



ONONDAGA CIVIC DEVELOPMENT CORPORATION
333 WEST WASHINGTON STREET, SUITE 130, SYRACUSE, NY 13202
PHONE: 315.435.3770 • FAX: 315.435.3669 • SYRACUSECENTRAL.COM

**OCDC Audit Committee
October 13, 2022**

8:30 am Call to Order

A. Approval of March 7, 2022 meeting minutes

Action Items

1. Presentation of the 2022 Onondaga Civic Development Corporation Pre-Audit

Representative: Mike Lisson, Grossman St. Amour, OCDC Auditor

2. Self-Evaluation of the Committee

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

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

3. Review Committee Charter

The Committee will review its 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

4. Review Committee Draft Annual Report (2022 Fiscal Year)

The Committee will review its 2022 Annual Report

Action Requested:

- a. 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

ONONDAGA CIVIC DEVELOPMENT CORPORATION
Audit Committee Meeting
March 7, 2022

An Audit Committee meeting of the Onondaga Civic Development Corporation was held on Thursday, March 7, 2022 at 333 West Washington Street, Syracuse, New York, 13202.

Michael LaFlair called the meeting to order at 9:00 AM with the following:

PRESENT:

Michael LaFlair
Kevin Kuehner

ABSENT:

Alison Miller

ALSO PRESENT:

Robert M. Petrovich, President/CEO
Carolyn Evans-Dean, Economic Development
Nate Stevens, Treasurer
Karen Doster, Recording Secretary
Christopher Andreucci, Harris Beach
Mike Lisson, Grossman St. Amore PLLC

APPROVAL OF AUDIT COMMITTEE MEETING MINUTES – NOVEMBER 18, 2021

Upon a motion by Kevin Kuehner, seconded by Michael LaFlair, the OCDC Audit Committee approved the meeting minutes of November 18, 2021. Motion was carried.

REVIEW AND DISCUSS 2021 FISCAL YEAR AUDIT

Mike Lisson gave brief presentation. He stated they have required communications they do every year and those have not changed much in the past year. He stated this is the first time the audit opinion has changed in many years and it changed to make it easier for the average user to understand and read. He stated it talks about the scope of the timing of the audit with the audit committee back in the November timeframe. He stated significant risks to the audit disclosure is something new and they have to spend more time on this. He stated they look at project fees, revenue recognition and service contracts. He stated the majority of OCDC's revenue are for project fees. He stated Onondaga Free Library was \$20,000 and Lemoyne was \$112,000 totaling \$132,500 in project fees that came in. He stated bond debt is disclosed in the footnotes called conduit debt. He stated even though the name of the debt says OCDC it is not actually payable

by OCDC; it is repayable by Lemoyne and the library. He stated loan loss reserve is looked at and tested and is consistent with last year and is adequate. He stated there are some loans that are not being paid timely related to Covid. He stated management is working through those and they believe the loan loss reserve is more than adequate to cover that. He stated there is a new loan this year for \$250,000 for Syracuse Studios which represents a forgivable loan. He stated once they meet the terms and conditions of the loan agreement it will be forgiven next year but it sits as a loan receivable. He stated the County contract this year is about \$110,000 fee allocated from the office to OCDC that will be repaid. He stated Grossman St. Amour prepares the financial statements, tax returns and I90 but they are independent of that. He stated the audit was an unmodified clean audit opinion. He stated most of the information is consistent with previous years other than notes updated for current information. He stated OCDC has a strong cash position of about \$710,000 and the Airpark has about \$519,000. He stated the loan receivables is \$246,000. He stated the net position is \$1,388,000 and is OCDC and the airpark combined. He stated OCDC has \$871,580 and the Airpark has \$560,801. He stated it is broken out separately because the airpark is restricted for airpark operations versus OCDC is used for not for profit. He stated the lease payment comes through as \$61,000 but half of that is being reimbursed by OCIDA. He stated there are four service contracts outstanding and are further disclosed in schedule I of the 990. He stated OCDC approved all the contracts. He stated there are no internal controls to report to the Audit Committee. He stated there are no major changes to the 990 this year. He stated the audit went well, no difficulties and management was great to work with.

Upon a motion by Kevin Kuehner, seconded by Michael LaFlair, the OCDC Audit Committee approved a resolution recommending Board approval of the 2021 Audit of the Corporation. Motion was carried unanimously.

Upon a motion by Kevin Kuehner, seconded by Michael LaFlair, the OCDC Audit Committee adjourned the meeting at 9:09 am. Motion was carried unanimously.

