



MEETING NOTICE

TO: AIDA Audit Committee Members
FROM: Tracy Verrier, Staff
DATE: November 26, 2024

Greetings AIDA Finance Committee Members,

The Auburn Industrial Development Authority (AIDA) Audit Committee will meet December 3rd from 4:30-5:30pm in the 3rd floor conference room at Memorial City Hall (24 South Street, Auburn, NY). The meeting agenda is attached for your review.

The public can view this meeting live via the following Zoom link:

<https://us02web.zoom.us/j/87299179028?pwd=siTWAMHoF7BbUGPkh37BkcXE8PYNBg.1>

Dial in: (929) 205-6099

Meeting ID: 872 9917 9028

Passcode: 868012

Please confirm your attendance, and don't hesitate to reach out should you have questions or need additional information.

CC: Auburn Citizen, Rob Poyer, Jennifer Haines, Chuck Mason, AIDA Board Members

Mission Statement

"To advance the job opportunities, general prosperity, sustainability and economic welfare of the people of Auburn, NY."

Strategic Priorities

- Market the benefits of doing business in Auburn and the incentives available through AIDA to eligible projects that will generate jobs and revenue for the community.
- Assist at least two (2) projects per year with AIDA benefits and/or guidance on other benefits available in the community.
- Market parcels owned by AIDA.
- Diversify deal flow.



2 State Street, Auburn, NY 13021
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Where possibility takes root.



**Auburn Industrial Development Authority
Audit Committee**

24 South Street, 3rd floor conference room, Auburn, NY
Tuesday December 3, 2024, 4:30 pm – 5:30 pm

The public can view this meeting via the following Zoom link:

<https://us02web.zoom.us/j/87299179028?pwd=sITWAMHoF7BbUGPkh37BkcXE8PYNBg.1>

Item	Time	Presenter	Outcomes
Welcome/Roll Call	4:30 – 4:35	Stephanie Leone, Committee Chair	Attendance/Greet members/ Establish Quorum
Committee Charter	4:35 – 4:50	Tracy Verrier	Review committee charter and discuss any necessary changes needed
Internal Controls	4:50 – 5:00	Tracy Verrier	Review internal controls procedures
Corrective Action Plan	5:00 – 5:15	Tracy Verrier	Review progress on corrective action plan from 2023 audit
Audit Prep Package	5:15 – 5:25	Tracy Verrier	Review client package from Auditors
Other Updates & Discussion	5:25 – 5:30	Stephanie Leone	As needed
Adjournment	5:30	Stephanie Leone, Committee Chair	Vote to adjourn meeting



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**Auburn Industrial Development Authority
Audit Committee Charter**
Adopted: May 27, 2015

This Audit Committee Charter was adopted by the Board of Directors of the Auburn Industrial Development Authority (“Authority”), a public benefit corporation established under the laws of the State of New York, on this 27th day of May, 2015.

I. Purpose

In accordance with the Public Authorities Accountability Act of 2005 and Public Authority reform Act of 2009, the purpose of the audit committee shall be to (1) assure that the Authority’s Board fulfills its responsibilities for the Authority’s internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the Board of Directors.

II. Powers of the Audit Committee

It shall be the responsibility of the audit committee to:

- Recommend to the Board the hiring of a certified independent accounting firm for the Authority, establish the compensation to be paid to the accounting firm, and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Authority staff, all of whom should be directed by the Board to cooperate with committee requests.
- Meet with Authority staff, independent auditors or outside counsel, as necessary.
- Retain, at the Authority’s expense subject to Board approval, such outside counsel, experts and other advisors as the audit committee may deem appropriate.

The Authority Board will ensure that the audit committee has sufficient resources to carry out its duties.

III. Composition and Selection

The audit committee shall be comprised of at least three (3) independent members, and may not include the Chair of the Authority’s Board. The Authority’s Board will appoint the audit committee members and the audit committee chair. Audit committee members shall serve staggered three-year terms. At least one member of the audit committee shall not be a member of the finance committee.

