

THESE MINTUES HAVE NOT YET BEEN APPROVED

County of Chautauqua Industrial Development Agency (CCIDA), Chautauqua Region Economic Development Corporation (CREDC) & Chautauqua County Capital Resource Corporation (CRC)

AUDIT & FINANCE COMMITTEE MEETING

**BWB Building
201 West Third Street, Jamestown, NY
2nd Floor Board Room
&
Electronically via Live Stream on YouTube and Zoom**

March 17, 2025
9:00 a.m.

CCIDA Staff Present:

Mark Geise, CEO
Richard Dixon, CFO
Shelby Bilskie, Successor CFO
Kayla Strandburg, Controller
Jeanette Lo Belo, Office Manger

Committee Members Present:

Gary Henry
Sagan Sheffield-Smith

Also Present:

Dave DiTanna, BWB
Justin Isaman, BWB

Gary Henry

I would like to welcome everybody to the Audit & Finance Committee Meeting of the CCIDA, CREDC and CRC. We are at the BWB Building, 201 West Third Street, Jamestown NY. Were also streaming live via YouTube and Zoom. It's March 17, 2025 at 9:00 a.m. We'll start with a roll call.

Committee

Aye. Unanimous. (2 Members Present)

Gary Henry

Do we have an approval for the February 10, 2025 minutes?

Sagan Sheffield-Smith

So moved.

Gary Henry

I'll second that. All in favor say Aye.

Committee

Aye. Unanimous.

Gary Henry

The minutes have been approved. We will move right into New Business – the Discussion of the Audit of the 2024 Financials

Justin Isaman

Okay? So we got three documents for you in front of you, I'll start with the financial for the largest one. You'll want to turn to page one to start. We'll talk about Audit Opinion Letter. So this is a Clean, Unmodified Audit Opinion - no modified wording of any kind. So this is kind of what you're shooting for is to get a clean audit opinion. So you did receive that so good job, Kayla, and the team.

You know, you'll notice if you went back a couple of years the form of the letters changed, but it's just where the paragraphs are over the last couple of years. They moved around every once in a while, but this one matches last year. So that is like changed from a couple of years ago.

Pages three through eight, I think - so I think seven - this is what's called the Management, Discussion, and Analysis. It's kind of a narrative format. So, if any Board Members wanted to read through this is probably where I'd send them. It's the easiest, most digestible way to get the information, but it's you know I'm an accountant so we're going to go over some numbers, but you know, if somebody on the Board said, hey, where should I spend the time? That maybe where I'd send them, especially if they're not as financially -

Rich Dixon

We should probably take my name off of page seven.

Justin Isaman

Yeah

Rich Dixon

Let's put Shelby in there. Mark, what do you think?

Mark Geise

Yup.

Dave DiTanna

Then maybe Mark and Shelby on page seven there's a yellow highlight that's like trying to give the reader anything of significance that might be in the works for this coming year. That's kind of what we had last year,

and so maybe that still applies a little bit but if there's anything you'd like to change as far as the wording or add to the wording. Let us know and we can modify that section.

Mark Geise

There's a typo there –but- and existing industrial park to expand – and - right.

Dave DiTanna

Yep.

Mark Geise

I'm not a not allowed to have a red pen.

Justin Isaman

Alright. So then we'll go to page eight and start talking about - this is the Consolidated or Consolidated Balance sheet. So you'll see the CCIDA and the five funds that kind of make that up. I did add the EPA. Brownfield Revolving Trust as a fund of the CCIDA. Not much activity. I probably could have kept it in the IDA for another year but you know, as things start to happen there might make sense to have that broken out, especially with the loans. Then the far right column is CREDC, and there's some consolidating schedules in the back of how CREDC and PEG kind of flow together.

As far as you know, the numbers on here you've still got pretty healthy cash balance down a little bit from last year, but that's really because you're spending down on the grants. A lot of unearned revenue last year, that's you know, came back off the balance sheet here. The middle of the page the other assets your Notes Receivable, and the Allowance. So, we went with 20% like we have the last few years of reserved against that. You know, I did fill out all the that CECL stuff again this year, and I went through the history of the last decade of you know your losses and write offs, and it came out with about 17% on, I believe it was the AL Tech and then I think the EDA, I think, was about 15. So, that's what they thought the loss history would be over the time. So you guys are conservative in your 20%, and you know it does - you'll see it on the next page - it hits your bottom line a little bit in those two funds because it - you've loaned a lot this year. So you know, reserving against those new loans we're adding expenditures - the income statement, but you know, if you were to factor that out, that you know, you had pretty successful years over there, but those balances are up because you're pretty much fully extended on those loans as of December. There isn't much else to give out.

