

Steuben Area Economic Development Corporation  
Regular Meeting of the Board of Directors  
Agenda  
January 23, 2025, 12:00 pm

1. Call to Order – Quorum present Strobel
2. Secretary’s Report – December 12, 2024, minutes. Davidson
3. Audit Presentation- Kristie M. Beach
4. Treasurer’s Report – December financials Russo
5. New Business:
  - a) Committee Appointments Johnson
  - b) 2025 Meeting Dates Johnson
  - c) Financial Disclosures Johnson
  - d) Harris Beach Engagement Letter Johnson
6. Adjournment Strobel

**Steuben Area Economic Development Corporation**  
**7234 Route 54N, P.O. Box 393, Bath, NY 14810**  
**Meeting Minutes**  
**December 12, 2024**

- I. **Call to Order** – The Regular Meeting of the Steuben Area Economic Development Corporation was called to order at 12:01 pm by Chairman Strobel, who confirmed that there was a quorum present.

Present:	Dean Strobel	Chairman
	Kelly Fitzpatrick	Vice Chair
	Mike Davidson	Secretary
	Tony Russo	Treasurer
	Michelle Caulfield	Member
	Sarah Creath	Member
	Mark Alger	Member
	James Johnson	Executive Director
	Jill Staats	Deputy Director
	Matt Bull	Director of Community and Infrastructure Development
	Russ Gaenzle	IDA Counsel
	Kelly Hortman	Administrative Assistant
Guests:	Kam Keeley	Three Rivers Development

- II. **Secretary's Report** – Davidson presented the October 24, 2024 meeting minutes as presented in the board materials. A motion to approve the minutes was made by Alger and seconded Creath. All voted in favor and the motion passed.
- III. **Treasurer's Report** – October/November Financials were reviewed. No changes. Motion to approve the report as presented was made by Fitzpatrick and seconded by Alger. All voted in favor and the motion passed.
- IV. **New Business:**
- a) **Nominations of Officers**- Alger presented the proposed slate of board members and officers which were reviewed and recommended by the nominating committee. No additional nominations from the board were made and the slate was approved as presented on a motion from Creath and a second by Caulfield.
- V. **Adjournment** – With no further business to discuss, a motion was made by Alger to adjourn the meeting at 12:03 pm, seconded by Fitzpatrick. All voted in favor and the motion passed.

Respectfully submitted,  
Mike Davidson  
Secretary



December 30, 2024

To the Board of Directors  
Steuben Area Economic Development Corporation

We are engaged to audit the financial statements of Steuben Area Economic Development Corporation for the year ended December 31, 2024. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated December 30, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the system of internal control of Steuben Area Economic Development Corporation. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Steuben Area Economic Development Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests is not to provide an opinion on compliance with such provisions.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Organization and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls - this significant risk is required to be identified as a part of professional standards



To the Board of Directors  
Steuben Area Economic Development Corporation  
December 30, 2024  
Page 2

- Improper revenue recognition due to fraud - this significant risk is required to be identified as a part of professional standards
- Internal control over financial reporting - this significant risk is required to be identified as a part of professional standards

We expect to begin our audit on approximately January 20, 2025 and issue our report on approximately March 31, 2025. Kristie M. Beach, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Directors and management of Steuben Area Economic Development Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Kristie M. Beach, CPAs, PLLC*

Kristie M. Beach, CPAs, PLLC

/tr



# Kristie M. Beach

CPAs, PLLC



STEUBEN  
COUNTY IDA  
INDUSTRIAL DEVELOPMENT AGENCY

January 23, 2025

Audit Plan Presentation

Kristie M. Beach, CPAs, PLLC

585.721.5663 | [kmbeachcpa.com](http://kmbeachcpa.com)



## TABLE OF CONTENTS

Scope of Services & Engagement Team .....	1
Management's Responsibilities .....	2
Engagement Objectives .....	3
Audit Approach – Planned Scope .....	4-5
Overall Audit Timeline .....	6
Updated or New Accounting and Reporting Standards.....	7



## SCOPE OF SERVICES

Kristie M. Beach, CPA, PLLC will perform the services below for the year ended December 31, 2024:

### Audit Services

- Perform the annual audits of the financial statements in accordance with Generally Accepted Auditing Standards and Government Auditing Standards for:
  - Steuben County Industrial Development Agency
  - Steuben County Economic Development Corporation

### Management Letter (AU-C 265 Letter)

Preparation of management letter containing comments and recommendations with respect to accounting and administrative controls and efficiencies along with internal controls.

