

**Cayuga County Industrial Development Agency Meeting
Cayuga County Chamber of Commerce, First Floor Conference Room
March 15, 2016 at 3 pm**

ROLL CALL

Present: Ray Lockwood, Herb Marshall

Excused: John Latanyshyn,

Others Present: Michelle Milewski, Mary Beth Leeson

CALL TO ORDER

The meeting began at 3:10 pm.

Ms. Leeson explained that she did an investment audit and a regular audit. She said that New York State wanted an investment audit as part of its regulations. She reviewed internal controls and noted that she is just waiting on an insurance document from Generations Bank so she can't finalize the audit. Ms. Leeson is also waiting on conformations.

Mr. Lockwood asked if there were any problems, and Ms. Leeson said there is not a problem, but it's just not finalized. She said she did not discover any issues. Ms. Leeson said that there is a management letter, and that Ms. Verrier helped with a lot of the notes. She said as far as audited financials, the opinion is unmodified, meaning it is materially correct as presented. Ms. Leeson said she didn't think that there were any journal entries, and that Ms. Verrier wrote the summary on what happened during the year. She noted that it's better that the client writes the MBNA, because the client knows more than she does.

Mr. Marshall asked if Ms. Verrier's information was verified and Ms. Leeson answered that it was. She puts the numbers in herself using CCIDA data.

Ms. Leeson reviewed the body of the audit. She said that balances were up \$300,000 because of land sales, and it is starting to go into construction because studies were done. Ms. Leeson said that deferred revenue is high due to a timing issue with Clarity Connect (it was pass-through money).

She reviewed the statement of revenue and expenses, and noted that revenue was up \$190,000 due to disposal of assets and the Grober deal. Ms. Leeson said that the expense side is pretty comparable to 2014, and is what she expects to see.

Mr. Marshall asked why the operating income was up, and Ms. Gleeson answered that it was due to the land sale to Grober and the project fee.

Ms. Leeson said that net income is strong, but it is kind of a blip in the radar, and it's not coming in every year. She reviewed the notes section, which included a land and building inventory. Ms. Leeson said she wrote off \$35,000 of the Grober land sale.

Mr. Marshall asked about the resolution that stated the sale of land would go to a special account for more land purchase, and Ms. Leeson said that the audit didn't show that, and the money should go into restricted account. Ms. Leeson complimented Ms. Verrier for collecting the PILOT information, and that there is a separate page for each PILOT that shows how much tax savings there were and their employment numbers.

Mr. Marshall said that we didn't try to verify, that those businesses just confirm their numbers. He asked if CCIDA should be occasionally verifying the numbers. Ms. Leeson said it's an easy thing to do via quarterly returns. Mr. Marshall asked if it would be legal to ask the businesses to file an annual payroll report with CCIDA, and Ms. Leeson said it wouldn't hurt to check the legality. Mr. Lockwood said he would like to put that language in new PILOT agreements.

Ms. Leeson said she tested several PILOT agreements and they came out fine. She said what once has been a painful audit is much easier.

Respectfully submitted,
Michelle Prego-Milewski