



**Meeting Agenda – Audit and Finance Committee**  
 Genesee County Economic Development Center  
 Tuesday, June 2, 2020 – 8:30 a.m.  
 Location: Electronically

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session  Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, this Meeting is being held electronically via conference call instead of a public meeting open for the public to attend in person.	M. Gray	
	1a. Executive Session: Motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons: 1. The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. 1b. Enter Public Session	M. Gray	
2-5	<b>2. Chairman’s Report &amp; Activities</b>  2a. Agenda Additions / Other Business  2b. Minutes: May 5, 2020	M. Gray	Vote
6-9 10-13	<b>3. Discussions / Official Recommendations to the Board:</b>  3a. April 2020 Financial Statements  3b. Audit & Finance Committee Charter  3c. Committee Self-Evaluation	L. Farrell  L. Farrell  L. Farrell	Disc / Vote  Disc / Vote  Discussion
	4. Adjournment	M. Gray	Vote

GCEDC Audit & Finance Committee Meeting

Tuesday, May 5, 2020 8:30 a.m.

Locations: Electronically



MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Battaglia, A. Young  
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, C. Suozzi, S. Hyde  
Guests: D. Cunningham (GGLDC Board Member), T. Felton (GGLDC Board Member)  
Absent: T. Bender

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:32 a.m. via conference call / video conference.

Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, this Meeting is being held electronically via conference call / video conference instead of a public meeting open for the public to attend in person.

**1a. Executive Session:**

A. Young made a motion to enter executive session at 8:32 a.m. under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons, seconded by P. Battaglia and approved by all members present:

“The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.”

**1b. Re-Enter Public Session** – P. Battaglia made a motion to enter back into public session at 8:58 a.m., seconded by A. Young and approved by all members present.

2. CHAIRMAN’S REPORT & ACTIVITIES:

**2a. Agenda Additions / Other Business** – Nothing at this time.

**2b. Minutes: March 26, 2020**

**A. Young made a motion to recommend to the full Board the approval of the March 26, 2020 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
T. Bender - Absent  
A. Young - Yes

2b

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The item was approved as presented.

**3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:**

**3a. 1<sup>st</sup> Quarter Financial Statements** - L. Farrell reviewed with the Committee the significant items of the first quarter long form financial statements for 2020.

- Grants receivable decreased from audited numbers at 12/31/19, due to a National Grid engineering grant that was received. These expenditures were over a multi-year period before we spent all of the funds. We have now received the full grant, which was \$500,000. This grant is now closed.
- Improvements to Land Held for Development and Sale are related to STAMP development costs that were capitalized.
- Accounts receivable decreased by \$20,000. We received the final payment from RG&E from their termed-out project origination fee.
- Accounts payable was near \$1M at 12/31/19. These were mostly related to STAMP expenditures and GURFs that were in the process of being submitted for release of funds from ESD, which were paid in the first quarter.
- In the operating fund, project origination fees from five solar projects, Ellicott Station, Ellicott Place and Mega Properties will allow us to come in over budget for 2020 revenue. We are anticipating that these projects will move forward and close.
- Operating expenses that are over budget are related to expenditures that are front loaded (i.e. Insurance and HSA contributions).
- In the STAMP Fund, we received our first larger payment from Empire Pipeline, which is under a CBA. We received \$448,000 in the first quarter. We were able to make the first payment to the County on the \$4M of funding provided for the STAMP project as these funds are the dedicated source for repayment.
- S. Hyde also noted that, despite the current economic environment, the agency is fiscally strong. L. Farrell and S. Hyde reviewed the deal flow that is still very solid and projected the operating budget through the end of the year. L. Farrell is working on an analysis that summarizes the projected cash coverage in totality.

**A. Young made a motion to recommend to the full Board the 1<sup>st</sup> Quarter Financial Statements for 2020; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

- P. Battaglia - Yes
- M. Gray - Yes
- T. Bender - Absent
- A. Young - Yes

The item was approved as presented.

**3b. \$33M STAMP Grant Review YTD** - L. Farrell reviewed the status of the \$33M ESD Grant with the Committee. GURF #23 was submitted to ESD. Authorization was received yesterday, 5/4/20, from ESD to release those funds. We are in the process of cutting another round of checks, which will include payment to all vendors included in this GURF.

