

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY /

ORANGE COUNTY FUNDING CORPORATION

MINUTES: APRIL 20, 2022, AUDIT COMMITTEE MEETING

A meeting of the Orange County Industrial Development Agency and Orange County Funding Corporation Audit Committee was convened Wednesday, April 20, 2022, at 4:36 pm.

The meeting was called to order by Chairman Torelli.

There was a quorum. The following are all who were in attendance:

PRESENT: Michael Torelli, Dean Tamburri, Susan Walski

ALSO PRESENT: Bill Fioravanti – Chief Executive Officer
Dennis Brady – Technical Support (via Zoom)
RJ Martucci – JGS

The Chairman opened the floor to allow Mr. Martucci to present the OCFC and OCIDA 2021 Audit report. He detailed OCFC balance sheet and explained the maturing CD, the COVID Resiliency Loan receivables, and noted some of the bad debt that had been written off last year. He addressed the Statement of Revenue expenses, operating and project expenses, professional fees, Counsel fees, Insurance, interest-income revenues, and statement of cash flows. He reviewed notes to the financials that will provide further background for the Board. He stated there were no internal controls issues with this audit.

The Chairman stated that they will review the presentation and vote on whether to send it to the full Board for consideration.

Mr. Martucci reviewed the Combined Financials and explained the different columns. He noted the increase in cash, CD's maturing, accounts receivables which include the Warwick reimbursement, Merlin Entertainment, and Amy's Kitchen. Mr. Martucci reviewed the rent receivables and the Chairman asked where on the report would the litigation appear. Mr. Martucci confirmed that it could be found in the cash portion of the report. He reviewed the Current Liabilities and noted a

significant reduction. He referenced a previous request to audit IBM payments which showed they overpaid, balances owed to Galileo Technologies and funds owed to Danza Lesser, Middletown landlord. He noted the increase in our net position. He reviewed the Statement of Activities and noted the fee income from IBM and Fiorello Pharmaceuticals. He reviewed the professional fees portion, and management fees. The Chairman asked for further explanation of the bad debt expense. Mr. Martucci explained that the \$70,000 was their initial assessment of the uncollectible balance on the Resiliency loans and advised that if the borrowers who are in default begin to pay down their debt, those funds can be converted into revenue. He stated also that a major component of the bad debt was from Accelerator client receivables with some locations being very costly. Chairman Torelli asked Mr. Fioravanti to present these numbers at the next E & E Committee with the supporting documentation. Mr. Martucci moved on the non-operating revenues where the settlement funds are listed other small income which included the sale of old computer equipment that was sold to staff.

At approximately 5:16 pm, Mr. Rinaldi enters the meeting.

A motion to present the 2021 report to the full Board for consideration was made by Mr. Tamburri, seconded by Ms. Walski, and passed by a unanimous roll call.

The meeting closed at 5:18 pm.