

ONONDAGA CIVIC DEVELOPMENT CORPORATION
Audit Committee Meeting
November 13, 2014

An Audit Committee meeting of the Onondaga Civic Development Corporation was held on Thursday, November 13, 2014 at 333 West Washington Street, Syracuse, New York, 13202, in the large conference room on the first floor.

Scott Koldin called the meeting to order at 8:35 am with the following:

PRESENT:

Scott Koldin
Thomas Bezigian

ABSENT:

Matt McAnaney

ALSO PRESENT:

Julie Cerio, OCDC, President/CEO
Nora Spillane, Secretary
Kristi Smiley, Treasurer
Karen Doster, Recording Secretary
Mike Lisson, Grossman St. Amour, CPAs
Chris Andreucci, Harris Beach
Pam Brunet, Leadership Greater Syracuse
James Mahaney, Onondaga County Legislature
Leonard Manfrates, OCDC Board Member

APPROVAL OF AUDIT COMMITTEE MEETING MINUTES – MARCH 6, 2014

Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Audit Committee approved the meeting minutes of March 6, 2014. Motion was carried unanimously.

DISCUSS PRE-AUDIT PROCEDURES

Mike Lisson stated that he has been the auditor for OCDC for a number of years. He reviewed a handout of the audit slideshow. He stated that on slide 3 is professional staff and it starts with himself and staff is assigned to engagement. He stated that OCDC has to have an audit done in accordance with governmental auditing standards and there are very specific rules that need to be followed to be in compliance with CPE. He stated that a new rule in June 2014 said that they have to be competent to prepare tax returns this year even though it seems like common sense.

He stated that is the biggest new thing from compliance. He stated that the timing and audit approach is typically a planning and interim stage and a year-end stage. He stated that they do most of the work in the mid December timeframe. He stated that some of the bigger hitting items are the project fees and the total to date is about one-quarter million dollars. He stated that will be tested and is fairly straight forward. He stated that will be testing of the service contracts. He stated that that the year-end procedures will take place in early February and this is where they do their completion of the testing of procedures. He stated that the form 990 which is the IRS form tax return form will be prepared. He stated that the financial statements will be prepared and the investment compliance report. He stated that the financial statements are due by March 31. He stated that 990 form is due by May 15 and CHAR 500 which is the NYS form is due by May 15. He stated that they will meet again in early March to finalize.

Mike Lisson stated that the auditors have responsibility as management, design internal controls, take ownership of the financial statements. He stated that they prepare an opinion on the financial statements.

Mike Lisson stated that they review the 990 form in full detail and take responsibility for that. He stated that unlike an audit where they give an opinion, they don't give an opinion and it is a preparation of information. He stated that it is no different than in the past. He stated that for them to prepare the 990, financial statements or any other information that is deemed non audit service, they have to make sure that staff has skills to take ownership of those. He stated that they clearly don't think it is a problem for them but they do make sure there are appropriate safeguards in place that they have to document.

Mike Lisson stated that they provide an opinion over the financial statements based on materiality but they also do some internal control type work. He stated that they do not give an opinion on the internal controls but they do give a letter saying they did certain procedures.

Scott Koldin asked who is ultimately responsible for the controls. Mike Lisson stated that the Board. Kristi Smiley stated that staff has set up most of the controls. She stated that checks require two signatures, approval before things, Chris Cox cuts the checks and then she signs them. She stated that a lot of internal controls are set up ahead of time. She stated that there is an annual report on how it is done each year and the Board can go over that more diligently so everyone is comfortable with all of this.

Mike Lisson stated that they can assist and look at the controls but they cannot be a part of the design of internal controls. He stated that there is a lot of pressure for auditors to stay as independent as possible.

Mike Lisson stated that CRT does an excellent job reporting information in compliance with everything that he can see.

Mike Lisson stated that continuous disclosures are required to be presented when documents are filed. He stated that with OCDC, the responsibility is pushed onto the organization. Chris Andreucci stated that CRT as a conduit issuer and does not have the obligation but others do.

SELF-EVALUATION OF THE COMMITTEE

Thomas Bezigian asked if there is anything that needs to be completed now. Honora Spillane stated that Audit Committee completed them and the summary of the evaluation is provided. She stated that it will be included in the annual report materials.

Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Audit Committee approved a resolution to transmit the summary evaluation without comment to the Governance Committee for review and recommendation to the Board. Motion was carried unanimously.

REVIEW OF COMMITTEE CHARTER

Honora Spillane stated that there were no changes to the Committee Charter.


Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Audit Committee approved a resolution to transmit the Committee Charter without comment to the Governance Committee for review and recommendation to the Board. Motion was carried unanimously.

REVIEW OF COMMITTEE ANNUAL REPORT

Honora Spillane stated that this is part of the bundle of material that is in the full Board's annual report. She stated that it summarizes the committee's activity over the year.

Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Audit Committee approved a resolution to transmit the Annual Report to the Governance Committee for review and recommendation to the Board. Motion was carried unanimously.

Upon a motion by Thomas Bezigian, seconded by Scott Koldin, the OCDC Audit Committee adjourned the meeting at 8:33 am. Motion was carried unanimously.



Honora Spillane, Secretary