Mark Geise

We have to make that call Rich.

Rich Dixon

Yeah, we do. We're going to reach out to EDA and let them know where we're at. I mean -I think the fact we did it before helped us, because then we didn't know COVID was going to hit but six months later COVID hit and they called and -spend that money.

Dave DiTanna

Yeah.

Mark Geise

They could have money sort of kicking around that they had sort of allocated to other folks like us that weren't able to get it out there - now we've got a backlog of people waiting to say, look, we could, if we had - you know, make up a number - we could get that all working on the streets.

Kayla Strandburg

Well, during COVID or well, once we got the \$10.5 million our contact at EDA had said that he was impressed with how smoothly we got all that money out the door, because there were a lot of IDA's that had a lot less, and couldn't manage to get that out.

Dave DiTanna

I think that and then your experience has been like, really good.

Mark Geise

Track record.

Dave DiTanna

Your track record, as far as like your write offs -I mean, you have a couple here or there, but this past year the experience was really good, really good experience. So that kind

Mark Geise

Yeah.

Dave DiTanna

That's the story as well.

Mark Geise

Yeah, and the fact that we've been doing this for decades.

Dave DiTanna

Exactly. Yeah.

Justin Isaman

So then next page - there's your Current Liabilities. The big number there to talk about is the Unearned Revenue, - you're at five million dollars this year, sitting unearned - still on page eight - five million dollars unearned. That's money that you've been given to spend on projects. That's down \$2.6 from last year. So, a big part of that is the million and a half that went back to the County from the broadband. So that's a big part of it, but you otherwise that means you spent about a million one of that money this year - and you did get some more grants this year so you probably spent more than that - it's probably more like a million and a half and you receive some on like Ralph Wilson -things like that.

Yeah, we can go to page nine now - Income Statement - so you know the top line there - Application Administration Fees - that's up. Really, the Wells projects is the main contributor there. You know some good fees from Wells Enterprises coming in this year. That was all recorded and it's on your balance sheet and will be, you know, realized over the next couple of years but the revenue will all hit this year.

Grant income you know, a lot of PEG grants and really, what that is, its spending funds. So, most of it was stuff that had been received cash in prior years, and now, you're spending and it's being moved out of deferred revenue on unearned revenue into rep revenue. That's hitting your bottom line and you can see that in your bottom line and you can see that in your expenditures. Expenditures are up quite a bit. Grant funds is really what that is on line three General Administrative - a lot of grant funds in there and number four that I was going to talk about - the 505 - the Bad Debt Expense. So, that's what the adjustment was for the bad debt this year. As I said, most of that is due to the fact that you loaned out quite a bit this year. Both funds AL Tech and EDA had quite a few new loans. So, as those new loans come on the books, we're going to have to, you know, recognize the 20% on those. So, that's what drives that. You know, as now, that you're kind of fully loaned right now, the anticipation would be as people pay that that balance is going to be a gain next year probably as you - as we have to lower those funds for the amounts being paid. Then you can see bottom line. The excess Deficiency Revenue - in IDA made \$400,000 - really, the Wells drove that. The Revolving Loan Fund pretty much broke even - eight-seven. See, the AL Tech and EDA Cares both lost money, but, as I said, we had to add quite a bit two hundred and eighty-one for AL Tech of that debt expense - you factor that kind of paper transaction out you really, you made \$240,000 there, and same with the EDA Cares fund, you know, net loss of 93 we wrote off 215 as a bad debt reserve - factor that out again -you made, you know, 120, and then CREDC just had a decent year. The \$93,000 there as well - that was in the main CREDC fund, really, because the PEG is mostly in and out deferred revenue yet revenues match expenditure. So, that was in CREDC itself.

