

Niagara County Industrial Development Agency

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

NCIDA/NCDC/NADC AUDIT/FINANCE COMMITTEE MEETING

Date: March 19, 2025
Time: 8:15 a.m.
Place: Niagara County Center for Economic Development
6311 Inducon Corporate Drive, Sanborn NY

NCIDA/NCDC/NADC Audit/Finance Committee Members:

____ Jason Krempa, Chairperson
____ Anne E. McCaffrey, Member
____ Ryan J. Mahoney, Member

Other Board Members Present:

____ Mark Onesi
____ William L. Ross
____ Mark Berube
____ David J. Masse
____ William Fekete

Staff Present:

____ Andrea Klyczek, Executive Director
____ Jeremy Geartz, Director of Business Development & Retention
____ Michael S. Dudley, Director of Finance & Real Estate
____ Susan Barone, Grants, Loans & Compliance Manager
____ Julie Lamoreaux, Office & HR Administrator
____ Joseph Grenga, Project Manager
____ Mark J. Gabriele, Agency Counsel

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- 1.0 Meeting Called to Order – J. Krempa**
 - 2.0 Roll Call – J. Lamoreaux**
 - 3.0 Approval of Audit Committee Meeting Minutes – J. Krempa**
 - 3.1 February 12, 2025**
 - 4.0 NCIDA Finance & Audit Committee Reports**
 - 4.1 Audit Report – Lumsden & McCormick, CPAs**
 - 4.2 Agency Payables – J. Krempa**
 - 4.3 MTD and YTD Budget Variance Report – J. Krempa**
 - 4.4 Project Closing Summary Report – M. Gabriele**
 - 5.0 Reaffirm Finance & Audit Committee Charter – J. Krempa**
 - 6.0 Adjournment**

NCIDA/NCDC/NADC AUDIT/FINANCE COMMITTEE MEETING

Date: Wednesday, February 12, 2025
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:

Jason Krempa, Chairperson - Present
Anne E. McCaffrey, Member - Absent
Ryan J. Mahoney, Member - Present

Other Board Members Present: Staff Present:

Mark Onesi
William L. Ross
Mark Berube
David J. Masse
William Fekete

Jeremy Geartz, Director of Business Development & Retention
Susan Barone, Grants, Loans & Compliance Manager
Michael S. Dudley, Director of Finance & Real Estate
Julie Lamoreaux, Office & HR Administrator
Mark J. Gabriele, Agency Counsel

1.0 Meeting Called to Order

Mr. Krempa 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 8, 2025

Mr. Krempa stated that he had reviewed the meeting minutes and he made a motion for approval; Mr. Mahoney seconded the motion. The motion passed.

4.0 Agency Payables

4.1 January 31, 2024

Mr. Krempa 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. Mahoney seconded the motion. The motion passed.

5.0 MTD and YTD Budget Variance Reports

5.1 January 31, 2025

Mr. Krempa stated that he reviewed the reports and he made a motion to recommend approval of the payables to the Board members at the Regular Board Meeting; Mr. Mahoney seconded the motion. The motion passed.

6.0 Project Closing Summary Report

Mr. Gabriele stated that he anticipates the closing of MGA Construction, LLC, and Hotel Niagara Development, LLC before the end of the quarter.

7.0 Adjournment

Mr. Krempa made a motion, seconded by Mr. Mahoney to adjourn the meeting. The meeting adjourned at 8:55 a.m.

Respectfully Submitted:

Reviewed by:

Julie Lamoreaux
Administrative Assistant

Andrea Klyczek
Executive Director

Niagara County Industrial Devel. Agency
Check Register
For the Period From Feb 1, 2025 to Feb 28, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
30305	2/4/25	Amazon Capital Services	10001.100	137.50
30306	2/4/25	Gibson, McAskill & Crosby, LLP	10001.100	2,096.00
30307	2/4/25	VOID CHECK	10001.100	
30308	2/4/25	M&T Bank	10001.100	420.50
30309	2/4/25	Niagara Gazette Lockport Union Sun	10001.100	76.00
30310	2/4/25	Pitney Bowes Global Financial Services	10001.100	275.85
30311	2/4/25	STAPLES CONTRACT & COMMERCIAL	10001.100	11.54
30312	2/4/25	Summit MSP, LLC	10001.100	157.11
2/6/25	2/6/25	PAYCHEX, INC.	10001.100	66.47
2/7/25	2/7/25	NYS DEFERRED COMPENSATION PLAN	10001.100	1,037.00
30313	2/11/25	Gabriele & Berrigan, P.C.	10001.100	12,850.12
30314	2/11/25	THE HARTFORD	10001.100	229.39
30315	2/11/25	National Grid	10001.100	466.27
2/20/25	2/20/25	PAYCHEX, INC.	10001.100	60.06
30316	2/20/25	Cintas Corporation LOC. 067P	10001.100	93.80
30317	2/20/25	County of Niagara	10001.100	1,851.75
30318	2/20/25	First Choice Coffee Services	10001.100	147.72
30319	2/20/25	Guardian	10001.100	233.69
30320	2/20/25	PURCHASE POWER	10001.100	200.00
30321	2/20/25	STAPLES CONTRACT & COMMERCIAL	10001.100	107.45
2/19/25	2/20/25	PAYCHEX, INC.	10001.100	128.00
2/21/25	2/21/25	NYS DEFERRED COMPENSATION PLAN	10001.100	950.00
2/25/25	2/25/25	NEW YORK STATE AND LOCAL	10001.100	546.94
30322	2/25/25	Charter Communications	10001.100	129.99
30323	2/25/25	Independent Health	10001.100	2,413.35
30324	2/25/25	Niagara Gazette Lockport Union Sun	10001.100	124.99
Total				24,811.49

NCIDA VIP-MTF Operating
Check Register
For the Period From Feb 1, 2025 to Feb 28, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4994	2/4/25	DAVIS-ULMER Sprinkler Co.	10001.600	170.00
4995	2/4/25	Frontier	10001.600	327.78
4996	2/4/25	National Grid	10001.600	347.83
4997	2/4/25	Mike Sinatra's Landscaping and	10001.600	8,875.00
4999	2/11/25	Modern Disposal Services, Inc.	10001.600	191.51
4998	2/11/25	Town of Wheatfield	10001.600	68.80
5000	2/20/25	County of Niagara	10001.600	<u>1,271.25</u>
Total				<u><u>11,252.17</u></u>

Niagara Industrial Incubator Associates
Check Register
For the Period From Feb 1, 2025 to Feb 28, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1457	2/4/25	Niagara Falls Water Board	10000.100	1,332.76
1458	2/4/25	Mike Sinatra's Landscaping and	10000.100	7,375.00
1459	2/11/25	Gabriele & Berrigan, P.C.	10000.100	418.00
1460	2/11/25	National Grid	10000.100	362.24
1461	2/20/25	H.W. Bryk & Sons, Inc.	10000.100	435.00
Total				<u><u>9,923.00</u></u>

NCDC - CDBG/HUD - RLF
Check Register
For the Period From Feb 1, 2025 to Feb 28, 2025

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
284	2/4/25	Niagara Gazette Lockport Union Sun	10200-300	74.20
285	2/20/25	Niagara Gazette Lockport Union Sun	10200-300	81.40
Total				155.60

