



**Audit Committee  
Meeting Agenda  
October 12, 2023**

**8:30 AM Call to Order the Meeting of the OCIDA Audit Committee**

**1. Approval of the March 23, 2023 minutes**

**ACTION ITEMS**

**1. Preliminary Audit Review**

**The Agency Auditor will discuss the upcoming audit of the Agency.**

**Representative:** Michael G. Lisson, OCIDA Auditor, Grossman St. Amour CPAs

**2. Self-Evaluation of the Committee**

The Committee members will review the Audit committee members' evaluations

**Action Requested:**

- a. 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, OCIDA

**3. Review of Committee Charter**

The Committee members will review the Committee's Charter

**Action Requested:**

- a. 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, OCIDA

**4. Draft Annual Report (2023 Fiscal Year)**

The Committee members will review the Draft Annual Report of the Committee

**Action Requested:**

- a. A Resolution of the Committee to transmit the Committee Annual Report with/without comment to Governance Committee for review and recommendation to the Board

**Representative:** Nancy Lowery, Secretary, OCIDA

**Adjourn**

Onondaga County Industrial Development Agency  
Audit Committee Meeting Minutes  
March 23, 2023

An Audit Committee meeting of the Onondaga County Industrial Development Agency was held on Thursday, March 23, 2023, at the 335 Montgomery Street, Floor 2M, Syracuse, New York in the large conference room.

Chairperson Janice Herzog called the meeting to order at 8:33 am with the following:

PRESENT:

Janice Herzog  
Susan Stanczyk  
Patrick Hogan

ALSO PRESENT:

Robert M. Petrovich, Executive Director  
Nate Stevens, Treasurer  
Nancy Lowery, Secretary  
Karen Doster, Recording Secretary  
Svetlana Dyer, Assistant Secretary  
Alexis Rodriguez, Assistant Treasurer  
Jeff Davis, Barclay Damon Law Firm  
Matthew Pelligra, Office of Economic Development  
Mike Lisson, Grossman St. Amour CPAs

APPROVAL OF AUDIT MEETING MINUTES – OCTOBER 6, 2022

Upon a motion by Susan Stanczyk, seconded by Patrick Hogan, the OCIDA Audit Committee approved the minutes of the October 6, 2022, meeting. Motion was carried.

REVIEW AND DISCUSSION OF THE 2022 AUDIT OF THE AGENCY

Mike Lisson stated he will walk through the slide show presentation. He stated investment in real property went up quite a bit this past year and that is related to White Pine. He stated there are no issues or concerns from his aspect. He stated there are no control deficiencies to report and the Agency is in compliance with all reports that were issued and will be filed at the end of the month. He stated there is about \$4.1 million in cash and showing good and normal operations. He stated \$29.5 million invested in real property is related to White Pine. He stated there is a note payable to Onondaga County for \$25.9 million. He stated those are the drivers for the activity this past year. He stated there are a few pass throughs for White Pine where the Agency paid but got the money back.

He stated the overall Agency fee was \$799,000 and increased the past year by about \$552,000. He stated the conduit debt went up and the fees were \$570,458 for Baldwinsville Senior Housing, \$567,500 for LOSO, \$140,201 from Fayette Manlius and \$126,025 for Old Seneca Turnpike. He stated there was a reimbursement from Onondaga County for some past White Pine activity. He stated the operating expenses increased \$1,065,342. He stated \$660,933 was related to White Pine. He stated general and administrative increased \$187,379 primarily due to a cancelled project fee of \$155,000. He stated Alexis Rodriguez did a great job working with them through everything. He stated it is an unmodified audit opinion and a clean audit. He stated internal control letter states it is a clean audit.

Janice Herzog stated she would like to recognize Bob Petrovich, Jeff Davis, and the team because there was a lot of extra accounting last year with all the purchases and closings. She stated that is a lot to keep track of and make sure everything is buttoned up.

Patrick Hogan stated the team keeps the Board fully informed about all the financials and that is appreciated.

Mike Lisson stated there was a quite a bit of activity last year and the Economic Development team did a great job organizing it for them.

Upon a motion by Patrick Hogan, seconded by Susan Stanczyk, the OCIDA Audit Committee approved a resolution recommending to the full Board approval of the 2022 Audit of the Agency. Motion was carried.

## ADJOURN

Upon a motion by Patrick Hogan, seconded by Susan Stanczyk, the OCIDA Audit Committee adjourned the meeting at 8:40 am. Motion was carried.

---

Nancy Lowery, Secretary

# Onondaga County Industrial Development Agency

Auditor's Communication with Those  
Charged with Governance during planning

October 12, 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](mailto:mlisson@gsacpas.com) / [mciaralli@gsacpas.com](mailto: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.
- As a component unit of Onondaga County, your financial information is **included** in the County's financials. The County's independent auditors **do not take responsibility** for the financial information as they reference other auditors (GSA CPA's) in accordance with professional standards.