Dave DiTanna

I was just going to mention - so in the fees, as Justin mentioned, the Wells administrative fees included in there - only a small portion of your Connect Gen is in there, even though that's a larger amount but your policy is to recognize that as revenue when the projects under construction and that really hadn't started as of December of 2024. So, once that kind of hits the ground running, you know, that'll be recognized, even though the payments will come in overtime as well.

Mark Geise

Yes. Hopefully, this year.

Justin Isaman

Do we know how they're doing?

Rich Dixon

Yeah, they're doing well. They're planning, getting ready. They might have done a few little things last year but spring here is when they're going to start.

Justin Isaman

So, I think that's a million dollars over the seven year - about a hundred thousand a year.

Rich Dixon

Put into revenue, yeah.

Kayla Strandburg

Specifically for 2025 I think we put in them in.

Dave DiTanna

You already put that in? Ok

Kayla Strandburg

I put in all the aged receivables.

Justin Isaman

Are you anticipating that their going to break ground in spring?

Rich Dixon

Yeah, they're definitely going to roll. They've got a lot of money invested in that. I don't know how they cannot start

Alright -page ten. We won't spend a lot of time on this, but I just think what's nice for your entity, and like the whole purpose, is the, you know, infuse funds into your community. I think you see that net change in cash line. If you go over to the far right column the total, you know, you really put \$4 million dollars back in the community. A million and a half of it went to the County so that's a big portion of it. So really, \$2.5 million back, you know whether it was loans or other ways, you're spending cash on those grants. So, I think that's for your entity I think that's kind of a nice thing to look at.

Rich Dixon

I never thought of that.

Kayla Strandburg

I know. Me neither.

Rich Dixon

Interesting.

Mark Geise

That could be the CCPEG grants too.

Justin Isaman

Yeah. CCPEG grants to grants a lot of that.

Mark Geise

That's like three - two fifty or something like that, I think, last year.

Justin Isaman

Yeah and the loans that go out. That's also loans factored into that.

Mark Geise

Loans and grants.

Justin Isaman

Pages eleven and twelve - won't spend too much time on it but because of your retirement plans your fiduciary, we report the balances of those. That's your deferred Comp and your 401K or 401 what letter you are. Is it A?

Kayla Strandburg

Yeah.

Alright so page thirteen starts the notes. I was on the bottom right hand corner we hadn't broke it out as a separate fund so I did add a little blurb on the EPA Brownfield. If you wanted to read that to make sure you agree with the writing, but I put together a blurb kind of similar to the other loan funds but that is new and broken out of the fund there.

Mark Geise

That looks good. Burden to the point.

Kayla Strandburg

Yup.

Justin Isaman

Page fifteen - we'll jump to - so not a whole lot of big changes in the notes, you know obviously, you've got your tax lease note that starts on fourteen goes into fifteen - talks about the \$2.8 million dollars you pass through. I think that's you know, kind of an important aspect of your entities, that you know that role you play in your community and then also on the right hand side there's letter O - the new accounting pronouncement - so there is GASB 101 which is compensated absences. So, we did have to evaluate that and spend some time on that to make sure we felt comfortable with the way you're reporting your compensated absences, and I got the employee handbook and reread it and make sure -yeah, are we handling it right? So we did spend some time on that, just to make sure we're doing the right thing there. Now, the way you guys have - you've always recorded your entire vacation accrual as a liability. Sick -you don't get paid out so that hasn't been there. Personnel people usually use it rolls into sick.

Rich Dixon

No, you lose it.

Justin Isaman

You lose it?

Rich Dixon

You don't use it you lose it.

Justin Isaman

So, you lose it.

Rich Dixon

Every year.

Justin Isaman

So the only part of it that you know is accrued for is vacation. So you know, because of that, the way a lot of entities kind of do that they don't record that all as a liability right away. Only as people are getting closer to retirement. GASB 101 is kind of changing that and saying no - even the youngest person there should be a liability there, because - it is a perceived liability in the future. So, it didn't have a huge impact on you because you record one hundred percent of everybody's balance.

Now, could there be some impact if you really wanted to get into the weeds of like discounting it for the future and things like that there could be. We chose not to do that. We kind of view it as people use it. It's, you know generally the balance has been about the same the last few years. It's not really growing significantly. Usually people closer to retirement seem to bump up their balances a little more knowing they're going to get paid it at the end of the year, or at their retirement date, but not a huge impact but we did evaluate it.

