NEW YORK STATE OF OPPORTUNITY | Bridge Authority

ANDREW M. CUOMO
Governor

JOSEPH RUGGIERO
Executive Director

RICHARD A. GERENTINE
Chairman

COMMITTEE OF THE WHOLE ACTING ON BEHALF OF THE AUDIT COMMITTEE & FINANCE COMMITTEE
MARCH 16, 2017 - 3:00 P.M.

Audit Committee Members
Roger Higgins, Chairman
Diane Jablonski
Henry J. Stanton

Finance Committee Members
Roderick Dressel, Chairman
Richard Gerentine
Diane Jablonski

I. Adopt the Minutes of the December 15, 2016 Audit Committee Meeting

II. Adopt the Minutes of the December 15, 2016 Finance Committee Meeting

III. Review Toski & Co. 2016 Annual Report

IV. Review 2016 Annual Report Per Section 2800 Public Authorities Law

V. Review 2016 Public Authorities Law Annual Investment Report

VI. Review Tronconi, Segarra & Associates 2016 Internal Auditor Report

VII. Other Business

VIII. Adjourn

New York State Bridge Authority Finance Committee
Meeting Minutes of December 15, 2016

The New York State Bridge Authority's Finance Committee met at the Authority's Headquarters in Highland, New York, at 3:08 p.m. on December 15, 2016.

In addition to Finance Committee Chairman Roderick Dressel, Committee member Richard Gerentine and Diane Jablonski, those in attendance included:

Roger P. Higgins
Henry J. Stanton
Joseph Ruggiero
Brian Bushek
Carl G. Whitbeck, Jr., Esq.

Upon a motion made by Mr. Gerentine and seconded by Ms. Jablonski the minutes of the September 15, 2016 meeting was approved unanimously.

Mr. Bushek noted the Finance Committee complied with all requirements of the Charter. The Finance Committee reviewed the Annual Report on Committee Activities. Upon a motion made by Mr. Dressel, seconded by Gerentine, the Annual Report on Committee Activities was approved unanimously.

ANNUAL REPORT OF THE FINANCE COMMITTEE TO THE BOARD OF THE NEW YORK STATE BRIDGE AUTHORITY

Overview

Below is an outline of the Finance Committee charter requirements and the activities performed to meet those requirements. This summary will serve as the Finance Committee review of its own activity for the year 2016.

Meetings

The Finance Committee conducted meetings either itself or in conjunction with the Audit Committee on March 17, 2016, June 16, 2016, September 15, 2016, and December 15, 2016. This meets the charter requirement to have at least one meeting each quarter.

Responsibilities

1. The Finance Committee shall assist the Authority in its oversight of the Authority's long-range financial planning.
   The Committee reviewed the Budget and Financial Plan 2017-2020 and sent it to the full Board for approval at its meeting on September 15, 2016.

2. The Finance Committee shall review external debt financing proposals for major construction projects and other types of projects.
   No additional debt financing was required in 2016 or during the period covered by the current Budget and Financial Plan 2017-2020. The Finance

Committee reviewed the requirements for external debt financing at the September 15, 2016 meeting.

3. The Finance Committee shall review the status of the Authority's external debt position as required, but no less frequently than once a year.
   The Committee performed this review through the analysis of the Budget and Financial Plan 2017-2020 which included the Debt Schedule report at its September 15, 2016 meeting.

4. The Finance Committee shall assist the Authority in its oversight and preparation of the annual budget.
   The committee performed a review during the September 15, 2016 meeting where, in conjunction with the Audit Committee, it reviewed the Budget and Financial Plan for 2017-2020 and referred the budget to the full Board for approval.

5. Review and assess at least annually the adequacy of the Finance Committee Charter and submit proposed revisions to the Authority for its approval.
   The current charter was adopted during the June 17, 2010 meeting. No further revision was determined necessary during 2016 and this document is evidence of annual review.

6. At least annually, evaluate the Committee's own performance with respect to the requirements of the Charter in such a manner as the Committee deems appropriate.
   This outline will serve as an evaluation of the performance outlined in the charter and confirm responsibilities have been carried out for 2016.

Having no other business, the meeting adjourned at 3:09 pm.

New York State Bridge Authority Audit Committee
Meeting Minutes of December 15, 2016

The New York State Bridge Authority's Audit Committee met at the Authority's Headquarters in Highland, New York, at 3:05 p.m. on December 15, 2016.

In addition to Audit Committee members Chairman Roger P. Higgins, Diane Jablonski, and Henry J. Stanton those in attendance included:

Roderick O. Dressel
Joseph Ruggiero
Richard Gerentine
Brian Bushek
Carl G. Whitbeck, Jr., Esq.

