

**Town of Champlain Industrial Development Agency  
Audit Committee Meeting Minutes  
March 21, 2011**

The meeting was called to order at 5:05 p.m. on March 21, 2011 at the Town of Champlain at 729 Route 9, Champlain, NY by Chairperson Richard Baker.

**Committee Members Present:**

Richard Baker and J. Bruce Seguin,

**Committee Members Absent:** None

**Committee Members Excused:** Rolla Parker

**Others Present:**

Rob Casey, Gregory Martin, Jane West, Adoré Flynn Kurtz, Barbara Shute and Jim Holmes, CPA, Abbott, Frenyea and Russell.

Roll Call

R. Baker waived the calling of the roll.

Old Business

Review of the 2010 Audit results

A. Kurtz asked Jim Holmes to review the 2010 Financial Statements.

J. Holmes began with a brief overview of the report, noting that the first three pages contain language standard to auditing practices.

Page 1 This is a summary of the Management's Discussion and Analysis. All information was provided by the Agency. The Agency net assets decreased by \$4,353 and the liabilities of the Agency exceeded its assets as of December 31, 2010 by \$274,923.

Page 2 This is a letter to the Agency from AFR stating their findings, noting that, in their opinion, the report clearly represents the Town of Champlain IDA and its current financial position.

Page 4 This page shows a comparative balance between 2009 and 2010.

Page 5 This page shows no operating revenues for 2010 with a net deficit of \$270,570 at year's end. The only expenses were funds in the amount of \$4,353 paid by TDC for the 2009 audit, legal advertising, and to the County Treasurer for preparing the PILOT bills.

Page 6 This page is the Statement of Cash Flows. The only change here is the amount of the net deficit of \$4,353 which is the amount paid by TDC for operating expenses.

Pages 7-9 These pages are notes related to the financial statement. These notes have remained consistent from year to year. Note #2 includes bond and note transactions which show an outstanding balance of \$354,707. At this time there are no plans for repayment.

A. Kurtz commented to G. Martin that if he would like to have a side bar, she would explain the situation behind the Lincoln Boulevard transaction which precipitated most of the Agency's debt. She noted that this matter has been a long drawn out saga. M. Rogers asked if anyone had been contacted since World Realty changed hands, J. West said no. M. Rogers asked if the bond had stayed in place and A. Kurtz said yes, noting that the company had asked the Agency to take back the assets and then immediately convey these same assets to a preferred entity. At that point the transfer of property from World Warehouse to another buyer would occur.

Page 10 – 11 These pages are a required report on internal controls. This is a standard report that has been completed by the TOCIDA since 1997.

Page 12 This page explains control over the accounting system and Segregation of Duties.

AF&R reviewed at the supplemental schedules for projects that are still outstanding but did not audit them.

J. Holmes noted that 3 J Fuels and Zanazan were transferred back to the companies. These companies are still showing 2010 PILOT payments due to the fact that the transactions occurred after March 1, 2011. A. Kurtz noted that the companies are not still paying abated PILOT payments; but at 100% of the full tax bill. Bechard Enterprises is also in the process of being removed from the Agency's holdings. A. Kurtz noted that this transaction also occurred after the March 1 cutoff date. The company is still on the land tax rolls; however they are off the school tax rolls.

J. Holmes gave each member present a copy of the letter from the auditor, Abbott, Frenyea & Russell PC. This letter states that all of the information was found to be true, there were no disagreements with management, no consultations were necessary and no problems noted.

J. West asked if this audit will now go to the state and A. Kurtz said yes. The audit will be submitted electronically through the PARIS website along with acknowledgment of the existence of each of the policies that will likely be adopted later in this meeting. She also noted that the due date is March 31, 2011.


R. Baker then asked the members of the Audit Committee for a motion to accept the results of the 2010 audit as reported by J. Holmes.

On a motion by R. Baker and seconded by J. West, it was unanimously agreed to accept the Auditor's Report and recommend it to the Agency.

R. Baker then asked the members of the Audit Committee if there were any questions or corrections regarding the minutes of the February 7, 2011 Audit Committee meeting. There were none.

On a motion by J. Bruce Seguin and seconded by J. West, it was unanimously carried to approve the minutes of the February 7, 2011 meeting.

There being no further matters, a motion by J. B. Seguin and seconded by R. Baker, the meeting adjourned at 5:25 p.m.

  
Richard Baker, Chairperson