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**3c. \$8M STAMP Grant YTD** – L. Farrell reviewed the status of the \$33M ESD Grant with the Committee. GURF #4 was submitted to ESD. Authorization was received yesterday, 5/4/20, from ESD to release those funds. We are in the process of cutting another round of checks, which will include payment to all vendors included in this GURF.

**3d. Mowing Bids-** The GCEDC asked four companies for bids to mow the properties we have acquired at STAMP and the entrance sign to STAMP. The results of the bids are as follows based on 6 mows in the season.

- 1. \$3,300 – S&S Trucking
- 2. \$3,150 – Scalia's Landscaping
- 3. Declined to bid – McKenzie Landscaping
- 4. Declined to bid – Bubba's Landscaping

Fund Commitment: Not to exceed \$3,150, which is within the budget approved for 2020.

**A. Young made a motion to recommend to the full Board approval of the mowing contract for STAMP properties to Scalia's Landscaping not to exceed \$3,150; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

- P. Battaglia - Yes
- M. Gray - Yes
- T. Bender - Absent
- A. Young - Yes

**The item was approved as presented**

**3e. Town of LeRoy Funding Deferral Request** – In 2018, the Town of LeRoy signed an Intermunicipal Agreement with the GCEDC that committed to four annual payments of \$50,000. Due to the recent pandemic and COVID-19, the Town of Leroy has requested to defer this year's payment and to amend the agreement to reflect that deferral. The deferral of this payment does not impact cashflow because they are restricted funds.

**P. Battaglia made a motion to recommend to the full Board approval of the IMA amendment to defer the Town of LeRoy payment of \$50,000 for one year; the motion was seconded by A. Young. Roll call resulted as follows:**

- P. Battaglia - Yes
- M. Gray - Yes
- T. Bender - Absent
- A. Young - Yes

**The item was approved as presented**

**3f. STAMP Real Estate Loans Update** – L. Farrell provided an update on this process. We have over \$5M of loans outstanding with ESD. At the time that we received each of these loans, the terms for each loan was 0% interest. At the end of the 5-year term, ESD had three options. ESD could have 1) required

a full balloon payment, 2) forgiven the loans, or 3) extended the loans with new terms. Last March we submitted a request to ESD to forgive the \$5M in loans. The loans were not forgiven; however, in February, we signed the closing documents that extend all of the loans another 5 years from the latest maturity date of 2021.

**4. ADJOURNMENT**

As there was no further business, P. Battaglia made a motion to adjourn at 9:16 a.m., seconded by A. Young and passed unanimously.

**Genesee County Economic Development Center  
April 2020 Dashboard  
Balance Sheet - Accrual Basis**

	4/30/20	Three Month Period Ended 3/31/20	[Per Audit] 12/31/19
<b>ASSETS:</b>			
Cash - Unrestricted (1)	\$ 1,675,547	\$ 1,596,320	\$ 1,409,323
Cash - Restricted (A)(2)	12,749,015	12,746,344	13,742,990
Cash - Reserved (B)	789,627	789,434	788,561
Cash - Subtotal	<u>15,214,189</u>	<u>15,132,098</u>	<u>15,940,874</u>
Grants Receivable (3)	86,092	186,092	386,091
Accts Receivable- Current (4)	332,059	394,848	397,089
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (5)	6,955	2,542	33,355
Loans Receivable - Current	52,571	56,244	51,450
<b>Total Current Assets</b>	<u><b>15,694,698</b></u>	<u><b>15,774,656</b></u>	<u><b>16,811,691</b></u>
Land Held for Dev. & Resale (6)	14,156,249	14,156,249	13,886,275
Furniture, Fixtures & Equipment	67,982	67,982	67,982
Total Property, Plant & Equip.	<u>14,224,231</u>	<u>14,224,231</u>	<u>13,954,257</u>
Less Accumulated Depreciation	(67,939)	(67,934)	(67,917)
<b>Net Property, Plant &amp; Equip.</b>	<u><b>14,156,292</b></u>	<u><b>14,156,297</b></u>	<u><b>13,886,340</b></u>
Accts Receivable- Non-current (7)	539,295	539,295	559,295
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	290,963	295,675	309,788
<b>Other Assets</b>	<u><b>830,258</b></u>	<u><b>834,970</b></u>	<u><b>869,083</b></u>
<b>TOTAL ASSETS</b>	<u><b>30,681,248</b></u>	<u><b>30,765,923</b></u>	<u><b>31,567,114</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows (12)	160,725	160,725	160,725
<b>Deferred Outflows of Resources</b>	<u><b>160,725</b></u>	<u><b>160,725</b></u>	<u><b>160,725</b></u>
<b>LIABILITIES:</b>			
Accounts Payable (8)	19,174	18,692	927,789
Loan Payable - Genesee County - Current (9)	290,000	290,000	285,000
Accrued Expenses	8,905	779	12,608
Unearned Revenue (10)	10,309,198	10,408,729	10,408,563
<b>Total Current Liabilities</b>	<u><b>10,627,277</b></u>	<u><b>10,718,200</b></u>	<u><b>11,633,960</b></u>
Loans Payable - ESD (11)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (9)	3,425,000	3,425,000	3,715,000
Aggregate Net Pension Liability (12)	199,875	199,875	199,875
<b>Total Noncurrent Liabilities</b>	<u><b>8,821,362</b></u>	<u><b>8,821,362</b></u>	<u><b>9,111,362</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>19,448,639</b></u>	<u><b>19,539,562</b></u>	<u><b>20,745,322</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows (12)	109,989	109,989	109,989
<b>Deferred Inflows of Resources</b>	<u><b>109,989</b></u>	<u><b>109,989</b></u>	<u><b>109,989</b></u>
<b>NET ASSETS</b>	<u><b>11,283,345</b></u> \$	<u><b>11,277,097</b></u> \$	<u><b>10,872,528</b></u>

