



**Albany County Business Development Corporation  
Board of Directors Meeting**

111 Washington Ave, Albany NY

February 16, 2023

8:30 AM – 10:00 AM

***AGENDA***

Welcome

1. Review of December 15, 2022, Minutes Allen Maikels
2. Review of December 2022, Financials Allen Maikels and Amy Thompson
3. Annual Review of Unaudited Budget results Allen Maikels and Amy Thompson
4. Alliance Agency Voucher Amy Thompson
5. Review Audit Engagement Letter Jeff Stone
6. Review and Approve Bylaw Resolutions Madeline Kaufmann
7. PARIS Reporting Documents Allen Maikels
  - a. Review and Approve Policies (Procurement Guidelines,
  - b. Property Disposition, Acquisition Policies, Investment Policy, Review Code of Ethics, Whistleblower, Conflict of Interest) (Resolution)
  - c. Approve Mission Statement & Performance Goals for 2023 (*Resolution*)
  - d. Report that all Board members completed ABO Board Member Training
  - e. Provide Confidential Board Evaluation Forms to Board Members
8. Alliance CEO Report Kevin O'Connor
9. Other Business
10. Adjournment Allen Maikels



## 2023 Board Meeting Dates

January 19
February 16
March 16
April 20
May 18
June 15
July 20
August 17
September 21
October 19
November 16
December 21

All meetings will be the third Thursday of the month from 8:30 a.m. to 9:30 a.m. (unless otherwise instructed).



**Board of Directors Meeting Minutes  
December 15, 2022**

DIRECTORS PRESENT	Allen Maikels, Marcus Pryor, Pamela Lansing (via phone), Jeffrey Stone, Sean Ward, George Penn
DIRECTORS ABSENT	Andrew Joyce
COUNSEL PRESENT	Madeline Kauffman
AACA STAFF PRESENT	Kevin O'Connor, Melanie LaRose, Kevin Catalano, Luc Rogers
GUEST PRESENT	Caitlin O'Brien, representing Albany County Legislature Chairman- Andrew Joyce Amy Thompson, CFO-For Hire/BST

Mr. Maikels called the meeting to order at 8:38 a.m.

Mr. Maikels presented the Minutes from the October 27, 2022, meeting. Mr. Ward motioned to approve, Mr. Stone seconded, all were in favor.

Mr. Maikels presented November 2022, Financials. Mr. Pryor motioned to approve, Mr. Ward seconded, all were in favor.

Mr. Maikels presented the 2022 Conflict of Interest Form.

Mr. Catalano presented renewal for MAC Equipment, Inc. Mr. Stone motioned to approve, Mr. Maikels seconded, and all were in favor.

Mr. Catalano presented renewal for Diamond Facility Enterprises. Mr. Pryor motioned to approve, Mr. Stone seconded, and all were in favor.

The loan application of Altamont Physical Therapy was presented to the Board. Upon due consideration of the following proposed loan terms, a motion to continue the approval was made by Mrs. Lansing, seconded by Mr. Stone, and all of those in attendance and voting were in favor:

Borrower:	Erik Carmen, PT/Altamont Physical Therapy
Principal Amount:	\$158,700.00
Interest Rate:	4%
Term:	5-year term, 20-year amortization
Collateral:	Second mortgage on commercial real estate located at 122 Maple Ave., Altamont

Once all conditions precedent to closing have been satisfied, the ACBDC is authorized to fund and close the loan transaction, including the execution by the Advance Albany County Alliance, as agent of ACBDC, of all documents required to be executed in connection therewith

The loan application of Daigle Cleaning Systems was presented to the Board. Upon due consideration of the following proposed loan terms, a motion to continue the approval was made by Mrs. Lansing, seconded by Mr. Maikels, and all of those in attendance and voting were in favor:

Borrower: Daigle Cleaning Systems, Inc. Real Estate Holding Company to be Formed  
Principal Amount: \$100,000.00  
Interest Rate: 4%  
Term: 5-year term, 20-year amortization  
Collateral: Second mortgage on property located at 17 Erie St., Albany, NY

Once all conditions precedent to closing have been satisfied, the ACBDC is authorized to fund and close the loan transaction, including the execution by the Advance Albany County Alliance, as agent of ACBDC, of all documents required to be executed in connection therewith

Mr. O'Connor gave the Alliance CEO Report. Updates on the new office space, job opportunities, commercial real estate market, and offshore wind activity.

Mr. Ward motioned to adjourn the meeting at 9.30 a.m., Mr. Pryor seconded, and all were in favor.

Respectfully submitted,

Allen Maikels, Secretary/Treasurer  
Date: 12/15/22

**RESOLUTION 2022-01-01  
OF THE  
ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION AUTHORITY**

**WHEREAS**, the Albany County Business Development Corporation (the "Corporation") is a "local authority" as defined within the Public Authorities Law ("PAL") of the State of New York, and as such, the Corporation shall adoption of certain Corporation policies; and

**WHEREAS**, pursuant to, and in accordance with PAL, the Corporation has completed its annual review of the following policies:

- Procurement Guidelines
- Property Disposition and Acquisition Policies; and
- Investment Guidelines.

