



TRUST FOR CULTURAL RESOURCES
333 WEST WASHINGTON STREET, SUITE 130, SYRACUSE, NY 13202
PHONE: 315.435.3770 • FAX: 315.435.3669 • SYRACUSECENTRAL.COM

MEETING AGENDA
CRT Audit-Finance Committee Meeting
October 11, 2023

8:30 A.M. Call to Order

A. Approval of March 22, 2023 meeting minutes

Action Items

1. Presentation of the 2023 Trust for Cultural Resources Pre-Audit

Representative: Mike Lisson, Grossman St. Amour PLLC, CRT Auditor

2. Review and Approve 2024 Budget

Committee Action Requested:

A Resolution of the Committee to transmit CRT's 2024 Budget to the Board for approval.

Representative: Nate Stevens, Treasurer

3. Review Audit/Finance Committee Charter

The Committee will conduct its annual review the of Committee's Charter.

Committee Action Requested:

A Resolution of the Committee to transmit the Committee Charter *with/without comment* to the Governance Committee for review and recommendation to the Board.

Representative: Nancy Lowery, Secretary

4. Self-Evaluation of the Committee

The Committee will review a summary of the committee members' self-evaluation of the Committee.

Committee Action Requested:

A Resolution of the Committee to transmit the summary evaluation *with/without comment* to the Governance Committee for review and recommendation to the Board.

Representative: Nancy, Lowery, Secretary

5. Review Committee Annual Report

The Committee will review its 2023 Annual Report

Committee Action Requested: A Resolution of the Committee to transmit the Annual Report to the Governance Committee for review and recommendation to the Board.

Representative: Nancy Lowery, Secretary

Adjourn

**TRUST FOR CULTURAL RESOURCES OF
THE COUNTY OF ONONDAGA
Audit/Finance Committee Meeting
March 22, 2023**

An Audit/Finance Committee meeting of the Trust for Cultural Resources of the County of Onondaga was held on Wednesday, March 22, 2023 at 3335 Montgomery Street, Floor 2M, Syracuse, New York.

Trustee Greg Lancette called the meeting to order at 8:41 am with the following:

PRESENT:

Greg Lancette
Ryan Smith

ABSENT:

Leslie Garcea

ALSO PRESENT:

Robert Petrovich, Executive Director
Nancy Lowery, Secretary
Nate Stevens, Treasurer
Alexis Rodriguez, Assistant Treasurer
Svetlana Dyer, Assistant Secretary
Karen Doster, Recording Secretary
Regina McArthur, CRT Board Member
Mike Lisson, Grossman St. Amour CPAs

APPROVAL OF AUDIT/FINANCE COMMITTEE MEETING MINUTES-OCTOBER 13, 2022

Upon a motion by Ryan Smith, seconded by Greg Lancette, the CRT Board approved the Audit/Finance Committee meeting minutes of October 13, 2022. Motion was carried unanimously.

REVIEW AND DISCUSS 2022 FISCAL YEAR AUDIT

Mike Lisson stated the slide deck was sent to the Board members and he is going to go over the highlights. He stated the first six slides are standard communications and nothing to be concerned about. He stated the audit went really well and there are no issues or concerns with internal controls and processes. He stated it is a clean audit opinion. He stated CRT really didn't have any project fees come in this past year. He stated CRT has \$593,000 in cash. He stated \$97,000 was due to the Onondaga County Office of Economic Development. He stated it is a straight forward balance sheet. He stated there were three service contracts that included movie night, Latino

Festival and Juneteenth Festival totaling \$49,000. He stated it was a straight forward year and the audit went well. He stated there is no internal reporting issue and it was a clean audit. He stated they looked at the investment policy to make sure CRT is following that and that was clean as well.

Upon a motion by Ryan Smith, seconded by Greg Lancette, the CRT Audit Committee approved a resolution approving the 2022 Audit of the Trust. Motion was carried unanimously.

Upon a motion by Ryan Smith, seconded by Greg Lancette, the CRT Board adjourned the meeting at 8:44 am. Motion was carried unanimously.

Nancy Lowery, Secretary

Trust for Cultural Resources of the County of Onondaga

Auditor's Communication with Those
Charged with Governance during planning

October 11, 2023
Mike Lisson, CPA Partner
Bri Lane, CPA Supervisor

Agenda

- PROFESSIONAL STAFF
- RESPONSIBILITIES
- PLANNED SCOPE
- WHATS GOING ON IN THE ACCOUNTING AND REGULATORY WORLD

Professional staff

- Audit Partners - Mike Lisson, CPA, CITP & Mark Ciaralli, CPA, CFE
 - Mike is the lead partner and is responsible for reviewing the audit. PAAA requires a change in partner once every 5 years (we rotated partner in 2021)
 - In addition, due to changes in governmental auditing standards, we assign two partners to all of our governmental audits

