

NAME

Audit Committee 3-17-21 <https://www.youtube.com/watch?v=qfrVulqDkak>

DATE

May 27, 2021

DURATION

20m 35s

10 SPEAKERS

Rose Woodworth

Diane Eynon

Michael J. Ham

All

Matthew VanDerbeck

Speaker4

Richard Jones

Joseph Scott

James Malcolm

Faye Storms

START OF TRANSCRIPT

[00:00:01] Rose Woodworth

They know your live.

[00:00:03] Diane Eynon

All right, good morning, everyone. I'd like to bring the Audit committee for the IDA to order. We'll begin with the Pledge of Allegiance, Pledge of Allegiance to the flag of United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all. Great, thank you. Rose. Roll call.

[00:00:35] Rose Woodworth

Diane Eynon.

[00:00:37] Diane Eynon

Here

[00:00:37] Diane Eynon

Faye Storms.

[00:00:42] Rose Woodworth

OK. And Mike Ham. OK, so we have a quorum with the two out of three. I know Faye was planning on joining, so I'm sure she just. A little behind I'll shoot her a message.

[00:00:57] Diane Eynon

Ok, Sounds good. On page three minutes from our February meeting on February 2nd. If you just take a few moments to review, there's any questions. Think Mike, you're, there you are.

[00:01:26] Michael J. Ham

Chair, I move to accept the minutes from the previous meeting.

[00:01:31] Diane Eynon

Second. All in favor.

[00:01:36] All

Aye.

[00:01:39] Diane Eynon

All right, Rose, executive session, if necessary, anything?

[00:01:44] Rose Woodworth

Not that I'm aware of.

[00:01:45] Diane Eynon

OK, no old business. So we'll move into new business. So there's audited financials. Rose, I know you said this morning some documents, the letters, right?

[00:01:55] Rose Woodworth

Yeah, I went to send it last night, but the my, I have a new phone, so my email is not on my phone yet.

[00:02:03] Diane Eynon

All right.

[00:02:05] Rose Woodworth

I tried to get it loaded last night. It wouldn't work, so.

[00:02:08] Diane Eynon

OK. All right. So our primary focus today is to review the audited financials for for the IDA. So, Rose, I'm going to turn this over to you because I know you've been busy working with Matthew and on these and I guess best for you to present what you have at this point, because I know not everything is complete. Right?

[00:02:30] Rose Woodworth

Yeah, I'll let Scott and Matt steer on this, but yeah.

[00:02:35] Diane Eynon

Hi. Sorry about that.

[00:02:37] Rose Woodworth

Scott and I went through everything with Rick last, was it Friday? I think it was last Friday again. And there were a couple of changes, minor things to be made and there's still some changes to be made. But we won't be able to finalize that until we have the PARIS report more buttoned up, which is totally normal. The part that has to be approved by you guys is the main financial part in order for us to submit this to for Paris. So.

[00:03:11] Matthew VanDerbeck

Ok, Rosa, thank you. So, yeah, so the draft that you have, you'll see a few spots where there are shading, there's a shading. So all the supplemental information that comes directly from the Paris report is going to be shaded. So that's something that we're in the process of tying out with with Rose and Rick to make sure that all the information that you've collected in the calculations there or presented completely and accurately. So that's something in process now. That's what we're coordinating to finish up. That will be in conjunction with finalizing the Paris report. The rest of the base of the financial statements of the the main financial statements are complete. You may see one, I think there might have been a shade just where we wanted management to expand on the highlights, to just have a few sentences added just to indicate what the focus was for the IDA in two thousand twenty. So I think that'll be easy to add. So then what I'll do is refer to the opinion page. I'm going to refer to the page of the packet. So it would be page 10 and page 11 is the report and you'll see that the report is on modified. The report will reference the additional supplemental information in the back that will indicate that we have tied that out. So that's what we have yet to do. The government auditing standards report that you see in the package as well is required. And we had no findings or issues to report to the committee. So that's clean. So the report is pretty much ready to go and there's nothing really of significance to point out to you that you would not expect in the report. If we then go to the year as far as the results and what's in the financial statements, I'll draw your attention first to page 17, which is the statement of cash flows. The main thing that you're going to see on page 17. Is that.

