

# Choose Columbia

Columbia Economic Development Corporation

**MINUTES**  
**COLUMBIA ECONOMIC DEVELOPMENT CORPORATION**  
**AUDIT and FINANCE COMMITTEE**  
**Tuesday, September 20, 2016**  
**4303 Route 9**  
**Hudson, New York**

A regularly scheduled meeting of Columbia Economic Development Corporation’s (CEDC) Audit and Finance Committee was held at their offices located at 4303 Route 9, Hudson, NY 12534 on September 20, 2016. The meeting was called to order at 2:00 am by Rick Bianchi, Audit and Finance Committee Chairman.

Attendee Name	Title	Status	Arrived
Rick Bianchi	Committee Chairman	Present	
Tish Finnegan	Committee Member	Present	
Tony Jones	Committee Member	Present	
James Lapenn	Committee Member	Present	
John Lee	Committee Member	Present	
F. Michael Tucker	President/CEO	Present	
Andy Howard	Counsel	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Erin McNary	Bookkeeper	Present	

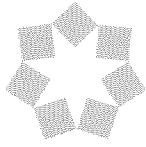
**Minutes:**

*Mr. Jones made a motion, seconded by Ms. Finnegan to approve the minutes of the July 21, 2016 meeting as presented. Carried.*

**Review of August 2016 Financials:**

Mr. Tucker stated he was working with his assistant and Matt Vanderbeck on the upgraded financials. He noted that Quickbooks was used to generate a large number of reports. In order to ensure the financial information was kept intact he stated he felt it was important to run parallel systems until the end of the year. He stated transactions would be entered weekly on the offsite program. He stated he was hesitant to override the current system until the systems had proved they were compatible. Mr. Bianchi asked if the financials would be in place on 1/1/17. Mr. Tucker assured him they would be.

Mr. Tucker reviewed the financials with the committee. Mr. Bianchi pointed out on CEDC-operating fund’s balance sheet, total fixed assets are reflected as a negative \$2,872, which needs to be corrected on the financial statements and summary sheet. CEDC operating fund’s income statement, lists an expense of “Contribution Expense to SBA” of \$11,250. This amount is reflected as income on CEDC –SBA Microloan’s profit and loss statement. Additionally, on the summary report, there should be a column to eliminate intracompany transactions and this transaction should be reported there (i.e. reduce expense and reduce income). On the CDBG Small Cities profit and loss statement, income is being reported for the collection of loan receivable principal. Mr. Bianchi asked why the receipts were not reducing the respective asset and questioning if these receipts should be recorded as income. He pointed out on



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CEDC-operating fund's profit & loss, there is the expense for legal fees. However, Mr. Tucker explained that the amount reflected on this financial statement includes the considerable amount of legal fees associated with loan collections, and stated that this expense will be allocated to the respective intracompany entity. *Mr. Lapenn made a motion, seconded by Mr. Lee to recommend the treasurer's report to the full board for acceptance. Carried.*

## **2017 Budget:**

Mr. Tucker reviewed the 2017 budget with the Committee. Based on Mr. Tucker's review, Mr. Bianchi suggested: Line two of the budget, the CEDC CDBG administrative income be reduced from \$22,500 to \$10,000 (a reduction of \$12,500); Eliminate the consultant CDBG expense of \$7,500; Increase "Other Income from \$2,500 approximately \$6,000 (i.e. increase this line item by an amount to make the budget balance). *Mr. Lee made a motion, seconded by Mr. Lapenn to recommend the proposed budget with Mr. Bianchi's proposed changes to the full board at the September meeting.*

## **Compliance Review:**

### **Authorities Budget Office:**

Mr. Tucker stated staff had reviewed PARIS and had scheduled a meeting with Pattison, Koskey Howe and Bucci to review questions about entries. He stated staff had completed the ABO training. No word had been received from the Attorney General's Office regarding their request for information regarding CEDC loans to any persons holding CEDC office, board seat or who was a major contributor, earlier in the year.

### **Grant Compliance:**

Mr. Tucker stated Empire State Development had assigned the grants awarded to Hudson Valley Creamery directly to the Hudson Valley Creamery. He reminded the committee the business was now responsible for the associated grant administration.

Mr. Tucker stated the Barlow grant remained outstanding. He noted the Flander's grant and the Hudson Valley Creamery grant were being monitored for jobs under clawback provisions. He noted the CEDC would administer the Goat Study grant as well as the \$375,000 Hudson Valley Creamery CDBG grant.

## **Risk Assessment:**

Mr. Tucker stated he wants to determine the answers to the questions in the blue boxes. He noted that one of those questions answered would be the employee manual which would be reviewed by the Governance and Nominating Committee later in the week. He reviewed the document with the committee, noting he continued to work on the document. He noted it did not require approval at the present time.

*With no other business to come before the committee, Mr. Jones made a motion, seconded by Ms. Finnegan to adjourn the meeting. Carried.*

The meeting was adjourned at 3:17pm

*Respectfully submitted by Lisa Draushuk*