



**Motion: M. Doyle**  
**Second: M. Remington**  
**NCA Audit/Finance Committee Approved 3/9/2022**

**North Country Alliance Local Development Corporation**  
**Audit/Finance Committee**  
**Minutes**

The North Country Alliance Local Development Corporation held a NCA Audit and Finance Committee meeting on Wednesday, January 26, 2022 at 1 PM via conference call.

Dial information: 315-661-3250 or 1-888-823-3347; User ID: 482; Password: 482

**Present:** Manna Doyle, Christy Wilt, Cheyenne Steria, Eric Virkler, Brian Gladwin, Dave Zembiec

**Excused:** None

**Others:** Michelle Capone (DANC) and Matt Siver (DANC)

**Call to Order:** The meeting was called to order at 1:01 PM

**I.** Call to Order/Roll Call

**II.** New Business

- a. NCA USDA Cash Flow Analysis – M. Capone indicated that we have received more interest in loans from the NCA. M. Capone a rough overview of USDA IRP loans and the cash flow analysis doesn't include new lending and disbursement of War Cannon Spirits, LLC. USDA Loan #1 will have the last payment this year. \$220,000 in cash at the end of FY 2022 carried forward for FY 2023, cash P&I repayments, subtract admin costs assuming a repayment reserve. USDA Loan 2 will have a balance of \$116,000. M. Capone recommended allowing the 1<sup>st</sup> loan to be paid off and don't do anything with the 2<sup>nd</sup> loan for USDA and apply for more USDA IRP money in the amount of \$500,000. The first three years of a new loan are interest only. M. Capone suggests we do not do anything and pay as agreed, get the application for USDA by the beginning of the second quarter. and apply for more funds through USDA IRP. E. Virkler asked if there was a loan application and if it was a competitive process? M. Capone indicated they are scored and we would ask for a waiver for the new work plan requirements. E. Virkler indicated that without lump without USDA money we have 5 year working capital money and very little long term lending money. E. Virkler expressed that the loan loss reserves for USDA IRP makes it difficult to use all of our funds and B. Gladwin echoed that statement. M. Capone indicated that the NCA has an overall bad debt reserve \$220,000 off book accounting measure for



USDA IRP only and an USDA IRP loan loss reserve 6% repayment reserve. E. Virkler indicated that he is comfortable with M. Capone's recommendation to keep the loan payments for USDA IRP I and II the same and to apply for new funds in the amount of \$500,000 through USDA IRP. Recommendation to the board that apply for USDA IRP funds.

- i. Dave Z
  - ii. Brian G.
  - iii. Motion Approved
- b. Review of NCA Contract Agencies – E. Virkler – DANC provides finances and the majority of our finances and CITEC with Aviva and Steve do board administration and organizing events. Contracts in place for both agencies are good until revisited. Conversation came up because of the website on the membership committee meeting. E. Virkler forwarded information on the contracts with DANC/CITEC. B. Gladwin asked if there were any concerns with the performance with any of the organizations performance and overall the committee indicated that there did not appear to be any, however, it was good to review our current contracts. M. Capone very concerned with cash flow and staff payment. M. Capone indicated that when we lose the ESD money the USDA and interest income will have to pick up expenses. M. Capone indicated that there is no flexibility in the budget to take on expenses. When we changed our contracts after 2008 for 15 years we worked under \$30,000 and \$2,500 to CITEC. The biggest thing that changed investment income was almost \$80,000 annually that covered our expenses. After that we are lucky if we get \$500 a year in interest income. M. Capone stressed that the NCA does not have room to increase expenses. E. Virkler reach out to DANC/CITEC discussion on contracts on service for lower cost. M. Remington indicated that she would have the conversation with CITEC and DANC on service issues. B. Gladwin indicated that he didn't have the depth of the relationship with CITEC. M. Remington asked E. Virkler to reach out CITEC and DANC to discuss.
- c. Auditor Contract – M. Siver sent out information in regard to the 2018 NCA Audit RFP and he gave an overview of the RFP process and that this year is the last year for Crowley and Halloran for audit services on the previous proposal and contract. The committee determined that they would make a decision on an Audit RFP around August/September of 2022 to see how we determine our next auditor.

**III.** Adjournment

**IV.** The meeting was adjourned at 2:13 PM.