

Niagara County Industrial Development Agency

Niagara County Center for Economic Development • 6311 Inducon Corporate Drive, Ste. 1 • Sanborn, NY 14132

NCIDA/NCDC/NADC FINANCE & AUDIT COMMITTEE AGENDA

Date: Wednesday, March 22, 2023

Time: 8:00 a.m.

Place: Niagara County Center for Economic Development

6311 Inducon Corporate Drive

Sanborn, NY 14132

NCIDA Finance & Audit Committee Members:

_____ Kevin McCabe, Chairperson

_____ William L. Ross

_____ Scott Brydges

Copies to:

_____ Mark Onesi

_____ Clifford Scott

_____ Robert B. Cliffe

_____ Jason Krempa

_____ Maria V. Lopez

_____ Susan Langdon, Executive Director

_____ Andrea Klyczek, Assistant Director

_____ Michael S. Dudley, Finance Manager

_____ Caroline Caruso, Accounting Associate

_____ Susan Barone, Grants & Operations Manager

_____ Julie Lamoreaux, Administrative & HR Officer

_____ Jeremy Geartz, Project Manager

_____ Mark J. Gabriele, Agency Counsel

1.0 Meeting Called to Order - K. McCabe

2.0 Roll Call – J.Lamoreaux

3.0 Approval Finance & Audit Committee Meeting Minutes - K. McCabe

3.1 February 8, 2023

4.0 NCIDA Finance & Audit Committee Reports

4.1 Audit Report – Lumsden & McCormick, CPAs

4.2 Agency Payables – K. McCabe

4.3 MTD and YTD Budget Variance Report – K. McCabe

4.4 Project Closing Summary Report – M. Gabriele

5.0 Reaffirm Finance & Audit Committee Charter – K. McCabe

6.0 Adjournment – K. McCabe

NCIDA/NCDC/NADC AUDIT/FINANCE COMMITTEE MEETING MINUTES

Date: Wednesday, February 8, 2023
Time: 8:45 a.m.
Place: Niagara County Center for Economic Development
6311 Inducon Corporate Drive, Sanborn NY

NCIDA/NCDC/NADC Audit/Finance Committee Members:

Kevin McCabe, Chairperson
William L. Ross, Member
Scott Brydges, Member

Other Board Members Present:

Mark Onesi
Robert B. Cliffe
Maria Lopez
Jason Krempa

Staff Present:

Susan Langdon, Executive Director
Andrea Klyczek, Assistant Director
Michael S. Dudley, Finance Manager
Caroline Caruso, Accounting Associate
Susan Barone, Grants & Operations Manager
Julie Lamoreaux, Administrative & HR Officer
Jeremy Geartz, Project Manager
Mark J. Gabriele, Agency Counsel

1.0 Meeting Called to Order

Mr. McCabe called the meeting to order at 8:45 a.m.

2.0 Roll Call

Ms. Lamoreaux called the roll; a quorum was established.

3.0 Approval of Audit Committee Meeting Minutes

3.1 January 11, 2022

Mr. McCabe stated that he reviewed the meeting minutes and he made a motion for approval; Mr. Ross seconded the motion. The motion passed.

4.0 Agency Payables

4.1 January 31, 2022

Mr. McCabe stated that he reviewed the monthly payables and he made a motion to recommend approval of the Payables to the Board Members at the Regular Board Meeting; Mr. Brydges seconded the motion. The motion passed.

5.0 MTD and YTD Budget Variance Reports

5.1 January 31, 2022

Mr. McCabe stated that he reviewed the reports and he made a motion to recommend approval of the Budget Variance Reports to the Board members at the Regular Board Meeting; Mr. Ross seconded the motion. The motion passed.

7.0 Project Closing Summary Report

Mr. Gabriele stated that as of now, there are no new closings scheduled.

8.0 Adjournment

Mr. McCabe made a motion, seconded by Mr. Ross to adjourn the meeting. The meeting adjourned at 8:48 a.m.