### Meetings

Meet with the Board of Directors and Finance/Audit Committee to present reports, as requested.

## ENGAGEMENT TEAM MEMBERS



Kristie Beach, CPA  
Partner  
[kmbeach@kmbeachcpa.com](mailto:kmbeach@kmbeachcpa.com)  
585.721.5663



## MANAGEMENT'S RESPONSIBILITIES

Management is responsible for preparing, with the oversight of the Board of Directors and Finance/Audit Committee, the financial statements and disclosures in conformity with accounting principles generally accepted in the United States of America (GAAP). Management's responsibilities also include the following:

- Establish and maintain effective internal control over financial reporting and proper accounting records.
- Identify and ensure compliance with relevant laws and regulations.
- Safeguard the Organization's assets.
- Select appropriate accounting principles.
- Use reasonable judgments and accounting estimates.
- Make all financial records and related information available to Kristie M. Beach, CPAs.
- If applicable, record material audit adjustments and affirm to Kristie M. Beach, CPAs that the impact of any uncorrected misstatements is immaterial to the financial statements taken as a whole.
- Provide Kristie M. Beach, CPAs with a letter confirming representations made during the audit.

Relating to third party transactions and other non-attest services, management needs to assume responsibility for:

- Overseeing the financial statements, by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience. The member should assess and be satisfied that such individual understands the services to be performed sufficiently to oversee them. However, the individual is not required to possess the expertise to perform or reperform the services.
- Evaluating the adequacy and results of the services performed.
- Accepting responsibility for the results of the services and providing an acknowledgement in writing in regard to their responsibilities. Acknowledgement to include the following:
  - Objectives of the engagement
  - Services to be performed
  - Client's acceptance of its responsibilities
  - Firm's responsibilities
  - Any limitations of the engagement



## ENGAGEMENT OBJECTIVES

Our objectives with respect to the audit of the Organizations' financial statements are summarized below:

- Plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. An audit does not provide absolute assurance relative to or any guarantee of the accuracy of the financial statements and is subject to the inherent risk that errors or fraud, if they exist, may not be detected.
- Obtain a sufficient understanding of the Organizations' internal control to plan the audit of the financial statements. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
- Discuss any significant issues discussed with management in connection with our appointment or retention.
- Communicate our responsibilities in relation to the audit and establish an understanding of the terms of the engagement, including providing you with engagement letters.
- Provide an overview of the overall audit strategy, timing of the audit and significant risks identified.
- Inquire of the Board of Directors and Finance/Audit Committee about risks of material misstatement, including fraud risks, and whether they are aware of other matters that may be relevant to the audit such as violations or possible violations of laws or regulations and complaints or concerns raised regarding accounting or auditing matters.
- Communicate with management and the Board of Directors and Finance/Audit Committee regarding significant deficiencies and material weaknesses identified during our audit and other timely observations that are significant and relevant to the financial reporting process.
- Work with management toward timely issuance of financial statements.
- Maintain our independence with respect to the Organizations.



## AUDIT APPROACH – PLANNED SCOPE

Overall, our audit strategy is to focus on higher risk areas of material misstatement (whether due to error or fraud) and other areas of concern for management and the Board of Directors and Finance/Audit Committee.

Our audit strategy includes consideration of:

- Prior year audit results along with interim results, including discussions with management regarding the Organizations operations, business activities, and risks.
- Inherent risk within the Organizations (i.e., the susceptibility of the financial statements to material error or fraud) before recognizing the effectiveness of the control systems.
- A continual assessment of materiality thresholds based upon qualitative and quantitative factors affecting the Organizations.
- Changes in staffing levels, particularly those involved in the financial activities of the Organizations.
- Recent developments within the industry, regulatory environment, and general economic conditions.
- Recently issued and effective accounting and financial reporting guidance.
- The Organizations significant and critical accounting policies and procedures, including those requiring significant management judgments and estimates and those related to significant unusual transactions, including identification of related parties.
- The control environment, risk management and monitoring processes, and the possibility that the control systems and procedures may fail to prevent or detect a material error or fraud. We will place reliance on internal controls, where applicable, in determining the degree of detailed substantive testing required.
- Information about systems and the computer environment in which financial records and related systems operate.