Kayla Strandburg

I know. Don't ask Jeanette about vacation.

Mark Geise

Hey, Justin? On H - at the bottom of H Tax Lease Program - it says the agency's PILOT Program generated \$2.8 million dollars in 2024 for local municipalities. Is that local taxing jurisdictions? Is that the County, the munis and the schools?

Justin Isaman

Yep, all 3.

Mark Geise

Okay. So you use municipalities?

Justin Isaman

Yeah, maybe we could possibly –

Mark Geise

Don't you say taxing jurisdictions, including you know, municipalities, the County and the school district or the schools?

Rich Dixon

Village town.

Mark Geise

Well, that's why I say, municipality sort of covers -

Dave DiTanna

All those. Yeah and last year that was \$2.5 so that's up a little bit. Yeah, about three hundred thousand percent – roughly.

Mark Geise

Yeah, that's a good number.

Kayla Strandburg

Solar PILOTS are starting to –

Dave DiTanna

Exactly

Mark Geise

Yeah. Right.

Kayla Strandburg

To fruition.

Justin Isaman

So, if you want to go to page sixteen we have a pretty good note on your other receivables there. So that's where most of these administrative fees broken out of what's left to be paid on many of those and we have a schedule later on, where that shows each one what's due like each year. So those are good notes to look at. Not a whole lot going on property plant and equipment this year. So, not a lot to talk about there.

Page seventeen - Unearned Revenue - so this is your deferred revenue unearned revenue. That's about a page and a half there. So it is -we try to hit every bucket of unearned revenue unless it's just real minor. So, every piece that's sitting in unearned revenue is described here, and even, I think, the minor ones - I think we have a kind of a generic one to say that this is there. So, if you wanted to go back and add them up and take them back to the face of financials it works, but every kind of bucket you have, and what's left to be spent is kind of described there and I think that's a good note. I mean, just talking about all your PEG funds. Really, that starts about halfway down the other page. That's (difficulty hearing audio) works but yeah, you know, we went, it's a lot of tracking for Kayla, and a lot of tracking on ours and make sure okay, does it work, you know? Does it make sense trick going back to the original infusion of cash and what's been spent, and things like that.

Kayla Strandburg

Well, Justin, every year I start the year off thinking I'm going to keep this clean and pristine for the auditors as I can and then, somewhere in the middle of the year, I'm like ah -

Mark Geise

Please keep it all straight.

Justin Isaman

Yeah and I think our big struggle is we merge a lot of your funds together. So, that that makes a hard where you have them all each separately broken out. There's a lot of going through the GL detail to try to figure out, okay, what bucket did this come from? Where were these funds spent, and I think you can see in the general ledger there's a lot of you know - oh Nate wants to move this money over here. There's a lot of Nate names and descriptions in there. So yeah, there's a lot of movement there. So, you know, it's a lot to track (difficulty hearing audio)

Page nineteen starts your Notes Receivable. That's about four pages. It goes to page twenty-two so three pages. So, every single note is described in here. What the monthly payment is, what the current interest rate is, what the balance is.

Mark Geise

Can we real quick before you do that can we go for the Luscombe?

Justin Isaman

Yes.

Mark Geise

Is that in here? That thing about the sale of the equipment. I'm just –

Justin Isaman

It's on the bottom of page twenty-one. It's just – we left it as simple as the loan is currently in default.

Mark Geise

Oh, okay.

Justin Isaman

Would you like more?

Mark Geise

No, no, that's good. Okay. I was just curious if that was - okay.

Justin Isaman

And that's really the only one you have an issue with - smaller one I think.

Rich Dixon

We had the auction we got, proceeds. The attorneys are preparing letters to go after the two principals, and our personal guarantees are both in California so hopefully we can play let's make a deal with them and get that taken care of. We're doing the work for STEDO as well. Zinc had to sign some letters (difficulty hearing audio)

We had to sign some letters.

Dave DiTanna

Got ya.

Rich Dixon

We're handling all that with them, too.