Contact Information:

- Mike (315) 701-6430 / Mark (315)-701-6391
mlisson@gsacpas.com / mciaralli@gsacpas.com
- All staff assigned need to possess adequate professional competence
 - All professionals must complete at least 80 hours of CPE to enhance professional proficiency and at least 24 hours must be specific to governmental areas every two years related to the audit
 - Brianah Lane (Bri) – supervisor, will continue on the audit this year and has been working on the audit for 3+ years

AUDITOR RESPONSIBILITIES

- Auditor's Responsibilities

- Communicated through engagement letter
- We are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (**AICPA**); with government auditing standards (**GAGAS**); and the New York State Authorities Budget Office (**ABO**)
- We form and express an opinion over the financial statements prepared by management, with your oversight, about whether the financial statements are prepared, in all material respects, with **GAAP (GASB)**. You have the ultimate responsibility for these financial statements.



AUDITOR RESPONSIBILITIES

- Auditor's Responsibilities, con't
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and **obtain audit evidence that is sufficient** and appropriate to provide a basis for our opinion.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, **but not for the purpose of expressing an opinion on the effectiveness of CRT's internal control.**
 - Evaluate the **appropriateness of accounting policies used** and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, **including the disclosures**, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt of **CRT's ability to continue as a going concern** for a reasonable period of time.



MANAGEMENT RESPONSIBILITIES

- Management's Responsibilities:

- Communicated through engagement letter;
- Preparation and fair presentation of the financial statements with GAAP;
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements from material misstatement from:
 - Errors
 - Fraudulent financial reporting
 - Misappropriation of assets
 - Violations of laws, governmental regulations, grant agreements or contractual agreements
- Provide unrestricted access to all records, documentation and persons necessary to obtain audit evidence;
- Identifying and ensuring compliance with laws and regulations applicable to the entity's activities;
- For adjusting financial statements to correct material misstatements and confirming to us in the management representation letter that uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole;
- For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- For the accuracy and completeness of all information provided.

PLANNED SCOPE

- 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 is designed to provide reasonable, but **not absolute**, assurance about whether the financial statements are free of **material** misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations.
- There is always a risk that material misstatements may exist that may not be detected by us.

PLANNED SCOPE (continued)

- We are required to obtain an understanding of your entity and its environment, including internal controls, to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures.
- Our audit is not designed to express an opinion or provide assurance on **internal control over financial reporting** or **compliance with provisions of applicable laws, regulations, contracts, and agreements**.
 - Although we don't express opinions over these, we will communicate our scope and results of that testing through a separate communication
- **Identification of significant risks**
 - Revenue recognition

A significant risk for our audit purposes are risks relating to amounts or disclosures in the financial statements that require special audit consideration because of the likelihood and magnitude of the potential misstatement. We consider certain factors to determine whether a risk is a significant risk.

PLANNED SCOPE (continued)

- We perform testing over significant revenue & expenses:

- **Grant expenses** – four so far:
 - NYS Blues Festival, Inc. (4/12/2023); \$25,000
 - Galaxy Media Partners LLC (6/29/2023); \$15,000
 - Juneteenth, Inc. (7/20/2023); \$14,000
 - Nosotros Radio, Inc. (7/20/2023); \$9,000

WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

Regulatory

I) Authorities Budget Office (ABO)

- Regulation 22-01 issued 11/21/2022, *Posting and Maintaining Reports on Public Authority Websites*, supersedes regulation 21-01
- New requirements regarding board meetings
 - Post meeting notices and agendas (including the authorization of videoconferencing if applicable) at least one week in advance of a board meeting
 - Written procedures concerning video conferencing (if applicable)
 - Documents to be discussed (e.g.: board packet) must be posted at least 24 hours prior to the meeting
- ABO's *Board Meetings: Best Practices for Public Authorities* updated in June 2023 (originally issued January 2015)
 - <https://www.abo.ny.gov/recommendedpractices/practices.html>

WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

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WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD (continued)

Regulatory

I) Authorities Budget Office (ABO) (continued)

- The ABO completed 12 transparency reviews (including one review of a public complaint) from April-July 2023. Some common areas for improvement:
 - 83% of authorities are not posting **adequate information on board members and executive management** including executive management background and qualifications, board member appointment dates, appointing entity, term, and current employment and professional background information.
 - 75% of authorities are not posting **information for committee meetings** including meeting schedules, notices, agendas, packets, minutes, and webcasting and video recordings.
 - Incorrect debt amounts (conduit debt obligations) – “the ABO finds that when questioned, authorities are often unsure what the correct balances are for conduit debt issued on behalf of a third party, as it is not their liability. **Regardless of who is responsible for the debt, if an authority issues debt, they must keep accurate records to correctly report**, as required by Public Authorities Law”

WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

Accounting / Auditing Auditing

- SAS No. 143 *“Auditing Accounting Estimates and Related Disclosures”* (12/31/23 effective)
 - Addresses auditor’s responsibilities related to accounting estimates, including fair value and related disclosures.
- SAS No. 145 *“Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement”* (12/31/23 effective)
 - Revised requirements to evaluate the design of certain controls within the control activities component;
 - New requirements related to audit documentation
 - **Does not fundamentally change the key concepts underpinning audit risk, rather, clarifies and enhances certain aspects of the identification and assessment of the risks of material misstatement to drive better risk assessments and, therefore, enhance audit quality.**
- Governmental Accounting Standards (GASB)
 - No new significant new statements impacting CRT for 2023
 - Numerous ongoing GASB projects may impact CRT in future years
 - Risks and uncertainties disclosures
 - Classification of nonfinancial assets
 - Financial reporting model
 - Revenue and expense recognition guidance
 - Accounting and financial reporting for subsequent events

CRT 2024 Budget

| 1. Operating Expenses/Program Expenses | 2023 Budget | 2024 Budget | 2025 Budget | 2026 Budget | 2027 Budget |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Service Contracts | \$ 82,110 | \$ 70,000 | \$ 70,000 | \$ 70,000 | \$ 70,000 |
| Onondaga County - Contractual Support Services | \$ 76,500 | \$ 117,000 | \$ 117,000 | \$ 117,000 | \$ 117,000 |
| Professional Services | \$ 7,140 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 |
| Insurance | \$ 3,060 | \$ 3,300 | \$ 3,300 | \$ 3,300 | \$ 3,300 |
| Office Expenses | \$ 255 | \$ 150 | \$ 150 | \$ 150 | \$ 150 |
| Other Expenses | \$ 153 | \$ 50 | \$ 50 | \$ 50 | \$ 50 |
| Total Operating/Program Expenses | \$ 169,218 | \$ 197,000 | \$ 197,000 | \$ 197,000 | \$ 197,000 |

| 2. Revenue | 2023 Budget | 2024 Budget | 2025 Budget | 2026 Budget | 2027 Budget |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Project Fees | \$ 168,708 | \$ 177,000 | \$ 177,000 | \$ 177,000 | \$ 177,000 |
| Interest Income | \$ 510 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Total Revenue | \$ 169,218 | \$ 197,000 | \$ 197,000 | \$ 197,000 | \$ 197,000 |

AUDIT AND FINANCE COMMITTEE CHARTER

This Audit and Finance Committee Charter was adopted by the Trustees of the Trust for Cultural Resources of the County of Onondaga, a public benefit corporation established under the laws of the State of New York, on the 18th day of November 2010.

Purpose

Pursuant to Article III of the Trust's bylaws, the purpose of the audit and finance committee shall be to (1) assure that the Trust's Trustees fulfill their responsibilities for the Trust's external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; (2) provide an avenue of communication between management, the independent auditors, and the Trustees; (3) review proposals for the issuance of debt by the Trust; and (4) provide recommendations to the Trust regarding the issuance of debt.

Powers of the Audit and Finance Committee

It shall be the responsibility of the Audit and Finance Committee to:

- Recommend, compensate, and oversee the work of any public accounting firm employed by the Trust.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Trust staff, all of whom should be directed by the Trustees to cooperate with committee requests.
- Meet with Trust staff, independent auditors or outside counsel, as necessary.
- Retain, at the Trust's expense, such outside counsel, experts and other advisors as the Audit Committee may deem appropriate.
- Review proposals for the issuance of debt for the Trust and make recommendations to the Trust regarding the issuance of such debt.
- Seek any information it requires from the Trust and project applicants regarding the proposals for the issuance of debt
- Retain and consult with, at the Trust's expense, such outside counsel, experts and other advisors as the Finance Committee may deem appropriate.

Composition of Committee and Selection of Committee Members

The Audit and Finance Committee is established as set forth in and pursuant to Article III of the Trust's bylaws. The Audit and Finance Committee shall be comprised of a minimum of three independent Members. Members shall be elected by a plurality of the votes cast by the Trustees of the Trust at each annual meeting of the Board and shall serve until the next annual meeting.

Audit and Finance Committee Members shall be prohibited from being a staff member of the Trust or an immediate family member of a staff member of the Trust. In addition, Audit and Finance Committee Members shall not engage in any private business transactions with the Trust or receive compensation from any private entity that has material business relationships with the Trust, or be an immediate family member of an individual that engages in private business transactions with the Trust or receives compensation from an entity that has material business relationships with the Trust.

The Audit and Finance Committee shall have access to the services of at least one financial expert.

The Audit Finance Committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls and, 5) an understanding of Audit and Finance Committee functions.

The Members of the Audit Finance Committee shall possess the necessary skills to understand the duties and functions of the Audit Finance Committee. Including an understanding of the types of debt issued by the Trust.

