

# COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION

## COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION NOTICE OF MEETING

Please take notice that there will be a regular meeting of the Columbia County Capital Resource Corporation and its Audit, Finance and Governance Committees which will be held on February 5, 2019 at 8:35am at 4303 US Route 9, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Corporation for consideration.

Dated: January 29, 2019  
Sarah Sterling  
Secretary  
Columbia County Capital Resource Corporation

### CRC Audit Committee Meeting Agenda

#### Members:

Nina Fingar-Smith	Brian Keeler	Sarah Sterling
Bob Galluscio	Carmine Pierro	
William Gerlach	Sidney Richter	

1. Minutes, December 4, 2018\*
2. Charter Review\*
3. Internal Controls Statement\*
4. 2018 Discharged Duties
5. 2018 Committee Evaluation
6. Public Comment

#### Attachments:

Draft December 4, 2018 minutes  
Committee Charter  
Internal Controls Statement  
2018 Committee discharged duties

\* Requires Approval

# COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION

# DRAFT

MINUTES  
COLUMBIA COUNTY  
Capital Resource Corporation  
Audit Committee Meeting  
Tuesday, December 4, 2018  
4303 Route 9  
Hudson, New York

The regular meeting of Columbia County Capital Resource Corporation Audit Committee, held at their offices located at 4303 Route 9, Hudson, NY 12534 on the above date. The meeting was called to order at 9:10am by Carmine Pierro, Chairman.

Attendee Name	Title	Status	Arrived
Nina Fingar-Smith	Board Member	Present	
Robert Galluscio	Treasurer	Present	
William Gerlach	Board Member	Excused	
Brian Keeler	Board Member	Present	
Sidney Richter	Vice-Chairman	Excused	
Carmine Pierro	Board Member	Present	
Sarah Sterling	Secretary	Present	
Theodore Guterman II	Counsel	Present	
F. Michael Tucker	President/CEO	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Erin McNary	Bookkeeper	Present	
Edward Stiffler	Economic Developer	Present	
Martha Lane	Business Development Specialist	Present	
Carol Wilber	Marketing Director	Present	
Matthew Cabral	Guterman, Shallo & Alford, PLLC	Present	

**Minutes:**

*Mr. Keeler made a motion, seconded by Ms. Fingar to approve the March 27, 2018 minutes as distributed. Carried.*

**Draft Audit Engagement Letter:**

Mr. Tucker presented the draft Audit Engagement letter to the board noting the cost was the same as the previous year, \$2,600. *Ms. Sterling made a motion, seconded by Mr. Galluscio to approve the Draft Audit Engagement Letter as distributed. Carried.*

*With no further business to come before the Board, Mr. Galluscio made a motion, seconded by Ms. Sterling to adjourn the meeting. Carried. The meeting was adjourned at 9:12am.*

*Respectfully submitted by Lisa Drahushuk*

Columbia County Capital Resource Corporation  
AUDIT COMMITTEE CHARTER

This Audit Committee Charter was adopted by the Board of Directors of the Columbia County Capital Resource Corporation, a not-for-profit corporation established under the laws of the State of New York, on this 2nd day of February 2018.

**Purpose:**

Pursuant to Article IV, Section 3 of the Corporation's bylaws, the purpose of the audit committee shall be to:

- (1) assure that the Corporation's board fulfills its responsibilities for the corporation's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and
- (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors.

**Powers of the Audit Committee:**

It shall be the responsibility of the audit committee to:

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

The Columbia County Capital Resource Corporation board will ensure that the audit committee has sufficient resources to carry out its duties.

**Composition of Committee and Selection of Members:**

The audit committee shall be established as set forth in and pursuant to Article IV, Section 3 of the Corporations's by-laws. The audit committee shall consist entirely of members of the board of directors who are independent of corporate operations. The Corporation's board will appoint the audit committee members and the audit committee chair.

Audit committee members shall be prohibited from being an employee of the corporation or an immediate family member of an employee of the corporation. In addition, audit committee members shall not engage in any private business transactions with the corporation or receive compensation from any private entity that has material business relationships with the Corporation, or be an immediate family member of an individual that engages in private business transactions with the corporation or receives compensation from an entity that has material business relationships with the corporation.

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

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

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

### **Meetings:**

The audit 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 committee are expected to attend each committee meeting, in person. The 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.

The audit committee will meet with the corporation's independent auditor at least annually to discuss the financial statements of the corporation.

Meeting agendas will be prepared for every meeting and provided to the audit committee members along with briefing materials 5 business days before the scheduled audit committee meeting. The audit committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

### **Responsibilities :**

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

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

The audit committee shall:

- Appoint, compensate and oversee independent auditors retained by the corporation 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 corporation'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 corporation's operations, such as bookkeeping or other services related to the accounting records or financial statements of the corporation, 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 corporation'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 the same.

#### **B. Internal Auditors**

The audit committee shall:

- Review with management and the internal audit director, the charter, activities, staffing and organizational structure of the internal audit function. The audit committee shall have authority over the appointment, dismissal, compensation and performance reviews of the internal audit director.

- Ensure that the internal audit function is organizationally independent from corporate operations.

- Review the reports of internal auditors, and have authority to review and approve the annual internal audit plan.

- Review the results of internal audits and approve procedures for implementing accepted recommendations of the internal auditor

#### **C. Internal Controls, Compliance and Risk Assessment**

The audit committee shall:

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

#### **D. Special Investigations**

The audit committee shall:

- Ensure that the corporation 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 corporation or any persons having business dealings with the corporation 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.

#### **E. Other Responsibilities of the Audit Committee**

The audit committee shall:

- Present annually to the corporation's board a written 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 corporation. 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.

Reviewed and re-affirmed February 7, 2017

## **Statement of the Effectiveness of Internal Control**

This Statement of the Effectiveness of Internal Controls was adopted by the Board of Directors of the Columbia County Capital Resource Corporation, (the “Corporation”), a public benefit corporation established under the laws of the State of New York, on this \_\_\_\_\_.

### **Purpose**

To satisfy the requirement of Section 2800 (1)(a)(9) and Section 2800 (2)(a)(9) of Public Authorities Law, the Corporation has prepared the following statement:

### **Statement of the Effectiveness of Internal Controls**

*This statement certifies that the Columbia County Capital Resource Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2018.*

*To the extent that deficiencies were identified, the Corporation has developed corrective action plans to reduce any corresponding risk.*

## **Columbia County Capital Resource Corporation 2018 Committee Discharged Duties**

### **Audit Committee**

- Reviewed and recommended no changes to the Audit Committee Charter
- Reviewed and recommended approval of the 2017 and 2018 audit engagement letter
- Reviewed and recommended approval of the 2017 audited financials
- Reviewed and recommended submission of the 2017 PARIS report
- Reviewed and recommended approval of the Assessment of Internal Controls

### **Finance Committee**

- Reviewed and recommended no changes to the Finance Committee Charter
- Reviewed and recommended approval of the quarterly financials
- Reviewed and recommended approval of the proposed 2019 Budget

### **Governance Committee**

- Recommended slate of officers for election
- Reviewed and recommended no changes to the Governance Committee Charter
- Reviewed and recommended approval of the compliance calendar
- Reviewed and recommended approval of the Confidential Board Evaluation