Respectfully Submitted:

Reviewed By:

Julie Lamoreaux
Administrative Assistant

Susan C. Langdon
Executive Director

Niagara County Industrial Devel. Agency
Check Register
For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
29755	2/1/23	THE HARTFORD	10001.100	312.65
29756	2/7/23	360 PSG.com	10001.100	60.00
29757	2/7/23	Jeremy Geartz	10001.100	15.85
2/9/23	2/9/23	PAYCHEX, INC.	10001.100	92.25
2/10/23	2/10/23	NYS DEFERRED COMPENSATION PLAN	10001.100	1,316.42
29758	2/14/23	Gabriele & Berrigan, P.C.	10001.100	5,000.00
29759	2/14/23	Guardian	10001.100	388.33
29760	2/14/23	Professional Janitorial Services, Inc.	10001.100	705.00
29761	2/14/23	SAM'S CLUB/SYNCHRONY BANK	10001.100	133.27
29762	2/21/23	Buffalo Business First	10001.100	2,995.00
29763	2/21/23	County of Niagara	10001.100	931.06
29764	2/21/23	First Choice Coffee Services	10001.100	123.03
29765	2/21/23	Niagara Gazette Lockport Union Sun	10001.100	317.14
29766	2/21/23	PURCHASE POWER	10001.100	301.50
29767	2/21/23	STAPLES CONTRACT & COMMERCIAL	10001.100	58.80
2/24/23	2/23/23	NYS DEFERRED COMPENSATION PLAN	10001.100	1,226.42
2/23/23	2/23/23	PAYCHEX, INC.	10001.100	76.66
2/27/23	2/27/23	NEW YORK STATE AND LOCAL	10001.100	631.08
29768	2/28/23	Caroline M. Caruso	10001.100	74.93
29769	2/28/23	Charter Communications	10001.100	119.99
29770	2/28/23	Cintas Corporation LOC. 067P	10001.100	92.30
29771	2/28/23	County of Niagara	10001.100	705.47
29772	2/28/23	Independent Health	10001.100	3,853.40
29773	2/28/23	Jeremy Geartz	10001.100	129.67
29774	2/28/23	National Grid	10001.100	433.04
Total				20,093.26

NCIDA VIP-MTF Operating
Check Register
For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4734	2/7/23	DAVIS-ULMER Sprinkler Co.	10001.600	170.00
4735	2/7/23	Frontier	10001.600	221.26
4736	2/14/23	Modern Disposal Services, Inc.	10001.600	169.03
4737	2/14/23	Professional Janitorial Services, Inc.	10001.600	195.00
4738	2/14/23	Mike Sinatra's Landscaping and	10001.600	7,300.00
4739	2/14/23	Town of Wheatfield	10001.600	52.50
4740	2/21/23	Grove Roofing Services, Inc.	10001.600	658.96
4741	2/21/23	County of Niagara	10001.600	674.57
4742	2/28/23	National Grid	10001.600	281.60
4743	2/28/23	County of Niagara	10001.600	415.71
Total				10,138.63

NCIDA - MTF - Operating Fund
Check Register
For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
3098	2/7/23	National Grid	10001.600	123.84
3099	2/14/23	DAVIS-ULMER Sprinkler Co.	10001.600	160.00
3100	2/14/23	Mike Sinatra's Landscaping and	10001.600	6,100.00
3101	2/14/23	VERIZON	10001.600	121.43
Total				<u><u>6,505.27</u></u>

Niagara Industrial Incubator Associates
Check Register
For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1341	2/7/23	National Grid	10000.100	636.63
1342	2/14/23	Mike Sinatra's Landscaping and	10000.100	5,800.00
1343	2/21/23	Grove Roofing Services, Inc.	10000.100	1,281.00
Total				<u>7,717.63</u>

NIAG ECONOMIC DEV FUND

Check Register

For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1341	2/7/23	H. Sicherman & Company, Inc.	10000-200	<u>2,276.10</u>
Total				<u><u>2,276.10</u></u>

NCDC - CDBG/HUD - RLF

Check Register

For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
261	2/7/23	H. Sicherman & Company, Inc.	10200-300	11,270.92
Total				<u><u>11,270.92</u></u>