**NOW, THEREFORE BE IT RESOLVED**, that the above polices/directives are approved by the Corporation.

Dated: March 17, 2022

\_\_\_\_\_  
Secretary

Motion made by:

Seconded by:

Vote:

**Albany County Business Development Corporation**  
**Statement of Net Position**  
As of December 31, 2022

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
<b>Restricted Cash</b>	
10220 - M&T MM 3324 ALTECH ACBDC	7,375,300.16
10250 - M&T 4113 AI Tech Operating	633,489.80
<b>Total Restricted Cash</b>	<b>\$ 8,008,789.96</b>
<b>Unrestricted Cash</b>	
10210 - M&T ACBDC Corp Checking 4105	22,851.88
10255 - M&T 3994 CRAF Operating	3.00
<b>Total Unrestricted Cash</b>	<b>\$ 22,854.88</b>
<b>Total Bank Accounts</b>	<b>\$ 8,031,644.84</b>
<b>Accounts Receivable</b>	
14615 - Loans Receivable-AI Tech LT	11,642,648.86
14620 - Bad Debt Allowance	-88,594.00
15150 - Accrued Loan Interest	32,262.00
<b>Total Accounts Receivable</b>	<b>\$ 11,586,316.86</b>
<b>Total Current Assets</b>	<b>\$ 19,617,961.70</b>
<b>Fixed Assets</b>	
16000 - Furniture & Fixtures	6,588.00
16999 - Accumulated Depreciation	-6,588.00
<b>Total Fixed Assets</b>	<b>\$ 0.00</b>
<b>TOTAL ASSETS</b>	<b>\$ 19,617,961.70</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
1-20150 - Accrued Expenses	5,000.00
20015 - Deferred Loan Interest	277.00
20050 - Due to the Chamber	2.74
20051 - Due to Advance Albany Co Alliance	46,949.82
<b>Total Accounts Payable</b>	<b>\$ 52,229.56</b>
<b>Total Current Liabilities</b>	<b>\$ 52,229.56</b>
<b>Total Liabilities</b>	<b>\$ 52,229.56</b>
<b>Net Position</b>	
28615 - Trust Assets	15,650,961.00
30000 - Net Assets	6,176,905.00
Retained Earnings	-2,437,548.24
Net Operating Revenues	175,414.38
<b>Total Net Position</b>	<b>\$ 19,565,732.14</b>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 19,617,961.70</b>

**Albany County Business Development Corporation**  
**Statement of Revenue, Expenses and Changes in Net Position**  
YTD December 2022

		<u>Total</u>
<b>Operating Revenues</b>		
41000 - Application Fees		2,000.00
44000 - Bank Interest		17,936.88
44050 - Loan Interest Earned		353,716.28
<b>Total Operating Revenues</b>	<b>\$</b>	<b>373,653.16</b>
<b>Gross Profit</b>	<b>\$</b>	<b>373,653.16</b>
<b>Operating Expenses</b>		
50015 - Bank Fees		36.00
50035 - Agency Fee		198,202.78
<b>Total Operating Expenses</b>	<b>\$</b>	<b>198,238.78</b>
<b>Net Operating Income</b>	<b>\$</b>	<b>175,414.38</b>
<b>Change in Net Position</b>	<b>\$</b>	<b>175,414.38</b>
<b>Net Position (Beginning of Period)</b>		<u>19,549,437</u>
<b>Net Position (End of Period)</b>		<u><u>19,724,852</u></u>

**Albany County Business Development Corporation**  
**Budget vs. Actuals: 2022 Budget - FY22 P&L**  
YTD December 2022

	Actual	Budget	Budget Variance	% of Budget
<b>Operating Revenues</b>				
<b>41000 - Application Fees</b>	2,000.00	4,000.00	(2,000.00)	0.00%
<b>44000 - Bank Interest</b>	17,936.88	3,900.00	14,036.88	459.92%
<b>44050 - Loan Interest Earned</b>	353,716.28	390,000.00	(36,283.72)	90.70%
<b>Total Operating Revenues</b>	<b>\$ 373,653.16</b>	<b>\$ 397,900.00</b>	<b>-\$ 24,246.84</b>	<b>93.91%</b>
<b>Operating Expenses</b>				
<b>50015 - Bank Fees</b>	36.00	0.00	36.00	100.00%
<b>50035 - Agency Fee</b>	198,202.78	300,000.00	(101,797.22)	66.07%
<b>Bad Debt Writeoff</b>	0.00	30,000.00	(30,000.00)	0.00%
<b>Total Operating Expenses</b>	<b>\$ 198,238.78</b>	<b>\$ 330,000.00</b>	<b>-\$ 131,761.22</b>	<b>60.07%</b>
<b>Change in Net Position</b>	<b>\$ 175,414.38</b>	<b>\$ 67,900.00</b>	<b>\$ 107,514.38</b>	<b>258.34%</b>



**Albany County Business Development Corporation**  
**Statement of Net Position**  
As of January 31, 2023

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
<b>Restricted Cash</b>	
10220 - M&T MM 3324 ALTECH ACBDC	7,385,642.69
10250 - M&T 4113 AI Tech Operating	775,269.92
<b>Total Restricted Cash</b>	<b>\$ 8,160,912.61</b>
<b>Unrestricted Cash</b>	
10210 - M&T ACBDC Corp Checking 4105	22,872.26
10255 - M&T 3994 CRAF Operating	3.00
<b>Total Unrestricted Cash</b>	<b>\$ 22,875.26</b>
<b>Total Bank Accounts</b>	<b>\$ 8,183,787.87</b>
<b>Accounts Receivable</b>	
14615 - Loans Receivable-AI Tech LT	11,531,015.62
14620 - Bad Debt Allowance	-88,594.00
15150 - Accrued Loan Interest	32,262.00
<b>Total Accounts Receivable</b>	<b>\$ 11,474,683.62</b>
<b>Total Current Assets</b>	<b>\$ 19,658,471.49</b>
<b>Fixed Assets</b>	
16000 - Furniture & Fixtures	6,588.00
16999 - Accumulated Depreciation	-6,588.00
<b>Total Fixed Assets</b>	<b>\$ 0.00</b>
<b>TOTAL ASSETS</b>	<b>\$ 19,658,471.49</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
1-20150 - Accrued Expenses	5,000.00
20015 - Deferred Loan Interest	277.00
20050 - Due to the Chamber	2.74
20051 - Due to Advance Albany Co Alliance	72,528.65
<b>Total Accounts Payable</b>	<b>\$ 77,808.39</b>
<b>Total Current Liabilities</b>	<b>\$ 77,808.39</b>
<b>Total Liabilities</b>	<b>\$ 77,808.39</b>
<b>Net Position</b>	
28615 - Trust Assets	15,650,961.00
30000 - Net Assets	6,176,905.00
Retained Earnings	-2,264,588.14
Net Operating Revenues	17,385.24
<b>Total Net Position</b>	<b>\$ 19,580,663.10</b>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 19,658,471.49</b>

**Albany County Business Development Corporation**  
**Statement of Revenue, Expenses and Changes in Net Position**  
 YTD January 2023

		<u>Total</u>
<b>Operating Revenues</b>		
41000 - Application Fees		0.00
44000 - Bank Interest		11,041.10
44050 - Loan Interest Earned		29,468.69
<b>Total Operating Revenues</b>	<b>\$</b>	<b>40,509.79</b>
<b>Gross Profit</b>	<b>\$</b>	<b>40,509.79</b>
<b>Operating Expenses</b>		
50015 - Bank Fees		0.00
50035 - Agency Fee		23,124.55
<b>Total Operating Expenses</b>	<b>\$</b>	<b>23,124.55</b>
<b>Net Operating Income</b>	<b>\$</b>	<b>17,385.24</b>
<b>Change in Net Position</b>	<b>\$</b>	<b>17,385.24</b>
<b>Net Position (Beginning of Period)</b>		<u>19,563,278</u>
<b>Net Position (End of Period)</b>		<u><u>19,580,663</u></u>

**Albany County Business Development Corporation**  
**Budget vs. Actuals: 2022 Budget - FY22 P&L**  
YTD January 2023

	Actual	Budget	Budget Variance	% of Budget
<b>Operating Revenues</b>				
41000 - Application Fees	0.00	0.00	-	0.00%
44000 - Bank Interest	11,041.10	106.63	10,934.47	10354.59%
44050 - Loan Interest Earned	29,468.69	32,705.13	(3,236.44)	90.10%
<b>Total Operating Revenues</b>	<b>\$ 40,509.79</b>	<b>\$ 32,811.76</b>	<b>\$ 7,698.03</b>	<b>123.46%</b>
<b>Operating Expenses</b>				
50015 - Bank Fees	0.00	0.00	-	100.00%
50035 - Agency Fee	23,124.55	19,250.00	3,874.55	120.13%
Bad Debt Writeoff	0.00	0.00	-	0.00%
<b>Total Operating Expenses</b>	<b>\$ 23,124.55</b>	<b>\$ 19,250.00</b>	<b>\$ 3,874.55</b>	<b>120.13%</b>
<b>Change in Net Position</b>	<b>\$ 17,385.24</b>	<b>\$ 13,561.76</b>	<b>\$ 3,823.48</b>	<b>128.19%</b>

Advance Albany County Alliance LDC  
as agent for  
Albany County Business Development Corporation  
Q4  
Voucher \$47,428.82

2022 Agency Budget	\$	330,000.00
Q4 2022 Salaries and Fringe Benefits	\$	33,321.20
Q4 2022 Professional Fees	\$	6,134.98
Q4 2022 Other Business Expenses	\$	8,960.28
Q4 2022 Rental Income	\$	(987.64)
<b>Total Q4 2022 Voucher</b>	<b>\$</b>	<b>47,428.82</b>
Q1 2022 Voucher Paid April 2022	\$	62,294.25
Q2 2022 Voucher Paid September 2022	\$	46,340.25
Q3 2022 Voucher Paid November 2022	\$	42,618.46
Total Remaining	<b>\$</b>	<b>151,252.96</b>

