr. Smith said this statement was put in the financial statements two years ago, and there is a potential cash flow issue for the Corporation based on loan collectables. He said there is a risk the Corporation will be put out of business should the collectibles become unstable. Mr. O'Brien noted it is something we have been aware of since 2018. Mr. Smith noted it was put in 2 years ago when there were a lot more inactive loans, but it is still applicable.

Mr. Nolette stated that as a fiscal officer, you never want to see statements like that in an audit, but it is something the RDC Board should have been made aware of many years ago.

Ms. Hunt asked for a motion to move the 2021 audit to the full board for approval.

Motion made by Mr. Cutter.

Seconded by Mr. Strough.

Hearing no discussion and no opposed, motion carried.

#### ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS

Ms. Gilles noted that the assessment form was sent in the audit committee package. Each piece of the internal controls needs to be categorized as high, medium, or low risk. The 2020 assessment was provided for comparison. Ms. Gilles also noted that none of the controls have changed from 2020 to 2021. Discussion ensued on the assessment.

Ms. Hunt asked for a motion to move the 2021 Assessment of the Effectiveness of Internal Controls to the full board for approval with no changes from the 2020 assessment.

Motion by Mr. Cutter.

Seconded by Mr. Strough.

Hearing no further discussion and no opposed, motion carried.

Hearing no other business, Ms. Hunt moved to adjourn the meeting. Seconded by Mr. Strough. Meeting adjourned at 10:21 am.

*Respectfully submitted by Beth Gilles, Director, LCLGRP.*