Justin Isaman

Every loan - all the new loans are noted as being new. So, if most of them, the you'll notice loan awarded during 2024, if it's a new loan but every loan is in there and for the - I think the Emergency Working Capital Loans you guys had a couple of years ago those are going (difficulty hearing audio) by themselves but a lot of lot of good information - see all the entities you're assisting.

Mark Geise

We're not paying you guys enough -kidding.

Justin Isaman

Note ten Long Term Debt - not a whole lot going on there. You've making your regular payments, with the exception of the middle one there, the \$81,000 for the storage hangar. That ones on interest only. It's kind of dealing with that.

Rich Dixon

The airport hangar Mark that we talked to Kitty about. Steve Abdella retired from the County that has kind of fallen into the cracks. Nobody's sure what's going on but Steve is helping us take care of that with them. I wanted to - we've already depreciated it but I want to get that off. They should write theirs off. We should write ours off.

Dave DiTanna

It'd be nice to get rid of it.

Rich Dixon

It's my mission before I leave.

Justin Isaman

Right-of-Use Operating Lease. I think that's kind of interesting just to remind you that that's really about your rent

Mark Geise

What page are you on?

Justin Isaman

Twenty-three to twenty-four. So it goes over.

Mark Geise

Ok. I see it.

Justin Isaman

That is really your rent for property. You don't have equipment leases. Most people see a lease liability. They're thinking a long term capital lease for equipment or something like that but the way they changed that, you know, a lot of rental agreements a couple of years ago, if you remember, moved onto the balance sheet as they're no longer operating in month to month payments. There an asset and liability so just like to point that out just so somebody's reading it might wonder, what kind of lease do you have? Well, it's really your locations.

Dave DiTanna

In the lease that you have for this space is actually going to be done next year but then you have a five year option and I think when the lease standard was put in place we had a discussion about, you know, should we include the five year option or not? It's more probable that we would stay here and so that's included in the calculation. So, you can see on page twenty-four at the top -you know that basically goes to your 2031, which is the original plus five. Once you make that determination, it kind of stays, you know. If you were to say like, now, jeez, we're not sure but it's a little more iffy. You would still keep that in here, unless something specifically changed, if you decided you're moving then we would make the adjustment but until that point you kind of keep it in the calculation because that was the first decision that you kind of made.

Justin Isaman

Yeah, and it's really mostly balance sheet. I mean, there's a little impact to your bottom line, but it's a liability and an asset that are generally pretty close to one another.

Kayla Strandburg

They almost wash.

Justin Isaman

Well, we kind of talked about your past few transactions, but we did add a sentence there. You won't notice the other years talking about - I think it was the Wells PILOT they paid in December for January 2025. You have quite often have that happen. It's just usually smaller amounts. So, it's usually kind of gotten buried in accounts payable, but we pulled it out and put it in due to other governments and disclosed it here, since it was, you know material amount \$115,000.

Kayla Strandburg

Yeah.

Dave DiTanna

It was a prepayment almost.

If it's a check I'll usually wait until January to deposit it but they wired it to us so it's like, oh, well its there.

Justin Isaman

Yeah, I feel like it happens almost every year. Somebody - but usually its \$5,000, \$8,000. It's not 150. So you know, we pulled it out this year.

And then note seventeen - there on the bottom right of the page starts the projects. You know the ImmunityBio Electrova and Wells. Next year hopefully, ConnectGen is going to be on as well. So as the schedule, the payments in the future and you know what makes up their receivable at this point.

Then we have, you know, kind of wrap it up - there's those two notes – note twenty and twenty-one - The Partnership for Economic Growth. If there's any update to that you want to make but we just describe how much money is you're deferred to be spent on those. Then you know the note twenty-one - I think. AL Tech pretty much for as long as they were loaning we had a note on that. Now that they're kind of non – federalized we took that note away, and we have the EDA Cares Loan note. We'll probably have something similar going forward there just describing what's loaned out there. Then, maybe, as the EPA Brownfield starts to ramp up, we'll add a note for that one as well, but nothing there yet. Questions?

Alright. So then the Supplementary Schedule starts. A lot of it is kind of consolidating for CREDC and so how do you get from the operating CREDC fund and the PEG - there's also the general administrative schedule there. Page twenty-seven is the Tax Exempt Bonds. Nothing back yet right from those. So, we do need those.

Kayla Strandburg

Yeah, he's on my list.