Niag. Cnty Dev. Corp. - EDA RLF

Check Register

For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1345	2/7/23	H. Sicherman & Company, Inc.	10001.100	441.34
Total				441.34

Niag. Cnty Dev. Corp. - Micro RLF
Check Register
For the Period From Feb 1, 2023 to Feb 28, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
2085	2/21/23	Ruff Rock LLC	10004.400	13.59
Total				13.59

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

BUDGET VARIANCE REPORT AS OF February 28, 2023

UN-AUDITED STATEMENT FOR INTERNAL MANAGEMENT USE ONLY

	Current Month Actual	Current Month Budget	Year To Date Actual	Year To Date Budget	Year To Date Variance	Total Budget
<u>Operating Revenues</u>						
Project Administrative Fees	\$ 148,618.00	\$ 106,565.00	\$ 152,150.00	\$ 130,660.00	21,490.00	\$ 536,108.00
Project Application Fees	0.00	1,000.00	4,000.00	2,000.00	2,000.00	12,000.00
NEDF RLF Administrative Fee	4,166.67	4,166.67	8,333.34	8,333.34	0.00	50,000.00
NCDC CDBG/HUD Admin. Fees	0.00	0.00	77,838.00	0.00	77,838.00	0.00
Administratve Fees - Other	0.00	20,427.92	0.00	40,855.84	(40,855.84)	245,135.00
Interest Earnings	2,071.74	224.42	4,027.84	448.84	3,579.00	2,693.00
Miscellaneous Income	44.57	5.00	44.57	10.00	34.57	60.00
Distrib From Niag. Ind. Suites	0.00	0.00	0.00	0.00	0.00	100,000.00
Distribution from VIP MTF	0.00	0.00	0.00	0.00	0.00	150,000.00
Total Operating Revenues	154,900.98	132,389.01	246,393.75	182,308.02	64,085.73	1,095,996.00
<u>Operating Expenses</u>						
Salaries	34,239.60	33,500.00	68,479.20	67,000.00	1,479.20	435,500.00
Benefits	4,817.03	4,871.75	9,620.00	9,743.50	(123.50)	58,461.00
Retirement Benefits	3,661.58	3,661.58	7,323.16	7,323.16	0.00	43,939.00
Payroll Taxes	2,645.25	2,604.93	5,290.50	5,209.86	80.64	33,785.00
Unemployment Taxes	587.40	587.36	1,328.54	1,328.44	0.10	1,550.00
Consultants	2,500.00	2,500.00	5,000.00	5,000.00	0.00	30,000.00
Assisstant Director	6,250.00	6,250.00	12,500.00	12,500.00	0.00	75,000.00
Legal Services	5,833.33	5,833.33	11,666.66	11,666.66	0.00	70,000.00
Accounting Services	9,000.00	9,000.00	9,000.00	9,000.00	0.00	20,110.00
Accounting Services - NADC	0.00	0.00	0.00	0.00	0.00	2,100.00
Marketing	191.10	1,833.33	3,258.35	3,666.66	(408.31)	22,000.00
Printing	0.00	125.00	0.00	250.00	(250.00)	1,500.00
Office Supplies	58.80	208.33	150.90	416.66	(265.76)	2,500.00
Postage	301.50	214.00	490.92	846.00	(355.08)	3,650.00
Telephone & Fax	103.75	88.92	207.50	177.84	29.66	1,067.00
Internet Service	119.99	208.33	279.98	416.66	(136.68)	2,500.00
Common Area Charges	870.00	723.67	1,740.00	1,447.34	292.66	8,684.00
Energy	2,171.98	2,764.00	4,196.18	5,532.00	(1,335.82)	24,518.00
Conference & Travel	(24.88)	166.67	90.97	333.34	(242.37)	2,000.00
Employee Training	550.00	416.67	550.00	833.34	(283.34)	5,000.00
Insurance Expense	1,644.86	1,643.17	3,289.72	3,286.34	3.38	19,718.00
Library & Membership	850.00	148.18	2,350.00	1,648.18	701.82	3,130.00
General Office	634.35	798.83	1,297.44	1,597.66	(300.22)	9,586.00
Repairs & Maintenance	874.62	1,098.00	1,728.26	2,196.00	(467.74)	13,176.00
Computer Support	0.00	583.33	0.00	1,166.66	(1,166.66)	7,000.00
Public Hearings	0.00	25.00	0.00	50.00	(50.00)	300.00
Furniture & Equipment Purchase	0.00	166.67	16,427.30	333.34	16,093.96	2,000.00
Other Expense	0.00	83.33	0.00	166.66	(166.66)	1,000.00
Total Operating Expenses	77,880.26	80,104.38	166,265.58	153,136.30	13,129.28	899,774.00
Net Operating Income/<Loss>	77,020.72	52,284.63	80,128.17	29,171.72	50,956.45	196,222.00
<u>Non-Operating Revenue & Expense</u>						
Grant Rev- City NF Initiative	0.00	0.00	0.00	0.00	0.00	900,000.00
Grant Sub-City NF Initiative	0.00	0.00	0.00	0.00	0.00	900,000.00
Net Non-Operating Income/<Loss>	0.00	0.00	0.00	0.00	0.00	0.00
Total Net Income/<Loss>	\$ 77,020.72	\$ 52,284.63	\$ 80,128.17	\$ 29,171.72	50,956.45	\$ 196,222.00

