



Auburn Industrial
Development Authority

**GOVERNANCE COMMITTEE MEETING MINUTES
AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY
Wednesday, March 17th @ 4:00pm**

Remote Due to COVID

Chamber of Commerce, 2 State Street, Auburn, NY 13021

Board Present: Brandon Gravius (Member of Industry)

Roger Beer (Member at Large)

Excused: James Dacey (Chair & Member of Business)

Staff & Guests: Tracy Verrier, Executive Director

Taylor Symes, Assistant Treasurer

Elaine Buffington (Buffington & Hoatland LLP.)

The meeting came to order at 4:02pm after establishing a quorum.

Review 2020 Financial Audit:

Ms. Verrier introduced Ms. Buffington to review the audit. Ms. Buffington stated that Ms. Verrier and Ms. Symes compiled and delivered the information in a timely manner. She stated that they only had one finding in the Audit process. A PILOT payment was collected the last week of December but was not deposited until the first week of January 2021, and the payment was not entered in Quickbooks to reflect that it was received before year end. Ms. Buffington stated that a sizable journal entry was provided to correct the misstatement. The amount was about \$95k. Ms. Buffington stated that she thinks this was an isolated incident and her and Ms. Verrier discussed the finding, noting that there would be additional training implemented to ensure such issues to not occur in the future. Another item she discussed was a GASB-91, which is a change to accounting standards regarding how conduit debt is reflected. This technically doesn't take effect until next year, but the Authorities Budget Office asked last year that they implement it early. Ms.

Buffington stated that the conduit debt that Bluefield Manor holds with AIDA is no longer reflected on the financial statement per this new standard. Mr. Beer asked if the debt would be off of QuickBooks also? Ms. Verrier stated that it had not been removed, and Ms. Buffington stated that we should take it off and suggested that the staff do a reverse entry to remove it. Ms. Buffington explained that this standard was added in order to make all authorities report conduit debt in a consistent way. Ms. Verrier stated that Ms. Symes would need to make a note to collect the Bluefield Manor debt information at year end in order to report the amounts in PARIS Reporting. Ms. Buffington stated that the Independent Audit is an unqualified opinion, the financial statements are in accordance with generally accepted accounting principles. Pages 3-5 reports the management statement, which was not audited and was prepared by Ms. Verrier. Ms. Buffington stated that those pages should be read over to understand the changes that happened throughout the year. On page 6, titled Statements on Net Position, Ms. Buffington reviewed 2019 to show that she retroactively removed the Bond and Lease Payables. The numbers on the audit correctly reflect 2019 and 2020 as a comparison. Mr. Beer asked if the Bluefield Manor bond should still be reflected in the Management Discussion and Analysis even though it is not on the balance sheet. Ms. Buffington said that she had not seen any guidance stating that it shouldn't be left in the MD&A.

James A. Dacey
Chairman

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Ms. Buffington stated that AIDA had a significant decrease in cash and cash equivalent due to PILOT payments being disbursed before year end. She stated that this is offset by PILOT Payables also being much lower. Total assets also dropped due to the timing of these payments. Ms. Buffington pointed out that previous conversation was had about increasing the cash reserve and that this year cash increased. On page 7, Ms. Buffington reviewed the Statement of Revenue and Expenses. She stated that there was an increase in the administrative income due to AIDA approving three new active PILOTS. Under the operating expenses, she noted the addition of the marketing and branding effort. Also, she noted an increase in the contract services due to the increased fee share. She noted a positive \$90,349 in cash. Mr. Beer asked if the website was housed in the equipment line? Ms. Buffington stated yes. Page 9 showed Payment of Cash Flows, which had an increase in cash and cash equivalencies of \$660k. The increase was primarily from the timing of the PILOTS.

Ms. Buffington reviewed page 14 where note 6 the New Accounting Pronouncements explained the GASB-91. On page 15 was the Auditors Report over Internal Control. The last paragraph showed the finding of the PILOT Payment being reflected in Quickbooks in the subsequent year. Page 16 showed the actual report of the finding. The last paragraph states the Authority response to the finding. Ms. Buffington stated that during the audit, they conducted a series of testing to see if they would find the same problem. She stated that they also performed testing on expenses and didn't identify any additional findings. Page 18 showed the Report on Compliance with the NYS Public Authorities Law. Ms. Buffington reported that she did not find anything that needed to be reported and that AIDA was in compliance with the Law. Mr. Beer asked about the check being received in December and not deposited. Ms. Verrier explained that the check was received in December but deposited in January. Mr. Beer asked how long the check was held on for? Ms. Buffington stated the check was received on December 23rd and deposited January 4th. Ms. Buffington stated that it was an isolated incident and was not done intentionally.

Ms. Verrier pointed to the Measurement and Accomplishment Reports, which are reported yearly. She stated that these reports are required by ABO and sent to NYS. The PARIS Reporting included all the projects except for one. Mr. Beer asked if Bluefield would be reported to PARIS? Ms. Verrier stated yes, the reporting pertaining the Conduit Debt would still be required. Ms. Verrier stated that this would all be submitted at the end of March.

Mr. Beer motioned to recommend approval of the Audit and related documents to the full board, seconded by Mr. Gravius. All members voted in favor; motion was carried.

Adjournment:

Motion to adjourn made at 4:25pm by Mr. Gravius, seconded by Mr. Beer. All members present voted in favor; motion carried.

Next Audit Meeting: November 17th @4:30pm