

FRANKLIN COUNTY CIVIC DEVELOPMENT CORPORATION

AUDIT AND FINANCE COMMITTEE CHARTER

This Audit and Finance Committee Charter was adopted by the Board of Directors of the Franklin County Civic Development Corporation (the “*Corporation*”), a not-for-profit corporation established under Section 1411 of the Not-For-Profit the laws of the State of New York, on the 14th day of July, 2010.

Purpose

Pursuant to Article IV, Section 1 of the Corporation’s By-Laws, the purpose of the Audit and Finance Committee shall be to (1) assure that the Corporation’s Directors fulfill their responsibilities for the Corporation’s external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; (2) provide an avenue of communication between management, the independent auditors, and the Directors; (3) review proposals for the issuance of debt by the Corporation; and (4) provide recommendations to the Corporation regarding the issuance of debt.

Powers of the Audit and Finance Committee

It shall be the responsibility of the Audit and Finance Committee to:

- Recommend, compensate, and directly oversee the work of any public accounting firm employed by the Corporation.
- Review proposals for the issuance of debt by the Corporation and its subsidiaries and make recommendations to the Corporation regarding the issuance of such debt.

Composition of Committee and Selection of Committee Members

The Audit and Finance Committee is established as set forth in and pursuant to Article IV, Section 1 of the Corporation’s By-Laws. The Audit and Finance Committee shall be comprised of not less than three Independent Members (as such term is defined in the By-Laws). The Chairman of the Corporation shall appoint committee members and assign the chairmanship role.

Audit and Finance Committee members shall be prohibited from being a staff member of the Corporation or an immediate family member of a staff member of the Corporation. In addition, Audit and Finance 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.

The Audit and Finance Committee shall possess the necessary skills to understand the duties and functions of the committee and should be familiar with corporate and accounting practices. The members of the Audit and Finance Committee shall possess the necessary skills to understand the duties and functions of the Finance Committee, including an understanding of the types of debt issued by the Corporation.

Meetings

The Audit and Finance 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 and Finance Committee are expected to attend each committee meeting, in person or videoconference. The Audit and Finance Committee may invite other individuals, such as management staff, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit and Finance 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 and Finance Committee members along with briefing materials before the scheduled Audit and Finance Committee meeting. The Audit and Finance Committee will act only on the affirmative vote of a majority of the members at a meeting or by the consent of a majority of the members. Minutes of these meetings may be recorded.

Responsibilities

The Audit and Finance Committee shall have responsibilities related to: (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; and (d) miscellaneous issues related to the financial practices of the Corporation.

A. Independent Auditors and Financial Statements

The Audit and Finance Committee shall:

- Recommend, 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.
- 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.
- Present annually to the Corporation's Directors 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 issuance of debt by the Corporation.
- Review the Committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Directors of the Corporation. The Audit and Finance Committee charter will be updated as applicable laws, regulations and standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request member approval for proposed changes.

B. Internal Controls, Compliance and Risk Assessment

The Audit and Finance 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.

C. Special Investigations

The Audit and Finance 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 members, officers, or staff 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.

D. Other Responsibilities of the Audit and Finance Committee

The Audit and Finance Committee shall:

- Present annually to the Corporation's Directors 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 the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request directors approval for proposed changes.