Justin Isaman

Yeah. So we got a -

Rich Dixon

Dave?

Kayla Strandburg

Chris Canada.

Justin Isaman

So we got to get on their case to get those kind of off our list.

Kayla Strandburg

Four emails back and forth.

Justin Isaman

You just you just have to disclose that as supplemented - like that means nothing to your numbers. It's not in your balance sheet at all. It's a disclosure thing you guys have to do. Yeah.

Rich Dixon

We have to report it on the PARIS Report.

Justin Isaman

Yeah.

Rich Dixon

We need it by the end of the month.

Justin Isaman

Yeah, so once you get that squared away we can, you know, get those new numbers in there and un-highlight them.

Rich Dixon

Worse comes to worse, you call a company like whoever and say, hey? (difficulty hearing audio)

Kayla Strandburg

Well, actually JCC and I think it was Lutheran Housing both said they paid theirs off in 2024.

Rich Dixon

I have to have an email.

Justin Isaman

So then, included at the back of the full financial - two more letters – one the first one on page thirty-two and thirty-three is the Government Auditing Standards, since you're considered a government auditing entity but this all the Yellow Book letter. Nothing really to report here. It's a clean letter but if we are required to report on it, it's more focused on internal controls and things like that and compliance.

And then page thirty-four - similarly but this is on the federal monies you get, because the EDA fund is federally funded you guys are always going to have a single audit, really, until that's the defederalized as well. You know, we have to test that program really because of its size, to be able to get coverage and you know there's no finding this year. Now, if you remember last year, you actually did have a finding. So we'll go to page thirty-eight and talk about it.

So, last year you had the finding related to loaning stock repurchase or capital, and you know generally the EDA funds and the Federal loan funds are not to be used for that but you can, if you know, if you think there's eminent that, it's going to be closed or relocated you are allowed to make that. So we add, you guys, add to your board resolution for that fund or loan last year at the meeting we were at to, you know get that wording in there, and make it clear that you were going to, you know use the exception to that rule.

Well, then, we added to current status. You actually did that again this year but you did it right. So we put that in the current status that you know you, you did a similar loan function this year -I think it was in March or May so, a couple of months after we spoke to you, and you know you went through the process, and it is very clearly stated in the board resolution that you know that loan was for stock repurchases but you know due to imminent relocation or closure.

Mark Geise

Yup.

Rich Dixon

It'll be the same with Roll Form.

Mark Geise

Yup.

Justin Isaman

Yeah, it was good to see the correction name on something other than the one we found it on. And you know, just think about that it was- the Loan Committee it was discussed a lot in there, so I was hoping when I went to the board minutes it'd be very spelled out in that resolution and it was.

Mark Geise

See, we are teachable.

Rich Dixon

Justin do you think you can two side the final report?

Justin Isaman

Yeah, yeah, like, kind of like the one I have for myself?

Rich Dixon

That'd be great. I will get comments on that.

Dave DiTanna

The only problem is, it's hard to -

Justin Isaman

Yeah. Some of the margins that might be difficult.

Dave DiTanna

Yeah. There's some of the margins that might be difficult. We'll see if we can Rich. Might be tough.

Justin Isaman

So then, there are two other letters we give you the first one the one that starts with -w have audited the financial statements -this is called the Governance Letter. It's a clean letter. There is some wording related to GASB 101, and the implementation of that and then at the back of it there's actually an audit difference. You've got this audit difference every year. It's related to your (difficulty hearing audio) so, you don't record accrued payroll. You just historically, never have. It is a \$22,000 balance this year but when you factor in what last year would have been the net change or impact to your financials is only \$5,000. So, we just post it to the audit

difference every year rather than have you go through and post that accrual and reverse it, and things like that. So, just the same audit difference we've had for a number of years.

