

**ONONDAGA CIVIC DEVELOPMENT CORPORATION**  
**Audit Committee Meeting Minutes**  
**November 19, 2013**

The Audit Committee meeting of the Onondaga Civic Development Corporation was held on Tuesday, November 19, 2013 at 333 West Washington Street, Syracuse, New York, 13202, in the large conference room on the first floor.

Matt McAnaney called the meeting to order at 8:10 am with the following:

**PRESENT:**

Matt McAnaney  
Scott Koldin  
Thomas Bezigian

**ALSO PRESENT:**

Mary Beth Primo, President/CEO  
Honora Spillane, Secretary  
Kristi Smiley, Treasurer  
Karen Doster, Office of Economic Development  
Chris Andreucci, Harris Beach  
Mike Lisson, Grossman St. Amour  
Kerri Shanahan, Grossman St. Amour  
Greg Lancette, CRT

**APPROVAL OF AUDIT COMMITTEE MEETING MINUTES – MARCH 14, 2013**

Upon a motion by Scott Koldin, seconded by Thomas Bezigian, OCDC Audit Committee approved the Audit Committee meeting minutes of March 14, 2013. Motion was carried unanimously.

**DISCUSS PRE-AUDIT PROCEDURES**

Mike Lisson stated that he is the partner on the engagement and Kerri Shanahan is a supervisor. He stated that he and Ms. Shanahan work on the engagement.

Mike Lisson stated that they do some up front work this time of the year which is required by the Auditing Standards and then they come back out to do the year end work which is in the

February timeframe. He stated that the financials are due by March 31. He stated that they have to do certain planning procedures on an annual basis and that is where they update their assessment of risk. He stated that they have received the trial balance from Chris Cox. He stated that there are not a lot of changes for the risk for OCDC.

Mike Lisson stated that the other normal operations of OCDC are pretty standard. He stated that the yearend field work primarily will be in the February timeframe where they will go through and test the details. He stated that when they start the planning and interim work in November /December they only spend about a day or so on doing some updates of controls, key controls or cash reconciliations. He stated that they look at the process that staff does and most it is around the controls on cash and expenses which are the driver of the business. He stated that the year end is wrapped up in early March and he doesn't see any issues with timing for this year. He stated that historically they have found no findings. He stated it is a very clean audit from the past years and would expect the same thing. He stated that the experience with management has been that they are very forthright, give them everything they need and packaged for them.

Mike Lisson stated that Auditors have a requirement to express an opinion of the financial statements. He stated that they are not the auditor's financial statements and the Audit Committee is required to have oversight over the financial statements. He stated that they are OCDC's financial statements. He stated that one unique thing about OCDC is that they follow what they call GAAGAS which is Generally Accepted Auditing Governmental Auditing Standards because OCDC is a deemed a governmental agency and because the Corporation follows the requirements of the IDA type rules. He stated that OCDC has to follow the PAAA and governmental auditing standards. He stated that what is different with those standards versus the standard for profit or not for profit entities is there is a little more work to do on compliance, laws and regulations. He stated that the auditors do certain tests and procedures over compliance, communicate significant matters and internal control work but not an actual opinion. He stated that the auditor is required to assess OCDC's internal controls and leverage those but they do not give an actual assessment of those.

Mike Lisson stated that the biggest things talked about is establishing and maintaining internal controls. He stated that historically they have had good or great responsiveness on internal controls and testing those controls and he would expect that to continue this year. He stated that OCDC now needs to have the skills, knowledge and experience to take ownership of those statements. He stated that Grossman St. Amour preparing the financial statements is a non-audit service. He stated that it is a new standard but they believe that management has the Skills, Knowledge and Experience to take ownership of that including the oversight of the Board and Audit Committee.

Mike Lisson stated that one of the things they are required to do is a risk assessment over the overall engagement. He stated that is done on an annual basis and they walk through every single thing that could touch the financial statements and determine the risks. He stated that the audit is based on materiality. He stated that typically they start with a revenue base but depending on the nature and what was going on the past year may be expenditure based. He stated that they also use quantitative benchmarks.

Kerri Shanahan stated that with the test of controls they test expenses and receipts to make sure that OCDC is following processes.

Mike Lisson stated that they don't confirm cash unless a new bank account is open. He stated that they actively look at the Board minutes. He stated that it is not a requirement by the auditing standards to confirm cash.

Mike Lisson stated that they do test cash reconciliations and expenses and that is their primary substantive audit approach but they do rely on some internal controls so they don't have to test every transaction. He stated that OCDC does not have a lot of transactions so from a samplings standpoint it is not a huge population for them. He stated that historically they look at transactions because it is easier.

Mike Lisson stated that the statement of financial position gives a quick snapshot of the balance sheet as of October 31. He stated that it is unaudited versus last years.



Mike Lisson stated that historically they look at a revenue basis but there wasn't a lot of project fees this year as of right now so they are basing the material more on an expenditure basis.

Matt McAnaney stated that the project fees are down. Mike Lisson stated that it is a nature of the projects. He stated that you get a percentage of the projects as OCDC closes on the financing and that is the primary source of the revenue source. Chris Andreucci stated that there were a fair amount of projects that were moved to next year.

Chris Andreucci asked if Grossman St. Amour prepares the financial statements and audits them. Mike Lisson stated yes they do.

Chris Andreucci asked if that is the plan for this year and can they do both. Mike Lisson stated yes and they can. He stated that under AICPA standards it is less stringent. He stated that governmental standards make them assess the safeguarding and how management takes ownership of the financials. He stated that management needs to take ownership and responsibility for them and as long as management has done that with representation letter when it is time he is comfortable with that. He stated that it is sufficient evidence to say that OCDC can take ownership of the financials even though Grossman St. Amour prepared them.

Mike Lisson stated that it is typical for governmental agencies to have the auditor prepare the financial statements. He stated that they need to document it more now.

#### SELF EVALUATION OF THE COMMITTEE

Upon a motion by Scott Koldin, seconded by Thomas Bezigian, 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 COMMITTEE CHARTER

Mary Beth Primo stated that staff has no recommendations and there are no changes from last year.

Scott Koldin asked if it is the same as last year. Mary Beth Primo agreed.


Upon a motion by Scott Koldin, seconded by Thomas Bezigian, 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 COMMITTEE ANNUAL REPORT

Mary Beth Primo stated that there were no issues found on the annual self-evaluations and the charter review was satisfactory.

Upon a motion by Scott Koldin, seconded by Thomas Bezigian, 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 Matt McAnaney, seconded by Scott Koldin, the OCDC Audit Committee adjourned the meeting at 8:27 am. Motion was carried unanimously.



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Honora Spillane, Secretary