Audit committee members shall be prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, audit committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with

Auburn Industrial
Development Authority

James A. Dacey
Chairman

24 South Street
Auburn, NY 13021

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the Authority or receives compensation from an entity that has material business relationships with the Authority.

Ideally, all members on the audit committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

The audit committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the Authority.

The audit committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls and, 5) an understanding of audit committee functions.

IV. Meetings

The audit committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the audit committee are expected to attend each committee meeting, in person or via telephone or videoconference. The audit committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The audit committee will meet with the Authority's independent auditor at least annually to discuss the financial statements of the Authority.

Meeting agendas will be prepared for every meeting and provided to the audit committee members along with briefing materials five (5) business days before the scheduled audit committee meeting. The audit committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

V. Responsibilities

The audit committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) undertake the internal audit function described in section B below; (c) oversight of management's internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; and (e) miscellaneous issues related to the financial practices of the Authority.

A. Independent Auditors and Financial Statements

The audit committee shall:

- Recommend to the Board the hiring of a certified independent accounting firm for the Authority, establish the compensation to be paid to the accounting firm, and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes.
- Establish procedures for the engagement of the independent auditor to provide permitted

audit services. The Authority's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the audit committee. Non-audit services include tasks that directly support the Authority's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Authority, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.

- Review and approve the Authority's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Audit Function

The audit committee shall:

- Provide internal audit functions with the assistance, as necessary, of independent members of the Board, Authority Staff, and/or third parties. To maintain independence from Authority operations, the Authority's Board Chair, Vice-Chair, Executive Director, Treasurer, or Assistant Treasurer shall not be involved in the implementation of the internal audit function outside of providing requested information.
- Review with management, the charter, activities, staffing and organizational structure of the Authority.
- Ensure that the internal audit function is organizationally independent from Authority operations.
- Review the reports of other external auditors, including government auditors, and have authority to review and approve the annual internal audit plan.
- Document and report to the Authority's Board any adverse findings.

C. Internal Controls, Compliance and Risk Assessment

The audit committee shall:

- Review management's assessment of the effectiveness of the Authority's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

D. Special Investigations

The audit committee shall:

- Ensure that the Authority has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity,

conflicts of interest or abuse by the directors, officers, or employees of the Authority or any persons having business dealings with the Authority or breaches of internal control.

- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

E. Other Responsibilities of the Audit Committee

The audit committee shall:

- Present annually to the Authority's Board a report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Board of the Authority. The audit committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the Board approval for proposed changes.

Control Activities for Support, Program Service Fees, Revenue and Receivables

Entity: Auburn Industrial Development Authority

Balance Sheet Date: December 31, 2024

Program Service Fees and Revenue

The revenue the organization receives is for Admin fees for new projects and for gain on sale of land. Other revenue received is for PILOT Programs. The money for PILOT programs comes and then gets paid back out for taxes.

Accounts Receivable

AS OF MAY 2024

Contracted staff from Swiftwater (a division of MRB Group) maintains the accounts receivable on the QuickBooks system. The Board gets a verbal and written financial report monthly at the Board meeting.

Cash Receipts

AS OF MAY 2024

Mail is opened by the Interim Director. The organization does not receive any cash. All amounts paid to them are in the form of a check or wire transfer. The only revenue the organization receives is for Admin fees for new projects and gain on sale from land (if any). If checks are received, then the Interim Director prepares the deposit slip and takes the deposit to the bank. The other contracted staff inputs the deposit into the QuickBooks system. The Interim Director stamps all checks when received with "for deposit only".

Billing for PILOTs is done once the school district tax rates are available. Tax rates are pulled from the Cayuga County Real Property website along with the current assessments. This information is used to calculate the PILOT billing by contracted staff. This is usually done sometime in September, so payments are received before year-end. Once bills are calculated, invoices are created in QuickBooks by the contracted staff to be sent with the letters. The amount is posted to Due to Government and Accounts Receivable. When checks are received for the PILOTs, they are stamped "for deposit only". Deposits are taken to the bank by the Interim Director and deposited into a dedicated PILOT checking account. The amount is verified with QuickBooks.

Bank Reconciliation

AS OF JUNE 2024

The Board Treasurer prepares the bank reconciliations.

Control Activities for Cash Disbursements

Entity: Auburn Industrial Development Authority

Balance Sheet Date: December 31, 2024

Cash Disbursements

AS OF MAY 2024

All cash disbursements are made by check. The Interim Director writes all checks and the City Treasurer signs all checks, although the Board Chair is also a signer on the bank accounts in the case that the City Treasurer is not available. The governing board or appropriate level of management authorizes bank accounts. The check signer is determined by state statute. Checks are only signed when they are needed; no checks are signed in advance. A monthly QuickBooks Online subscription is auto-debited from the operating checking account, which was approved by the board prior to sign-up. No wire transfers take place. If a purchase is made the Board of Directors authorizes the purchase to be made. The board votes on the expenditure and the Board Treasurer signs a procurement approval cover sheet. The Interim Director reviews all checks and supporting documentation before they are signed for payment. Voided checks and other documents are canceled and retained by the contracted staff.

Control Activities for Financial Close

Entity: Auburn Industrial Development Authority

Balance Sheet Date: 12/31/24

Financial close:

The monthly reports are not processed until the bank reconciliation is completed for the month. Contracted staff posts all entries to QuickBooks, including entries for deposits and checks wrote. Deposits are for PILOT agreements and checks are usually written for those PILOT agreements, professional services, and small misc office expenses. Once the month is closed and the Bank reconciliation has been completed, reports are generated and distributed to the Board with their meeting packet materials. The board gets a profit & loss vs. prior year report showing income/expenses compared to the previous year. They get another report that shows the bank balances and a balance sheet.



Auburn Industrial
Development Authority

MEMO

TO: AIDA Board of Directors

FROM: Tess Cornall- Crawford, AIDA Board Treasurer
Gwen Webber-McLeod, AIDA Chair

RE: AIDA Financial Corrective Action Plan and

DATE: April 15, 2024

Greetings AIDA Board!

The AIDA Board was charged with creating a financial corrective action plan in response to outcomes of the 2023 AIDA audit. Tess and I met with Catherine Moran to organize the required *Views of Responsible Officials* submitted for inclusion in final audit document and creation of our internal corrective action plan. You are receiving both documents with the board packet. Please review them in preparation for a review at the April 17th meeting.

AIDA Financial Corrective Action Plan by Topic

Cash Management

The AIDA Finance Committee will take these steps to ensure cash management is appropriately handled and monitored

1. The Finance Committee will review the monthly reconciled financial reports, including:

- Balance Sheet - to review the balance of bank accounts, other assets, payables, loans, and other liabilities
- Profit & Loss Statement - to review the total of current revenue and expenses that have been recorded
- General Ledger Detail - to review the transaction detail of all account balances on the Balance Sheet and Profit & Loss statements
- Bank Statement - to review actual deposits and withdrawals for the month, and compare to General Ledger Detail to ensure timely recording of transactions
- Bank Reconciliation - to review any issued checks or deposits recorded that are still outstanding, and follow up on any necessary old items
- Year to Date Budget vs. Actual - to compare actual activity to the approved annual budget

2. The monthly board packet will include the Year-to-Date Budget vs. Actual statement, with a summary of highlighted activity created by the Finance Committee.

Pilot Management

The AIDA Finance Committee will take these steps to ensure we are in compliance with all aspects of receiving and distributing PILOT payments to the proper tax authorities

1. The Executive Committee received a copy of the most recent PILOT tracking schedule, created by CEDA and reviewed by external auditors, Dannible & McKee, LLP and the MRB Group, an Economic Development third party. This will be used to compare billings, and track details of each PILOT contract. The tracking schedule will continue to be updated and reviewed on a regular basis. This will also assist in submitting the PARIS report accurately and timely.

