

**Watertown Industrial Center Local Development Corporation
Audit Committee Meeting
August 7, 2024, Minutes**

The Watertown Industrial Center Local Development Corporation held an Audit Committee meeting on Wednesday, August 7, 2024, at the Watertown Center for Business and Industry, located at 800 Starbuck Ave. Watertown, NY, Building A Conference Room.

Present: Paul Morgan, Mark Bellinger

Excused: Kent Burto

Staff: Billy Soluri

Others Present: Liz Bush of Bowers and Company

I. The meeting was opened at 8:33 a.m.

II. L. Bush discussed details of the engagement letter and noted that there is a new standard called CECL which stands for Current Expected Credit Losses. L. Bush stated normally you would see this standard being applied to loan portfolios relating to receivables. L. Bush noted the WIC has more rent/tenant type of receivables. L. Bush stated this would be implemented this year and she does not see it having a large impact on the audit. L. Bush asked WIC staff if there were any tenants with outstanding receivables that he felt the WIC might have trouble collecting.

B. Soluri noted that Modern Moving was behind and has not agreed to a repayment plan yet. B. Soluri stated Modern Moving has historically had issues with staying current on the rent and they had utilized a repayment plan in the past with the WIC. B. Soluri stated if there needed to be a receivable identified then he would suggest Modern Moving although he still thinks the rent will be collected. L. Bush stated in the past most entities would look to history with a client, this is more of a forward-looking approach now. B. Soluri asked how this would impact the financials. L. Bush stated it would be a credit against your receivable on the balance sheet and then it would be an expense item titled provision for credit loss.

L. Bush noted the WIC's end of the year receivable is not too large and if the WIC believes the receivable to be collectable then there wouldn't be a need to set up the credit loss. B. Soluri stated he is working with the tenant regarding the repayment plan and anticipates the plan being agreed upon soon. L. Bush stated the WIC is under the threshold for setting up the allowance. M. Bellinger stated the receivable amount is immaterial and does not see a need to establish a loss amount. L. Bush agreed and stated that any time during the audit if the WIC wanted to set up a value under CECL that could be done.

L. Bush stated that PAAA now requires an investment report. B. Soluri stated he does supply an investment report each year to PAAA stating the WIC does not have any investments. L. Bush stated that going forward Bowers and Company will issue a letter regarding investments as well. L. Bush stated the letter will be at the back of the audit report and can be uploaded to PAAA for compliance purposes.

L. Bush asked for an update regarding the ARPA grant. B. Soluri stated the ARPA grant award amount would be increased this fiscal year to cover the cost of the project. L. Bush stated even with the increased award amount the WIC will still have a single audit. L. Bush stated the trial balance shows a loss of about forty thousand, however she expects that to come down once they start to recognize revenue on the liability side and expenditures under the work in process account.

B. Soluri stated there were no lawsuits or pending lawsuits that the WIC is a part of.

L. Bush stated the audit would begin once the engagement letter has been returned. L. Bush stated the Audit will be completed in time for the September Board meeting. B. Soluri stated he could call a board meeting in September if needed. L. Bush stated that other agencies that meet bimonthly will generally upload in September and then present to the board. L. Bush stated another option would be for the audit committee to review the financials, accept them and then bring to the board for formal acceptance. B. Soluri stated he would have the audit committee review them, then send them to the board for acceptance. B. Soluri stated the WIC would ratify the acceptance of the audit during the October meeting. After discussion it was decided that L. Bush would also present the audit to the full board during the October meeting.

L. Bush stated this year's audit would be completed both on site and via electronic file share. L. Bush stated that Chris Ciavarella of B&C has sent over the document request and will set up a file share for the files to be uploaded.

The Audit Committee is in support of approving the Audit Engagement agreement with Bowers and Company. Mr. Soluri stated the Audit committee will present the Engagement Letter to the full board for approval.

With no further business before the committee, the meeting was adjourned at 8:46 a.m.