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Balance Sheet
February 28, 2023

ASSETS

Current Assets	
Cash - Checking	\$ 221,010.83
Petty Cash	300.00
Mmkt Acct. - M&T Bank	1,801,511.91
Cash - First Response	65,864.57
Cash - City of N.F.	828.74
Mmkt Acct. - Cataract Tourism	3,368,603.75
Accts Rec - Public Hearings	2,181.85
Accounts Rec. EDA - RLF	11,666.62
Due To/From Micro RLF	11,666.62
Accounts Rec - NEDF	8,333.34
Due To/From VIP - MTF	464,157.22
Due From NCDC CDBG/HUD	11,666.76
Due To/Due From NADC	151,406.56
Due To/From MTF Operating	103,504.26
Prepaid Insurance	19,893.66
Prepaid Expense	<u>4,438.00</u>
 Total Current Assets	 6,247,034.69
Other Assets	
Deferred Outflows	239,614.00
Investment in NIIA	<u>342,500.00</u>
 Total Other Assets	 582,114.00
Fixed Assets	
Furniture & Equipment	199,360.75
Furn & Fixtures - Fed purchase	5,861.08
Accum Dep. - Furn & Equip	(199,360.75)
Accum Dep. - F&F Fed Purch	<u>(5,861.08)</u>
 Total Fixed Assets	 0.00
 Total Assets	 <u>\$ 6,829,148.69</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accrued Retirement	\$ 7,323.16
Deferred Rev. - First Repsonse	65,864.57
Def. Rev. - City of N.F.	3,369,432.49
Accounts Payable	29,912.22
Acct. Payable - Niag. County	<u>12,500.00</u>
 Total Current Liabilities	 3,485,032.44
Long-Term Liabilities	
Pension Liability	757.00
Deferred Inflows of Resources	<u>236,693.00</u>
 Total Long-Term Liabilities	 <u>237,450.00</u>
 Total Liabilities	 3,722,482.44
Net Assets	
Fund Balance - Operating Fund	3,026,538.08
Net Income	<u>80,128.17</u>
 Total Net Assets	 <u>3,106,666.25</u>
 Total Liabilities & Net Assets	 <u>\$ 6,829,148.69</u>

**Niagara County Industrial
Development Agency
Aged Payables
As of February 28, 2023**

Vendor ID Vendor	Invoice #	Amount Due
County County of Niagara	Feb 2023 Gas	738.94
GABRIELE Gabriele & Berrigan, P.C.	Feb 2023 Engagement	5,000.00
LANSUE SUSAN C. LANGDON	1/21/23-2/28/23	64.12
LUM Lumsden & McCormick, LLP	192316	9,000.00
M&TBUS M&T Bank	Feb 2023	1,277.50
Report Total		<u>16,080.56</u>