**Significant Events:**

1. Unrestricted Cash YTD - Collected \$300K National Grid Grant.
2. Restricted Cash - ESD deposited \$4M into an imprest account related to the \$8M STAMP grant in November 2019 and \$15.1M into an imprest account related to the \$33M STAMP grant in January 2018. Expenditures out of these accounts are pre-authorized by ESD. In May 2018, the County remitted \$4M to the GCEDC per a Water Supply Agreement, to be put towards water improvements located in the Town of Alabama and the Town of Pembroke and other Phase II improvements as identified by the County. These funds are being used to pay qualifying expenditures.
3. Grants Receivable - Decreased due to receipt of funds from National Grid as reimbursement for STAMP expenses.
4. Accounts Receivable (Current) - Econ. Dev. Program Support Grant: MedTech Centre Property Management: termed out Project Origination Fees from Rochester Gas & Electric and HP Hood to be collected in the next 12 months.
5. Prepaid Expense(s) - D&O insurance, life insurance, long-term and short-term disability.
6. Land Held for Dev. & Resale - Additions are related to STAMP development costs.

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7. Accounts Receivable - Non-current - Termed out Project Origination Fees from HP Hood that will not be collected within 12 months of the Balance Sheet date.
8. Accounts Payable - e3communications expenses and unpaid 2019 expenses.
9. Loan Payable - Genesee County (Current & Noncurrent) - Per a Water Supply Agreement with Genesee County, the County remitted \$4M to the GCEDC to put towards water improvements located in the Town of Alabama and the Town of Pembroke and other Phase II improvements as identified by the County. GCEDC will make annual payments to the County of \$448,500 beginning in January 2020.
10. Unearned Revenue - Genesee County contribution received in advance; Funds received from municipalities to support park development; Funds received from National Fuel to support workforce development; ESD Grant funds to support STAMP development, not actually earned until eligible expenditures are incurred.
11. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
12. Deferred Pension Outflows / Aggregate Net Pension Liability / Deferred Pension Inflows - Accounts related to implementation of GASB 68.

(A) Restricted Cash = Municipal Funds, RLF #2 Funds, Grant Funds Received in Advance.

(B) Reserved Cash = RLF #1 Funds (defederalized).