Upon a motion made by Mr. Higgins and seconded by Ms. Jablonski the minutes of the September 15, 2016 meeting was approved unanimously.

Mr. Bushek noted the Audit Committee materially complied with all requirements of the Charter. The Audit Committee members reviewed the Annual Report on Committee activities. Upon a motion made by Mr. Higgins, seconded by Ms. Jablsonski the Annual Report of the Audit Committee was approved unanimously and will be sent to the full Board with the committee's recommendation for adoption.

ANNUAL REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF THE NEW YORK STATE BRIDGE AUTHORITY

Overview

Below is an outline of the Audit Committee charter requirements and the activities performed to meet those requirements. This summary will serve as the Audit Committees' review of its own activity for the year 2016.

Meetings

The Audit Committee conducted meetings on March 17, 2016, June 16, 2016, September 15, 2016, and December 15, 2016. This meets the requirement under the charter to have at least one meeting each quarter.

Responsibilities

1. Review and evaluate the independence, qualifications, and performance of the outside auditors and accountants, including (a) discussing with the outside auditors and accountants any disclosed relationships or services that may impact their objectivity and independence, (b) reviewing, at least annually, the outside audit and accounting quality control procedures; and (c) recommending retention of accountants and outside auditors.

During the March 17, 2016 meeting, the committee satisfied the annual requirements of reviewing the outside Auditor's report on the 2015

financial statements with Timothy Thomas of EFPR Group, Formerly Toski & Co., P.C. In addition the committee reviewed the report of the contract Internal Auditor, Tronconi, Segarra, and Associates.

During the June 16, 2016 meeting the Committee considered the proposal and awarded a new three year contract for the Internal Control Systems Audit to Tronconi, Segarra, and Associates, the incumbent vendor.

During the September 15, 2016 meeting the Committee considered the proposal and awarded a new three year contract the contract for Independent Accountant Services to EFPR Group, formerly Toski & Co., P.C. the incumbent vendor.

2. Review and recommend to the Board the results of such evaluation of accountants and outside auditors and take any action the Committee deems appropriate based on the evaluation.

Audit findings were reviewed during the March 17, 2016 meeting with actions taken for any audit recommendation fully implemented. No further actions were required.

3. Review and act upon the scope of accountants' and outside auditors' reports.

The full Board reviewed the audit report which produced no audit findings/management letter to be acted upon. The committee reviewed the quality control system peer review report for the auditor EFPR Group, formerly Toski, Schaeffer & Co., P.C. as part of this review of responsibilities during 2014, this peer review occurs once every three years and will be done next in 2017. This document is evidence of review.

<u>Oversight of the Authority's Internal Audit Function</u>:

4. Oversee the Authority's internal controls and compliance systems.

During the September 15, 2016 meeting the committee satisfied the annual requirements by approving the Agreed-Upon-Procedures report from our contract internal auditor, Tronconi, Segarra, & Associates.

5. Review the adequacy and direction of the Authority's internal audit function, including whether there are the necessary segregation of duties and clear chain of command procedures in place to maintain proper checks and balances.

The committee contracted with Tronconi, Segarra & Associates to be the Internal Auditor during 2011 through 2015. Finding performance acceptable awarded an additional three year contract with two optional one

year extensions after a competitive bidding process at the June 16, 2016 meeting. The internal auditor is the mechanism utilized by the Authority to comply with the requirement to have in place a program of internal control review regarding the adequacy of internal controls. The authority acts upon the internal auditors findings. Segregation of duties requirements are satisfied through contracting the internal audit function as opposed to utilizing a staff position that contained additional operational job responsibilities.

6. Approve the Authority's annual internal audit work plan and direct the activities of the internal control officer and internal auditor.

The committee approved the one year Internal Audit Plan during the September 15, 2016 meeting. The audit plan was developed as an extension of the three year plan from 2011 based upon a risk assessment prepared by the internal auditor in conjunction with the internal control officer.

The committee will review the final audit report for 2016 from the contracted internal auditor (Troconi, Segarra & Associates) after the 2016 Audit report is completed. The committee reviewed the 2015 report during the March 17, 2016 meeting.

7. Review the adequacy and direction of the internal controls of the Authority in consultation with the outside auditors and the internal auditor.

The committee reviewed the adequacy and direction of the Authority's internal controls with the internal control officer during its review of the 2016 Audit Plan at the September 15, 2016 meeting. In addition, this review was performed by the committee during the review of the 2015 Annual Report.

8. Obtain and review management reports on internal controls.

The committee reviewed and accepted the 2015 Internal Auditor's Report and the Annual Report during its March 17, 2016 meeting.