Adjusting Journal Entries

Estimated Jan 2023 Legal Fees	5,833.33
Estimated Feb 2023 Legal Fees	5,833.33
Estimated Jan 2023 Copier usage	200.00
Estimated Feb 2023 Copier usage	200.00
Estimated Jan-Feb 2023 Telephone	60.00
Estimated Feb 2023 Niagara County Electric	1,000.00
Estimated Feb 2023 Cleaning service	705.00
	<u>29,912.22</u>

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

3/15/2023

**Project Income - 2023
Lease/Lease Back and Bonds**

Closed 2023	Project Type	Total Project Amount	IDA Project Amount	Fees	Application Fee	Amount Received to Date	Date Received	Balance Due	Date Closed
SJI Main LLC	Sales Tax Only	35,320	35,320	3,532	0	3,532	1/23/23	-	1/5/23
OAHS Urban Park TC LLC	Bond	16,000,000	16,215,000	134,558	1,000	135,558	2/15/23	-	
Niagara Falls International Cuisine Inc. d/b/a Sales Tax Only		510,000	29,600	2,960	1,000	3,960	2/24/23	-	
Burger Factory Niagara Falls Inc, d/b/a A&W F L/L Back		1,230,000	1,110,000	11,100	1,000	12,100	2/24/23	-	
OAHS Niagara Towers TC LLC	Bond	19,000,000	19,875,000	165,969	1,000	166,969	3/15/23	-	
				0				-	
TOTAL				<u>318,119</u>					
				Fees received in prior year	-				
				Total fees received to date in 2023	<u>318,119</u>				
				Total 2023 Budgeted Fees	<u>536,108</u>				
				Balance of Budgeted Fees	<u>217,989</u>				

Projected 2023	Project Type	Total Project Amount	IDA Project Amount	Anticipated Fees	Application Fee	Amount Received to Date	Date Received	Anticipated Balance Due	Inducement Expiration
Cerrone Estate Properties, LLC	L/L Back	1,780,000	1,750,000	17,500	1,000	1,000	2/3/21	17,500	3/31/23
Olcott Yacht Club Inc.	Sales Tax & Mtg Tax Only	456,000	450,000	0	250	250	2/16/21	-	2/9/23
Niacet Corporation	L/L Back	13,250,000	8,525,000	70,000	1,000	1,000	3/14/23	70,000	6/30/23
TM Montante Development LLC - 512 3rd St.	L/L Back	2,687,001	2,059,941	20,599	1,000	1,000	6/7/21	20,599	7/31/23
TM Montante Development LLC - 500 3rd St.	L/L Back	693,001	550,000	5,500	1,000	1,000	6/9/21	5,500	7/31/23
Niacet Corporation (NxTD Project)	L/L Back	48,750,000	46,750,000	467,500	1,000	1,000	5/2/22	467,500	6/30/23
DRC Development LLC 2022	L/L Back	3,000,000	2,883,000	28,830	1,000	1,000	6/1/22	28,830	7/31/23
Amazon.com Services LLC	L/L Back	550,000,000	550,000,000		1,000	1,000	7/13/22	-	8/31/23
DLV Properties LLC	L/L Back	23,089,050	20,707,900	207,079	1,000	1,000	8/15/22	207,079	9/30/23
Chase Commons LLC	L/L Back	5,000,000	4,600,000	46,000	1,000	1,000	1/18/23	46,000	
Peak Development Partners, LLC	L/L Back	7,475,000	7,175,000	71,750	1,000	1,000	1/31/23	71,750	
Niacet Corporation 2023	L/L Back	121,000,000	89,000,000	890,000	1,000	1,000	3/14/23	890,000	
TOTAL				<u>1,824,758</u>	<u>11,250</u>	<u>11,250</u>		<u>1,824,758</u>	<u>0</u>
TOTAL - Projected Income 2023				<u>2,142,878</u>	<u>11,250</u>	<u>11,250</u>		<u>1,824,758</u>	<u>318,119</u>