Carolyn Evans-Dean, Secretary

Onondaga Civic Development Corporation

Auditor's Communication with Those
Charged with Governance during planning

October 13, 2022
Mike Lisson, Partner

Agenda

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

Professional staff

I) 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 (last year we had a change)
- 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

II) 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
- A tax practitioner must possess the necessary competence to engage in practice before the IRS. Requires the appropriate level of knowledge, skill, thoroughness and preparation for necessary for the matters for which the practitioner is engaged
- Brianah Lane (Bri) – professional staff accountant will continue on the audit this year

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, 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 OCDC'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 **OCDC'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:
 - **Service contracts**- one so far:
 - Canine Carnival Service Contract (9/16/22); \$5,000

WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

Regulatory

I) Authorities Budget Office (ABO)

- no new regulatory guidance issued since regulation 21-01 (3/10/21)
- ABO continues reviewing (Feb - Apr '22) websites of public authorities for compliance with reporting of information (9 reviewed). Some common areas for improvement:
 - All bond documents (including refunding's) not posted on website
 - Information outdated, not kept current

II) NYS Comptroller

- Issued 6 audit reports in '22 related to Local Development Corps (LDC's)
 - Areas focused on:
 - Project approval and monitoring
 - Budgeting and board oversight
 - Management and monitoring of loan fund program
 - Disbursements
 - Procurement processes

WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

Accounting / Auditing

Auditing

- SAS No. 142 *"Audit Evidence"* (12/31/22 effective)
 - What constitutes audit evidence and sets out attributes of information that are taken into account by the auditor when evaluating information
- 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 OCDC for '22
 - Numerous ongoing GASB projects may impact OCDC in future years
 - Risks and uncertainties disclosures
 - Classification of nonfinancial assets
 - Financial reporting model

WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

I) Internal Revenue Service

Form 990

- IRS provides draft instructions and tax forms for '22 available on their website at <https://www.irs.gov/draft-tax-forms>
- **Minor updates from the IRS pertaining to OCDC**
 - Schedule A – Public charity status & public support (10/6/22 draft)
 - Schedule I – Grants and other assistance to organizations, governments, and individuals in the United States (6/8/22 draft)
 - Schedule K – Supplemental Information on Tax-exempt bonds (8/26/22 draft)

Overall – no significant changes expected from the IRS pertaining to OCDC's '22 tax filing obligation

II) New York State Charities Bureau

Form Char500

- **As of 9/19/22, all annual filings are to be submitted online**
 - Electronic signatures – Bob & Nate
 - **Need to set up an account (<https://myidentity.ag.ny.gov/CustomLoginPage/Registration.jsp>)**
 - All supporting information, audited financials and Form 990 are uploaded via PDF
 - Payment is made during submission via credit card or e-check



October 13, 2022

Onondaga Civic Development Corporation
333 W. Washington Street, Suite 130
Syracuse, New York 13202

Dear Bob:

The following represents our understanding of the services we will provide Onondaga Civic Development Corporation.

You have requested that we audit the business-type activities of Onondaga Civic Development Corporation, as of December 31, 2022, and for the year then ended and the related notes, which collectively comprise Onondaga Civic Development Corporation's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that the included supplementary information, such as management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and



presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

➤ **Management's Discussion and Analysis**

Supplementary information other than RSI will accompany Onondaga County Industrial Development Agency's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

➤ **Combining statement of net position, combining statement of activities and changes in net position, and combining statement of cash flows-proprietary fund**

The Combining statement of net position, combining statement of activities and changes in net position, and combining statement of cash flows-proprietary fund will be presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, which is the responsibility of management, will be subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our auditor's report will provide an opinion on the supplementary information in relation to the basic financial statements as a whole.

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with Government Auditing Standards. As part of an audit in accordance with GAAS and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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 about Onondaga County Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Onondaga Civic Development Corporation's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
3. To provide us with:

- i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
 5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
 6. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
 7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
 10. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Nonattest Service

With respect to any nonattest services we perform, which includes the preparation of the financial statements, IRS Form 990 and NYS Char500, we will not assume management responsibilities on behalf of Onondaga Civic Development Corporation. However, we will provide advice and recommendations to assist management of Onondaga Civic Development Corporation in performing its responsibilities.

Onondaga Civic Development Corporation's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the preparation of the financial statements as previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise Onondaga Civic Development Corporation with regard to accounting positions taken in the preparation of the financial statements, but Onondaga Civic Development Corporation must make all decisions with regard to those matters.

Reporting

We will issue a written report upon completion of our audit of Onondaga Civic Development Corporation's basic financial statements. Our report will be addressed to governing body of Onondaga Civic Development Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We also will issue a written report on the Onondaga Civic Development Corporation's compliance with the New York State Public Authorities Law section 2925 applicable to the Agency's adoption of comprehensive investment guidelines for the year ended December 31, 2022 upon completion of our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax, e-mail, Citrix Sharefile, AuditDashboard and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The timing of our audit will be scheduled for performance and completion as follows:

- Preliminary & interim fieldwork – mid-to late December 2022
- Year-end fieldwork - mid February 2023
- Completion – late February / early March 2023. Completion will be in advance of the mutually agreed dates of the audit committee and board presentations.

