



MEETING NOTICE

**Thursday, June 17, 2021
Dulles State Office Building
Watertown, New York**

**Zoom Video/Teleconference &
Conference Room #1 – 11th Floor**

Audit Committee – 10:00 AM

**Due to Coronavirus Restrictions,
Public Access to the Meeting is
Restricted.**

**The Public May View and Listen to the
Meeting Live Stream at www.danc.org.**



AGENDA

AUDIT COMMITTEE MEETING

**Thursday, June 17, 2021, 10:00 AM
Dulles State Office Building,
Watertown, New York**

**Zoom Video/Teleconference &
Conference Room #1 – 11th Floor**

Due to Coronavirus Restrictions, Public Access to the Meeting is Restricted. The Public May View and Listen to the Meeting Live Stream at www.danc.org.

1. The Bonadio Group – Report to the Audit Committee
 - Resolution No. 2021-06-XX, Approving Audited Financial Statements, Single Audit, Agreed Upon Procedures, and Report on Investments for Fiscal Year Ending March 31, 2021

2. FYE 2021 Internal Audit Work Plan – Human Resources Work Plan

3. Assessment of Effectiveness of Internal Controls
 - Resolution No. 2021-06-XX, Approving the Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country for Fiscal Year 2021

4. Approving Annual Bond Sales Report
 - Resolution No. 2021-06-XX, Approving Annual Bond Sales Report for Fiscal Year Ending March 31, 2021



Board Resolution No. 2021-06-XX
June 24, 2021

**APPROVING AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT,
AGREED UPON PROCEDURES, AND REPORT ON INVESTMENTS
FOR FISCAL YEAR ENDING MARCH 31, 2021**

Whereas, the Development Authority of the North Country appointed the accounting firm of Bonadio and Company, LLP, CPA, to audit its financial statements, complete a Single Audit, perform Agreed Upon Procedures related to the Regional Water Line and Report on Compliance with Laws Related to Investment Guidelines of the Authority as of and for the year ended March 31, 2021, and

Whereas, Bonadio and Company, LLP, CPA, has completed all necessary procedures in compliance with Generally Accepted Auditing Standards and have issued an unmodified opinion on the financial statements, and

Whereas, Bonadio and Company, LLP, CPA, has completed all necessary procedures in compliance with; 1) auditing standards generally accepted in the United States of America, 2) Government Auditing Standards, and 3) Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and have issued an unmodified opinion on the Single Audit, and

Whereas, Bonadio and Company, LLP, CPA, has conducted the Agreed-Upon Procedures engagement on the Authority's Regional Water Line in accordance with attestation standards established by the American Institute of Certified Public Accountants, and reported no exceptions, and

Whereas, Bonadio and Company, LLP, CPA, has prepared an Independent Auditor's Report on Compliance with Laws and Regulations Related to Investment Guidelines for Public Authorities, and reported that with respect to the items tested, the Authority complied in all material respect with its investment policy as well as the applicable State Comptroller's Investment Guidelines for Public Authorities, and

Whereas, the Audit Committee of the Authority Board has reviewed the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments as of and for the year ending March 31, 2021 and recommends acceptance to the Board.

Now, upon the recommendation of the Audit Committee, therefore, be it

RESOLVED, that the Development Authority of the North Country does hereby accept the Audited Financial Statements, Single Audit, Agreed Upon Procedures and Report on Investments, as of and for the year ended March 31, 2021.

AUDIT WORK PLAN
[For FY 2021-22]

INTERNAL AUTHORITY AUDITS			
QTR1: 4/1/21 – 6/30/21	QTR2: 7/1/21 – 9/30/21	QTR3: 10/1/21 – 12/31/21	QTR4: 1/1/22 – 3/31/22
A/P Batch Audit (weekly) Visa Statement Audit (monthly) Website/Webcast Audit (bimonthly) WQ Flow Audit Fixed Asset Audit	A/P Batch Audit (weekly) Visa Statement Audit (monthly) Telecom Customer Tax Forms Website/Webcast Audit (bimonthly) MMF Scale Audit Procurement/MWBE Audit	A/P Batch Audit (weekly) Visa Statement Audit (monthly) WQ Flow Audit Website/Webcast Audit (bimonthly) Telecom Billings Audit Fixed Asset Audit	A/P Batch Audit (weekly) Visa Statement Audit (monthly) Procurement/MWBE Audit Website/Webcast Audit (bimonthly) MMF Scale Audit Electronic Signature Audit

HUMAN RESOURCES AUDITS			
QTR1: 4/1/21 – 6/30/21	QTR2: 7/1/21 – 9/30/21	QTR3: 10/1/21 – 12/31/21	QTR4: 1/1/22 – 3/31/22
Employee Pay Rate Audit (100%) Expense Report Audit (100%)	Health Insurance Stipend Audit Expense Report Audit (100%)	Employee Cell Phone Reimbursement Audit Expense Report Audit (100%)	Retirement Health Insurance Audit Health Insurance Stipend Audit Employee Pay Rate Audit (100%) Expense Report Audit (100%)