Projected 2024	Project Type	Total Project Amount	IDA Project Amount	Anticipated Fees	Application Fee	Amount Received to Date	Date Received	Anticipated Balance Due	Inducement Expiration
TOTAL				<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>

* Pending Board Approval

**Cataract Tourism Fund
Grant Program**

Grantee Name	Grant Awards	Outst'd'g Awards	Approval Date	Disbursement Date	Disbursement Amount	Offer Expiration	Project Description
Niagara County Dept. of Economic Development	37,667	0.00	10/11/2017	1/23/2018	37,667.00		Feasibility study for Niagara Falls area multi-use facility
Niagara Aquarium Foundation	88,147	0.00	2/14/2018	7/15/2019	88,147.00		Jellyfish exhibit and equipment
The Tourism Research Entrepreneurship Center (TReC)	176,600	0.00	8/8/2018	6/2/2020	176,600.00		Buildout, audio/visual equipment and network connectivity hardware
Niagara Aquarium Foundation	16,717	0.00	2/12/2020	10/21/2020	16,717.00		Renovations to second floor event room
Niagara Aquarium Foundation	370,000	0.00	8/14/2019	2/9/2021	370,000.00		Interactive touch pools adjacent to main entrance of the Aquarium
Red Star Builders, LLC (The Niagara Club)	64,403	0.00	7/10/2019	9/7/2021	64,403.00		Spot Coffee
Niagara Falls Center for Tourism LLC	1,000,000	415,419.91	6/12/2019	Partial 9/7/2022	584,580.09	12/31/2022	Construction of an indoor family entertainment center and outdoor improvements
The Center for Kashmir, Inc.	273,000	273,000.00	8/12/2020	To Be Disbursed	0.00	6/30/2023	Renovations to vacant church for a museum of art and culture for Kashmir
Savarino Companies, LLC	155,000	155,000.00	4/14/2021	To Be Disbursed	0.00	6/1/2023	Rehabilitation of 4,000 square feet of commercial/retail storefront space.
Niagara Aquarium Foundation	900,000	900,000.00	2/9/2022	To Be Disbursed	0.00	12/31/2023	Renovations to the Niagara Gorge Discovery Center for expanded programming.
Niagara Aquarium Foundation	35,000	35,000.00	2/8/2023	To Be Disbursed	0.00		Sea turtle exhibit.
Burger Factory Niagara Falls, Inc.	185,250	185,250.00	2/8/2023	To Be Disbursed	0.00		Facade renovations.
Niagara Falls International Cuisine, Inc.	76,500	76,500.00	2/8/2023	To Be Disbursed	0.00		Dining area renovations.
To Date Sub-Total	3,378,284	2,040,169.91			1,338,114.09		

Grant Fund Cash Balance as of 2/28/2023 **3,369,432.49**
Less: Outstanding Awards **(2,040,169.91)**
Available for awarding grants **1,329,262.58**

Grant Fund Balance
Grant Funding from NYS 11/22/2016 1,600,000.00
Grant Funding from NYS 10/16/2017 1,440,000.00
Grant Funding from NYS 10/12/2018 1,600,000.00
Bank Interest 67,589.84
Bank Fees (43.26)
Grant Disbursements **(1,338,114.09)**
Grant Fund Balance **3,369,432.49**

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("NCIDA")

FINANCE & AUDIT COMMITTEE CHARTER

This Charter shall also serve as the charter for the Financial & Audit Committee of the Niagara County Industrial Development Agency ("Agency"), upon approval by the Board of the corporation.

ARTICLE I Core Functions

The core functions of the Financial & Audit Committee are set forth include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices; (ii) maintaining, by way of regularly scheduled meetings, a direct line of communication between the members of the Agency and the Agency's independent accountants and auditors to provide for exchanges of views and information; (iii) maintaining, as appropriate, a direct line of communication between the members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; and (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

ARTICLE II Composition

Members of the Financial & Audit Committee shall be appointed in accordance with the Bylaws. The Board shall designate one member of the Financial & Audit Committee to serve as chair of the Financial & Audit Committee. Each member of the Financial & Audit Committee shall serve for a term of one (1) year and until his or her successor shall be appointed and qualified.