[00:05:26] Diane Eynon

I'm sorry, I'm not, is this 17 of our packet that you sent Rose?

[00:05:29] Matthew VanDerbeck

Everything, everything that I'm saying is in relation to the packet.

[00:05:34] Diane Eynon

Got it. Thanks.

[00:05:37] Speaker4

So, yes, on page 17, the cash flows. So when you look at the year for two thousand twenty compared to two thousand nineteen, you'll see that your cash went down from six hundred and seventy nine thousand to a hundred and eighty two thousand. I mean, four hundred and ninety seven thousand. I'm sorry. So that decrease of one hundred eighty two thousand primarily was due to the fact that you had that grant program this year for the PPE, where you'll see in the cash flow statement up above, the above that you gave out one hundred fifty nine thousand dollars in grants so that correlates to the decrease in cash primarily. You also had a project for one hundred and fifty thousand dollars where you happen to have a receivable in the books at the end of the year as well. So while you generated revenue of that one hundred and fifty thousand dollars, seventy five thousand was in receivables, which will come through in two thousand twenty one. So that will be added back to your cash. So the main thing is when you look at the numbers, I mean, that's the one thing that will stand out. You had a CD, the two CDs that basically were rolled into a new CD. You'll see that that flow of cash as well. But that just basically when you look at page 15 on the balance sheet, you'll see that the certificate deposit balance really stayed the same. You kept that invested. It's due to mature in July of two thousand twenty one. Your cash balance, which we just talked about, a four hundred ninety seven thousand year total assets of seven hundred seventy six thousand dollars. Your liabilities are fairly nominal. Come up with your net position of seven hundred and sixty thousand dollars. And then page 16 gives you the actual results for the year, not on a cash basis but on accrual basis. And you'll see that's also consistent with what I just went through. You had a net decrease in net position of one hundred and forty two thousand dollars. At the bottom of the page you'll see three rows up from the bottom, again, correlating to the fact that you made a decision to have the grant program this year. All the other amounts, you can see the comparisons there, but I mean, to narrow it all down, that's what it narrows down to. We do have additional disclosures related to covid and the risks and uncertainties related to it on page 20. But that's a standard disclosure that we're putting in every single set of financial statements that we have, so there's nothing really too surprising there. We do have the disclosure on page twenty one related to the fact that you have income of eighty four hundred dollars that you've generated due to the management fee that you charge the Ulster County Resource Corporation. You'll see that when we get to those financial statements later, there'll be a corresponding amount as an expense. So that's for the management fee services that you provide that organization over the course of the year. So that's disclosed as a related party transactions. That was all we had to disclose there. And then when you look at page twenty two, you'll see the disclosure around the fact that you had the grant program. Other than that, there really wasn't anything else to report. I think when Rose referred to the letters, I mean, there's really nothing in that letter that she's going to forward you. It's a requirement to just provide it to those charged with governance as part of the process. If we had anything of significance, I felt I had to talk to you about. I talked to you about it right now and really covered everything that I feel I have to cover. And we'll be happy to take any questions.

[00:09:29] Richard Jones

Matt.

[00:09:31] Matthew VanDerbeck

yes.

[00:09:32] Richard Jones

This is Rick, the email that I got this morning with that extra report and I didn't get a chance to read it. How different is that from what's on page twenty four and twenty five?

[00:09:45] Matthew VanDerbeck

Well, page twenty four and twenty five is the report related to government auditing standards. So the letter you got this morning is entirely different. It looks kind of the same because it has the same type of formatting. But all it says is that we carry out the audit. And if we have disagreements with management, we have difficulty carrying out the audit, getting information, items are delayed. And if we had adjustments that were significant, changes in accounting policies, those are all just standard items that are in that letter. It just kind of looks like this other one. But you should take a look through and you can ask me if you have any questions, but there's nothing really in it.

[00:10:27] Richard Jones

Ok, the second question, OK, I know this is still a work in progress and maybe it's more appropriate for the PARIS discussion. Where's the list of legal actions or legal? And we usually have a statement. And Joe, I know I think it comes from you, but we usually have a statement of legal liabilities.