CFO Signature _____

Date _____



Board Resolution No. 2021-06-XX
June 24, 2021

**APPROVING THE ASSESSMENT OF THE EFFECTIVENESS
OF INTERNAL CONTROLS OF THE DEVELOPMENT AUTHORITY OF
THE NORTH COUNTRY FOR FISCAL YEAR 2021**

Whereas, pursuant to Section 2800(9) of New York State Public Authorities Law, the Development Authority of the North Country shall prepare an Assessment of the Effectiveness of its Internal Controls structure and procedures, and

Whereas, Executive Management has prepared the attached Assessment of the Effectiveness of Internal Controls for Fiscal Year 2021 and recommends approval of such Assessment, and

Whereas, the Audit Committee has reviewed Executive Management's recommendation and concurs with the recommendation.

Now, upon the recommendation of the Audit Committee, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby approve the attached Assessment of the Effectiveness of Internal Controls of the Development Authority of the North Country, for the fiscal year 2021.

Assessment of the Effectiveness of Internal Controls – FY 2021

It is the policy of the Authority to prepare its financial statements in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board for proprietary funds. We accomplish this by adhering to the Development Authority's Accounting Manual which documents and outlines a system of internal controls which is developed to reduce fraud and abuse and to produce financial statements on a consistent basis.

The Development Authority of the North Country has developed an Accounting Manual which documents the principles, policies and procedures governing the Authority's accounting practices.

The principles, policies and procedures provide:

- A foundation for a system of internal controls
- Guidance in current financial activities
- Criteria for decisions on appropriate accounting treatment.
- Accounting staff with direction and guidance in connection with those accounting transactions, procedures, and reports that should be uniform throughout the Authority.

When consistently applied throughout the Authority, these principles and policies assure that the various financial statements issued by the Authority accurately reflect the results of the Authority's operations.

Internal controls provide a system of checks and balances intended to identify irregularities, prevent waste, fraud and abuse from occurring, and assist in resolving discrepancies that are accidentally introduced in the operations of the business. Examples of internal controls implemented at the Development Authority are as follows:

- Dual signatures are required for disbursements in excess of \$15,000
- Requisitions and purchase orders must be authorized prior to encumbering Development Authority funds. Invoices received must be authorized prior to payment.
- Employee reimbursements are appropriately documented, approved by the employee's supervisor and audited by Compliance staff prior to payment.
- Bank accounts are reconciled monthly and are reviewed and approved by the Comptroller.
- Accounting functions are divided among employees so that the work of one employee complements and acts as a check on the work of another.

The system of internal controls of the Development Authority are monitored on a continual basis by the Chief Financial Officer and audited by Compliance staff who report the results of such audits to the Executive Director.

On an annual basis, the financial statements of the Development Authority are audited by an independent CPA firm. While the auditors were not engaged to perform an audit of internal controls, the auditors did not identify any deficiencies in internal control that they considered to be a control deficiency, significant deficiency, or material weaknesses during the audit for the fiscal year ended March 31, 2021.

In summary, the present internal control structure of the Development Authority is sufficient to meet the internal control objectives that pertain to the prevention and detection of fraud, errors and irregularities in the financial reporting of the Development Authority.



Board Resolution No. 2021-06-XX
June 24, 2021

**APPROVING ANNUAL BOND SALES REPORT
FOR FISCAL YEAR ENDING MARCH 31, 2021**

Whereas, the Development Authority of the North Country operates according to Board policies and administrative guidelines as may be amended from time to time, and

Whereas, the Authority's Bond Sale Policy requires that the Authority shall annually prepare and approve a Bond Sales Report. The Bond Sales Report shall include the results of any Bond Sales during the year, to include Underwriter's Compensation, Net Interest Cost, and the Method of Sale.

Whereas, Executive Management has reviewed and recommends approval of the Annual Bond Sales Report for the fiscal year ending March 31, 2021, as attached, and

Whereas, the Audit Committee has reviewed Executive Management's recommendation and concurs with the recommendation.

Now, upon the recommendation of the Audit Committee, therefore be it

RESOLVED, that the Development Authority of the North Country hereby approve the Annual Bond Sales Report for the fiscal year ending March 31, 2021, attached hereto and incorporated in this Resolution.

**Development Authority of the North Country
Annual Bond Sales Report
Fiscal Year Ended March 31, 2021**

Issuances

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Amount</u>	<u>Net Interest Cost</u>	<u>True Interest Cost</u>	<u>Underwriter Compensation</u>	<u>Method of Sale</u>	<u>Maturity</u>
No Debt Issued	NA	NA	NA	NA	NA	NA	NA

Outstanding Bonds as of March 31, 2021

<u>Bond Issue</u>	<u>Balance @ 3/31/21</u>	<u>Maturity</u>
Series 2019 SWMF Revenue Bonds	\$ 10,480,000	2044
Series 2015 SWMF Revenue Bonds	\$ 7,275,000	2040