Then the final letter we have for you is the Management Letter and we left the service contracts on there. I don't know if you remember us discussing this last year but this was where the County kind of came back and said, no, you guys aren't sub recipients. You're a contractor. So you know, those like, especially the PEG funds, is what are really impacted. They're not flow through funds that you need to follow single audit rules for. They're more - we see you as a contractor, and we just thought it prudent to leave it in there, because that there is some risk there. What if the Government came back and decided, we don't agree with that stance. You seem more like a flow through entity. There are some risk to you that you know, you should have been following single audit guidelines. Are you following single audit guidelines? Yeah, from what we saw in years past, when we did audit those programs it seemed like you were but there are some extra hoops in terms of reporting, and things like that that you should do to the county as a sub recipient that, you know you probably aren't doing right now, since they're considered more of a contract. So, there is some risk there, if you know somebody ever came back and told the County no, those aren't contracts you might suddenly be asked to, you know go back to reporting it more like a flow through amount of money.

Kayla Strandburg

Yeah.

Justin Isaman

Then the second comment - cash balances. So, we noticed your money market wasn't earning very good interest and currently you can get close to 4% from banks on cash. You're really probably earning less than one what you know what was pre. So, it may be, whether it's reaching out and saying, hey, what's you know - they're not going to give you the extra interest rate unless you ask for it. So, it may just be a matter of reaching out to them and saying, hey, you know, we know you can get 3½ to 4% on a savings account right now, why are we still at one or possibly even moving funds to a different type of account to be able to realize that but with the cash balances you hold, you know, that could be a significant amount of money.

Kayla Strandburg

Right?

Mark Geise

Yep.

Dave DiTanna

The only other item we didn't put in here but I think Justin talked about throughout the presentation is like the unearned revenue. That's a big number. There's a lot of work involved and just wondered and maybe you're doing this. So, that's why we didn't put anything in in writing. We just thought we could talk about it but you know, would it be worth if you're not doing something already like once a quarter or once a month provide to the Board to say, okay, here's our unearned revenue at the beginning. Here's like the things that we've done until here's the balance now and just you know that that number is a big number and to see like, what's the activity we're doing related to that. Might not be a bad idea because there's a lot of things, a lot of moving parts. I don't know if there's a way, you know, to summarize it or to group it in some of the projects that are related, or something. Might not be a bad informational point for the Board to kind of see once in a while.

Kayla Strandburg

That might be easier than showing the financials to like here's this fund as pertaining to a specific project. Here's the money we've got for it. These are the things we've done thus far. We have so many contracts in place, you know. It's a three year term, so it'll be expended over that, you know. Like, that's way easier to explain to the Board then profit loss and balance sheet stuff.

Justin Isaman

Especially on those profit and losses – zero every month. I've adjusted deferred revenue to zero out the fund. So, it doesn't give a lot of information.

Dave DiTanna

Yeah, it's going to zero out at the bottom but it's kind of like what are we really spending the money on. Might not be a bad thing to present.

Justin Isaman

Any questions?

Mark Geise

Nice job as always. It keeps getting harder because you know what we're doing a good job. We're doing a lot of different things and just keep expanding really our services.

Gary Henry

So then, will we be presenting this to that Board this month?

Justin Isaman

Yup. So, Rich needs this by the end of the month for PARIS reporting.

Rich Dixon

Kayla and Shelby.

Justin Isaman

Rich has washed his hands of that.

Rich Dixon

(difficulty hearing audio)

Justin Isaman

So yeah, we'll present it at the next meeting. Hopefully, we can get those tax exempt things cleared out by then, because that's really the last open item.

Kayla Strandburg

I was going to call him today.

Dave DiTanna

The meeting's the 25th I think.

Jeanette Lo Bello

Correct.

Justin Isaman

Is it in Dunkirk? That's typically where we've met?

Jeanette Lo Bello

Yes.

Mark Geise

Now does this group make a recommendation to the Board or is it just goes to the Board.
I can't remember.

Rich Dixon

I would think that the vote –

Dave DiTanna

Just to accept it here.

Mark Geise

Okay.

Rich Dixon

Make a recommendation to the board. Yeah.

Gary Henry

So, do we have a motion to accept the Preliminary Audit of the 2024 financials?

Sagan Sheffield-Smith

So moved.

Gary Henry

I'll second it. All those in favor say Aye.

Committee

Aye. Unanimous.

Gary Henry

Opposed? Okay. We'll recommend it to the full Board and we'll review the financials at the next meeting and get those approved. Any other Old Business to come before the committee? Hearing none we will consider the meeting adjourned. Thank you.

The meeting was adjourned at 9:39 a.m.

Secretary

Chairman