# AUDITOR RESPONSIBILITIES

## • Auditor's Responsibilities (continued)

- 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 OCIDA'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 **OCIDA'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, titled: *"Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards"*
- **Identification of significant risks**
  - Revenue recognition
  - Investment in real property

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.

# 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 (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 (continued)

## Regulatory

### II) NYS Comptroller

- Issued 6 audit reports in 2022 related to Industrial Development Agencies (IDA's).  
No new audit reports issued as of October 2023.
- Areas focused on:
  - Project approval and monitoring
  - Disbursements
  - Procurement processes
  - Property acquisitions

# 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 OCIDA for 2023
  - Numerous ongoing GASB projects may impact OCIDA 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



## ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

333 WEST WASHINGTON STREET, SUITE 130, SYRACUSE, NY 13202  
 PHONE: 315.435.3770 • FAX: 315.435.3669 • WWW.ONGOVED.COM

### 2023 Audit Committee Self-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 Board 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 Board?	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 Board annually, including an examination the Committee Charter?	3			





## **AUDIT COMMITTEE CHARTER**

This Audit Committee Charter was adopted by the Members of the Onondaga County Industrial Development Agency, a public benefit corporation established under the laws of the State of New York, on the 10<sup>th</sup> day of January 2008.

### **Purpose**

Pursuant to Article VI, Section 2 of the Agency's bylaws, the purpose of the audit committee shall be to (1) assure that the Agency's Members fulfill their responsibilities for the Agency's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, and the Members.

### **Powers of the Audit Committee**

It shall be the responsibility of the Audit Committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Agency.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Agency employees, all of whom should be directed by the Members to cooperate with committee requests.
- Meet with Agency staff, independent auditors or outside counsel, as necessary.
- Retain, at the Agency's expense, such outside counsel, experts and other advisors, as the Audit Committee may deem appropriate.

### **Composition of Committee and Selection of Members**

The Audit Committee is established as set forth in and pursuant to Article VI, Section 2 of the Agency's bylaws. The Audit Committee shall be comprised of independent members. The Agency's Chairman will appoint the Audit Committee members and the Audit Committee Chair.

Audit Committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, Audit Committee members shall not engage in any private business transactions with the

Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

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

The Audit 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 Committee functions.

### **Meetings**

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

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

Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials before the scheduled Audit Committee meeting. The Audit 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; and (d) miscellaneous issues related to the financial practices of the Agency.

### **A. Independent Auditors and Financial Statements**

The Audit Committee shall:

- Appoint, compensate and oversee independent auditors retained by the Agency 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 Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the Agency's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the Agency'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 Committee shall:

- Review management's assessment of the effectiveness of the Agency'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 Committee shall:

- Ensure that the Agency 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 Agency or any persons having business dealings with the Agency 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.

#### **E. Other Responsibilities of the Audit Committee**

The Audit Committee shall:

- Present annually to the Agency's members 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 Members of the Agency. The Audit 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 member approval for proposed changes.



## **Onondaga County Industrial Development Agency Audit Committee Annual Report 2023 Fiscal Year**

### **Committee Members & Staff**

Janice Herzog, Committee Chair

Patrick Hogan, Board Chair

Sue Stanczyk, Board Member

Robert Petrovich, Executive Director

Nancy Lowery, Secretary

Nate Stevens, Treasurer

### **Purpose of the Committee**

The Audit Committee provides direct oversight of the performance of the independent audit performed by an accounting firm hired for such purpose

### **2023 Meeting Schedule**

March 23, 2023

October 12, 2023

### **Fiscal Year 2023**

#### **1. Annual Self Evaluation**

The Committee conducted a self-evaluation at its October 12, 2023 meeting. It found no issues. The Committee will transmit its evaluation to the Governance Committee for its final review and recommendation to the Board. The Governance Committee will present its recommendations to the full Board at the Agency's Annual Meeting, tentatively scheduled for March 14, 2024

#### **2. Review of Charter**

The Committee reviewed its charter on October 6, 2022. It found no issues with the charter. The Committee will present its findings to the Agency Board at the Agency's Annual Meeting, tentatively scheduled for March 14, 2024.

#### **3. Disposition of Duties**

The Committee met with the Agency Auditor on March 14, 2023 to review and discuss the 2022 Audit of the Agency. The Committee found the audit to be adequate and they implemented changes as suggested by the Auditor.

The Committee met with the Agency Auditor on October 12, 2023 to review and discuss preliminary audit material for the Agency's 2023 fiscal year. The Committee did/did not have any comments or questions for the Auditor.

The Committee reviewed its charter, annual report and self-evaluation at October 12, 2023 meeting of the Committee as noted above.

**Meeting adjourned**