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BUDGET VARIANCE REPORT AS OF February 28, 2025
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	\$ 7,200.00	\$ 114,868.00	\$ 372,125.00	\$ 178,329.00	193,796.00	\$ 527,232.00
Project Application Fees	1,000.00	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
Administratve Fees - Other	0.00	0.00	4,080.00	4,080.00	0.00	52,070.00
Interest Earnings	64,012.81	10,869.84	64,138.08	10,994.84	53,143.24	65,969.00
Miscellaneous Income	14,675.76	14,674.50	29,351.52	29,349.00	2.52	176,094.00
Distributions From Affiliates	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	100,000.00
Total Operating Revenues	91,055.24	145,579.01	482,027.94	233,086.18	248,941.76	1,083,365.00
<u>Operating Expenses</u>						
Salaries	24,461.52	32,923.06	48,923.04	65,846.12	(16,923.08)	428,000.00
Benefits	3,180.08	7,790.92	6,497.16	15,581.84	(9,084.68)	93,491.00
Retirement Benefits	4,926.33	4,926.33	9,852.66	9,852.66	0.00	59,116.00
Payroll Taxes	1,906.07	2,485.08	3,812.14	4,970.16	(1,158.02)	32,239.00
Unemployment Taxes	459.93	637.59	992.54	1,347.87	(355.33)	1,613.00
Consultants	2,500.00	2,500.00	5,000.00	5,000.00	0.00	30,000.00
Executive Director	9,674.33	9,674.33	19,348.66	19,348.66	0.00	116,092.00
Legal Services	7,344.12	6,666.67	17,290.24	13,333.34	3,956.90	80,000.00
Accounting Services	17,000.00	17,000.00	17,000.00	17,000.00	0.00	21,510.00
Accounting Services - NADC	0.00	0.00	0.00	0.00	0.00	1,500.00
Advertising & Promotion	0.00	0.00	76.00	0.00	76.00	0.00
Marketing	60.00	1,833.33	120.00	3,666.66	(3,546.66)	22,000.00
Sponsorships	0.00	83.33	0.00	166.66	(166.66)	1,000.00
Printing	0.00	83.33	157.11	166.66	(9.55)	1,000.00
Office Supplies	107.45	166.67	215.07	333.34	(118.27)	2,000.00
Postage	200.00	200.00	775.85	775.85	0.00	3,950.00
Telephone & Fax	139.26	127.50	278.52	255.00	23.52	1,530.00
Internet Service	185.98	197.42	371.96	394.84	(22.88)	2,369.00
Common Area Charges	906.33	906.33	1,812.66	1,812.66	0.00	10,876.00
Energy	1,456.00	1,786.00	3,774.02	3,786.00	(11.98)	16,100.00
Conference & Travel	702.07	1,000.00	997.07	2,000.00	(1,002.93)	12,000.00
Employee Training	0.00	500.00	0.00	1,000.00	(1,000.00)	6,000.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	6,462.00
Insurance Expense	1,847.47	1,824.42	3,694.94	3,648.84	46.10	21,893.00
Library & Membership	413.48	119.73	2,298.48	2,004.73	293.75	3,202.00
General Office	685.20	1,110.00	1,522.06	2,220.00	(697.94)	13,320.00
Repairs & Maintenance	988.02	1,132.25	1,968.66	2,264.50	(295.84)	13,587.00
Computer Support	0.00	500.00	0.00	1,000.00	(1,000.00)	6,000.00
Public Hearings	0.00	25.00	0.00	50.00	(50.00)	300.00
Furniture & Equipment Purchase	0.00	166.67	0.00	333.34	(333.34)	2,000.00
Other Expense	0.00	83.33	0.00	166.66	(166.66)	1,000.00
Total Operating Expenses	79,143.64	96,449.29	146,778.84	178,326.39	(31,547.55)	1,010,150.00
Net Operating Income/<Loss>	11,911.60	49,129.72	335,249.10	54,759.79	280,489.31	73,215.00
<u>Non-Operating Revenue & Expense</u>						
Grant Rev- City NF Initiative	0.00	0.00	204,000.00	0.00	204,000.00	2,145,609.00
Grant Sub-City NF Initiative	0.00	0.00	204,000.00	0.00	204,000.00	2,145,609.00
Net Non-Operating Income/<Loss>	0.00	0.00	0.00	0.00	0.00	0.00
Total Net Income/<Loss>	\$ 11,911.60	\$ 49,129.72	\$ 335,249.10	\$ 54,759.79	280,489.31	\$ 73,215.00

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Balance Sheet
February 28, 2025

