

MINUTES OF THE MEETING OF THE  
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE  
INDIANA ECONOMIC DEVELOPMENT CORPORATION  
September 8, 2015

The Audit Committee ("Committee") of the Board of Directors of the Indiana Economic Development Corporation (the "Corporation") met on September 8, 2015 at Parkview Field, 1301 Ewing Street, Fort Wayne, Indiana 46802. Present at the meeting were Committee members James Marcuccilli and Joel Gorelick. Representing the Corporation were Mark Pishon and Lee Robinson.

Mr. Marcuccilli, 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.

Mr. Marcuccilli also 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 then reviewed and presented for approval the minutes from the previous meeting of the Committee, held on April 29, 2015, at Star Bank, Indianapolis, Indiana. Upon a motion duly made and seconded, the minutes from the prior meeting were unanimously adopted.

Mr. Pishon discussed portfolio management at Elevate Ventures ("EV") and noted that annual reviews have transitioned to quarterly and went on to discuss the *Quarterly Stress Report* ("QSR") for the second quarter of 2015. The QSR format, analysis of revenue growth, equity position, additional financing obtained and changes in cash balance could determine whether a company should be placed on the QSR. Mr. Pishon remarked that a company placed on the watch list was deemed to be an investment of concern.

Mr. Pishon distributed copies of the Indiana Twenty-First Century Research and Technology Fund ("21 Fund") Report to the Committee. Mr. Marcuccilli inquired about other entities that may perform the same function as EV. Mr. Marcuccilli provided some history on EV and how the state adopted a funding mechanism similar to those being used by colleges and universities.

Mr. Pishon then discussed investment activity in relation to the Corporation's six (6) business development regions. Mr. Pishon stated that most investment activity occurred within the Central Region, Northeast Region, and North Central Region. Mr. Gorelick and Mr. Marcuccilli stated that there should be increased investment activity in the Northwest Region and suggested that the Corporation may want to look at its marketing efforts in the Northwest Region. Mr. Gorelick mentioned that the Northwest Region economic development leaders (Indiana University – Northwest, Valparaiso University, and Purdue University – Calumet) will likely all be willing to help participate in ways to increase investment in the Northwest Region.

Mr. Pishon informed the Committee that the Corporation received its third tranche of \$11,600,000 from the United States Department of Treasury for the State Small Business Credit Initiative.

Mr. Pishon informed the Committee about a change in the last legislative session whereby the State Budget Committee would approve the 21 Fund overall investment policy instead of each investment.

Mr. Pishon then discussed the review of the Corporation and Indiana Economic Development Foundation ("Foundation") by the State Board of Accounts ("SBOA"). The SBOA's review is ongoing and should be completed no later than September 30, 2015. The SBOA expressed concern about the need for an alcohol policy detailing the purchase and consumption of alcohol by Corporation employees and others during economic development activities. Mr. Pishon also referred to a legislative report which recommended that SBOA perform audits every four years.

Mr. Pishon also informed the Committee that Katz, Sapper & Miller, LLP was in the process of concluding its fiscal year 2015 audit of the Corporation and the Foundation.

The Committee reviewed the financial statements of the Foundation and noted that there were no liabilities. Mr. Pishon informed the Committee of the upcoming economic development trips to China and Japan.

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,



Mark Pishon, Acting Secretary

Approved:



James Marcuccilli, Chairman

Attachments:

Meeting Agenda dated September 8, 2015

**Indiana Economic Development Corporation  
Audit Committee Meeting  
Public Session Agenda  
September 8, 2015 (10:00 a.m. – 11:0 p.m.)**

- I. Welcome
  - a. Introductions
  - b. Recognition of Quorum
  - c. Recognition of Compliance with Open Door Law
  - d. Approval of Minutes from Prior Meetings
- II. Review reports related to Elevate Ventures Portfolio Management.
- III. State Board of Accounts Review Progress.
- IV. Discuss Katz, Sapper, & Miller's Annual Audit Progress.
- V. Review IED Foundation Financial Reports.

**Executive Session  
(None)**

An executive session is called for consideration of pending incentive requests made to the State of Indiana by industrial or commercial prospects (confidential proposals in progress) and discussions of records and circumstances classified as confidential by state and federal statute, IC. 5-14-1.5-6.1(b)(4) and (7).

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