[00:10:52] Rose Woodworth

There's a there's a legal settlement. Is that what you're talking about on page twenty two.

[00:10:57] Richard Jones

Not only settlements, but potential impacts?

[00:11:01] Matthew VanDerbeck

Well, we're not required to and there's nothing that's required to be said in the financial statements unless there is something that meets the criteria for disclosure or accrual. At this point, I mean, I haven't read. I mean, Scott, you're on the phone too, so I'm not sure if we collected the legal letter or anything as of yet. We usually wait to the end of the process to obtain that.

[00:11:26] Joseph Scott

I have a draft prepared, Rick, and it will go out it should go out this week and we'll go out to Rose and to Matthew. There's been no change. There is no I mean, obviously, I need to circle back with with Rose, but there's been no change since last year.

[00:11:44] Richard Jones

Ok.

[00:11:45] Rose Woodworth

Yeah, I think the one thing that we're in small claims court for is also very minor. So it's not

[00:11:53] Richard Jones

It's not material

[00:11:54] Rose Woodworth

It's not material.

[00:11:58] Richard Jones

That was all.

[00:11:58] Matthew VanDerbeck

Rick. Yeah, it would only be if something we felt was, met the criteria that we had to put it in there, we do read whatever is outstanding. And then we would talk to you about that if there was something,

[00:12:10] James Malcolm

You would just have an attachment, I assume, as opposed to it being in the body of the report. I mean,

[00:12:16] Matthew VanDerbeck

Well, we don't...

[00:12:17] James Malcolm

Everything dot by dot by dot. I mean, we have several. Several things in the works where we may end up taking action.

[00:12:28] Matthew VanDerbeck

Well, from an accounting standpoint, we only have to disclose it or record it when it gets to the point that there's certain criteria that are met, that there's a probability of a loss.

[00:12:40] James Malcolm

So I guess what I'm asking you then, is it the overall cost or we break it down item for item in the report? I don't think that's necessary. Is it or is that something you typically would do or just have an attachment to your report?

[00:12:57] Matthew VanDerbeck

No, it would be a paragraph in the footnote and we would not get to the level of detail that..

[00:13:03] James Malcolm

All I'm asking. Thank you.

[00:13:05] Rose Woodworth

Well, I think one of the things I think the board is talking about, I think we covered, but we might not have because I might not have thought about it in respect to the financial statements, is there are two projects that we're in the process of revising their pilots. And one, they were in the process of having the bond refinanced. But that's not that's not ten to twenty twenty one now. It started in twenty-twenty. I don't know if that's if that makes a difference or not, I mean, it's part of the information that's in the supplementary info, but it's also not....

[00:13:44] Matthew VanDerbeck

That normally that would not be included. The only thing that we would consider if you have a subsequent event that requires disclosure, we're going to ask you if there is anything of that nature.

[00:13:54] Matthew VanDerbeck

Again,

[00:13:55] Rose Woodworth

You asked yesterday. Yeah.

[00:13:56] Matthew VanDerbeck

Yeah. So we ask those questions. We have to ask that right up to the point of the issuance, which will be coordinated with the PARIS report. Yeah.

[00:14:06] Rose Woodworth

Yeah, I told her nothing was (inaudible).

[00:14:08] Matthew VanDerbeck

And Joe's letter. That's why it all has to kind of come together at the same time, which is the challenge of this.

[00:14:17] Diane Eynon

So just so Rose, what is the PARIS report due.

[00:14:22] Rose Woodworth

The end of March.

[00:14:25] Diane Eynon

Ok. All right, thanks.

[00:14:30] Matthew VanDerbeck

Typically, this is how the process has worked. It has been in draft as far as the supplemental in the PARIS due to the time constraints, but then the committee will still, I think, Rose you still provide the committee the copy of the report. But that's something we'll be talking about.

[00:14:48] Rose Woodworth

Yeah, and it's after the fact at that point. But part of what has to be checked off when submitting PARIS is that you all of have agreed to the financials. And then as for the project information, that's like the supplementary part and the part that's submitted with PARIS, the ABO considers that you already know what that information is because you've been here all year and saw the data for the projects all year. But the year end financials, you would still have you have to approve.

