

Orleans Land Restoration Corporation

121 North Main Street
Albion, NY 14411

(585) 589-7060

OLRC Audit Committee Agenda

Friday April 12, 2024 at 9:00 AM

Updated: 04/07/24

- **Call OLRC Audit Committee meeting to order**
- **Roll Call** – Calling of Committee members, announcement as to whether a quorum is present
- **Approval of Previous Committee Meeting Minutes**
 - *June 9, 2023 (electronic) - Motion*
- **OLRC Financial**
 - **Review of 2023 Financials/ Audit Report for the OLRC -David Gabel EFPR Group (Separate handout)- - Motion to/not to recommend to Board**
- **Legal**
- **Old Business**
- **New Business**
 - **Recommend or not recommend for the approval of the Audit Committee Charter - Motion**
- **Motion to adjourn**

ORLEANS LAND RESTORATION CORPORATION

AUDIT COMMITTEE CHARTER

This Audit Committee Charter was adopted by the Board of Directors of the Orleans Land Restoration Corporation (the "Authority"), a not-for-profit corporation established under the laws of the State of New York, on this 20th day of August, 2010.

Purpose

Pursuant to Article III of the Authority's by-laws, the Authority's Board may appoint committees to consist of three (3) or more Directors as the Board may from time to time determine. The Authority's Board has voted to create an audit committee which shall be constituted and shall have the purposes, powers and responsibilities as set forth in this Audit Committee Charter. The purpose of the audit committee shall be to (1) assure that the Authority's Board fulfills its responsibilities for the Authority's 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 and the Board of Directors.

Powers of the Audit Committee

It shall be the responsibility of the audit committee to:

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

The Authority's 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 consist of at least three members of the Board of Directors who are "independent members" 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. The Authority's Board will appoint the audit committee members and the audit committee chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. The members of the audit committee shall be familiar with corporate financial and accounting practices and

shall possess the necessary skills to understand the duties and functions of the audit committee.

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

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 Authority. 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 or via videoconference. 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 Authority's independent auditor at least annually to discuss the financial statements of the Authority.

Meeting agendas will be prepared for every meeting and provided to the audit committee members along with briefing materials five (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. 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) 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 Authority; and (e) the review of proposals for the issuance of debt by the Authority and making recommendations regarding such proposed debt issuance.

A. Independent Auditors and Financial Statements

The audit committee shall:

- Recommend the appointment of, compensate and oversee independent auditors retained by the Authority 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 Authority's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the audit committee or the Board of Directors. Non-audit services include tasks that directly support the Authority's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Authority, 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 Authority'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 Controls, Compliance and Risk Assessment

The audit committee shall:

- Review management's assessment of the Authority's internal controls and review the actions taken by management on the suggestions of the independent accountants and auditors for correcting weaknesses, if any, in the Authority's internal controls, regulatory compliance, organizational structure and operations and, if applicable, any weaknesses noted.
- Ensure that the Authority has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations or corruption, fraud, criminal activity, conflicts or interest or abuse by the directors, officers or employees of the Authority or any persons having business dealings with the Authority or breaches of internal control, in accordance with the Authority's Whistleblower Policy.

- 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.

C. Other Responsibilities of the Audit Committee

The audit committee shall:

- Present annually to the Authority'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 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 Authority. 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 this Charter and request Board approval for proposed changes.

D. Debt Issuance

The audit committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance.