

# CITY OF GENEVA LOCAL DEVELOPMENT CORPORATION AUDIT COMMITTEE CHARTER

## ARTICLE I Establishment of Audit Committee; Core Responsibilities

The Board of Directors (the “**Board**”) of the City of Geneva Local Development Corporation (the “**Corporation**”) authorized the establishment of the Audit Committee (the “**Committee**”) by resolution dated January 4<sup>th</sup>, 2023. This Charter sets forth the composition and basic responsibilities of the Committee.

The core responsibilities of the Committee, as mandated under Section 2824(4) of the New York Public Authorities Law, include: (i) recommending to the board the hiring of a certified independent accounting firm; (ii) establishing the compensation to be paid to the certified independent accounting firm; and (iii) providing direct oversight of the performance of the independent audit performed by the certified independent hired for such purpose.

## ARTICLE II Composition of the Committee

The Committee shall be comprised of three (3) or more members appointed by, and will serve at the direction and pleasure the Board. Individuals appointed to the Committee should be knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to corporate financial and accounting practices. The chair of the Committee shall be elected by and among the members of the Committee. Each member of the Committee shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified.

Each member of the 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. Committee members shall be prohibited from being an employee of the Corporation or an immediate family member of an employee of the Corporation. Members of the Committee 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. In addition, Committee members who are members of the Corporation 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 Committee will meet a minimum of twice (2) 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 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 Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting. A quorum of the Committee shall consist of a majority of the members then serving on the Committee. The affirmative vote of a majority of the members then serving on the Committee shall constitute an act of the Committee. Minutes of all meetings shall be recorded by the Secretary or any Assistant Secretary of the Committee. All meetings shall comply with the requirements of the Open Meetings Law.

## **ARTICLE IV** **Committee Duties and Responsibilities**

To accomplish the objectives of good governance and accountability, the Committee has the following responsibilities as set forth below:

- (i) Recommend to the full board the appointment of and compensation for a certified independent accounting firm to conduct the annual independent financial audit;
- (ii) Oversee and pre-approve all audit and non-audit services provided by the certified independent accounting firm. The Corporation's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Committee;
- (iii) Meet with the certified independent accounting firm to discuss any significant issues that may have surfaced during the course of the audit;
- (iv) Review the Corporation's audited financial statements, associated management letter, report on internal controls and all other auditor communications and recommend to the full board whether such audit report should be approved;
- (v) Review and assess the effectiveness of the Corporation's internal controls for the safeguarding of Corporation assets;
- (vi) Develop and recommend to the full board, as necessary, any procedures or policies for the safeguarding of Corporation assets;
- (vii) Investigate any report or suspicion of fraud, waste or abuse of Corporation assets and make recommendations to the full board for corrective action.

## **ARTICLE V** **Committee Reports**

The Committee shall:

- (i) Report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Committee and when otherwise requested by the Board;
- (ii) Report to the Board, at least annually, regarding any proposed changes to this Charter;
- (iii) Provide a self-evaluation of the Committee's functions to the Board on an annual basis; and
- (iv) 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 Corporation's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the Corporation'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 Corporation, and the organization and quality of the Corporation'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 Corporation.

Adopted this 4<sup>th</sup> day of January, 2023  
By the City of Geneva Local Development Corporation