

TOWN OF BROOKHAVEN

**LOCAL DEVELOPMENT CORPORATION &
INDUSTRIAL DEVELOPMENT AGENCY**

JOINT AUDIT COMMITTEE MEETING MINUTES

MARCH 19, 2014

MEMBERS PRESENT: Frederick C. Braun, III
Gasper C. Celauro
Felix J. Grucci, Jr.
Scott Middleton
John Rose
Ann-Marie Scheidt

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
James Ryan, Chief Financial Officer
James M. Tullo, Deputy Director
George Hoffman, Deputy Director
Annette Eaderesto, Counsel
Howard Gross, Weinberg, Gross & Pergament
William Weir, Nixon Peabody, LLP (via conference call)
Jocelyn Brinka, Assistant
Annmarie Hallock, Assistant
Alan Wax, Wax Words, Inc.
Lori LaPonte, Albanese, Sini & Reeves

Chairman Braun opened the Joint Audit Committee at 7:57 A.M. on Wednesday, March 19, 2014, in the Work Session Room on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York.

LDC AUDIT PRESENTATION / PARIS REPORT APPROVAL

Ms. LaPonte of Albanese, Sini & Reeves presented the 2013 draft financial statements for the LDC. Ms. LaPonte explained that due to clarified accounting standards the report looks a bit different than last year. The LDC received a clean unqualified opinion. Cash increased in 2013 and insurance was prepaid for the year. Ms. LaPonte added that the internal control opinion on reporting matters was also a clean opinion and she was granted full access to all records. Mr. Braun provided some background information on the incorporation of the LDC for the benefit of our recently appointed members.

The motion to accept this report was made by Mr. Rose and seconded by Ms. Scheidt. All were in favor.

IDA AUDIT PRESENTATION / PARIS REPORT APPROVAL

Ms. LaPonte presented the 2013 draft financial statements for the IDA. This report is due to the State by the end of this month and Ms. LaPonte does not foresee any problems with meeting this deadline. The IDA also received a clean unqualified opinion for 2013. Ms. LaPonte detailed the report for the members, and there was brief discussion on how money appears in the PILOT account. All PILOT payments were disbursed within 30 days. An increase in investments was noted for the year. Ms. LaPonte added that new government accounting standards will not impact the IDA since the IDA is an agency fund under government accounting standards.

Mr. Ryan informed the Board that he has submitted the PARIS Report to the State but there was a problem uploading it. Mr. Braun inquired of Ms. LaPonte if there were any areas she would suggest improving; Ms. LaPonte responded that there are no deficiencies and the IDA does a good job of monitoring projects but any additional monitoring is always helpful. Discussion followed on different ways to enhance this. Mr. Weir pointed out that the Brookhaven IDA was one of the first to use Recapture Agreements. Mr. Weir also provided some details on upcoming changes to the sales tax exemption process: If a project goes over the amount of tax they are exempt from paying they will be required to pay a penalty. If an extension of their exemption is needed they will need to notify the IDA a few months before the expiration date and a public hearing is required if the amount of benefit is estimated to be over \$100,000.

The motion to accept this report was made by Mr. Grucci, seconded by Mr. Celauro and unanimously approved.

As there was no further business before the Audit Committee, the meeting was closed at 8:27 A.M.