Financial Statements and Disclosure Matters:

9. In conjunction with the Finance Committee, discuss with the Authority Board and appropriate Executives and Senior Staff of the Authority any significant

financial reporting, accounting, and audit issues and judgments pertinent to the preparation and approval of the Authority's Financial Statements.

No issue of significant financial reporting, accounting, and audit issues and judgments pertinent to the preparation and approval of the Authority's Financial Statements arose during 2016.

10. In conjunction with the Finance Committee, consider major changes and other major questions of choice respecting the appropriate auditing and accounting principles and practices to be used in preparing the Financial Statements.

No significant issues related to major changes and other major questions of choice respecting the appropriate auditing and accounting principles and practices pertinent to the preparation and approval of the Authority's Financial Statements have been identified for 2016.

Compliance Oversight Responsibilities:

11. Resolve disagreements with respect to, and oversee compliance with, accounting policies and principles.

No disagreements with respect to accounting policies and principles have been identified in 2016.

12. Serve as a channel of communication among the internal auditor, accountants, outside auditors, the Finance Committee and the members of the Authority Board.

The audit committee serves as the channel of communications for relevant parties where appropriate.

13. Report regularly to the Authority Board on the Committee's deliberations and recommend to the Board any action the Committee deems appropriate with respect to any issues that arise concerning compliance with legal or regulatory requirements, performance and independence of the outside auditors, or performance of the internal auditors and, in conjunction with the Finance Committee report on the quality or integrity of the Financial Statements.

No issues arose of this nature during 2016 that required deliberations.

14. Review all reports and draft reports delivered by the Office of the State Comptroller to the Authority, and recommend to the Authority Board any action the Committee deems appropriate based on the scope of such reports.

No reports or draft reports by the Office of the State Comptroller were received in 2016.

15. Establish procedures for the receipt, retention, investigation, and/or referral to the New York State Inspector General of complaints received by the Authority regarding accounting, internal controls, and auditing.

The Audit Committee approved the procedure on Internal Control Violation Complaints during the December 2010 meeting. The committee has reviewed and recommends no revisions for 2016.

16. Review all reports and draft reports delivered by the State Inspector General to the Authority, and serve as a point of contact with such Inspector General.

No reports or draft reports by the State Inspector General were received during 2016.

17. Investigate compliance with the Authority's policies and/or referring instances of non-compliance to the State Inspector General for investigation.

No reports of non-compliance with the Authority's policies were received during 2016.

Other Responsibilities:

18. Review and reassess annually the adequacy of this charter and request Board approval for proposed changes.

The Audit Committee adopted its current amended charter in June 2010 making changes it deemed appropriate. No further revision was determined necessary during 2016 and this document is evidence of annual review.

19. Confirm annually that all responsibilities outlined in this charter have been carried

out.

This outline will serve as the confirmation that responsibilities outlined in the charter have been carried out for 2016.

20. Institute and oversee special investigations as needed.

No special investigations were required or in progress for 2016.

21. Perform such other duties as the Committee considers appropriate.

No other duties had been identified for 2016.

22. Where necessary, consult with the Finance Committee.

The March 17, 2016 and September 15, 2016 committee meetings were joint meetings with the Finance Committee to review the 2015 Annual Report, Internal Auditor's Report, and 2017-2020 Budget and Financial Plan.

Having no other business, the meeting adjourned at 3:07 pm.

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.:

Resolution Date: March 16, 2017

WHEREAS, Public Authorities Law § 2800 requires that an annual report be prepared and submitted to the Board for approval each year and annual PARIS reporting requires the Mission Statement and Lobbying Contact Policy reported; now therefore and,

BE IT RESOLVED, the New York State Bridge Authority does hereby approve the Annual Report pursuant to Public Authorities Law § 2800 for the fiscal year 2016, the Mission Statement and Lobbying Contact Policy; and

BE IT FURTHER RESOLVED, that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 16th day of March, 2017.

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Joseph Ruggiero, Secretary

NEW YORK STATE BRIDGE AUTHORITY
BOARD RESOLUTION

Resolution No.:

Resolution Date: March 16, 2017

WHEREAS, Investment Guidelines adopted by this Authority pursuant to the Public Authorities Law § 2925 require that an annual report be prepared and submitted to the Board for approval each year; now therefore and,

BE IT RESOLVED, the New York State Bridge Authority does hereby approve the Annual Investment Report for the fiscal year 2016; and

BE IT FURTHER RESOLVED, that the Executive Director, or his designee, is hereby authorized and directed to take the necessary measures to implement this resolution.

IN WITNESS WHEREOF, this resolution has been duly adopted this 16th day of March, 2017.

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Joseph Ruggiero, Secretary