

MINUTES OF THE MEETING OF
THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION
December 15, 2015

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Indiana Economic Development Corporation (the "Corporation") met on December 15, 2015, at Ivy Tech Corporate College and Culinary Center, 2820 North Meridian Street, Indianapolis, Indiana 46208. Present at the public meeting were committee members Joel Gorelick and James Marcuccilli. Representing the Corporation were Chris W. Cotterill, Mark Pishon, and Lee Robinson. Representing Katz, Sapper & Miller, LLP ("KSM") were Scott A. Schuster and Trenton Parkinson.

Chairman Marcuccilli called the meeting to order and noted that a sufficient number of committee members were present to constitute a quorum. Chairman Marcuccilli also recognized that the meeting of the Committee was being held in full compliance with the Indiana Open Door Law.

Chairman Marcuccilli then reviewed and presented for approval the minutes from the previous meeting of the Committee, held on September 8, 2015, at Parkview Field, 1301 Ewing Street, Fort Wayne, Indiana 46802. Upon a motion duly made and seconded, the minutes from the prior meeting were unanimously approved.

Mr. Schuster discussed KSM's annual audit of the Corporation and the Indiana Economic Development Foundation, Inc. (the "Foundation"). Mr. Schuster noted that there were no deficiencies or weaknesses. Mr. Schuster also noted that no audit entries or corrections were required and there were no disagreements with the views of management of the Corporation. Mr. Parkinson discussed working with the Corporation in the future to facilitate accrual basis accounting in PeopleSoft or Host Analytics.

Chairman Marcuccilli thanked KSM and Mr. Pishon for their work, noting in particular Mr. Pishon's leadership resulting in the clean audit. Mr. Gorelick made a motion to accept KSM's report and to present the report to the Board. Chairman Marcuccilli seconded the motion, which was then unanimously approved.

Mark Pishon, Chief Financial Officer, discussed the Foundation's financial reports, stating that there is \$1.1 million held in five separate banks. Mr. Pishon commented on the administrative burden of managing five separate bank accounts, but stated that the accounts are necessary so as not to exceed Federal Deposit Insurance Corporation guidelines, which the Committee requires.

Mr. Pishon discussed the Corporation's decision to limit the use of the State's credit cards. Mr. Cotterill stated that moving away from the State's credit cards also eliminates confusion about which credit cards to use and leads to more efficient processing of expenses and reimbursements. Mr. Pishon continued by stating that most of the credit card charges are travel-related and that adopting the "one card" approach would improve reporting capabilities.

Chris W. Cotterill, Executive Vice President & General Counsel, provided an update on the Corporation's approach to compensation and semi-annual performance management process.

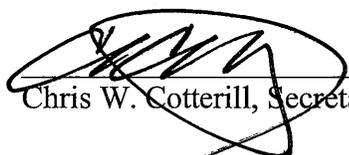
Mr. Cotterill further explained that the Corporation retained a consultant to provide independent advice to the Corporation. The consultant used data from a variety of sources, including from other education, government, and non-profit organizations with 50 to 100 employees, to help the Corporation create three job “families”—Management, Professionals, and Support—with each family having approximately five levels. There was general discussion about Mr. Cotterill’s report. Mr. Cotterill then requested approval of the report and to proceed with implementation within the confines of the Corporation’s and Foundation’s approved budgets. Mr. Gorelick made that motion, and Chairman Marcuccilli seconded the motion, which was unanimously approved.

The Committee requested an update on the development of the Corporation’s alcohol policy, which was requested by the State Board of Accounts. Mr. Cotterill reported on the status of the policy and explained that this is part of a larger effort to update other policies of the Corporation, including one addressing contributions and expenditures relating to business development efforts. Once finalized, these will be sent to the Corporation’s leadership team for approval and then to the Committee for review and approval. With regard to the alcohol policy, Mr. Cotterill emphasized that the Corporation encourages its employees to be safe, first and foremost, and that various provisions in the draft policy reflected that sentiment.

Mr. Pishon reported on the Quarterly Stress Report (“QSR”), which is compiled from follow-up investment reports filed with Elevate Ventures. It focuses on revenue growth, equity position, additional financing obtained, and change in cash balance in determining whether a company should be placed on the “watch list.” The Committee took the QSR under advisement.

Chairman Marcuccilli asked for a motion to adjourn the meeting of the Committee. Such motion was made and seconded and, upon unanimous vote, the Committee meeting was adjourned.

Respectfully submitted,


Chris W. Cotterill, Secretary

Approved:


James Marcuccilli, Chairman

Attachment:

1. Public meeting notice dated December 15, 2015
2. Public session agenda dated December 15, 2015



**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 15, 2015 at 1:00 p.m., at Ivy Tech Corporate College and Culinary Center, 2820 N. Meridian Street, Indianapolis, Indiana.

**Indiana Economic Development Corporation
Audit Committee Meeting
Public Session Agenda
December 15, 2015 (1:00 p.m. – 1:55 p.m.)**

- I. Welcome
 - Introductions
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
 - Approval of Minutes from Prior Meetings
- II. Katz Sapper Miller Presentation of FY 6/30/2014 Financial Statements and Independent Audit Report.
- III. Indiana Economic Development Foundation Update.
- IV. Compensation Structure Analysis.
- V. Alcohol Policy Update.
- VI. Elevate Ventures Quarterly Stress Report.

**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).