At least three members of the Financial & Audit Committee must be an "independent member" within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time. Financial & Audit Committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. Members of the Financial & Audit Committee 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 or 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. In addition, Financial & Audit Committee members who are members of the Agency shall comply

with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law.

ARTICLE III Committee Meetings

The Financial & Audit Committee will meet a minimum of twice each calendar year (at least once prior to the commencement of the annual audit process and once after completion of the annual audit process). Additional meetings may be necessary or appropriate to adequately fulfill the obligations and duties outlined in this Charter. All committee members are expected to attend each meeting, in person or via videoconference. The Financial & 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.

Meeting notices and agendas will be prepared for each meeting and provided to Financial & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting. A quorum of the Finance & Audit Committee shall consist of a majority of the members then serving on the Finance & Audit Committee. The affirmative vote of a majority of the members then serving on the Finance & Audit Committee shall constitute an act of the Financial & Audit Committee. Minutes of all meetings shall be recorded by the Secretary or any Assistant Secretary of the Agency. All meetings shall comply with the requirements of the Open Meetings Law.

ARTICLE IV Committee Responsibilities

The Finance & Audit Committee shall have responsibilities related: (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; (d) miscellaneous issues related to the financial practices of the Agency; and (e) shall review proposals for the issuance of debt by the Agency and make recommendations regarding such proposed debt issuance.

A. Independent Auditors and Financial Statements

The Finance & Audit Committee shall:

- (i) Recommend to the Board the hiring of independent auditors, establish the compensation to be paid to the auditors retained by the Agency and provide oversight of the audit services provided by the independent auditor.
- (ii) 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 Finance & Audit Committee. Non-

audit services include tasks that directly support the Agency's operations, such as (a) bookkeeping or other services related to the accounting records or financial statements of the Agency; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions or human resource services; (g) broker or dealer, investment advisor, or investment banking services; and (h) legal services and expert services unrelated to the audit function.

- (iii) Review and approval the Agency's audited financial statements, associated management letter and all other auditor communications.
- (iv) 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 of the Agency.
- (v) Meeting with the Agency's independent auditor at least annually to discuss the financial statements of the Agency, and on an as-needed basis to discuss any significant issues that may have surfaced during the course of the audit.
- (vi) 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 Finance & Audit Committee shall review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses, if any, in the Agency's internal controls, regulatory compliance, organizational structure and operations, and if applicable, any weaknesses noted.

C. Special Investigations

The Finance & Audit Committee shall:

- (i) 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 directors, officers or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.
- (ii) Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing.

- (iii) Request and oversee special investigations as needed and/or refer specific issues to the Board or appropriate committee of the Board for further investigation.

D. Other Responsibilities

The Finance & Audit Committee shall obtain 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.

E. Debt Issuance

The Finance & Audit Committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance.

ARTICLE V
Committee Reports

The Finance & Audit Committee shall:

- A. Report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance & Audit Committee and when otherwise requested by the Board;
- B. Report to the Board, at least annually, regarding any proposed changes to this Charter;
- C. Provide a self-evaluation of the Finance & Audit Committee's functions to the Board on an annual basis; and
- D. Report to the Board on a periodic basis, at least annually, the findings of its independent auditors. These reports shall include careful consideration of the actions taken by management on the independent auditors' suggestions for correcting weaknesses, if any, in the Agency's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the Agency's independent auditors, the financial and regulatory compliance reporting decisions of management, the adequacy of disclosure of information essential to a fair presentation of the financial affairs and regulatory compliance efforts of the Agency, and the organization and quality of the Agency's system of management and internal accounting controls.

ARTICLE VI
Amendments

This Charter may be amended upon affirmative vote of a majority of the Board of the Agency.