ASSETS

Current Assets		
Cash - Checking	\$ 404,746.38	
Petty Cash	300.00	
Mmkt Acct. - M&T Bank	2,637,827.08	
Cash - First Response	66,500.88	
Cash - City of N.F.	854.50	
Mmkt Acct. - Cataract Tourism	2,629,354.15	
Accts Rec - Public Hearings	2,747.35	
Accounts Rec. EDA - RLF	176,666.66	
Due To/From Micro RLF	1,666.66	
Accounts Rec - NEDF	8,333.34	
Due To/From VIP - MTF	534,601.70	
Due From NCDC CDBG/HUD	1,666.68	
Due To/Due From NADC	500.56	
Due To/From MTF Operating	121,128.84	
Prepaid Insurance	<u>20,090.28</u>	
 Total Current Assets		 6,606,985.06
Other Assets		
Deferred Outflows	204,837.00	
Investment in NIIA	<u>342,500.00</u>	
 Total Other Assets		 547,337.00
Fixed Assets		
Furniture & Equipment	231,672.18	
Furn & Fixtures - Fed purchase	5,861.08	
Accum Dep. - Furn & Equip	(211,340.68)	
Accum Dep. - F&F Fed Purch	<u>(5,861.08)</u>	
 Total Fixed Assets		 20,331.50
 Total Assets		 <u>\$ 7,174,653.56</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Retirement	\$ 9,852.66	
Deferred Rev. - First Repsonse	66,500.88	
Def. Rev. - City of N.F.	2,630,208.65	
Accounts Payable	33,415.84	
Acct. Payable - Niag. County	<u>19,348.66</u>	
 Total Current Liabilities		 2,759,326.69
Long-Term Liabilities		
Pension Liability	115,680.00	
Deferred Inflows of Resources	<u>67,839.00</u>	
 Total Long-Term Liabilities		 <u>183,519.00</u>
 Total Liabilities		 2,942,845.69
Net Assets		
Fund Balance - Operating Fund	3,896,558.77	
Net Income	<u>335,249.10</u>	
 Total Net Assets		 <u>4,231,807.87</u>
 Total Liabilities & Net Assets		 <u>\$ 7,174,653.56</u>

**Niagara County Industrial
Development Agency
Aged Payables
As of February 28, 2025**

Vendor ID Vendor	Invoice #	Amount Due
360 360 PSG.com	190076	60.00
cin Cintas Corporation #782	9911266;42213926	101.18
GABRIELE Gabriele & Berrigan, P.C.	Feb 2025 Engagement Feb 2024	5,000.00 6,886.12
GMC Gibson, McAskill & Crosby, LLP	124602 124609 124606 124605 124604 124599 124607 124600 124601 124610 124598	48.50 81.50 27.50 27.50 27.50 27.50 60.00 41.00 41.00 48.50 27.50
LUM Lumsden & McCormick, LLP	213928	17,000.00
M&TBUS M&T Bank	Feb 2025	1,171.54
NATGRID National Grid	39004 2/25	476.00
ProJan Professional	1994	823.00
Report Total		<u>31,975.84</u>
<u>Adjusting Journal Entries</u>		
	Estimated Jan 2025 Copier usage	200.00
	Estimated Feb 2025 Copier usage	200.00
	Estimated Jan-Feb 2025 Telephone	60.00
	Estimated Feb 2025 Niagara County Electric	400.00
	Estimated Feb 2025 Niagara County Gas	580.00
		<u>33,415.84</u>

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

3/12/2025

**Project Income - 2025
Lease/Lease Back and Bonds**

Closed 2025	Project Type	Total Project Amount	IDA Project Amount	Admin. Fees	Application Fees	Amount Received to Date	Date Received	Balance Due	Date Closed
Amazon.com Services LLC	L/L Back			357,500		357,500	1/10/25	-	
9745 Rochester Road LLC (Brent Industries)	Additional Sales Tax Exemption			7,425		7,425	1/22/25	-	1/10/25
Duncan's Heating and Cooling Corj	Sales & Mtg Tax Only	1,300,000	1,300,000	7,200	1,000	8,200	2/19/25	-	1/8/25
Peak Development Partners, LLC	No assistance provided.			0	1,000	1,000	1/31/23	-	
Niacet Corporation 2023	No assistance provided.			0	1,000	1,000	3/14/23	-	

