

Watertown Industrial Center Local Development Corporation
Audit Committee Meeting
October 6, 2022
Minutes

The Watertown Industrial Center Local Development Corporation held an Audit Committee meeting on Thursday, October 6, 2022, at 9:00 a.m.

Present: Paul Morgan

Listened in: Mark Bellinger

Excused: Kent Burto

Staff: Billy Soluri

Others Present: Liz Bush of Bowers and Company

- I. The meeting was opened at 9:05 a.m.
- II. L. Bush presented the Audit Report for FYE 6/30/22. 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 the Independent Auditors Report is now presented before the financials, whereas in the past it would be found after the financials.

L. Bush noted liabilities decreased by approximately \$277,000 as a result of debt payments. L. Bush stated net assets for the year had an increase of approximately 5%. L. Bush stated the \$60,000 grant received for the Jain Project will now be recognized and reclassified as revenue. L. Bush noted support services represent approximately 11% of overall expenses for the year. L. Bush stated expenses were up by approximately \$3,800. 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 \$22,000.

L. Bush stated the WIC has approximately \$408,000 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 \$2.5 million. L. Bush stated Note 10 relating to Refundable Advance will be removed next year as the \$60,000 grant is now recognized as revenue.

L. Bush stated the WIC has approximately \$482,000 in cash for the year and that is close to the operating expenses of the previous fiscal year so the organization is operating

within a balanced budget 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 given the small size of the organization. L. Bush stated she will put some thought into how to have this report removed from future audits. P. Morgan suggested the monthly financials and current disbursement approval process provided an adequate amount of oversight. L. Bush stated she agrees and will talk with her associates to see what they advise.

L. Bush discussed the journal entries for the year which she said were minor and involved capitalizing expenses and reclassifying the grant proceeds as revenue.

L. Bush stated there was no management letter.

The committee will recommend the Audit for FYE 6-30-22 be accepted at the next Board of Directors meeting.

With no further business before the committee, the meeting was adjourned at 9:35 a.m.