Auditing standards generally accepted in the United States of America require us to identify significant risks in the planning stage of our audit. Based upon our initial assessment the preliminary primary areas of focus in our overall audit strategy include:

- Management override of controls (always considered)
- Improper revenue recognition due to fraud (always considered)
- Internal Control over Financial Reporting (always considered)



## AUDIT APPROACH – PLANNED SCOPE

Based upon our initial assessment, our audit will entail a combination of testing controls for reliance and substantive testing. The preliminary primary areas of focus in our overall audit strategy include:

- Cash and Cash Equivalents
- Investments – Certificates of Deposit
- Accounts Receivables and Allowance (if any)
- Revenue Recognition
  - Grants income
  - Business development support
  - Other revenues
- Capital Assets
  - Property and equipment
- Other Assets and Liabilities
  - Accounts payable
  - Net pension liability
- Net Position/Net Assets
- Supplemental Schedule of Straight Lease Projects (Agency)
- Compliance with Public Authorities Law

We will communicate to management, the Board of Directors and Finance/Audit Committee, in a timely manner, any significant changes to the planned audit strategy or the significant risks initially identified that may occur during the audit to the results of audit procedures or in response to external factors.



## OVERALL AUDIT TIMELINE

The following represents our anticipated schedule with regard to our audit of the annual financial statements of the Organizations:

	Jan	Feb	Mar
Planning meeting with management and Finance/Audit Committee (1/23/2025)	✓		
Develop Audit Strategy, and Determine Nature and Scope of Testing	✓		
Risk Assessment, Internal Control Discussions & Interim Fieldwork	✓		
Fieldwork	✓	✓	
Agency Project Information Testing			✓
Financial Statement Preparation & Wrap		✓	✓
Meeting with management, Finance/Audit Committee and Board – Post Audit			✓
Release Final Financial Statements & Internal Control Letter (3/31/2025)			✓
Periodic Meetings and Discussions With Management	✓	✓	✓



## UPDATED OR NEW ACCOUNTING AND REPORTING STANDARDS

<p><b>GASB Statement No. 101</b> Compensated Absences</p>	<p>The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.</p> <p><b>*** Effective for periods beginning after December 15, 2023.***</b></p>
<p><b>GASB Statement No. 102</b> Certain Risk Disclosures</p>	<p>The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.</p> <p><b>*** Effective for periods beginning after June 15, 2024.***</b></p>
<p><b>GASB Statement No. 103</b> Financial Reporting Model Improvements</p>	<p>The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability.</p> <p><b>*** Effective for periods beginning after June 15, 2024.***</b></p>
<p><b>GASB Statement No. 104</b> Disclosure of Certain Capital Assets</p>	<p>The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.</p> <p><b>*** Effective for periods beginning after June 15, 2025.***</b></p>



**Statement of Financial Position by Fund with Comparison to Prior Year End**  
**Steuben Area Economic Development Council**  
**For 12/31/2024**

Run: 1/15/2025 at 9:08 PM

Page: 1

SAEDC

	This Year	Last Year	Change
<b>Assets</b>			
Current Assets			
20.0200.020.00 SAEDC Checking xx2455 - Five Star Bank	119,625.43	130,442.43	(10,817.00)
20.0201.020.00 SAEDC Five Star CD	99,367.18	99,367.18	0.00
20.0220.020.00 SAEDC Five Star CD xx3578	4,981.97	0.00	4,981.97
Total Current Assets	223,974.58	229,809.61	(5,835.03)
Non-Current Assets			
Fixed Assets			
Land			
Buildings			
Equipment			
Goodwill			
Depreciation			
<b>Total Assets</b>	<b>223,974.58</b>	<b>229,809.61</b>	<b>(5,835.03)</b>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Current Liabilities			
Non-Current Liabilities			
Fund Equity			
NonSpendable Fund Balance			
Fund Balance			
20.0915.090.00 Fund Balance	229,809.61	237,721.27	(7,911.66)
Total Fund Balance	229,809.61	237,721.27	(7,911.66)
Current Year Change in Fund Balance	(5,835.03)	(7,911.66)	2,076.63
Total Fund Equity	223,974.58	229,809.61	(5,835.03)
<b>Total Liabilities and Fund Balance</b>	<b>223,974.58</b>	<b>229,809.61</b>	<b>(5,835.03)</b>