**Advance Albany County Alliance**  
**Profit and Loss by Class**  
October - December, 2022

	ACBDC	CRC	General	TOTAL
<b>Income</b>				
ACBDC Reimbursement	47,428.82			47,428.82
EDA Cares Grant Revenue			25,000.00	25,000.00
Rental Income	987.64		2,962.92	3,950.56
<b>Total Income</b>	<b>\$ 48,416.46</b>	<b>\$ 0.00</b>	<b>\$ 27,962.92</b>	<b>\$ 76,379.38</b>
<b>Gross Profit</b>	<b>\$ 48,416.46</b>	<b>\$ 0.00</b>	<b>\$ 27,962.92</b>	<b>\$ 76,379.38</b>
<b>Expenses</b>				
Legal & Professional Services	6,134.98	0.00	42,879.38	49,014.36
Office Supplies			521.34	521.34
Other Business Expenses				0.00
Bank Charges & Fees			10.50	10.50
Cell Phone	206.57		68.86	275.43
Computer Software	2,515.80		209.99	2,725.79
Computer/Internet			1,521.36	1,521.36
Dues & Subscriptions	1,249.98		1,462.50	2,712.48
Filing Fees	100.00		750.00	850.00
Insurance	1,124.56			1,124.56
Marketing			7,793.28	7,793.28
Meals & Entertainment			615.76	615.76
Meeting Expense			3,111.99	3,111.99
Payroll Fee	1,485.41		370.99	1,856.40
Postage	37.93		59.10	97.03
Rent	1,975.28		5,925.85	7,901.13
Telephone			20.00	20.00
Travel Expenses	45.00		317.31	362.31
Utilities	219.75		659.25	879.00
<b>Total Other Business Expenses</b>	<b>\$ 8,960.28</b>	<b>\$ 0.00</b>	<b>\$ 22,896.74</b>	<b>\$ 31,857.02</b>
<b>Payroll Expenses</b>				0.00
Employee Benefits				0.00
401k ER Match	1,771.46		1,019.88	2,791.34
Health Insurance	1,862.05		205.11	2,067.16
Payroll Tax - FICA	2,064.50		1,225.71	3,290.21
Payroll Tax - FUTA	2.87		3.17	6.04
Payroll Tax - SUTA	20.09		22.45	42.54
Workers Comp	65.80		65.87	131.67
<b>Total Employee Benefits</b>	<b>\$ 5,786.77</b>	<b>\$ 0.00</b>	<b>\$ 2,542.19</b>	<b>\$ 8,328.96</b>
Salaries	27,534.43		16,103.28	43,637.71
<b>Total Payroll Expenses</b>	<b>\$ 33,321.20</b>	<b>\$ 0.00</b>	<b>\$ 18,645.47</b>	<b>\$ 51,966.67</b>
<b>Total Expenses</b>	<b>\$ 48,416.46</b>	<b>\$ 0.00</b>	<b>\$ 84,942.93</b>	<b>\$ 133,359.39</b>
<b>Net Operating Income</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>-\$ 56,980.01</b>	<b>-\$ 56,980.01</b>
<b>Other Expenses</b>				
Depreciation Expense			4,154.10	4,154.10
<b>Total Other Expenses</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 4,154.10</b>	<b>\$ 4,154.10</b>
<b>Net Other Income</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>-\$ 4,154.10</b>	<b>-\$ 4,154.10</b>
<b>Net Income</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>-\$ 61,134.11</b>	<b>-\$ 61,134.11</b>

Row Labels	Sum of Amount
111 Washington Avenue, LLC	\$ 2,268.28
ADP	\$ 1,485.41
Aurora Inc Liability Ins	\$ 698.55
BST & Co CPAs LLC	\$ 785.00
Camoin Associates, Inc	\$ 286.87
CDPHP	\$ 2,543.72
CEG Dues	\$ 1,249.98
Conti Appraisal & Consulting, LLC	\$ 625.00
Dept of Law	\$ 100.00
Downhome Solutions	\$ 378.00
Dropbox	\$ 90.00
Hubspot Software	\$ 1,927.80
Kevin Catalano	\$ 251.57
Melanie Larose	\$ 36.83
Nolan Heller Kauffman LLP	\$ 4,558.11
Payroll	\$ 1,089.79
Payroll 10/21/22 WC	\$ 9.40
Payroll 10/7/22 WC	\$ 9.40
Payroll 11/18/22 WC	\$ 9.40
Payroll 11/4/22 WC	\$ 9.40
Payroll 12/16/22 WC	\$ 18.80
Payroll 12/2/22 WC	\$ 9.40
Payroll Accrual A Dukes-Hedge	\$ 51.46
Payroll Accrual K Catalano	\$ (1,928.70)
Payroll Accrual M Larose	\$ (232.40)
Payroll K Catalano	\$ 27,963.78
Payroll M Larose	\$ 3,767.75
Philadelphia Ins D&O	\$ 401.01
Philadelphia Insurance Companies	\$ 25.00
RC Utilities	\$ (73.25)
USPS	\$ 1.10
(blank)	
<b>Grand Total</b>	<b>\$ 48,416.46</b>
Rental Income	\$ 987.64
<b>Total Voucher</b>	<b>\$ 47,428.82</b>

January 4, 2023

Albany County Business Development Corporation  
Attn: Kevin Catalano, Sr. VP & Director of Commercial Lending  
112 State Street, Room 1200  
Albany, NY 12207

Dear Kevin:

We are pleased to confirm our understanding of the services we are to provide for Albany County Business Development Corporation for the year ended December 31, 2022.

**Audit Scope and Objectives**

We will audit the financial statements of Albany County Business Development Corporation (the Organization), which comprise the statement of financial position as of December 31, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements or in a report combined with our auditor's report on the financial statements:

1) Schedule of expenditures of federal awards

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

### **Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The auditors' procedures do not include testing compliance with laws and regulations in any jurisdiction related to Medicare and Medicaid antifraud and abuse. It is the responsibility of management of the Organization, with the oversight of those charged with governance, to ensure that the Organization's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provision of laws and regulations that determine the reported amounts and disclosures in the Organization's financial statements. Therefore, management's responsibilities for compliance with laws and regulations applicable to its operations, include, but are not limited to, those related to Medicare and Medicaid antifraud and abuse statutes.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements and related matters; and other responsibilities required by generally accepted auditing standards.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Risk of management override of controls
- Fraudulent revenue recognition

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of



those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Organization's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Organization's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Other Services**

We will prepare the Organization's federal and state information and returns for the year ended December 31, 2022, for the federal and New York jurisdictions, as outlined in our separate engagement letter based on information provided by you.

