

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY  
VIRTUAL AUDIT COMMITTEE MEETING MINUTES 2023  
March 21, 2023

PRESENT FROM COMM: Anthony Barresi, Chairman  
James Farley  
Douglas Williams

ABSENT:

OTHERS IN ATTENDANCE: Stephanie Castro, Jones & Little  
Kathy Galway, Lead Auditor Jones & Little  
Tracy Stark- James, IDA  
Denise Cooper, CFO

Committee Chairman Anthony Barresi requested a motion to open the meeting. James Farley motioned to open the meeting. Doug Williams seconded. The meeting began at 9:35am.

Kathy Galway, partner of the firm Jones & Little introduced herself and Stephanie Castro. This is Stephanie's fourth year on the Agency audit. Stephanie Castro, Senior Auditor for the Agency, went through the financial statements with the committee.

Stephanie noted that Jones & Little issued 3 opinions to the IDA and all were clean opinions. The first opinion on page one is the Independent Auditors Report which is the main opinion. They did include an emphasis of matter paragraph, as they had for the three years prior, regarding the agency as a going concern. Management did provide Jones Little with an assessment, they looked at forecasts and decided the agency will continue to operate. It did not hold up the audit or the opinion.

She explained the MDA section beginning on page 4. They put some financial highlights within the report, but the the Executive Director provides an analysis of projects and where the agency is going. Page 5 is a comparison sheet. It identifies a loss, but it came in better than the agency had budgeted, ending with a net position of \$73,000. Assets exceeded liabilities. A portion of that has to do with the NYS retirement entry required.

Due to investments, the NYS Pension section shows assets this year. It was explained that the pension was overfunded. GASB 68 requires the auditors to show this on the agency balance sheet.

The ED explained again that the NYS Retirement section required by GASB 68 is hypothetical and reflects the agency's contribution to the state should the NYS Retirement system goes bust. It's a balance sheet item that changes every year.

Page 6 is a comparison of the actual to the budget. The Agency came in better than the budget, revenues were higher. Assets exceeded liabilities. NYS pension entry expense was lower than budgeted.

Professional fees were lower than budgeted due to a negotiated reduction in fees. Travel and conference costs were lower than budgeted. Overall the agency looked good.

Looking forward in the economic condition outlook where they talk about going concern, Denise was able to provide some information to run an analysis showing the agency will continue with a going concern based on revenue received early in the New Year. Overall the net position of the agency is \$74,000.

Operating expenses were pretty in line with the prior year. Net position did decrease, but was still positive.

The auditors noted that the IDA is run very well, noting that the CFO Denise does a great job.

There is another opinion on the investment policy, a one page opinion that was also clean. No management letter was issued.

With no further questions on this audit, Doug Williams motioned to recommend the audit for approval by the IDA board. James Farley seconded. The motion was adopted.

The committee then voted to recommend the Investment Guidelines Policy and report, Salary and Compensation Policy, the Whistleblower policy, the Disposition of Real Property Policy and Report and Assessment of Internal Controls to the full board for approval. Douglas Williams motioned. James Farley seconded. Motion carried unanimously.

Doug Williams motioned to adjourn the meeting. James Farley seconded. The meeting closed at 9:51am.