

MCIDC

CityPlace 50 W. Main Street, Suite 8100
Rochester, NY 14614
Phone (585) 753-2020 - FAX (585) 753-2029

Minutes – Audit Committee February 25, 2011

Committee Members in attendance: Jim Genthner, Hanif Abdul-Wahid

Other: Executive Director Seil, Randy Shepard , CPA Bonadio

Meeting was called to order by Jim Genthner, Chair of Audit Committee.

Items Discussed:

1. Coverage associated with FDIC insurance was addressed by Mr. Shepard. All accounts in non interest bearing accounts are covered by FDIC insurance no matter the amount in the account. Interest bearing accounts are covered up to \$250,000. Mr. Genthner discussed the CDARS deposit account in which a deposit may be made to a local institution which participates in the program and amounts of \$250,000 are distributed to other participating banks which have coverage. Mr. Shepard and Genthner are also going to check on possible investments in US Securities and investment accounts allowed under the investment policy.
2. Discussion regarding investments in Trillium and LaserMax and how they should appear on the balance sheet. Appears the investments will be shown at cost.
3. Discussion on requirements of SBA. The need for a loan committee. It was decided the loan committee is a good filter to review the projects prior to discussion with the entire board. J. Seil presented the latest SBA report which shows MCIDC's portfolio in better shape than its peers as well as the entire SBA portfolio with a delinquency rate of 1.6% vs the entire portfolio of 3.5%. And 92.5% has a low risk rating as opposed to 80.4% for the entire SBA 504 portfolio.
4. Discussion regarding signors for the accounts was discussed. All officers will now be signors. Raising the amount of checks that need two signatures from \$2,500 to \$5,000.
5. Mr. Shepard reviewed the draft of the audit with no concerns.