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, related notes, and data collection form of the Organization in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are

administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records and related information available to us, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review no later than the date of commencement of field work.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to our Firm, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available for users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on the Organization's website, management understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with

the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

### **Engagement Administration, Fees, and Other**

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations and schedules we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bonadio & Co., LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability

Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bonadio & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Kevin C. Testo is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. To ensure that Bonadio & Co. LLP's independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

We estimate that our fees for the audit will be \$18,500 and \$1,500 for the information returns. We estimate that our fees for the single audit will be. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We will issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Monroe, New York and any ensuing litigation shall be conducted within said county, according to New York law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

### **Reporting**

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors and Management of Albany County Business Development Corporation. Circumstances may arise in which our report may differ from its expected form and content based upon the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

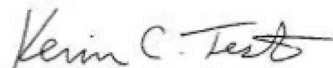
You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2020 peer review report accompanies this letter.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

BONADIO & CO., LLP



By:

Kevin C. Testo, CPA  
Partner

RESPONSE:

This letter correctly sets forth the understanding of Albany County Business Development Corporation:

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Management Signature

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Governance Signature



8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809  
225-922-4600 Phone – 225-922-4611 Fax – [pncca.com](http://pncca.com)

*A Professional Accounting Corporation*

### Report on the Firm's System of Quality Control

To the Partners of  
Bonadio & Co., LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bonadio & Co., LLP has received a peer review rating of *pass*.

A handwritten signature in cursive script that reads 'Postlethwaite &amp; Netterville'.

Baton Rouge, Louisiana  
October 19, 2020

January 4, 2023

Albany County Business Development Corporation  
Attn: Kevin Catalano, Sr. VP & Director of Commercial Lending  
112 State Street, Room 1200  
Albany, NY 12207

Dear Kevin:

This letter is to confirm and specify the terms of our engagement with Albany County Business Development Corporation for the year ended December 31, 2022, and to clarify the nature and extent of the tax services we will provide.

**Entire Agreement**

This engagement letter ("Agreement") constitutes the entire agreement between the client to whom such engagement letter is addressed, and any other legal entities referred to therein ("Client" or "you") and Bonadio & Co., LLP, a New York limited liability partnership ("Bonadio & Co., LLP" "we" or "us"), regarding the services described in the engagement letter.

**Responsibilities of Bonadio & Co., LLP**

Our engagement is limited to performing the following services:

**a. Tax Return Services**

Tax return services include the preparation of the federal and state information returns listed on Exhibit A, attached hereto and made a part hereof.

We will perform our services on the basis of the information you have provided and in consideration of the applicable federal, foreign, state or local tax laws, regulations and associated interpretations relative to the appropriate jurisdiction as of the date the services are provided. Tax laws and regulations are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. We do not assume responsibility for such changes occurring after the date we have completed our services.

This engagement does not cover the preparation of any tax returns not listed in this letter, financial statements, or other services which, if we are to provide, will be covered under a separate engagement letter.

**Responsibilities of the Client**

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return(s) to us. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

6 Wembley Court  
Albany, New York 12205  
p (518) 464-4080  
f (518) 464-4087

[www.bonadio.com](http://www.bonadio.com)



### **Responsibilities of the Client (Continued)**

You are responsible for assuming all management responsibilities, and for overseeing any services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. We will not verify the information you give us; however, we may ask for additional clarification of some information.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

### **Electronic Communications**

In performing services under this Agreement, Bonadio & Co., LLP and/or Client may wish to communicate electronically either via facsimile, electronic mail or similar methods (collectively, "E-mail"). However, the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Unless you notify us otherwise, we shall regard your acceptance of this Agreement as including your consent to use E-mail. All risks related to your business and connected with the use of E-mail are borne by you and are not our responsibility.

### **Electronic Filing**

Your return may be electronically filed with the IRS and states requiring electronic filing. We will provide you with a copy of your final returns for review prior to electronic transmission. The IRS requires that you sign an e-file authorization form indicating that you have reviewed the return, it is correct to the best of your knowledge, and you authorize us to submit it electronically. We cannot transmit any return until we have the appropriate signed authorizations.

### **Foreign Asset Responsibilities**

Certain entities may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the U.S. Department of the Treasury. Failure to comply with the filing requirements may result in significant civil and criminal penalties.

We are able to assist you in the preparation of these foreign account filings if you request. If you would like us to prepare these filings, or if you have questions concerning your filing obligations, you should contact us as soon as possible and provide us with all requested information.

### **Disclosure**

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

### **Recordkeeping**

It is our policy to keep records for seven years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. A copy of your return should be kept indefinitely.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you under the terms of a separate engagement letter.

### **Fees**

Our fees for tax services will be based in part upon the amount of time required at our standard billing rates for the personnel working on the engagement, plus out-of-pocket expenses. All invoices are due and payable upon presentation. Amounts not paid within 45 days from the invoice date will be subject to a late payment charge of 1.5% per month.

Our fee estimate for the tax return preparation services listed are outlined in Exhibit A.

**Fees (Continued)**

Fees for additional tax services that fall outside the scope of this tax compliance engagement are based upon our standard billing rates for the personnel working on the engagement. Billing rates vary depending on the experience level of the staff member providing the services.

**Limitation of Liability**

All services will be rendered by and under the supervision of qualified staff in accordance with the AICPA's Statements on Standards for Tax Services and the terms and conditions set forth in this Agreement. Bonadio & Co., LLP makes no other representation or warranty regarding either the services to be provided or any Deliverables; in particular, and without limitation of the foregoing, any express or implied warranties of fitness for a particular purpose, merchantability, warranties arising by custom or usage in the profession, and warranties arising by operation of law are expressly disclaimed.

