

**County of Otsego IDA and OCCRC  
AUDIT & FINANCE COMMITTEES  
March 9, 2017 Meeting Minutes**

**CALL TO ORDER**

COIDA's and OCCRC's joint Audit & Finance Committee meeting was called to order at 7:31 a.m. at the offices located at 189 Main Street, Suite 500, Oneonta, NY. Committee members Jeff Lord, Jim Salisbury and Sarah Harvey were present, as well as board members Cheryl Robinson and Bob Hanft (by phone); also present were guests Dennis Scott and Mary Manzanero of Mostert, Manzanero and Scott; Jim Lozano of CFO for Hire; and staff Sandy Mathes, Elizabeth Horvath and Joe Hughes.

The following topics were discussed:

- The team from MMS presented the draft audited financial reports for the CRC and the IDA. For the CRC, Ms. Manzanero stepped the group through the financial report, which showed a decrease in cash in fy2016; she explained the supplemental schedules (required by the ABO), the report on internal controls, and the report to the board, which had no comments. Ms. Manzanero complimented the staff for its work across the past three years to bring both organizations into compliance – she noted that, in some years past, the audit process wouldn't begin until May or June, making compliance with the ABO's 3/31 deadline impossible. For the IDA, Mr. Scott began the discussion, noting that, without a late journal entry, the IDA's revenues would have been understated by approximately \$130,000 in expected grant revenue, booked as a receivable. The group discussed the facts that the IDA has not requested grant reimbursement from ESD, nor does the agency have a grant disbursement agreement in place, and that grant funds must be approved by the ESD's CEO before funds will flow. The committee agreed that the Board is well-informed of expected grant monies, amounts and timing. Mr. Scott pointed to the management discussion & analysis as the most germane section of the audited financials for garnering an understanding of the organization's fiscal year; Ms. Manzanero complimented staff, indicating that Otsego Now's MD&A summaries are "the best [she's] ever seen". Moving into detail, the auditors walked the group through the financials, which show cash down, receivables up, and the allowance for bad debt increasing (due to the status of Enviro Energy). Mr. Scott thanked staff for their preparedness and underscored the fact that "the State is really hammering down on deadlines," and the advisability of completing ABO reports on time. Mr. Lord suggested that the committee take a week to read through the financials and pose any questions within one week's time, so that the financials are ready to be approved at the March 23<sup>rd</sup>, 2017 Board meeting.
- The committee considered two proposals for the lease of 139 Commerce Road in the Oneonta Business Park. After much discussion concerning job creation, average salary, the use of the building, and possible modifications of the building and concomitant (possible) environmental impact, the committee decided to inform Hale Transportation that, should they be willing to meet the terms of a 3-year lease at \$5,000/month, the committee will recommend them to the full board as 139 Commerce's tenant.
- Mr. Mathes briefed the group on discussions he had had with the CEO and CFO of IOXUS concerning lease renewal (current one-year lease ends on 3/31/17). Mr. McGough requested a one-year lease with no payments to be made, in exchange for not moving his company and its approximately 55 jobs out of the area. The group agreed that Mr. Mathes will go back to IOXUS with a proposal of a 50% rent reduction to partner with them during their transition to new ownership and to help take pressure off their expenses; offer stands only if IOXUS comes current with the single loan payment, and \$37,5000 in back rent, that they owe us.
- The group discussed the new Burn Rate document, the assumptions underlying it and its implications. Ms. Horvath will add current months' numbers in a separate tab, to track real costs vs budgeted costs. She will also create a separate tab for Professional Fees to track them by line item, separately.
- The committee then reviewed and accepted February's minutes; reviewed and accepted the draft February 2017 financials; reviewed and accepted the Bills to be Paid report; reviewed and discussed the loan portfolio report; reviewed the monthly credit card bill, and accepted it; reviewed Mr. Mathes' monthly T&E report, and accepted it; and reviewed and approved the CRC's assessment of effectiveness of internal controls.

## **NEXT STEPS**

- On Board agenda for 3/23/17 for adoption:
  - Final drafts of IDA and CRC audited financials
  - Assessment of effectiveness of internal controls for CRC
- JH to communicate with Hale concerning revised lease terms, and to Ryan Brooks concerning the decision and Otsego Now's strong desire to partner with him to find immediate and future space for his growth
- Mr. Mathes to continue negotiating lease renewal with IOXUS.
- Committee: Begin figuring out what, eventually, to do with IOXUS building when IOXUS leaves.
- Ms. Horvath will add current months' numbers in a separate tab, to track real costs vs budgeted costs. She will also create a separate tab for Professional Fees to track them by line item, separately.
- Open item from January: Tim Parsons to add commercial auto to IDA/CRC policy to cover employee and contractor driving.

## **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at approximately 9:45 a.m.