

MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE
INDIANA ECONOMIC DEVELOPMENT CORPORATION
DECEMBER 8, 2005

The Audit Committee ("Committee") of the Board of Directors of the Indiana Economic Development Corporation (the "Corporation") met on December 8, 2005 at the Purdue Technology Center, 3000 Kent Avenue, West Lafayette, Indiana. Present at the meeting were committee members James Marcuccilli and Tim Solso. Representing the Corporation were Chad J. Sweeney and Tom Skidmore.

Mr. Marcuccilli, as chairman of the Committee, called the meeting to order. Mr. Marcuccilli noted that a sufficient number of the members of the Committee were present to constitute a quorum and recognized that the meeting of the Committee was being held in full compliance with the open door laws of the State of Indiana and noted that all postings and other related requirements were observed.

Mr. Marcuccilli noted that the first item for consideration was the draft Audit Committee Charter. Mr. Sweeney addressed some prior questions that had been raised regarding the charter. The Committee generally discussed the charter. Following discussion, Mr. Solso moved that the charter be approved. Mr. Marcuccilli seconded the motion and it was unanimously approved.

Mr. Marcuccilli then called on Mr. Sweeney to summarize the results of the recently issued State Board of Accounts audit report for the Corporation's predecessor, the Indiana Department of Commerce. Mr. Sweeney noted that the report covered the period from March 1, to February 9, 2005, which was the effective date of the dissolution of the Department of Commerce and the creation of the Corporation. Mr. Sweeney summarized the exceptions noted in the report and whether they were applicable to activities now carried on by the Corporation. In the case where they were applicable, he noted steps taken to address the issues raised. In response to one of the comments, the Committee requested that the staff propose a loan approval process to the Committee for approval.

Mr. Skidmore then briefly summarized the Corporation's year to date financial report that was provided to the Committee members in advance of the meeting and noted that the Corporation was operating within its appropriated budget.

The Committee then discussed the conflict of interest statement adopted by the Board of Directors regarding the approval of incentives for companies in which a director has a financial interest. The Committee suggested that staff create a summary of company relationships that might create a conflict and institute a procedure to check that list against proposed projects.

Finally, the Committee discussed whether to hire an outside accounting firm to conduct a review of the internal controls of the Corporation. Mr. Marcuccilli asked the staff to provide recommendations of accounting firms to him for that purpose and the Committee would make an engagement decision.

Having no further business, Mr. Marcuccilli asked for a motion to adjourn the meeting of the Committee. Such a motion was made and seconded and upon unanimous vote the Committee meeting was adjourned.

Respectfully submitted,


Chad J. Sweeney, Acting Secretary

Approved:


James Marcuccilli, Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated December 8, 2005

**NOTICE OF A MEETING OF THE AUDIT COMMITTEE OF THE
BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

Notice is hereby given that the Audit Committee of the Board of Directors of the Indiana Economic Development Corporation will hold a public meeting on December 8, 2005, at 1:30 p.m., at the Purdue Technology Center, 3000 Kent Avenue, West Lafayette, Indiana.

Indiana Economic Development Corporation Audit Committee Meeting

December 8, 2005 (1:30 p.m.)

- I. Welcome
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
- II. Discuss Audit Committee Charter
- III. Discussion of State Board of Accounts Report for Department of Commerce
- IV. Discuss October Financial Information for IEDC
- V. Discuss Other Reporting and Review Procedures