2. The auditors recommended establishing a new bank account, restricted to PILOT payments received and distributed. The Finance Committee proposes to create a new bank account, as we agree this would be helpful in ensuring compliance of PILOT payments.

Views of Responsible Officials and Planned Corrective Actions Submitted to Auditors

TO: Elaine Buffington and Angela Janack
Dannible and Mckee/AIDA Auditors

FROM: Gwendolyn Webber-McLeod, AIDA Board Chair
Tessa Cornell- Campbell AIDA Treasurer

RE: Views of Responsible Officials and Planned Corrective Actions

DATE: March 28, 2024

Greetings Elaine and Angela,

First, thank you for attending the March 20, 2024 meeting of the Auburn Industrial Development Authority to review the 2023 Audit Report. The Board appreciated the very thorough review provided by Dannible and McKee. The Auburn Industrial Development Authority voted unanimously to accept the report and its findings. We engaged in additional discussions regarding putting in place a formal corrective action plan for AIDA based on audit findings. To finalize the audit process, we submit the following Views of Responsible Officials and Planned Corrective Actions for inclusion in the final version of the audit to be submitted to AIDA and filed with the 2023 PARIS Report.

Views of Responsible Officials and Planned Corrective Actions for Auburn Industrial Development Authority (AIDA) Submitted by Gwendolyn Webber-McLeod, AIDA Board Chair and Tessa Campbell, AIDA Treasurer

The Auburn Industrial Authority appointed a new Board Chair who is focused on ensuring the Authority is known for fiscal viability and accountability. Upon acceptance by unanimous vote of the Audit report at the Board charged the Treasure and Finance Committee with developing a corrective action plan for findings in the AIDA 2023 Audit. report. We accept the auditors' recommendations and used them to identify the following corrective actions for each concern.

2023-001 MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING - INADEQUATE CONTROLS RELATED TO TRACKING AND RECONCILING CASH BALANCES.

The Authority is developing specific internal control procedures to ensure recommendations are implemented, and that monthly and annual closing procedures are strictly adhered to. The AIDA Finance Committee will engage in a monthly review of the bank reconciliation and general detail reports to verify cash balances reported throughout the year can be relied upon.

2023-002 MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING - INADAQUATE CONTROLS RELATED TO TRACKING AND RECONCILING PILOT PAYMENT RECEIVABLE AND PILOT PAYMENT PAYABLE

The AIDA Finance Committee will create a tracking document that organizes and summarizes each PILOT contract. This document will be created using examples provided to us by the auditors and additional consultation from Dannible and Mckee as appropriate and needed. This document will break down expectations of PILOT transactions to ensure proper oversight of this process is done by the President, Treasurer. The Board President and Treasurer will ensure timely PILOT receivables and payables. This process will include an annual review to verify the correct taxable value and abatement percentages were used in the billing calculation. Any necessary corrections will be documented in the accounting software, and reported to the board for review. Critical to this correction is ensuring the AIDA Board as a whole understands our responsibility for processes used to track and reconcile PILOT payment receivables and PILOT payment payables.

2023-003 NONCOMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS - FAILURE TO REMIT REQUIRED PAYMENTS TIMELY

The AIDA Board of Directors acknowledges its understanding and responsibility for ensuring all PILOTS received by the Authority are paid to each affected tax jurisdiction within thirty days of receipt. We will take corrective action to address this finding by ensuring all staff responsible for ensuring AIDA is in compliance is properly trained to work in compliance with this requirement. We will ensure moving forward all payments are remitted within the required 30 days. Additionally, the Finance Committee will consider the auditors recommendation to open an additional bank account which is solely dedicated to the receipts and payments of PILOT amounts. We will embed in our PILOT monitoring the monthly review of PILOT cash receipts and utilize our tracking systems to ensure payments are made to tax authorities in a timely manner.

