

**Cayuga County Industrial Development Authority**  
**Audit and Finance Meeting**  
**2 State St. Auburn NY 13021**  
**March 16<sup>th</sup> @ 3:30pm**

Present: Paul Lattimore, Herb Marshall, John Latanyshyn

Others Present: Danielle Szabo, Taylor Symes (CEDA), Elaine Buffington (Buffington & Hoatland PLLC), Riccardo Galbato (Galbato Law Firm)

Mr. Lattimore called the meeting to order at 3:34pm, noting the presence of a quorum.

**Review of 2021 Financial Audit**

Ms. Buffington stated that the audit went very well. There were four journal entries that needed to be entered. One was to adjust the accounts receivables and retained earnings due to an entry that didn't get posted correctly in the year before. Another journal entry was to capitalize the expenses for the sewer line. The third journal entry was a reclassification. The final journal entry was for the CEDA Admin Q4 invoice. Ms. Buffington explained that none of the journal entries were considered audit entries. These entries, management would have recorded them before the audit started. One item that would be an improvement would be to lock the QuickBooks at the end of the year so no adjustments can be made to prior years. Ms. Buffington stated that if we needed help locking QuickBooks to contact Ms. Taylor Green and she would be able to help in doing so.

The financial statements show on pages 1-3 is the new auditors report. It states that the financial statements were audited and were completed in accordance with General Accounting Principles. They were audited under US General Auditing Standards along with Government Auditing Standards. On page 4 starts the management discussions and analysis. Ms. Szabo competed this with the help of Ms. Buffington and her team. Ms. Buffington stated that she made sure everything balanced and that everything was captured. On page 7 is the Statement of Net Position shows our cash and cash equivalents. The cash and cash equivalents decreased during the year from \$881,000 to \$702,000. Most of the cash went into the Construction in Progress for the sewer line. Under Capital Assets, the Construction in Progress increased by \$236,000. Mr. Marshall asked if that was the construction of phase one along with the engineering for both phases? Ms. Symes stated that yes it was and that it covers phase one, engineering and part of phase two. Mr. Marshall asked if most of the engineering costs are paid for? Ms. Symes stated that she would have to look into this as the costs are increasing. Ms. Szabo clarified that the engineers had to redo the engineering and scope of work for the EDA Application which is additional costs to CCIDA. Ms. Szabo stated that Mr. Mark Chambers would give an update on the additional costs. Mr. Chambers was working with a gentleman named Brian Bayers on updating everything. Mr. Marshall asked if this was paid with the cash we have in our accounts? Ms. Symes stated that yes it was from our regular cash.

Ms. Buffington stated that the PILOT Payments received and disbursed were done before December 31<sup>st</sup>, so CCIDA did not have any PILOT Receivables. Also, Ms. Buffington pointed out the grant payable in the amount of \$10,000 that was a pass-through grant. CCIDA is waiting

for bills from Clarity Connect to be able to disburse the cash. This has been on CCIDA books for years according to Ms. Buffington. She stated this is something to look into. Mr. Marshall asked for clarification if this was for payments for electrical poles? Ms. Buffington stated yes, it was from Clarity Connect and it was for telephone poles. Ms. Szabo wanted to clarify that this was a pass through grant through the IDA. Ms. Buffington stated that we have the money and the we would need to be able to disburse it and receive the proper paperwork. Mr. Marshall stated that we most likely won't. Ms. Szabo stated that she would look into it.

Ms. Buffington stated that our Net Position at the end of the year was \$1,608,000. The statement of revenue expenses showed our administrative fees were \$98,000. Operating expenses were the same. The operating expenses were consistent. The professions fees increased to increased legal costs. Page 10 is the statement of cash flow. This shows the cash in and out for PILOTS, expenses and income. From day to day activities there was a positive cash flow of \$56,897. CCIDA spent \$236,000 in land cost. \$443 was interest on the CD. Our cash decreased by \$170,000 due to the sewer line project. Page 11 starts the notes for the financial statements. Ms. Buffington stated that the board should review the footnotes. Page 14 shows that CCIDA has investments of a CD that came due in February. Ms. Buffington stated that if the CD was renewed at a shorter term it would be included in CCIDA's cash and cash equivalents for next year. Mr. Marshall asked what it was now? Ms. Symes stated that it was in a short CD now due to the current rates.

