

SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AUDIT COMMITTEE
MEETING MINUTES

Monday, March 16, 2020
9:00 am
Heroes Conference Room
Seneca County Office Bldg., 3rd floor
Waterloo, New York 13164

Attendance:

Members Present: Erica Paolicelli, Chair; Menzo Case and Thomas Kime
Members Absent: None
Staff Present: Patricia Jones, Deputy Director; Kelly Kline, Office Manager and Robert Kernan, CFO
Others Attending: Thomas Zuber and John Rynkiewicz, Auditors

Call to Order:

Ms. Paolicelli called the meeting to order at 9:00 am. A quorum of the Committee was present.

Approval of Audit Finance Committee Meeting Minutes December 5, 2019 :

The minutes of the IDA Audit Finance Committee Meeting of December 5, 2019 had been mailed to Committee members prior to the meeting. A motion was made by Mr. Kime to approve the minutes. Seconded by Mr. Case. Motion carried.

Presentation and Recommended Approval to IDA Board of the 2019 IDA Audit and Management Letter:

A draft copy of the 2019 Annual IDA Audit and Management Letter had been forwarded to Committee Members prior to the meeting. John Rynkiewicz and Thomas Zuber provided a summary of the audit to committee members informing the committee that as a of results of the audit an unqualified opinion was issued relating to the financial position of the Agency at December 31, 2019. The firm did not identify any Material Weakness or significant deficiencies in internal control in this year's audit. Mr. Kernan has prepared the following summary of the findings of the audit:

The following schedules were presented and discussed by the audit firm representatives:

- Seneca County Industrial Development Agency- Statement of Net Position- From Page 7 of the Financial Statements- December 31, 2019 and 2018. (combined Operating Fund and Loan Fund)
 - Total Assets measured \$5,499,786 at 12/31/19 down (\$87,732) from 12/31/18.
 - Deferred Outflow of Resources measured \$59,273 at 12/31/19 down (\$28,084) from 12/31/18.
 - Total Liabilities measured \$109,624 at 12/31/19 up \$41,042 from 12/31/18.
 - Deferred Inflow of Resources measured \$11,946 at 12/31/19 down (\$34,216) from 12/31/18.
 - Total Net Position measured \$5,437,489 at 12/31/19 down (\$122,642) from 12/31/18.
- Changes in Net Position- From Page 8 of Audited Financial Statements- For Years Ended December 31, 2019 and 2018.
 - Operating Income (Loss) measured (\$370,376) at 12/31/19 down (\$158,242) at 12/31/18.
 - Non-Operating Income (Loss) measured \$247,734 at 12/31/19 up \$878,757 at 12/31/18.
 - Changes in Net Position measured (\$122,642) at 12/31/19 up \$720,512 at 12/31/18.
 - Net Position- End of Year measured \$5,437,489 at 12/31/19 down (\$122,642) from 12/31/18.
- Seneca County Industrial Development Agency- Operating Fund Summarized Statement of Net Position- From Page 29 of Audited Financial Statements- December 31, 2019 and 2018. (Operating Fund)
 - Financial Highlights Reviewed:
 - Accounts Receivable and Investment in Deer Run Park.
 - Accounts Receivable measured \$107,618 at 12/31/19 up \$107,618 from 12/31/18.
 - Investment in Industrial Park measured \$222,080 at 12/31/19 down (\$227,555) from 12/31/18.
 - Deferred Outflow of Resources measured \$59,273 at 12/31/19 down (\$28,084) at 12/31/18.

- Total Liabilities measured \$109,624 at 12/31/19 up \$41,042 from 12/31/18.
- Deferred Inflows of Resources measured \$11,04 at 12/31/19 down (\$34,216) from 12/31/18.
- Total Net Position measured \$4,305,662 at 12/31/19 down (\$138,943) at 12/31/18.
- Seneca County Industrial Development Agency- Operating fund Summarized Changes in Net Position- From Page 30 of Audited financial Statements- For Years Ended December 31, 2019 and 2018. (Operating Fund)
 - Financial Highlights:
 - Agency Fees, Website Development, Strategic Plan Development, State Grant, Lamb Road Transfer and Deer Run Park Value.
 - Operating Income or (Loss) measured (\$386,578 at 12/31/19 down (\$112,636) from 12/31/18.
 - Non-Operating Income (Loss) measured \$247,635 at 12/31/19 up \$878,717 from 12/31/18.
 - Changes in Net Position measured (\$138,973) at 12/31/19 up \$766,081 from 12/31/18.
 - Net Position- End of Year measured \$4,305,662 at 12/31/19 down (\$138,943) from 12/31/18.
- Seneca County Industrial Development Agency- Revolving Loan Fund Summarized Statement of Net Position- From Page 29 of Audited Financial Statements- December 31, 2019 and 2018.
 - Financial Highlights- Extension of Bonadent Loan through 2022.
 - Cash Restricted measured \$611,788 at 12/31/19 up \$145,915 from 12/31/18.
 - Loans Receivable, Net measured \$116,057 at 12/31/19 down (\$198,612) from 12/31/18.
 - Total Assets measured \$1,131,827 at 12/31/19 up \$16,301 from 12/31/18.
 - Total Net Position measured \$1,131,827 at 12/31/19 up \$16,301 from 12/31/18.
- Revolving Loan Fund Summarized Changes in Net-Position from Page 30 of Audited Financial Statements- For Years Ended December 31, 2019 and 2018.
 - Financial Highlights- 2019 Financial Program Income and prior year refunding of Allowance for Doubtful Accounts.
 - Operating Income or (Loss) measured \$19,592 at 12/31/19 down (\$42,216) from 12/31/18.
 - Interest on deposits measured \$99 at 12/31/19 up \$37 from 12/31/18.
 - Changes in Net Position measured \$19,691 at 12/31/19 down (\$42,179) from 12/31/18.
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A motion was made by Mrs. Paolicelli to accept the 2019 IDA Audit and Management Letter and recommend approval to the full Board. Seconded by Mr. Case. Members Kime, Case and Paolicelli voted "yea". Motion carried.

Review of Long-Term Forecast:

Ms. Jones presented the Committee a look at the Agency's long-term financial plan projecting out seven years with worst and average case scenarios. In the worst case, the IDA could exhaust its cash in year six. In the average case, and using projected fees of \$400,000 a year, the IDA would be financially stable for seven years. This forward-looking view is reviewed twice a year, with the budget in the fall and the audit in the spring. It is for informational purposes only.

Other Business:

None

Adjournment:

A motion to adjourn the meeting was made by Mr. Kime. Seconded by Mrs. Paolicelli. Motion carried. The meeting adjourned at 9:20 am.

Respectfully submitted,

Patricia Jones
Deputy Director