

**Minutes of the Audit Committee Meeting
of the Syracuse Regional Airport Authority
February 28, 2019**

Pursuant to notice duly given and posted, the Governance Committee meeting of the Syracuse Regional Airport Authority was called to order on Thursday, February 28, 2019 at 11:12 a.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport by Audit Committee Chair, Dr. Donna DeSiato.

Members Present:

Dr. Donna DeSiato (Chair)
Ms. Jo Anne Gagliano (Ex-Officio)
Mr. Michael Lazar

Members Absent:

Mr. Kenneth Kinsey
Mr. Robert Simpson

Also Present:

Mr. Trent Amond
Mr. John Carni
Ms. Joanne Clancy
Mr. Chip Clark – D’Arcangelo & Co., LLP

Roll Call

As noted, all Audit Committee members were present, except Mr. Kenneth Kinsey and Mr. Robert Simpson.

Dr. DeSiato, Chair

Audit Committee Chair DeSiato started by welcoming everyone to the scheduled Audit Committee Meeting at 11:12 a.m.

Reading and Approval of the Minutes

Having no objections or additions to the minutes from the February 15, 2018 Audit Committee meeting, a motion was made by Mr. Lazar and seconded by Dr. DeSiato and the minutes were unanimously approved.

New Business

1. Review of Audit for Fiscal Year Ending June 30, 2018

Chair DeSiato turned the meeting over to Mr. Chip Clark from D’Arcangelo & Co., LLP, the authority’s independent auditor. Mr. Clark gave a background of the relationship with D’Arcangelo and the authority and presented the committee with a draft packet of financial and compliance reports. Mr. Clark informed the committee that the Executive Summary Report is what will be presented to the SRAA Board. The required letters were reviewed and described as clean with one issue regarding the timeliness of the closing and filing with the ABO 90 day requirement to report after fiscal year closing. This is considered a significant deficiency. However, Mr. Clark indicated that the ABO 90 day requirement is historically difficult to meet because of how things are structured with the City of Syracuse owning the assets. Mr. Clark explained that they are required to put this in the letter since it is a compliance issue with the ABO. Mr. Clark stated there has been substantial improvement relative to the timing of getting the information, although he and others do not know how much further this timeframe could be reduced because the City of Syracuse owns the property, therefore, the authority is a component of the City of Syracuse. As there are construction projects, etc. there has to be a reconciliation between the city and the SRAA, where the SRAA is transferring things from the Authority’s accounts to the City’s books. A discussion ensued regarding past practice of submitting unaudited reports in an effort to comply with the time limit, but those were not accepted. It was determined that future changes in the timing of the 90 day requirement to be extended were highly unlikely and that the SRAA would continue to work towards that goal. Mr. Clark reviewed all of the financial packets and statements with the committee. The SRAA is in compliance with all the GASB’s. Of note was a new GASB compliance requirement, number 75, the post-employment benefit accrual. Mr. Lazar led a discussion regarding potential funding of GASB 75 liability obligations and whether a reserve should be created, but there is no legal mechanism to create such an account.

Mr. Clark stated that the internal controls were tested, the audit went well and the SRAA received the highest level of opinion possible in an audit.

Dr. DeSiato thanked Mr. Clark for a great overview of the Draft Audit and would like to recognize Ms. Maureen Fogarty, Mr. Amond and all of the accounting staff for their exemplary job once again this past year which shows that there are good systems in place to be above and beyond in compliance requirements. Dr. DeSiato recommended that the draft audit be brought to the next Regular Board Meeting for approval.

The motion was to recommend to the board the approval of the audit was made by Mr. Lazar and seconded by Ms. Gagliano.

Mr. Amond notified the board that moving forward, a best practice is to go out for an RFP of Audit services and suggested that be put on the next regular board meeting agenda for consideration. If D’Arcangelo is selected after that process, Mr. Clark, per ABO requirements, would not be the partner that we would move forward with as there is a requirement to replace the partner every 5 years.

Executive Session

Chair DeSiato made a motion to go into executive session to discuss a variety of matters pertaining to the employment history of particular persons or corporations.

The motion was approved by Mr. Lazar and seconded by Ms. Gagliano. Audit committee members went into executive session at 12:03 p.m.

Executive session ended at 12:16 p.m. No action was taken.

Chair DeSiato recommended that the RFP process be undertaken. Mr. Amond will prepare the information for the RFP.

Adjournment

Having no other topics brought to the committee, a motion was made by Mr. Lazar and seconded by Ms. Gagliano to adjourn the meeting.

The meeting was adjourned at 12:24 p.m.