

TOWN OF BROOKHAVEN
**LOCAL DEVELOPMENT CORPORATION &
INDUSTRIAL DEVELOPMENT AGENCY**

JOINT AUDIT COMMITTEE MEETING MINUTES

MARCH 24, 2016

MEMBERS PRESENT: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Scott Middleton
Gary Pollakusky
Ann-Marie Scheidt

EXCUSED MEMBER: Michael Kelly

ALSO PRESENT: Lisa M. G. Mulligan, Chief Executive Officer
James Ryan, Chief Financial Officer
James M. Tullo, Deputy Director
Annette Eaderesto, Counsel
William Weir, Nixon Peabody, LLP
Jocelyn Linse, Assistant
Terri Alkon, Assistant
Lori LaPonte, Jones, Little & Co.
John Moran, S Power

Chairman Braun opened the meeting at 7:59 A.M. on Thursday, March 24, 2016 in the Work Session Room, on the Third Floor of Brookhaven Town Hall, One Independence Hill, Farmingville, New York. A quorum was present.

Mr. Braun welcomed Gary Pollakusky, who was recently appointed to the Board.

IDA AUDIT PRESENTATION/PARIS APPROVAL

Ms. LaPonte of Jones, Little & Co. presented the 2015 IDA Annual Report to the Members. The deadline to submit this report into the State's PARIS reporting system is March 31, 2016. Clean and unqualified opinions were issued for the IDA under government auditing standards. Ms. LaPonte walked the Members through the report and noted two restrictive components on cash, the PILOT account and the

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Ronkonkoma Hub Escrow account. Mr. Ryan added that PILOT disbursements need to occur within 30 days of receipt of the payment; all disbursements met this deadline. In response to Mr. Grucci's question, the Agency is restricted to certificates of deposit and treasury notes for investments. Income increased in 2015 and expenses were down resulting in a net increase of \$280,000.

At 8:06 A.M., Ms. Eaderesto joined the meeting.

A new footnote was added for the Ronkonkoma Hub escrow account; the rest of the footnotes are similar to years prior. Mr. Weir noted the first footnote is not correct, technically the IDA was created by state statute as a body politic, not incorporated as tax exempt. This change will be made before it is submitted.

The motion to approve the 2015 IDA audit was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.

LDC AUDIT PRESENTATION/PARIS APPROVAL

Ms. LaPonte presented the 2015 LDC Annual Report to the Members. Clean and unqualified opinions were issued for the LDC under government auditing standards. The balance sheet shows a loss of about \$20,000 for the year. No projects closed in 2015. The only expenses were for insurance and website maintenance. A new summary of bonds has been included.

The motion to approve the 2015 LDC audit was made by Mr. Grucci, seconded by Ms. Scheidt and unanimously approved.

The motion to close the joint audit committee meeting at 8:12 A.M. was made by Mr. Grucci and seconded by Ms. Scheidt. All were in favor.