TOTAL

372,125

Fees received in prior year -

Total fees received to date in 2025 372,125

Total 2025 Budgeted Fees 527,232

Balance of Budgeted Fees 155,107

Projected 2025	Project Type	Total Project Amount	IDA Project Amount	Anticipated Fees	Application Fee	Amount Received to Date	Date Received	Anticipated Balance Due	Inducement Expiration
Cityscape Property Management Inc. - Division	L/L Back	1,122,000	970,000	9,700	1,000	1,000	9/20/23	9,700	5/9/25
Vishay Dale Electronics, LLC	L/L Back	8,200,000	8,000,000	80,000	1,000	1,000	12/12/23	80,000	6/30/25
MGA Construction, LLC	L/L Back	11,027,000	8,900,000	89,000	1,000	1,000	3/1/24	89,000	6/30/25
Live-USA Incorporated	L/L Back	16,000,000	10,500,000	102,500	1,000	1,000	7/3/24	102,500	7/31/25
Hotel Niagara Development, LLC	L/L Back	43,959,500	41,709,500	220,000	1,000	1,000	7/5/24	220,000	7/31/25
235 River Road LLC	L/L Back	36,665,978	28,426,762	190,000	1,000	1,000	9/11/24	190,000	10/31/25
MT Altimeter LLC	L/L Back	13,450,000	12,800,000	114,000	1,000	1,000	9/17/24	114,000	10/31/25
Indian Ocean LLC (Phase II)	L/L Back	10,000,000	9,000,000	90,000	1,000	1,000	10/24/24	90,000	11/30/25
VPS Property Ventures, LLC	L/L Back	7,270,000	7,000,000	70,000	1,000	1,000	1/3/25	-	2/28/26
Voss Manufacturing, Inc.	L/L Back	4,731,000	2,700,000	27,000	1,000	1,000	1/3/25	-	2/28/26
Shoaib & Sons LLC	L/L Back	2,550,000	1,500,000	TBD	1,000	1,000	1/8/25	-	2/28/26
Saint-Gobain Ceramics & Plastics Inc.	L/L Back	41,523,000		TBD	1,000			1,000	

TOTAL

992,200 12,000 11,000 896,200 97,000

TOTAL - Projected Income 2025

1,364,325 12,000 11,000 896,200 469,125

Projected 2026	Project Type	Total Project Amount	IDA Project Amount	Anticipated Fees	Application Fee	Amount Received to Date	Date Received	Anticipated Balance Due	Inducement Expiration
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TOTAL

0 0 0 0 0

* 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	10/11/2017	1/23/2018	37,667.00		Feasibility study for Niagara Falls area multi-use facility.
Niagara Aquarium Foundation	88,147	0	2/14/2018	7/15/2019	88,147.00		Jellyfish exhibit and equipment.
The Tourism Research Entrepreneurship Center (TReC)	176,600	0	8/8/2018	6/2/2020	176,600.00		Buildout, audio/visual equipment and network connectivity hardware.
Niagara Aquarium Foundation	16,717	0	2/12/2020	10/21/2020	16,717.00		Renovations to second floor event room.
Niagara Aquarium Foundation	370,000	0	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	7/10/2019	9/7/2021	64,403.00		Spot Coffee.
Niagara Falls Center for Tourism LLC	1,000,000	0	6/12/2019	7/7/2023	598,661.03	3/1/2026	Construction of an indoor family entertainment center and outdoor improvements.
The Center for Kashmir, Inc.	573,000	300,000	6/14/2023	8/9/2023	273,000.00		Renovations to vacant church for a museum of art and culture for Kashmir.
Savarino Companies, LLC	155,000	0	4/14/2021	4/26/2023	155,000.00		Rehabilitation of 4,000 square feet of commercial/retail storefront space.
Niagara Aquarium Foundation	900,000	900,000	2/9/2022	To Be Disbursed	0.00		Renovations to the Niagara Gorge Discovery Center for expanded programming.
Niagara Aquarium Foundation	35,000	0	2/8/2023	1/2/2024	35,000.00		Sea turtle exhibit.
Burger Factory Niagara Falls, Inc.	185,250	0	2/8/2023	1/1/2024	185,250.00		Facade renovations.
Niagara Falls International Cuisine, Inc.	76,500	0	2/8/2023	1/1/2024	44,922.31		Dining area renovations.
TM Montante Development(Radio Niagara)	912,609	912,609	3/22/2023	To Be Disbursed	0.00	11/1/2025	Renovations for restaurant, bar, game space, bowling lounge and boutique hotel.
Live-USA Incorporated	450,000	450,000	8/14/2024	To Be Disbursed	0.00	12/31/2025	Renovation of restaurant, bar and music entertainment venue.
Niagara Falls Urban Renewal Agency	204,000	0	10/9/2024	1/29/2025	204,000.00		Acquisition of properties along Main Street in Niagara Falls.
To Date Sub-Total	5,244,893	2,562,609			2,249,367.34		

Cash on hand as of 2/28/2025	2,630,208.65
Less: Outstanding Awards	(2,562,609.00)
Available for awarding grants	<u>67,599.65</u>

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	239,619.25
Bank Fees	(43.26)
Grant Disbursements	<u>(2,249,367.34)</u>
Grant Fund Balance	<u>2,630,208.65</u>

**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.