**Statement of Activity - MTD and YTD by Department**  
**Steuben Area Economic Development Council**  
**For 12/31/2024**

SAEDC

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	Variance
<b>Income</b>				
Administrative Income				
Business Development Income				
Other Income	0.00	4,981.97	0.00	4,981.97
20.2791.100.00 Interest Income	0.00	4,981.97	0.00	4,981.97
Total Other Income	0.00	4,981.97	0.00	4,981.97
<b>Total Income</b>	<b>0.00</b>	<b>4,981.97</b>	<b>0.00</b>	<b>4,981.97</b>
<b>Expenses</b>				
Office Expenses				
Professional Services Expense	0.00	6,425.00	0.00	(6,425.00)
20.6210.400.00 Accounting	0.00	6,425.00	0.00	(6,425.00)
Total Professional Services Expenses	0.00	6,425.00	0.00	(6,425.00)
Salaries & Wages Expense				
Administrative Expenses	0.00	3,600.00	0.00	(3,600.00)
20.6630.400.00 Marketing	0.00	175.00	0.00	(175.00)
20.6640.400.00 Website	0.00	3,775.00	0.00	(3,775.00)
Total Administrative Expenses	0.00	3,775.00	0.00	(3,775.00)
Utility Expenses				
Travel Expenses				
Insurance Expense	0.00	617.00	0.00	(617.00)
20.6800.400.00 Insurance	0.00	617.00	0.00	(617.00)
Total Insurance Expense	0.00	617.00	0.00	(617.00)
Infrastructure Expense				
Other Expenses				
<b>Total Expenses</b>	<b>0.00</b>	<b>10,817.00</b>	<b>0.00</b>	<b>(10,817.00)</b>
<b>Excess Revenue Over (Under) Expenses</b>	<b>0.00</b>	<b>(5,835.03)</b>	<b>0.00</b>	<b>(5,835.03)</b>



# **Steuben Area Economic Development Corp. 2025 Committee Appointments**

## **Governance**

Mark Alger, Chair  
Michelle Caulfield  
Sarah Creath

## **Finance/Audit**

Tony Russo, Chair  
Kelly Fitzpatrick  
Mike Davidson

## **Personnel/Nominating**

Mark Alger  
Dean Strobel  
Tony Russo



**Steuben Area Economic Development Corporation**

**Tentative Meeting Schedule**

**2025**

January 23

February 27

March 27

April 24

May TBD

June 26

July 24

August 28

September 25

October 23

November – TBD

December - TBD



99 GARNSEY ROAD  
PITTSFORD, NEW YORK 14534  
585.419.8800

**RUSSELL E. GAENZLE**  
MEMBER  
DIRECT: 585.419.8718  
FAX: 585.419.8801  
RGAENZLE@HARRISBEACHMURTHA.COM

January 14, 2025

James C. Johnson, Executive Director  
Steuben County Industrial Development Agency  
Steuben Area Economic Development Corporation  
7234 Route 54 North  
P O Box 393  
Bath, NY 14810-0393

RE: Steuben County Industrial Development Agency and Steuben Area Economic  
Development Corporation - PARIS Compliance Reporting

Dear Mr. Johnson:

Thank you for selecting Harris Beach Murtha Cullina PLLC (“we,” “us,” or “our Firm”) for legal representation. I will serve as your primary contact at our Firm. This letter and the enclosed Standard Terms of Engagement for Legal Services will describe the basis on which our Firm will provide legal services.

