

County of Chautauqua Industrial Development Agency (CCIDA)
AUDIT COMMITTEE
201 W Third, Jamestown, NY
February 13, 2023
10:00 a.m.

CCIDA Staff Present:

Mark Geise, CEO
Richard Dixon, CFO
Kayla Strandburg, Controller

Committee Members Present:

Gary Henry
Brad Walters
Sagan Sheffield-Smith

Also Present:

Dave DiTanna, BWB
Justin Isaman, BWB
Portia McCrimmon BWB

Meeting was called to order at 10:00 a.m.

DISCUSSION

Dave TiTanna

We are excited to commence your audit. This week is when we do it. It's a process. There will be things that come up this week that we will want to look at some more information and talk to Rich and Kayla about. You have a lot going on. You always have some things going on beyond your normal business. Justin is going to walk us through it all. We are happy to be here.

Introductions were made.

Dave TiTanna

The intent of today's meeting is informational and also to get a little bit of a feel for the new things that are going on with the IDA. That is really the intent. Also, to talk a little bit about our Audit plan this coming week. Justin is going to walk us through some of the high levels of the presentation to facilitate today's discussion.

Justin Isaman

Justin reviewed a Power Point presentation discussing the scope of the audit and their responsibility.

Dave TiTanna

Justin mentioned, your biggest dollars is the AL Tech Loan and that was federal in origination. We have always done a single audit because of that. Now last year that money kind of got defederalized but because it was part way through the year we wanted to be careful. My guess is we should look at it but I'm thinking it probably wouldn't be included this year.

Rich Dixon

No, I don't think.

Dave TiTanna

I wouldn't think so.

Rich Dixon

We don't do any reporting to them anymore. Discussed EDA. We had the highest rating we could get on the report.

Mark Geise

Although we do have to still follow EDA guidelines on how we expend that money. It's not like we can do whatever you want with it. It still has to fall within those guidelines.

Dave TiTanna

Ok. We will have to look at the letter.

Justin Isaman

We may have you reach out to that contact you have just to make sure that their not anticipating seeing a schedule of expenditures for federal awards.

Rich Dixon

Two things they said, that Mark said, that you can only use it for eligible EDA which is quite a bit. They said if you do something you have to pay prevailing wage. We have done nothing but make loans with it. We've been talking to Richard Zink a little who administers all that EDA money, so they know those rules inside and out. He has been kind of coaching us through that.

Dave TiTanna

Awesome.

Justin Isaman

Continued reviewing Power Point presentation.

Mark Geise

Discussed that we were conservative with the loans – Reserved thirty to thirty-five percent.

Dave TiTanna

When you think about particularly the new EDA loans it came out in the middle of the pandemic and companies were hurting. It was working capital. There wasn't a lot of collateral if any. There was exposure and we had an unknown. We had no idea what the experience was going to be. So, we had to be conservative and it turned out better than anticipated.

Justin Isaman

Continued reviewing Power Point presentation.

Rich Dixon

Reviewed leases.

David TiTanna

It's like every entity throughout the country now has this new lease standard. We implement for our governments this past June that was in effect, but now for our year end it's going to be in effect as well. It's basically any rental agreements that are more than a year have to be recorded as a right to use asset and there is an obligation that you have an obligation to rent for a period of time. Example given. It just puts things on the balance sheet that were previously just reported as an expense or income in past years.

Rich Dixon

Three years?

Dave TiTanna

No, anything past a year.

Justin Isaman

Continued reviewing Power Point presentation.

Audit Committee to meet March 21, 2023 at 10:00 a.m.

Audit Presentation – March 28, 2023 at Board Meeting at 10:00 a.m. – Location – Fredonia Technology Incubator

Justin Isaman

Any questions?

David TiTanna

Anything on the committee's part that you are interested in or notice during the year that you want us to consider?

Mark Geise

I think what you're going to see is that complicated things a bit by having this Partnership for Economic Growth – chasing after funding and pushing that money out and other grants. You'll see.

Rich Dixon

Discussed trial balances.

Justin Isaman

There was a new fund we hadn't seen in the past. The North County Industrial.

Rich Dixon

That's an IDA grant and we kept that separate for the Board. That's money that came from County Capital Projects and from County ARPA money for us to do expansions of our industrial parks. It will be on the financial statement but we wanted to break it out there.

Justin Isaman

So in the financials should it be part of the CCIDA?

Rich Dixon

Yes. Absolutely. We want the financials to remain the same.

Kayla Strandburg

Explained the breakdown and separate fund codes for essentially each entity. She will send that.

Rich Dixon

Yes. We want the financial statement to look the same. The only difference that we have this year for reporting purposes – CREDC was component unit of the IDA for twelve years according to the ABO. Now, they want it as a stand-alone which in all actuality will make us look better because we used to have all of those CREDC costs in there and they would divide it by the number of tax lease PILOT jobs we had and CREDC didn't do any tax lease PILOT jobs.

Mark Geise

We couldn't include any jobs – The jobs that were created via CREDC or any of the loans – any of the AL Tech or any of that. So when they looked at our numbers we had a heavy administrative cost for job created.

Rich Dixon

The AL Tech Fund – they still count all of those expenses.

Justin Isaman

So for the financials, CREDC should no longer be in the consolidated total. Is that what you're saying?

Rich Dixon

You do break it out. I think that's fine. I think we should continue to do it the way we've been doing it.

Dave TiTanna

There still the same Board right?

Rich Dixon

Yes. You're on that Board because you're on the IDA Board. You can't have a separate Board.

Dave TiTanna

So I think for our reporting purposes it would still be considered a component unit but maybe for state purposes they don't want to be limited it.

Rich Dixon

Just a little more work for Kayla.

Gary Henry

Is there anything we have to different with this audit because of the State Audit we just had?

Rich Dixon

No, we are in the midst of a compliance a lot from the ABO. Discussed the audit process.

Dave TiTanna

Sounds great. Thank you.

Meeting was adjourned at 10:35 a.m.