

LAKE CHAMPLAIN – LAKE GEORGE REGIONAL DEVELOPMENT CORPORATION

AUDIT COMMITTEE MEETING

March 30, 2023 Immediately following Finance Committee meeting

Meeting Locations:

LCLGRPB Conference Room, 1 Lower Amherst St. Lake George, NY 12845

Hamilton Co Bd of Supervisors Conference Room, 102 Country View Dr Lake Pleasant, NY 12108

Washington County Classroom, second floor, 383 Broadway Fort Edward, NY 12828

Clinton Co Legislative Office Conference Room, 137 Margaret St #208 Plattsburgh, NY 12901

AGENDA

1. Approval of October 11, 2022 minutes
2. 2022 Audit (Tom Smith from EFPR Group)
3. Assessment of the Effectiveness of Internal Controls
4. Other

Chairwoman Hunt called the meeting to order at 10:08 am.

MEMBERS PRESENT

Beth Hunt

Shannon Thayer

ALSO PRESENT

Al Nolette

Beth Gilles

Dave O'Brien

Meg Wood

APPROVAL OF OCTOBER 11, 2022 MEETING MINUTES

Chairwoman Hunt asked for a motion to approve the October 11, 2022 Audit Committee minutes.

Motion made by Ms. Thayer.

Seconded by Ms. Hunt.

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

2022 AUDIT (TOM SMITH FROM EFPR GROUP)

Chairwoman Hunt introduced Tom Smith and Brian Sawma from EFPR Group, the RDC's independent auditors. Mr. Smith and Mr. Sawma discussed the RDC financial audit for 2022. Mr. Sawma noted that the audit opinion is unmodified, meaning there were no material misstatements detected in the financials. He discussed the financial aspects of the statements; cash balance is just over \$60,000; loans outstanding net of allowance for doubtful accounts is \$18,000 - \$19,000; and USDA loan payoff is at \$60,000. He noted that if things continue trending, the RDC will be able to pay off the USDA loan. There was a decrease of \$8,000 in interest revenue due to paying loans winding down; operating expenses were consistent year over year. The RDC has net assets of around \$17,000 at year end. Mr. Smith discussed financial footnote #8 – economic conditions. It states the potential for the corporation to pay back its debts in full. Mr. Smith noted the RDC is in a much stronger position than in the recent past, but there is a defaulted loan owing about \$48,000, so leaving the footnote in there is a conservative approach. The Committee had no additional questions.

ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS

Ms. Gilles explained the process to complete the assessment and went through the 2021 assessment. Ms. Gilles and the Committee discussed each criterion for the 2022 assessment. All controls were found to be low risk for fraud.

Hearing no other business, Chairwoman Hunt adjourned the meeting at 10:25 am.

Respectfully submitted by Beth Gilles, Director, LCLGRP.