In no event, unless it has been finally determined that Bonadio & Co., LLP was grossly negligent or acted willfully or fraudulently, shall Bonadio & Co., LLP be liable to the client or any of its officers, directors, employees or shareholders or to any other third party, whether a claim be in tort, contract or otherwise for any amount in excess of the total professional fee paid by you to us under this agreement for the particular service to which such claim relates. In no event shall Bonadio & Co., LLP be liable for any special, consequential, indirect, exemplary, punitive, lost profits or similar damages, even if we have been apprised of the possibility thereof.

**Indemnification**

Client agrees to indemnify and hold harmless Bonadio & Co., LLP and its personnel from any and all Third-Party claims, liabilities, costs, and expenses, including reasonable attorney fees, arising from or relating to the services under this Agreement, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of Bonadio & Co., LLP relating to such services.

**Dispute Resolution**

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Monroe, New York and any ensuing litigation shall be conducted within said county, according to New York law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

In the unlikely event that differences concerning this Agreement, or our services provided hereunder should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, Bonadio & Co., LLP and the Client agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

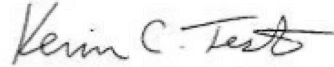
We have the right to withdraw from this engagement if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If this letter correctly describes your understanding of our engagements, please sign below and return one copy to our office. We will require a signed copy of this engagement letter back from you before we provide you with your income tax returns or financial statements. If you disagree with any of these terms, please notify us immediately.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

BONADIO & CO., LLP



By:  
Kevin C. Testo, CPA  
Partner

RESPONSE:

This letter correctly sets forth the understanding of the Organization:

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Kevin Catalano, Sr. VP & Director of Commercial Lending

**Exhibit A**

**List of Tax Returns to be Prepared**

<b>Entity</b>	<b>Year-end</b>	<b>Forms</b>	<b>Fee</b>
Albany County Business Development Corporation	December 31, 2022	IRS Form 990, <i>Return of Organization Exempt From Income Tax</i>  NYS Form CHAR500, <i>NYS Annual Filing for Charitable Organizations</i>	\$1,500

**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS**

**RESOLUTION**

**WHEREAS**, the Albany County Business Development Corporation (the “**Corporation**”), formerly known as The Capital District Local Development Corporation, was formed pursuant to Section 1411 of the Not-for-Profit Corporation Law to promote employment and to develop and retain industry; and

**WHEREAS**, the Corporation’s Certificate of Incorporation was approved by the Albany County Legislature on August 8, 1994, which Certificate of Incorporation was filed by the New York Secretary of State on September 16, 1994; and

**WHEREAS**, prior to November 1, 2022, the Certificate of Incorporation, as previously amended (as so amended, the “**Certificate of Incorporation**”), provided at Subsection 10.6 thereof that one (1) director shall be appointed by the Albany - Colonie Regional Chamber of Commerce (the “**Chamber**”) and shall serve for a three-year term; and

**WHEREAS**, as of the date hereof, subsection (c) of Section 3 of the By-Laws of the Corporation likewise provides that one (1) director shall be appointed by the Chamber from its staff and serve for a three-year term; and

**WHEREAS**, in 2021 the Corporation transitioned its administrative agency relationship to the Advance Albany County Alliance Local Development Corporation (the “**Alliance**”), and wishes to provide Board representation for the Alliance in place of the Chamber, consistent with this transition; and

**WHEREAS**, by Resolution adopted on October 27, 2022, this Board approved an amendment to the Certificate of Incorporation of the Corporation providing for the director seat theretofore appointed by the Chamber to be appointed by the Alliance, which amendment was accepted for filing by the New York Secretary of State on November 1, 2022; and

**WHEREAS**, by reason of the foregoing, it is necessary to amend the By-Laws of the Corporation to correspondingly reflect the change in the power of appointment from the Chamber to the Alliance; and

**WHEREAS**, Section 9 of the By-laws of the Corporation specifies the number of directors required to be present to constitute a quorum, which number of directors (a) exceeds the requirements of New York State Law and (b) fails to take into account that the Certificate of Incorporation of the Corporation restricts the ability of certain directors to vote on certain matters, and it is therefore desirable to set a number of directors constituting a quorum which is more consonant with the operation of the Corporation.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that subsection (c) of Section 3 of the By-laws of the Corporation is hereby amended and restated to read in its entirety as follows:

*“c. One (1) director shall be appointed by the Advance Albany County Alliance Local Development Corporation and shall serve for a three year term.”*

and be it further

**RESOLVED**, that the first unnumbered paragraph of Section 9 of the By-laws of the Corporation is hereby amended and restated to read in its entirety as follows:

“At all meetings of the **BOARD** the presence of four (4) members of the **BOARD** shall constitute a quorum for the transaction of business. Except as otherwise provided by law or these By-laws, any meeting of the **BOARD** at which a quorum is present, the vote of a majority of the directors present at the time of the vote shall be the act of the **BOARD**.”

and be it further

**RESOLVED**, that this Resolution shall take effect immediately.



## Procurement Guidelines

The Albany County Business Development Corporation (ACBDC) appoints their agent, the Advance Albany County Alliance, LDC (Alliance), to procure all services and goods as required and within the following guidelines:

The Alliance as agent for ACBDC will follow their Request for Proposal (RFP) process for the purchase of goods and supplies on behalf of ACBDC.