**Client.** Our client will be the Steuben County Industrial Development Agency and the Steuben Area Economic Development Corporation (collectively “Agencies” or “Client”) We understand that you shall serve as our primary contact regarding this matter. We are representing the Client only and not any individual.

**Scope of Representation.** You have asked us to provide legal representation in connection with respect to operations, governance and, statutory and regulatory compliance. Specifically, the Firm will provide Public Authority Accountability Act reporting services and at the direction of the Client, assist in statutory and regulatory compliance implementation, adherence, reviews and audits (“the Matter”). We have agreed that our engagement is limited to performance of legal services related to the Matter and, unless we agree otherwise in writing, we are not undertaking to represent the Agencies’ interests in any other matter. We will provide legal services only in connection with the Matter, and are not providing business, investment, insurance, accounting or other such non-legal services. Our Firm will provide the Agencies with representation in accordance with the applicable professional standards but does not guarantee any particular result.

**Attorney-Client Privilege.** In general, neither a client nor an attorney can be compelled to disclose confidential lawyer-client communications concerning legal advice. To maintain the attorney-client privilege and other protections, the Agencies should take reasonable steps to assure that all communications with our Firm are kept confidential. Under some circumstances, the attorney-client privilege can be maintained even when communications are shared with certain



January 6, 2025

Page 2

other persons or persons outside the Agencies under specified conditions; however, you should not do so without reviewing the Matter with us beforehand.

**Billing.** We will bill for our services on an hourly basis. Our fees will be based on the amount of time spent on the Matter by lawyers and paralegals multiplied by their individual hourly billing rates for the Matter. Julie Marshall, Manager of Economic Development will be your primary contact. Ms. Marshall's current non-attorney, professional hourly rate is \$250.00. Ms. Marshall can be reached at [jmarshall@harrisbeachmurtha.com](mailto:jmarshall@harrisbeachmurtha.com) or (585) 419-8653.

We may also assign other attorneys or paralegals to the Matter from time to time and we will bill at their standard billable hourly rate. Our billing rates are subject to change annually. Client is responsible for payment of all legal fees, expenses, and disbursements, regardless of the ultimate outcome of the Matter. In performing legal services in the Matter, we may also incur costs (including but not limited to costs for electronic data collection, maintenance and storage, other outside vendors including experts and consultants, overnight delivery, travel and the like) for which the Agencies will be responsible. A detailed description of our billing for services and costs is included in the Standard Terms of Engagement for Legal Services.

We will send bills monthly for fees and costs. Payment is due upon receipt and may be made by check, credit card or electronic payment identified on the monthly invoice. If our bills are not timely paid, we reserve the right to terminate our representation by sending written notice. If we are representing the Agencies in litigation, we will seek leave from a court or other tribunal to withdraw if necessary, and you agree not to object or oppose any such application.

The Firm has waived the requirement for an initial retainer with respect to this Matter but reserves the right to require one if deemed appropriate in the future. Fees for legal services and other charges are billed monthly and are payable within 30 days of receipt of the Firm's invoice, which will be sent to the Agencies at the address set forth above unless you request it be sent to a different address.

Our engagement does not include responsibility for review of insurance policies to determine the possibility of coverage for the claim asserted in the Matter, or for notification of the Agencies insurance carriers about the Matter.

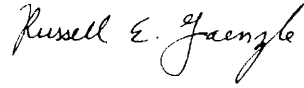
Additional information about these subjects and other important matters appears in the enclosed Standard Terms of Engagement for Legal Services, which are incorporated as part of this letter and which you should review before agreeing to our engagement.

Thank you for entrusting the Matter to our Firm. Please contact me directly with any questions regarding this engagement letter. Otherwise, if this proposal is acceptable, please confirm by returning a countersigned copy of this engagement letter and payment. However, any services rendered by our Firm in connection with the Matter prior to you signing below shall be governed by the terms of this letter. If at any time you have questions about the progress of the Matter, the way in which it is being staffed or any other issue, please contact me right away. We look forward to working with you.



January 6, 2025  
Page 3

Very truly yours,



Russell E. Gaenzle

AGREED TO AND ACCEPTED:

**STEBEN COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**STEBEN AREA ECONOMIC DEELOPMENT CORPORATION**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

REG:jam