

Washington County Local Development Corporation
Audit and Finance Committee Meeting
Wednesday, March 23, 2022
10:00 a.m. - Meeting Minutes
LDC Conference Room

Members Present via Zoom: Marion Watkins, Tim Fisher and Sue Clary

Others present via Zoom: Deanna Derway, President WCLDC

I. Call to Order

The meeting was called to order at 10:05 AM.

II. Approval of Meeting Minutes

After reviewing the minutes from October 2021, Tim Fisher made a motion to approve, and Sue Clary seconded. There was no further discussion, and it was approved unanimously.

III. Old Business

None

IV. New Business

- A. We reviewed the January and February financial reports and balance sheets, as well as the financial binder reports for the Committee to sign off on once approved. Deanna talked about the fact that the 2021 year-end audited financials are now complete will be reviewed in the Auditors Report later in this meeting. Deanna walked through each month's report with the Committee and highlighted that overall, the LDC is in a good financial position for the start of 2022. For expenses, Deanna highlighted our quarterly disability payment, annual advertising fee (as per the approved contract), and the first payment for HR on demand (the program that we approved at the beginning of the year in order to update the LDC Personnel Policy) were all paid. Otherwise, the reports are very straight forward. Once there was no further conversation, Tim Fisher made a motion to approve. Sue Clary seconded, and the financials were approved unanimously.
- B. Resolution 22-2 – Acceptance of 2021 Independent Auditors Report and Financial Statement: Next, the Committee reviewed the 2021 Independent Auditor's Report and Financial Statements prepared by our new Auditor's EFPR Group. The Committee discussed the reports contents including the proposed adjustment to the bad debt policy which will put the numbers more in line with our portfolio and this adjustment is represented in the report as "other income". At the end of the year, we ended just over \$130,000 in the black. After there was no further discussion, Sue Clary made a motion to move the report to the Full Board of Directors for acceptance, Tim Fisher seconded, and it was approved unanimously.
- C. Resolution 22-8 - Approval of change to the term of the USDA IRP CD account: During our Audit, they looked at the USDA IRP loan fund which was started in 1998 and discovered that the required CD that was created at that time was created as an annual renewal account and it needs to be on a 30-day renewal. This is the one finding that you will see in the Auditor's report and although the USDA gave us permission to leave it this way for 2022, Deanna would like to get this taken care of right away so that we are compliant. Deanna spoke with Glens Falls National Bank and the penalty would be a \$75 fee and 3 months of lost interest (it currently ranges between \$1.50 and \$3.00/month). The Committee agreed that it has unknowingly been set up incorrectly for over 20 years and would like to get that corrected. Sue Clary made a motion to approve and move this resolution to the Full Board of Directors for approval, Tim Fisher seconded, and it was approved unanimously.
- D. Resolution 22-9 - Approval of change to the Doubtful Expense Policy: During Deanna's discussions with the Auditor's, we looked at any delinquent accounts and found that the current blanket 10% bad debt policy is much higher than the actual amount. Therefore, they proposed a new formula for calculating this number for Auditing purposes. They proposed that we change Section 3.1 of the policy titles "Allowances for Doubtful Accounts Reserve Limits" to read as follows: The Corporation has set the limits for consideration of a reserve for bad debts on unpaid customer account balances based on the following formula of the unrestricted other current assets (unrestricted loan portfolio balance); this will exclude all IRP loan funds where the program allowance is established at 6% of outstanding loans balance.
- | | |
|----------------|-----|
| 0 – 90 Days | 0% |
| 91 – 180 Days | 25% |
| 181 – 270 Days | 50% |

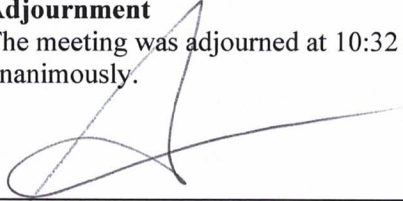
271 – 364 Days 75%
365+ 100%

The Committee agreed that this is a more accurate way of accounting for this and after there was no further discussion, Sue Clary made a motion to approve and move this resolution to the Full Board of Directors for approval, Tim Fisher seconded, and it was approved unanimously.

E. Miscellaneous: None

V. Adjournment

The meeting was adjourned at 10:32 a.m. with a motion from Tim Fisher, seconded by Sue Clary and approved unanimously.



Marion Watkins, Chairwoman

Date

6/23/22

Submitted by Deanna Derway, Executive Director/President