The following method of purchase will be used when required by this Policy in order to achieve the highest savings:

All goods and services will be secured by use of written requests for proposals, written quotations, verbal quotations, or any other method that assures that goods/services will be purchased in a competitive manner except for in the following circumstances:

Purchases costing less than \$5,000;

\$5,000-\$10,000

Price obtained by 2 verbal quotations

\$10,001-\$50,000

Price obtained by 3 written/fax quotations

\$50,001 and above

Price obtained through issuance of Request For Proposals with award made by resolution of Board of Director

For all RFP's issued on behalf of ACBDC, the Alliance will collect all responses, compare bid information and present the results to the ACBDC Board for their selection of provider. If there appears to be a conflict of interest a blind report can be prepared for presentation to the Board.



## **ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION PROPERTY DISPOSITION POLICY**

### **SECTION 1. DEFINITIONS.**

A. “Contracting officer” shall mean the officer or employee of the Albany County Business Development Corporation (hereinafter, the “Corporation”) who shall be appointed by resolution to be responsible for the disposition of property.

B. “Dispose” or “disposal” shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the New York State Public Authorities Law.

C. “Property” shall mean personal property in excess of five thousand dollars (\$5,000.00) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

### **SECTION 2. DUTIES.**

A. The Corporation shall:

- (i) maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;
- (ii) periodically inventory such property to determine which property shall be disposed of;
- (iii) produce a written report of such property in accordance with subsection B herewith; and
- (iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.

B. The Corporation shall:

- (i) publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall also consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and



- (ii) shall deliver copies of such report (via PARIS) to the Comptroller of the State of New York, Director of the Budget of State of New York, Commissioner of the New York State Office of General Services, New York State Legislature (via distribution to the Majority Leader of the Senate and the Speaker of the Assembly) and the Authorities Budget Office.

### **SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY.**

A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control. The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under this section.

C. Method of Disposition. Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, except in compliance with all applicable law, no disposition of real property, any interest in real property, or any other property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction.

D. Sales by the New York State Commissioner of General Services (the "Commissioner"). When the Corporation shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner pursuant to which the Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.

E. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to closing.

F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.

- (i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.
- (ii) Whenever public advertising for bids is required under subsection (i) of this Section F:
  - (A) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;
  - (B) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
  - (C) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.
- (iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F but subject to obtaining such competition as is feasible under the circumstances, if:
  - (A) the personal property involved is of a nature and quantity which, if disposed of under subsections (i) and (ii) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;
  - (B) the fair market value of the property does not exceed fifteen thousand dollars (\$15,000.00);
  - (C) bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
  - (D) the disposal will be to the state or any political subdivision or public benefit Corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;

- (E) the disposal is for an amount less than the estimated fair market value of the property, the disposal of the property is intended to further the public health, safety or welfare or an economic development interest of the Corporation, the state or a political subdivision (to include but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, or where the Corporation's enabling legislation permits or other economic development initiatives), the purpose and the terms of such disposal are documented in writing and approved by resolution of the board of the Corporation; or
  - (F) such action is otherwise authorized by law.
- (iv) (A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
- (1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000.00);
  - (2) any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000.00), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;
  - (3) any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00).
  - (4) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.
- (B) Each such statement shall be transmitted to the persons entitled to receive copies of the report required in Section 2.B (ii) of this Policy not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation making such disposal.

This Policy is subject to modification and amendment at the discretion of the Corporation and shall be filed annually with all local and state agencies as required under all applicable law.



## **ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION PROPERTY ACQUISITION POLICY**

### **SECTION 1. DEFINITIONS.**

(A) “Acquire” or “acquisition” shall mean acquisition of title or any other beneficial interest in personal or real property.

(B) “Contracting officer” shall mean the officer or employee of Albany County Business Development Corporation (hereinafter, the “Corporation”) who shall be appointed by resolution to be responsible for the acquisition of property.

(C) “Property” shall mean personal property in excess of five thousand dollars (\$5,000.00) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

### **SECTION 2. DUTIES.**

(A) The Corporation shall maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control

(B) The Corporation shall prepare, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property acquired of during such period. The report shall contain the price paid by the Corporation and the name of the seller for all such property acquired by the Corporation during such period

### **SECTION 3. ACQUISITION OF PROPERTY.**

(A) Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the “Contracting Officer”) shall have supervision and direction over the acquisition of property of the Corporation. The Corporation shall have the right to acquire its property for any valid corporate purpose.

(B) Appraisal Report. At independent appraiser shall be hired to provide an opinion of fair market value before the Corporation shall make an offer with respect to the acquisition of the property. The appraiser should have a professional affiliation with a national appraisal organization and must not have an interest in the property (or be retained as an agent to sell the

property). The appraisal report shall be in form and substance satisfactory to the Corporation and shall be included in the record of the transaction.

Notwithstanding the foregoing, the preparation of an appraisal report shall not be required where the Corporation is acquiring the property pursuant to a donation, or if the valuation of the property is uncomplicated and the fair market value is reasonably determined to be less than \$25,000.

(C) Method of Acquisition.

(1) Voluntary Acquisition: Unless otherwise permitted by applicable law, the Corporation shall acquire property for not more than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the acquisition of title or other interest in property and take such other action as it deems necessary or proper to acquire such property under the provisions of this section. Provided, however, the Corporation may acquire property for more than its fair market value, as described in an appraisal report reviewed by the Corporation or without such appraisal being conducted, upon a finding pursuant to resolution of the Corporation that the acquisition of such property at such price is necessary for the Corporation to further its corporate purpose.