Ms. Buffington moved on to page 15, note 4, points out that CCIDA's capital assets are Land & Building and Construction in Progress. Mr. Marshall asked if we depreciate the capital assets? Ms. Buffington stated no. Ms. Buffington stated that she isn't quite sure what the Building portion of the Land & Building is. When she took over the audits, the notes were lacking information. She stated this is something she wanted to discuss more in depth to see if someone can find how much is land and how much goes towards buildings. This would be to see why they have never been depreciated. Mr. Latanyshyn stated that CCIDA doesn't have any buildings. He stated that this was carried at cost. Ms. Buffington stated that yes it would be carried at cost. She stated that in 2018 the land was \$542,000 and the building was \$68,618. She stated that there was an additional notes put in that increased the value of the building to \$104,000. Ms. Buffington stated she would go back to the previous auditors to see if they have any additional information. Mr. Latanyshyn stated it could be the Columbus Property and it would need to be looked into further. Mr. Galbato stated the property was transferred years ago to Scott and Davis Company. Mr. Latanyshyn stated that it will be researched. Mr. Latanyshyn stated about the depreciation, CCIDA is not a taxable organization. Ms. Buffington stated that soon we can talk about the sewer line about who it would be transferred too. Ms. Szabo stated that it would be transferred to Cayuga County Water and Sewer Authority.

Ms. Buffington stated that she tested CCIDA's Internal Controls and found no material weaknesses or deficiencies while conducting the Financial Audit. The Independent Auditor's Report on the Public Authorities Law and no findings were recorded. Ms. Buffington wanted to discuss the SAS letter which discussed not material weaknesses or deficiencies. There were a few journal entries that were made but are not considered finding due to management would've

taken care of them during normal operating times. The other letter for Governance states that the financial statements were audited and no drastic financial changes were made. The estimates that were used were for the PILOT receivables and payables. The corrections that were needed to be made were discussed with staff. Also, no disagreements with management happened. Mr. Marshall asked how recent were pages 4-14 were created? Mr. Marshall stated that it would be good if the board could have copies prior to the meeting. Ms. Szabo stated that they were sent out to the board electronically to be reviewed. Mr. Marshall expressed that he doesn't believe the board should have to approve the Financial Audit until the board has the opportunity to review it before the meeting. Ms. Symes clarified what Mr. Marshall stated by saying that the board receives their meeting materials a week prior to the meeting to have to opportunity to review it. Ms. Buffington stated that she understands but this was under different circumstances that they had the audit complete in less than 4 weeks to be able to present it to the board.

Mr. Marshall motioned to accept the audit and recommend it to the full board for approval, seconded by Mr. Latanyshyn. All members present voted in favor; motion was carried.

Mr. Latanyshyn asked if there was anything that CCIDA could improve on? Ms. Buffington stated that the records are in great shape when being delivered. She believes under the circumstances the staff are in they are doing things in a proper manor. Mr. Marshall stated that he understood that journal entries should not be entered after a certain time. Ms. Szabo stated that Ms. Buffington recommended that CCIDA should lock their QuickBooks at year end.

### **Review of 2021 PARIS Reporting**

Ms. Symes stated that we are out of time and that it is on the Regular Meeting Agenda and can be reviewed then.

### **ADJOURNMENT:**

Mr. Lockwood moved to adjourn at 4:09pm seconded by Mr. Marshall. All members present voted in favor; motion was carried.

Respectfully Submitted,  
Taylor Symes