**Genesee County Economic Development Center  
April 2020 Dashboard  
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2020	2020
	4/30/20	4/30/19	2020	2019	Board Approved Budget	YTD % of Budget
<b><u>Operating Revenues:</u></b>						
Genesee County	\$ 19,459	\$ 19,459	\$ 77,837	\$ 77,837	\$ 233,513	33%
Fees - Projects	13,718	500	29,718	160,698	392,000	8%
Fees - Services	6,707	6,687	26,828	26,748	80,483	33%
Interest Income on Loans	333	308	1,355	1,250	3,877	35%
Rent	200	220	800	820	23,995	3%
Common Area Fees - Parks	400	-	700	-	-	N/A
Grants (1)	-	137,458	584,913	427,151	26,022,377	2%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	100,000	100,000	300,000	33%
GCFC Grant - Econ. Dev. Program Support	50,000	-	50,000	-	50,000	100%
BP <sup>2</sup> Revenue	-	-	-	402	2,698	0%
Other Revenue	838	-	6,397	4,831	5,000	128%
<b>Total Operating Revenues</b>	<b>116,655</b>	<b>189,632</b>	<b>878,548</b>	<b>799,737</b>	<b>27,113,943</b>	<b>3%</b>
<b><u>Operating Expenses</u></b>						
General & Admin	90,135	85,783	415,800	407,139	1,379,649	30%
Professional Services	13,478	23,500	18,095	28,395	96,000	19%
Site Maintenance/Repairs	405	390	1,622	1,560	17,000	10%
Property Taxes/Special District Fees	-	-	2,533	2,951	11,890	21%
PIF Expense	-	-	28,410	14,714	93,824	30%
CBA Pass Through	-	-	-	205,125	-	N/A
Site Development Expense	7,209	-	8,684	18,389	2,501,475	0%
Real Estate Development (2)	-	124,958	269,974	192,160	25,642,025	1%
Balance Sheet Absorption	-	(124,958)	(269,974)	(192,160)	-	N/A
<b>Total Operating Expenses</b>	<b>111,227</b>	<b>109,673</b>	<b>475,144</b>	<b>678,273</b>	<b>29,741,863</b>	<b>2%</b>
<b>Operating Revenue (Expense)</b>	<b>5,428</b>	<b>79,959</b>	<b>403,404</b>	<b>121,464</b>	<b>(2,627,920)</b>	
<b><u>Non-Operating Revenue (Expense)</u></b>						
Other Interest Income	820	1,115	7,413	7,808	5,000	148%
Econ. Dev. Loan Fund (LDC/County)	-	-	-	(233,764)	-	N/A
<b>Total Non-Operating Revenue (Expense)</b>	<b>820</b>	<b>1,115</b>	<b>7,413</b>	<b>(225,956)</b>	<b>5,000</b>	<b>148%</b>
<b>Change in Net Assets</b>	<b>6,248</b>	<b>81,074</b>	<b>410,817</b>	<b>(104,492)</b>	<b>\$ (2,622,920)</b>	
<b>Net Assets - Beginning</b>	<b>11,277,097</b>	<b>10,530,195</b>	<b>10,872,528</b>	<b>10,715,761</b>		
<b>Net Assets - Ending</b>	<b>\$ 11,283,345</b>	<b>\$ 10,611,269</b>	<b>\$ 11,283,345</b>	<b>\$ 10,611,269</b>		

**Significant Events:**

1. Grants - YTD includes \$448K Community Benefit Agreement payment dedicated to STAMP by sourcing debt service payments to the County; PIF from RJ Properties (Liberty Pumps) supports Apple Tree Acres Infrastructure improvements; PIF from Yancey's Fancy supports Infrastructure Fund Agreement with the Town of Pembroke; ESD \$33M & \$8M Grants support STAMP development costs.

2. Real Estate Development Costs - Includes STAMP development costs.



**Genesee County Economic Development Center**  
**April 2020 Dashboard**  
**Statement of Cash Flows**

	April 2020	YTD
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Genesee County	\$ 19,459	\$ 97,296
Fees - Projects	13,718	38,718
Fees - Services	20,121	40,182
Interest Income on Loans	602	1,280
Rent	400	1,000
Common Area Fees - Parks	400	700
Grants	-	776,963
GGLDC Grant - Economic Development Program Support	75,000	150,000
GCFC Grant - Economic Development Program Support	50,000	50,000
Other Revenue	838	6,397
Repayment of Loans	8,385	17,704
General & Admin Expense	(87,202)	(397,439)
Professional Services	(13,478)	(18,745)
Site Maintenance/Repairs	(405)	(1,622)
Site Development	(7,209)	(703,456)
Property Taxes/Special District Fees	-	(2,533)
PIF Expense	-	(28,410)
Improv/Additions/Adj to Land Held for Development & Resale	-	(482,656)
Net Cash Provided (Used) By Operating Activities	80,629	(454,621)
<b>CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:</b>		
Principal Payments on Loan	-	(285,000)
Net Cash Used By Noncapital Financing Activities	-	(285,000)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>		
Interest Income (Net of Remittance to ESD)	1,462	12,936
Net Change in Cash	82,091	(726,685)
Cash - Beginning of Period	15,132,098	15,940,874
Cash - End of Period	\$ 15,214,189	\$ 15,214,189
<b>RECONCILIATION OF NET OPERATING REVENUE TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Revenue	\$ 5,428	\$ 403,404
Depreciation Expense	5	22
Decrease in Operating Accounts/Grants Receivable	162,789	383,131
(Increase) Decrease in Prepaid Expenses	(4,413)	26,400
Decrease in Loans Receivable	8,385	17,704
Increase in Land Held for Development & Resale	-	(269,974)
Decrease in Operating Accounts Payable	(160)	(912,240)
Increase (Decrease) in Accrued Expenses	8,126	(3,703)
Decrease in Unearned Revenue	(99,531)	(99,365)
Total Adjustments	75,201	(858,025)
Net Cash Provided (Used) By Operating Activities	\$ 80,629	\$ (454,621)

