

Onondaga County Industrial Development Agency  
Audit Committee Meeting Minutes  
March 12, 2013

An Audit Committee meeting of the Onondaga County Industrial Development Agency was held on Tuesday, March 12, 2013, at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson Janice Herzog called the meeting to order at 7:38 am with the following:

PRESENT:

Donna DeSiato  
Dale Sweetland  
Janice Herzog

ALSO PRESENT:

Mary Beth Primo, OCIDA, Executive Director  
Kristi Smiley, OCIDA, Secretary & Treasurer  
Karen Doster, Recording Secretary, Agency  
Nora Spillane, Office of Economic Development  
Carolyn May, Office of Economic Development  
Tony Rivizzigno, Gilberti Law Firm  
Dave Moynihan, Testone, Marshall & Discenza  
Matt Uryniak, Testone, Marshall & Discenza  
Patrick Mocete, County Legislature  
Sara Wisniewski, Gilberti Law Firm

APPROVAL OF AUDIT MEETING MINUTES – DECEMBER 11, 2012

Upon a motion by Donna DeSiato, seconded by Dale Sweetland, the OCIDA Audit Committee approved the minutes of the December 11, 2012 meeting. Motion was carried.

REVIEW AND DISCUSSION OF THE 2012 AUDIT OF THE AGENCY

Dave Moynihan introduced Matt Uryniak who is a principal in his office and oversees the engagement with him. He stated that they had the opportunity to review with management last week the material they are going to go over with the Committee today. He stated that it was a good productive meeting but they don't work for management, they work for the Agency. He stated that because they do work for the Board it is important on what type of cooperation they get from management in terms of conducting the audit. He stated that they received great cooperation and got through the audit timely and efficiently He stated that they did not encounter any significant difficulties during the course of the audit.

David Moynihan asked the Board to turn to the 3<sup>rd</sup> page of the handout which is the Independent Auditor's Report. He stated that they give the Agency an opinion on the financial statements. He stated that the

opinion reads different than in the past because the standards have changed. He stated that management is responsible for presenting its books in a position that fairly represent the financial position and the results of operation. He stated that in Testone, Marshall and Discenza's opinion the financial statements do represent the financial position and results of operations. He stated that other matters are that the Agency's audit gets a step up in terms of what needs to be done because it is audited not only with generally accepted standards but in accordance with government auditing standards which is a level higher than you would see in a traditional audit. He stated that they also have to reference the Paris Report which is an elongated report and will be attached to the back of the financial statement. He stated that it is about 100 pages with all sorts of documentation that the State wants.

David Moynihan stated that he is going to talk about the Statement of Net Position. He stated that it is how the Agency looks at December 31, 2012. He stated that the assets are shown, the obligations that the Agency has and the net position which used to be the net assets. He stated that the current assets are \$1,306,000 and most of that is cash. He stated that the comparison that is made is to current liabilities because current liabilities are those obligations that the Agency will have to pay within the next 12 months with those current assets that the Agency has. He stated that there is \$1,306,000 in assets and \$270,000 in current liabilities so the Agency has a very healthy ratio. He stated that generally anything above 2:1 is healthy and the Agency is running at 5:1.

David Moynihan stated that in the statement of revenues, expenses and changes in net position, the Agency had a significant improvement to where they were a year ago. He stated that the total operating revenues were \$7,684,000 and this year they were \$10,472,000. He stated that the largest increase in that which was PILOT revenues but the agency fees. He stated that the net position of the Agency last year was a loss of \$215,000 and this year the Agency is \$11,505 to the good. He stated that overall it is a positive result.

David Moynihan stated that the Statement of Cash Flows and they are required general accepted accounting principles to tell the reader how cash did the Agency generate from operations, how much generated from investing activities and how much generated or utilized from non-capital financing activities. He stated that a lot of this is a function of time, when do you collect your cash and when do you pay your cash. He stated that operations this year \$126,000 was generated in cash as opposed to losing \$82,000 in cash the year before.

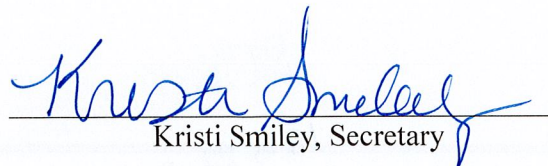
David Moynihan stated that the Summary of Significant Accounting Policies talks about what the organization is and all the numbers looked at and what were the accounting policies used to get to those numbers. He stated that there were no significant changes in the accounting policies of the organization during the course of the year. He gave a brief overview of the Notes to the Audit. He stated that purpose of the Agency is fulfilling its mission.

David Moynihan stated that Due to Related Parties talks about the relationship with Onondaga County. He stated that the Agency has contracted with the County and the Agency will reimburse the County for a portion of the cost of the operation of the Onondaga County Office of Economic Development in exchange for staff and etc.

He stated that he had stated at the start of the report that this audit was also conducted in accordance with government auditing standards that raises a level of what they do and where they are required to report to the Board if they identify any internal controls over financial reporting. He stated that it means do they have faith that the systems that the Agency operates will generate numbers that the Board can rely upon during the course of the year and are there not any flaws in the system that would rise to what they consider to be significant of material in nature. He stated that even if they found no mistakes but they think there is a flaw in the system, they are required to tell the Board. He stated that their standpoint, they think the biggest risk is small staff and they think that this organization does the best they can and also by this group overseeing a small staff, they feel they have mitigated that risk as well as can be. He stated that there will never be optimal controls but they think for an organization this size they do a good job. He stated that they are not reporting any significant deficiencies or material weaknesses in internal controls. He stated that from the financial statements that he oversees there are only about 10% of his audits under government auditing standards would not have a weakness or significant deficiencies. He stated that they also have to see if the Agency complies with all other laws and regulations and from a course of their testing they found nowhere where the Agency did not comply with laws and regulations. He stated that the last page will be the report that they will attach to the Paris report.

Upon a motion by Dale Sweetland, seconded by Donna DeSiato, the OCIDA Audit Committee approved a resolution recommending to the full Board approval of the 2012 Audit of the Agency. Motion was carried.

Upon a motion by Donna DeSiato, seconded by Dale Sweetland, the OCIDA Board adjourned the meeting at 8:05 am. Motion was carried.

  
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Kristi Smiley, Secretary