Michael Lisson is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Grossman St. Amour CPA's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility. We estimate that our fee for the audit will be \$5,200 based on our November 13, 2020 proposal. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use Onondaga Civic Development Corporation's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the governing body the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Grossman St. Amour CPA's PLLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to the New York State Comptroller pursuant to authority given to it by law or regulation, or to

peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Grossman St. Amour CPAs PLLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the New York State Comptroller. The New York State Comptroller may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,



Grossman St. Amour CPAs

October 13, 2022

RESPONSE:

This letter correctly sets forth our understanding.

Onondaga Civic Development Corporation

Acknowledged and agreed on behalf of Onondaga Civic Development Corporation by:

Title: _____

Date: _____

Report on the Firm's System of Quality Control

January 19, 2021

To the Partners of Grossman St. Amour, CPAs, PLLC and the Peer Review Committee of the Pennsylvania Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Grossman St. Amour, CPAs, PLLC (the firm) in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act; audits of employee benefit plans and an examination of a service organization [SOC 1 engagement]. As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Grossman St. Amour, CPAs, PLLC in effect for the year ended June 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Grossman St. Amour, CPAs, PLLC has received a peer review rating of *pass*.

SciArabba Walker & Co. LLP

SciArabba Walker & Co., LLP



ONONDAGA CIVIC DEVELOPMENT CORPORATION
 333 WEST WASHINGTON STREET, SUITE 130, SYRACUSE, NY 13202
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2022 Audit 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 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 Board of Directors of the Onondaga Civic Development Corporation (the "Corporation") a not-for-profit corporation established under Section 1411 of the Not-For-Profit the laws of the State of New York, on the 2nd day of March 2010.

Purpose

Pursuant to Article IV, Section 1 of the Corporation's bylaws, the purpose of the audit committee shall be to (1) assure that the Corporation's Directors fulfill their responsibilities for the Corporation's 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 Directors.

Powers of the Audit Committee

It shall be the responsibility of the Audit Committee to:

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

Composition of Committee and Selection of Committee Members

The Audit Committee is established as set forth in and pursuant to Article IV, Section 1 of the Corporation's bylaws. The Audit Committee shall be comprised entirely of "Independent Members" (as such term is defined in the By-Laws). Members shall be elected by a plurality of votes cast by the Directors of the Corporation at each annual meeting of the Board and shall serve until the next annual meeting.

Audit Committee members shall be prohibited from being a staff member of the Corporation or an immediate family member of a staff member of the Corporation. In addition, Audit Committee members shall not engage in any private business transactions with the Corporation or receive compensation from any private entity that has material business relationships with the Corporation, or be an immediate family member of an

individual that engages in private business transactions with the Corporation or receives compensation from an entity that has material business relationships with the Corporation.

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 videoconference. The Audit Committee may invite other individuals, such as management staff, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

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

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 Corporation.

A. Independent Auditors and Financial Statements

The Audit Committee shall:

- Recommend, compensate and oversee independent auditors retained by the Corporation 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 Corporation's independent auditor shall be prohibited from providing non-audit services.
- Review and approve the Corporation'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 Corporation'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 Corporation 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 staff of the Corporation or any persons having business dealings with the Corporation 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. Other Responsibilities of the Audit Committee

The Audit Committee shall:

- Present annually to the Corporation's Directors 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 Directors of the Corporation. 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 directors approval for proposed changes.



2022 Annual Report of OCDC Committees

Audit Committee

Committee Members & Staff

Michael LaFlair, Chairperson
Alison Miller
Kevin Kuehner

Robert M. Petrovich, President / Chief Executive Officer
Nancy Lowery, Secretary / Public Hearing Officer
Nate Stevens, Treasurer

Purpose of the Committee

The purpose of the audit committee shall be to assure that the Corporation's Directors fulfill their responsibilities for the Corporation's external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and provide an avenue of communication between management, the independent auditors, and the Directors.

Meeting Schedule:

The committee met on:

- 1) March 7, 2022
- 2) October 13, 2022

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 2023 Annual Meeting.

2. Charter Review: The committee reviewed its charter on October 13, 2022. It was satisfied with the charter. The Committee will present its findings to 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 2023 Annual Meeting.

3. Disposition of Duties: The Committee met with the Corporation Auditor on March 11, 2022 to review and discuss the 2021 Audit of the Corporation. The Committee found the audit to be adequate and did not have any substantive comments or questions for the Auditor. The Committee met with the Corporation Auditor on October 13, 2022, to review and discuss preliminary audit material for the Corporation's 2022 fiscal year. The Committee did not have any substantive comments or questions for the Auditor.