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## **Genesee County Economic Development Center Audit and Finance Committee Charter**

This Audit and Finance Committee Charter was re-adopted on this \_\_\_\_\_, 2020 by the Board of Directors of the Genesee County Economic Development Center, (“GCEDC”) a public benefit corporation established under the laws of the State of New York.

### **Purpose**

Pursuant to Article V. Section 1. of the GCEDC’s bylaws, the purpose of the audit and finance committee shall be to (1) assure that the GCEDC’s board fulfills its responsibilities for the GCEDC’s internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; (2) provide an avenue of communication between management, the independent auditors, and the board of directors; and (3) to review proposals for the issuance of debt and to make recommendations.

### **Powers of the Audit and Finance Committee**

It shall be the responsibility of the audit and finance committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the GCEDC.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from GCEDC employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with GCEDC staff, independent auditors or outside counsel, as necessary.
- Retain, at the GCEDC’s expense, such outside counsel, experts and other advisors as the audit committee may deem appropriate.
- Review proposals for debt issuance and to make recommendations.

The GCEDC board will ensure that the audit committee has sufficient resources to carry out its duties.

### **Composition of Committee and Selection of Members**

The audit and finance committee shall be established as set forth in and pursuant to Article V, Section 1. (b) of the GCEDC’s bylaws. The audit and finance committee shall consist of the Board Chair and at least three additional “independent members”, within the meaning of, and to the extent required by, Section 2825 of New York Public Authorities Law, as amended from time to time. The audit and finance committee members shall be appointed by the Board Chair.

Ideally, all members of the audit and finance committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

The audit and finance committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the GCEDC.

The audit and finance 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 accounting for estimates, accruals and reserves; 4) experience with internal accounting controls; 5) experience with debt issuances, and 6) an understanding of audit and finance committee functions.

### **Meetings**

The audit and finance 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 and finance committee are expected to attend such committee meeting. The audit and finance 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 and finance committee will meet with the authority's independent auditor at least annually to discuss the financial statements of the GCEDC.

Meeting agendas will be prepared for every meeting and provided to the audit and finance committee members along with the briefing materials 2 business days before the scheduled audit committee meeting. The audit and finance committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of those meetings will be recorded.

### **Responsibilities**

The audit and finance committee shall have responsibilities related to: (a) the independent auditor and the annual financial statements; (b) the GCEDC's internal auditors (if any); (c) oversight of management's internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; (e) issuances of debt and (f) miscellaneous issues related to the financial practices of the GCEDC.

The audit and finance committee shall also be responsible for reviewing financial statement accuracy and review of Revolving Loan Fund requests.

#### **A. Independent Auditors and Financial Statements**

The audit and finance committee shall:

- Recommend to the board of the GCEDC the appointment of independent auditors retained by the GCEDC 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 GCEDC'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 GCEDC's operations, such as bookkeeping or other services related to the accounting records or financial statements of the authority, 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 GCEDC'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 same.

**B. Internal Controls, Compliance and Risk Assessment**

The audit and finance committee shall:

- Review management's assessment of the effectiveness of the GCEDC's internal controls and review the report on internal controls by the independent auditor as part of the financial audit engagement.

**C. Special Investigations**

The audit and finance committee shall:

- Ensure that the GCEDC 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 directors, officers, or employees of the authority or any persons having business dealings with the GCEDC, 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.

**D. Other Responsibilities of the Audit and Finance Committee**

The audit and finance committee shall:

- Present annually to the GCEDC's board a 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 internal audits and 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 board of the authority. 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 the board approval for proposed changes.
- Review proposals for the issuance of debt and to make recommendations.