October 28, 2024

Private & Confidential

Tracy Verrier
Auburn Industrial Development Authority
2 State Street
Auburn, NY 13021

Dear Tracy:

Please find enclosed the client assistance package for the audit of the financial statements of Auburn Industrial Development Authority for the year ended December 31, 2024.

If you have any questions on the client assistance package, please do not hesitate to contact me. I would be more than happy to clarify any of the items requested.

Sincerely,

Taylor Green
Senior Auditor
Dannible & McKee, LLP

AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY

CLIENT ASSISTANCE PACKAGE

DECEMBER 31, 2024

Information Needed by December 1st

1. Backup of QuickBooks file
2. Board minutes from January 2024 through October 2024
3. Listing of all new capital asset additions, as well as invoices or supporting documentation, if any.
4. Attached is a copy of the prior year's procedure memos. Please review and update if there are any changes to the processes.
5. Please provide the contact information of the Board Treasurer.

Information Needed by Audit Date (February 17th)

1. Final copy of your QuickBooks backup
2. Board meeting minutes from November 2024 through February 2025 (draft minutes once available)
3. Board of director listing, with officer titles as of December 31, 2024
4. Bank reconciliations as of December 31, 2024
5. All operating bank statements in 2024 and January 2025
6. Pilot Schedule as of December 31, 2024
7. Copy of any new pilot agreements entered into during the year.
8. Report showing balance of bond as of December 31, 2024

Auburn Industrial Development Authority [33899]
Depreciation Expense

Sorted: General - category

Financial
01/01/2024 - 12/31/2024

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Sec. 179/ Bonus	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
EQUIPMENT										
3		CAMERA	12/31/1987	M /HY	5.0000	306.00	0.00	306.00	0.00	306.00
8		FILE CABINETS	12/31/1992	M /HY	5.0000	822.00	0.00	822.00	0.00	822.00
11		PRINTER	12/31/1994	M /HY	5.0000	288.00	0.00	288.00	0.00	288.00
15		SLIDE PROJECTOR	2/14/1996	M /HY	5.0000	472.00	0.00	472.00	0.00	472.00
16		COMPUTER	10/28/1997	M /HY	5.0000	8,297.00	0.00	8,297.00	0.00	8,297.00
17		SIGN	2/4/1999	M /HY	5.0000	9,850.00	0.00	9,850.00	0.00	9,850.00
26		Website	3/15/2021	M /HY	5.0000	16,500.00	0.00	11,748.00	1,900.80	13,648.80
Subtotal: EQUIPMENT						36,535.00	0.00	31,783.00	1,900.80	33,683.80
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
Net for: EQUIPMENT						36,535.00	0.00	31,783.00	1,900.80	33,683.80
LAND										
20		LAND	1/1/1994	No Calc /N/A	0.0000	128,924.00	0.00	0.00	0.00	0.00
21		LAND - 14 ALLEN STREET	2/4/2000	No Calc /N/A	0.0000	44,765.00	0.00	0.00	0.00	0.00
23		LAND - VITALE PROPERTY	2/22/2001	No Calc /N/A	0.0000	81,720.00	0.00	0.00	0.00	0.00
24		Land - Tech Park	12/31/2016	No Calc /N/A	0.0000	34,761.00	0.00	0.00	0.00	0.00
25		Land - Tech Park	12/31/2017	No Calc /N/A	0.0000	19,541.00	0.00	0.00	0.00	0.00
Subtotal: LAND						309,711.00	0.00	0.00	0.00	0.00
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
Net for: LAND						309,711.00	0.00	0.00	0.00	0.00
Subtotal:						346,246.00	0.00	31,783.00	1,900.80	33,683.80
Less dispositions and exchanges:						0.00	0.00	0.00	0.00	0.00
Grand Totals:						346,246.00	0.00	31,783.00	1,900.80	33,683.80