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## AUDIT COMMITTEE MEETING

**March 7, 2017 Meeting**

### **Minutes**

Committee Members in Attendance: Hanif Abdul-Wahid, David Brooks, Peter Hin

Others: Executive Director Jeffrey Adair, Mark Geise, Mary Beth Doyle, Randy Shepard of The Bonadio Group, Sid Strassenburgh

The meeting of the Audit Committee of the Monroe County Industrial Development Corporation was called to order by D. Brooks as Chair.

**Minutes:** The draft minutes of the October 6, 2016 Joint Meeting of the Audit and Finance Committees were presented. Upon motion by P. Hin and second by H. Abdul-Wahid, the minutes were unanimously approved.

**Draft 2016 Audit:** Randy Shepard of The Bonadio Group presented their Independent Auditors' Opinion on the Financial Statements and audits of MCIDC for the year ending December 31, 2016. Bonadio issued a clean, unmodified opinion. The Statement of Net Position was reviewed and loans were discussed. Bonadio reviewed revenues and expenses. Investments were discussed relative to cost basis reporting. Bonadio reported that MCIDC's investment practices followed its stated policies and complied with all regulations, and that there are no material weaknesses in internal controls. The Notes to Financial Statements were reviewed and are consistent with past statements. Bonadio noted that the final audit is subject to the receipt of K-1s from investments for verification purposes. Upon motion by H. Abdul-Wahid and seconded by P. Hin, the draft audit, subject to receipt of K-1s, was approved. Approval of the audit will be recommended to the Board at the March 8, 2017 meeting.

The Audit Committee considered the reporting of the draft audit to the Authority Budget Office. Upon motion by P. Hin and second by H. Abdul-Wahid, approval was passed to report the draft audit to the ABO by March 31, 2017 provided there are no substantive changes per outstanding K-1s. Approval of reporting the draft audit will be recommended to the Board.

**Audit Committee Charter:** A review was made of the ABO's Model Audit Committee Charter and upon motion by P. Hin and second by H. Abdul-Wahid, the Committee approved incorporating into their existing Charter all statutory requirements and current best practices of the ABO. Approval of the revised Charter will be recommended to the Board.

**Annual Self Evaluation:** The Committee reviewed its self evaluation and discussed opportunities for Board Member training, including asking the SBA to make a presentation regarding their expectations of the Loan Committee and Board as MCIDC is a Certified Development Company. Upon

motion by H. Abdul-Wahid and second by P. Hin, the Committee approved reporting to the Board that the Committee has performed and effectively discharged its duties and met its responsibilities as outlined in its Charter.

**IRS Audit of 2010 Bond Issue:** D. Brooks provided an update on the IRS audit of the LiDestri bond issue. The bond applicant provided much of the audit response information, and gathered some information from the bond trustee. All requested information was provided to the IRS agent. The audit is not yet completed, as there may be additional follow-up questions. We are waiting to hear back from the IRS.

**Annual Review of Policies and Procedures:** An annual review and approval was conducted of the Internal Controls and Whistleblower Policy. Upon motion by H. Abdul-Wahid and second by P. Hin, the Committee approved recommending these two policies to the Board.

There being no further business, the meeting was adjourned.

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Hanif Abdul-Wahid, Secretary