Meetings

The Audit and Finance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Audit and Finance Committee are expected to attend each committee meeting, in person or videoconference. The Audit and Finance Committee may invite other individuals, such as management staff, auditors, financers or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit and Finance Committee will meet with the Trust's independent auditor at least annually to discuss the financial statements of the Trust.

Meeting agendas will be prepared for every meeting and provided to the Audit and Finance Committee Members along with briefing materials before the scheduled Audit and Finance Committee meeting. The Audit and Finance Committee will act only on the affirmative vote of a majority of the Members at a meeting or by the consent of a majority of the Members. Minutes of these meetings will be recorded.

Responsibilities

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations and whistleblower policies; (d) the issuance of debt; and (e) miscellaneous issues related to the financial practices of the Trust.

A. Independent Auditors and Financial Statements

The Audit and Finance Committee shall:

- Recommend, compensate and oversee independent auditors retained by the Trust and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Trust's independent auditor shall be prohibited from providing non-audit services.
- Review and approve the Trust's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Audit and Finance Committee shall:

- Review management's assessment of the effectiveness of the Trust's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

C. Special Investigations

The Audit and Finance Committee shall:

- Ensure that the Trust has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the members, officers, or employees of the Trust or any persons having business dealings with the Trust or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

D. Issuance of Debt

The Audit and Finance Committee shall:

- Obtain any information and training needed to enhance the Committee Members' understanding of the issuance of debt by the Trust.

E. Other Responsibilities of the Audit Committee

The Audit and Finance Committee shall:

- Present annually to the Trustees a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the Committee Members' understanding of the role of the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the Committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Trustees. The Audit and Finance Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request trustees approval for proposed changes.



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2023 Audit/Finance Committee Evaluation Summary

| Criteria | Agree | Somewhat Agree | Somewhat Disagree | Disagree |
|---|-------|----------------|-------------------|----------|
| Do Committee members understand the Committee's charter, duties & responsibilities as exhibited by its formal agendas, actions and reports? | 3 | | | |
| Is the Committee comprised of members who are independent as defined by the NYS Authorities Budget Office and who bring a body of expertise, knowledge, and experience necessary to understand and fulfill the goals and duties of the Committee? | 3 | | | |
| Does the Committee require a member to recuse him/herself if an appearance of a financial or other conflict might appear to influence a vote of the committee member or the committee as a whole? | 3 | | | |
| Does the Committee require a member to acknowledge a financial conflict of interest, as defined in Trust policy, with any project or action that has come before the Committee during the tenure of the Committee member? | 3 | | | |
| Does the Committee receive advance copies of agendas and supporting material necessary for it to make an informed determinations or recommendations to the Trust? | 3 | | | |
| Does the Committee acknowledge and encourage open discussion by its members and staff during committee meetings? | 3 | | | |
| Does the Committee present a self-evaluation to the Trust annually, including an examination the Committee Charter? | 3 | | | |



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2023 Annual Report of CRT Committees Audit and Finance Committee

Committee Members & Staff

Greg Lancette, Trustee

Leslie Garcea, Trustee

Ryan Smith, Trustee

Robert M. Petrovich, Executive Director

Nancy Lowery, Secretary/Public Hearings Officer

Nate Stevens, Treasurer

Purpose of the Committee

The purpose of the combined audit and finance committee is to assure that the Trust's Trustees fulfill their responsibilities for the Trust's external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; provide an avenue of communication between management, the independent auditors, and the Trustees; review proposals for the issuance of debt by the Trust; and provide recommendations to the Trust regarding the issuance of debt.

Meeting Schedule:

The committee met 2 times on:

- 1) March 22, 2023
- 2) October 11, 2023

Fiscal Year 2022

1. Annual Self-Evaluation:

The committee conducted a self-evaluation. It found no issues. The Committee will present its evaluations to the Governance Committee for its final review and recommendations to the Board. The Governance Committee will present the evaluations to the full board at the March 2024 Annual Meeting.

2. Charter Review: The Committee reviewed its combined charter on November 9, 2021. It was satisfied with the charter. The Committee will present its evaluations to the Governance Committee for its final review and recommendations to the Board. The Governance Committee will present the evaluations to the full board at the March 2024 Annual Meeting.

3. Disposition of Duties:

- 1) The Committee met with the Trust Auditor on March 22, 2023 to review and discuss the 2022 Audit of the Trust. The Committee found the audit to be adequate and did not have any substantive comments or questions for the Auditor.
- 2) The Committee met with the Trust Auditor on October 11, 2023 to review and discuss preliminary audit material for the Trust's 2023 fiscal year. The Committee did not have any substantive comments or questions for the Auditor.
- 3) The Committee reviewed its charter, annual report and self-evaluation Committee as noted above.