[00:15:21] Diane Eynon

In addition to the audited financials here.

[00:15:26] Rose Woodworth

For which these year end financials, that's what you have to approve, but it's not like the supplementary information that you don't have to approve that part.

[00:15:35] Diane Eynon

All right. So just trying to get a handle to on what we need to accomplish in this meeting to accept the financials, knowing the supplemental information still needs to be completed as we complete the PARIS report. And then when we take it to the full board, we're asking the board to approve these financials as they are. Ok. Ok. All right. Just a couple of questions. I think pretty minor things, but in the statement of revenues, expenses and changes in that position on 2019, we just don't have information like administrative fees is not listed there. What the amount was in 2019.

[00:16:17] Rose Woodworth

Because it was different. We had different categories. So we didn't have we didn't have annual that's the annual fees basically that you're seeing there. And we didn't have that in twenty nineteen.

[00:16:31] Diane Eynon

OK. And then under our scheduled revenues and expenditures budget to actual.

[00:16:38] Rose Woodworth

Which page?

[00:16:38] Diane Eynon

Administrative, I'm looking at page 15.

[00:16:41] Rose Woodworth

OK. OK.

[00:16:43] Diane Eynon

Sorry. There are no administrative fees that we had down for original budget or miscellaneous of late fees.

[00:16:50] Rose Woodworth

Yes we did not on the original budget. No, but then on the revised budget in October we did.

[00:16:56] Diane Eynon

OK. So we never even set in the original budget what we thought our admin fees would be.

[00:17:00] Rose Woodworth

No, because we didn't know that they were going, no at the time that I did the budget. So then the administrative fees was done in May. I came on in June and I did not know that had happened in May.

[00:17:14] Diane Eynon

Got it. OK. All right. So it seems like the highlight for the financials for us is that with the revised budget, we basically came in within budget based on the revised budget really close, which was great, and that the PPE is really, is what increased our expenses significantly. So it looks like to me, if I'm understanding this or seeing this, interpreting it correctly is financially we pretty much perform as we did last year and then within budget with revenues continuing to decrease.

[00:17:50] Rose Woodworth

Yeah, one of the major changes, Rick and I had noted when we were going through it is there's a bit of a change in the administrative costs. So if you look on page 16, you'll notice the administrative fees is eighty thousand dollars more. But then the legal fees that's included there in professional is sixty thousand dollars less. So what happened in twenty nineteen is for the first half, almost first half of the year. Joe Scott and his firm were basically our staff. So the, the expenses kind of were shifted to the other spot, but it's not really changed that much overall.

[00:18:35] Diane Eynon

Ok, so just between those two line items, given who was doing the bulk of the work for the administration of the OK, OK. Any other questions? All right. So Rose we call for a motion to accept the financials and present them to the board.

[00:19:17] Rose Woodworth

So moved Mike, is that what you said?

[00:19:18] Michael J. Ham

So moved.

[00:19:19] Diane Eynon

All in favor?

[00:19:20] All

Aye.

[00:19:22] Rose Woodworth

Wait who seconded?

[00:19:26] James Malcolm

A quarter to three.

[00:19:29] Rose Woodworth

OK. Diane you seconded?

[00:19:30] Diane Eynon

I did, yep.

[00:19:37] Rose Woodworth

Thank you.

[00:19:37] Diane Eynon

All right. Everyone. All righty. We have no public comments, right? All right. So a motion to adjourn.

[00:19:46] Michael J. Ham

I make that motion chair.

[00:19:48] Faye Storms

I will second.

[00:19:48] Diane Eynon

Great thanks.

[00:19:54] Rose Woodworth

Alright.

[00:19:56] Faye Storms

I may have to mute a lot because I have the town cutting trees right outside my door, so when they start cutting, it's going to be very loud.

[00:20:08] Rose Woodworth

SO adjourning, you can't start the CRC meeting until 8:30. I thought there would be plenty of time, but I was obviously out for a few minutes. So Aaron if you can cut this recording and then we'll have to wait to start the CRC until 8:30 when faster than I expected.

END OF TRANSCRIPT



