

Watertown Industrial Center Local Development Corporation
Audit Committee Meeting
September 14, 2021
Minutes

The Watertown Industrial Center Local Development Corporation held an Audit Committee meeting on Tuesday, September 14, 2021 at 9:00 a.m. in person and via the online meeting platform Zoom.

Present: Paul Morgan, Mark Bellinger

Excused: Kent Burto

Staff: Billy Soluri

Others Present: Liz Bush and Andrew Smith of Bowers and Company

I. Meeting was opened at 9:00 a.m.

II. L. Bush presented the Draft Audit Report for FYE 6/30/21. L. Bush outlined the responsibilities of WIC management and the role of Bowers and Company. L. Bush noted the opinion of Bowers and Company is that its clean and unmodified and the financial statements are fairly presented in accordance with Generally Accepted Accounting Principles. L. Bush noted there was a decrease in assets for the year but that is attributed to depreciation.

L. Bush noted liabilities decreased by approximately \$230,000. L. Bush stated net assets for the year totaled \$1.9 million and that is a \$50,000 increase from the previous year. L. Bush stated expenses for the year were down \$14,000 and income for the year increased to \$50,000. L. Bush presented the details of functional expenses for the year which she noted stayed relatively the same as the previous year.

L. Bush presented the statement of cash flows for the year which is the statement that converts the accrual method to a cash basis to show the net change in cash for the year. L. Bush stated cash increased by \$36,000.

L. Bush discussed the notes to the financial statements and noted that next year we will have a new lease standard to follow to ensure all leases are reported correctly. L. Bush noted that the audit now has a paragraph relating to Covid-19 and the good news is the audit didn't include any adjustments relating to the pandemic.

L. Bush stated the WIC has approximately \$519,000 in long term debt relating to two loans with the WLDC and one loan with the JCLDC. L. Bush noted that based on current rental agreements over the course of 5 years the WIC should see rental payments of \$2,900,000. L. Bush discussed the Refundable Advance of \$60,000 relating to the grant for JAIN Irrigation. L. Bush stated it's best to leave it on the balance sheet as a liability just in case the WIC must return a portion of it to the state.

L. Bush stated the WIC has approximately \$470,000 in cash for the year and that is close to the operating expenses of the previous fiscal year so the organization is operating within balanced budgets and expects to continue to collect rent revenue to cover expenses. L. Bush stated the liquidity statement shows there is enough cash to meet the organizational needs over the next fiscal year.

L. Bush presented the ABO Required report which is done in accordance with Government Audit Standards. L. Bush noted the deficiency reported relates to the Director of Site Facilities segregation of duties. L. Bush noted this deficiency has been in many audit reports of the WIC and is tough to overcome giving the small size of the organization.

L. Bush stated that previous audits included another deficiency report relating to the preparation of financial statements by WIC Staff. L. Bush stated the WIC audits have very minimal journal entries, and the board of directors are active and have a good financial background so this deficiency report has been removed.

Upon the request of P. Morgan L. Bush discussed the journal entries for the year which she said were minor and involved capitalizing expenses and adjusting depreciation.

L. Bush stated there was no management letter and mentioned that it was discussed with management the need to record and post online the meetings going forward.

The audit committee will recommend the Audit for FYE 6-30-21 be accepted at the next Board of Directors meeting.

With no further business before the committee, the meeting was adjourned at 9:13 a.m.