

CARTHAGE INDUSTRIAL DEVELOPMENT CORP.
AUDIT/GOVERNANCE COMMITTEE MEETING ON MARCH 19, 2014

Present: Bruce Armstrong, Wayne McIlroy, John McHugh

Excused: Terry Roche

Others Present: Lori Borland

Call to Order: 3:00 p.m.

a. Assessment of Internal controls

Ms. Borland passed out copies of the CIDC Internal Controls Policy noting that the Internal Controls Policy was put into place for security reasons, and further noting that no changes were proposed from last year's policy. The committee discussed how bank statements were opened by the Treasurer and reconciliation is reviewed by the Village clerk, and that all checks over \$1000 for non-recurring bills and all non-recurring check payments need two signatures. It was further noted that the Full Board of Directors reviews the bills on the monthly basis at the Board meeting. Motion was made by Mr. McIlroy, seconded by Mr. Armstrong to recommend to the full board that there be no changes made to the Internal Controls Policy. Motion passed unanimously.

b. Mission Statement review

It was noted that the Mission Statement needs to be revised as to the number of Board Members to remove JCJDC and EDCC as Board Members as they are no longer in existence. They are on the Board at this time pursuant to the By-Laws. Motion made by Mr. McHugh and seconded by Mr. Armstrong that the Mission Statement in 2014 be revised as noted. Motion passed unanimously.

c. Measurements Report

It was noted that the Measurements Report reflects correctly the actions of the Board as to annual performance review and the performance goals. A motion was made by Mr. McHugh, and seconded by Mr. Armstrong to recommend to the full board that it adopt the 2013 Measurements Report. Motion passed unanimously.

d. Investment Policy

The Committee reviewed the CIDC's current investments and the Investment Policy, and noted that the CIDC has two certificates of deposits, an interest bearing money market account, and a checking account with Carthage Federal S&L. The committee noted the limited options available to the CIDC concerning investments and that the funds were in safe investments. Upon motion made by Mr. McHugh, seconded by Mr. Armstrong, it was decided that no changes were to be made to the Investment Policy. Motion passed unanimously.

e. Procurement Policy

It was noted that there was a Non-Collusion Clause added to the Procurement Policy last year along with a procedure for dealing with impermissible contact during the bid process. It was discussed that there were no further changes which were needed this year.

f. Board Performance Report

Ms. Borland passed out the summary of the confidential Board Performance Evaluation for 2013, which was reviewed and discussed, noting that the recent ABO Report may have had an impact on some of the answers. There were 13 responses, most of which were favorable, but there were three who "somewhat agreed" and one that "somewhat disagreed" with certain of the questions. A motion was made by Mr. Armstrong, seconded by Mr. McHugh to acknowledge that the evaluation was reviewed and discussed, and noting that since the ABO Report, we are now taking steps to become more aware of what the State is looking for. Motion passed unanimously.

g. Annual Report Review

The committee went over the draft of the 2013 Annual Report. There was little discussion about the contents and being satisfied with it, a motion was made by Mr. Armstrong, seconded by Mr. McIlroy to recommend to the full board that it be approved. Motion passed unanimously.

h. PARIS Annual Report

The committee went over the paper copy of the draft of the 2013 PARIS report, and after a discussion as to certain entries made in the Loan Section and the Staff Section, a motion was made by Mr. Armstrong, seconded by Mr. McHugh to recommend to the full board that the report be adopted and submitted. Motion passed unanimously.

i. Other Policies

No other policy changes were proposed at this time.

There being no further business before the Committee, the meeting was adjourned at 4:00 p.m.