ONONDAGA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
335 MONTGOMERY STREET, FLOOR 2M, SYRACUSE, NY 13202
315.435.3770 • ECONOMICDEVELOPMENT@ONGOV.NET • ONGOVED.COM

Audit Committee Meeting Agenda
October 10, 2024

8:30 AM Call to Order the Audit Committee Meeting

A. Approval of Minutes: March 14, 2024

Action Items:

1. Preliminary Audit Review
The Agency Auditor will discuss the upcoming audit of the Agency.

Representative: Michael G. Lisson, 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: Alexis Rodriguez, Secretary

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: Alexis Rodriguez, Secretary

4. Draft Annual Report (2024 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 the Governance Committee for review and recommendation to the Board.

Representative: Alexis Rodriguez, Secretary

Adjourn

Audit Committee Meeting Minutes

March 14, 2024

An Audit Committee meeting of the Onondaga County Industrial Development Agency was held on Thursday, March 14, 2024, at 335 Montgomery Street, Floor 2M, Syracuse, New York.

Janice Herzog called the meeting to order at 8:30 AM with the following:

PRESENT:
Janice Herzog
Patrick Hogan

ABSENT:
Cydney Johnson

ALSO PRESENT:
Robert Petrovich, Executive Director
Jeffrey Davis, Esq., Agency Counsel
Amanda Fitzgerald, Esq., Agency Counsel
Nate Stevens, Treasurer
Alexis Rodriguez, Assistant Treasurer
McKenna Moonan, Office of Economic Development

APPROVAL OF AUDIT COMMITTEE MEETING MINUTES: October 12, 2023

Upon motion by Pat Hogan, seconded by Janice Herzog, the OCIDA Board approved the audit meeting minutes of October 12, 2023. Motion was carried.

ACTION ITEMS

1. Review and discuss the 2023 Audit of the Agency. Determine a recommendation to be made to the Agency board. – Janice Herzog invited Mike Lisson of Grossman St. Amour to speak on the Audit of the Agency on behalf of the Agency. Mike Lisson shared the details of the audit with the Board stating that it went very well and there were no issues. Janice Herzog asked if the audit showed any projection of the Micron project fees. Bob Petrovich responded that the lump sum Micron fee will be coming when they come before the Board and the project is officially induced, which hasn't happened yet. Bob Petrovich stated that OCIDA

anticipates that closing to take place this year or early next year and that the bulk of the fee will be coming forward at that time. Bob Petrovich stated that as Micron has been going through the environmental review, they have been reimbursing OCIDA for those costs and that a portion of the money is going directly to OCIDA to cover administrative costs for managing the project. Janice Herzog read the Committee Action Requested of "A resolution of the Committee's recommendation to the full OCIDA Board regarding the 2023 Audit of the Agency." A motion was made by Pat Hogan and seconded by Janice Herzog. Motion was carried.

Motion to adjourn made by Pat Hogan and seconded by Janice Herzog at 8:36 AM.

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Alexis Rodriguez, Secretary

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Onondaga County Industrial Development Agency

Auditor’s Communication with Those Charged with Governance during planning

October 10, 2024

Mike Lisson, CPA Partner
Bri Lane, CPA Supervisor

110 West Fayette Street, Suite 900
Syracuse, New York 13202
315.424.1120 • www.gsacpas.com

Agenda

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

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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 / 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 4+ years

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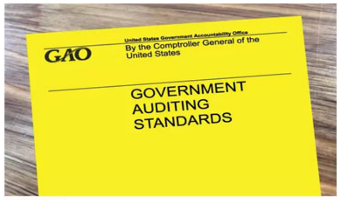
AUDITOR RESPONSIBILITIES

- 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.

AICPA



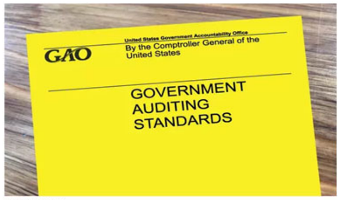
Source: GAO File Photo

Authorities Budget Office

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.

AICPA



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

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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 – Agency fees, most significant to date – TTM Technologies $1.5m and Old Thompson Road $204k
  - 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) NYS Comptroller

- No new audit reports issued since July 2022.
- OCIDA's last audit (project approval and monitoring) from OSC was November 2019

II) Authorities Budget Office (ABO)

- No new policy guidance issued since regulation 22-01 issued 11/21/2022, *Posting and Maintaining Reports on Public Authority Websites*
- Two website reviews performed during 2024

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WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

Accounting / Auditing

Auditing

- Audit Standards (AICPA / GAGAS)
  - SAS 149, Special considerations – audits of group financial statements (including the work of component auditors and audits of referred-to auditors) (applicable for fiscal '26)
- Governmental Accounting Standards (GASB)
  - No new significant accounting statements impacting OCIDA for 2024
  - Numerous ongoing GASB projects may impact OCIDA in future years
    - Risks and uncertainties disclosures issued December 23 (applicable for fiscal '25)
    - Financial reporting model issued April '24 (applicable for fiscal '26)
    - Revenue and expense recognition – exposure draft
    - Accounting and financial reporting for subsequent events – exposure draft

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2024 Audit Committee Self-Evaluation

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 10th 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.

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Audit Committee Annual Report
2024 Fiscal Year

Committee Members
Janice Herzog, Committee Chair
Patrick Hogan, Member
Cydney Johnson, Member

Staff
Robert Petrovich, Executive Director
Nate Stevens, Treasurer
Robert Schoeneck, Assistant Treasurer
Alexis Rodriguez, Secretary
McKenna Moonan, Assistant Secretary

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.

2024 Meeting Schedule
March 14, 2024
October 10, 2024

Fiscal Year 2024

1. Annual Self Evaluation: The Committee conducted a self-evaluation. The Committee 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 Board at the Agency's annual meeting, tentatively scheduled for March 6, 2025.

2. Review of Charter: The Committee reviewed its charter on October 10, 2024. The Committee found no issues. The Committee will present its findings to the Board at the Agency's annual meeting, tentatively scheduled for March 6, 2025.

3. Draft Annual Report (2024 Fiscal Year): The Committee reviewed its draft annual report on October 10, 2024. The Committee found no issues. The Committee will transmit the Annual Report to the Governance Committee for review and recommendation to the Board at the Agency's Governance Committee meeting on November 14, 2024.

4. Disposition of Duties: The Committee met with the Agency Auditor on March 14, 2024 to review and discuss the 2023 Audit of the Agency. The Committee found the audit to be adequate and they implemented changes as suggested by the Auditor.

5. The Committee met with the Agency Auditor on October 10, 2024 to review and discuss preliminary audit material for the Agency's 2024 fiscal year.