(D) Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the seller of the property and accepted by the Corporation, purporting to transfer title or any other interest in property of the seller to the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantor or transferor who has received valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to closing.

(E) Insurance. The Corporation shall ensure that all insurable real and personal property under its control is insured against physical loss or damage.

This Policy is subject to modification and amendment at the discretion of the Corporation.



## Investment Policy

It shall be the policy of the Albany County Business Development Corporation (ACBDC) to invest operating funds from cash accounts in interest-bearing or earnings credit accounts maintained at financial institutions that provide collateralized municipal deposit coverage.

It shall be the policy of the ACBDC to invest excess funds from cash accounts in U.S. Government backed securities.

U.S. Government backed securities will include the following issued or guaranteed by the U.S. Government, its agencies, or government sponsored enterprises.

Treasury bills, notes and other direct obligations of the U.S. Treasury.

Obligations of GNMA, FHLMC, SLMA, FFCB, TVA and FHLB.

Repurchase Agreements collateralized by any of the above securities.

This policy adheres to the New York State general Municipal Law in permitting investments for local governments (section 11).



## **Albany County Business Development Corporation CODE OF ETHICS**

The proper administration of the Al Tech Loan Fund requires its Board Members to be independent, impartial, and free from conflicts of interest in fulfilling their responsibilities so that the public will have confidence in the integrity of its decisions.

- A. Therefore, the public interest requires that this code of ethics be adopted as a standard of conduct.
- B. This code of ethics represents a balancing of the need for eliminating real conflicts of interest with the recognition that membership in voluntary organizations devoted to public service is a laudable endeavor that should be encouraged.

### Conflicts of Interest

- A. No Board member shall engage in any action, which constitutes, or reasonably gives the appearance of being, a conflict of interest with the performance of his/her official duties. Without limiting the generality of the definition of the term conflict of interest, a Board Member shall be deemed to have a conflict of interest if:
  - 1. The person willfully engages in any business activity or professional activity or shall have a financial or other private interest, direct or indirect, or incurs any obligation of any nature, which is in substantial conflict with the proper discharge of his/her official duties.
  - 2. The person receives or has any financial interest in any sale of any service or property when such financial interest was received with the knowledge that the Al Tech Fund intended to finance such property or obtain such service.
  - 3. The person uses or attempts to use his/her official position to secure unwarranted privileges or exemptions for himself/herself or others, including members of his/her family.

4. The person engages in or accepts private employment or engages in any business transaction or professional activity or makes any investment which will impair his/her independence of judgment in the exercise of his/her official duties or will interfere in any manner whatsoever with the discharge of his/her official duties.
  5. The person directly or indirectly solicits any gift or accepts or receives any gift or favor, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, from any person, firm, or corporation as an inducement or to affect improperly the performance of the official duties or decision of such Board Member.
  6. Any Board Member knowingly has a financial or other private interest in any legislation or other matters coming before the County Legislature and knowingly fails to disclose such interest and/or fails to abstain from voting and/or otherwise officially acting with regard thereto.
- B. The foregoing acts are listed by the way of example and are by no means to be deemed all-inclusive. Every committee member shall endeavor to pursue a course of conduct which will not raise suspicion among the public that he/she is likely to be engages in acts that are in violation of his/her trust.
- C. If any Board Member must recuse himself/herself so as not to violate any of the enumerated conflicts of interest or for any other reason which may give rise to a conflict of interest not enumerated or give the appearance of conflict of interest or impropriety, said Board Member shall recuse himself/herself by notifying the Board or Board Chairperson.

#### Disclosure of Confidential Information

- A. No Board Member shall disclose, without proper authority, confidential information concerning the property or affairs of the loan fund or loan fund applicants, nor shall he/she use such information to advance the financial or other private interest of himself/herself or others.
- B. No Board Member shall accept employment or engage in any business or professional activity which will require his/her to disclose confidential information which he/she has gained by reason of his/her official position or authority.





## **Whistleblower Policy**

Every member of the Board of Directors of the Albany County Business Development Corporation (ACBDC), and all employees of the Advance Albany County Alliance, LDC (Alliance) acting on behalf of the ACBDC and the Alliance under an Agency Agreement by and between the ACBDC and the Alliance, in the performance of their respective duties, shall conduct themselves with honesty and integrity and observe the highest standard of business and personal ethics as set forth in the ACBDC Code of Ethics (Code).

Each member, officer or employee is responsible to report any violation of the Code (whether suspected or known) to the ACBDC Board Chairperson (ACBDC Chair). In the event the suspected or known violation involves the ACBDC Board Chair, the report of such violation shall be made to counsel of the ACBDC. Reports of violations will be kept confidential to the extent possible.

No individual, regardless of their position with the ACBDC, will be subject to any retaliation for making a good faith claim, and any member, officer or employee who chooses to retaliate against someone who has reported a violation shall be subject to disciplinary action, which may include (a) in the case of an employee of the Alliance, removal from service to the ACBDC, and (b) in the case of an ACBDC Board member, removal from the Board in accordance with the by-laws of the ACBDC. Any claim of retaliation will be taken and treated seriously, and irrespective of the outcome of the initial complaint, will be treated as a separate offense.

The ACBDC Board Chair is responsible for immediately forwarding any claim to the ACBDC's corporate counsel, who shall investigate the claim in a timely manner and report the results and a recommendation for handling to the ACBDC Board Chair (or if the suspected or known violation involves the Board Chair, then the Vice-Chairperson or Treasurer of the ACBDC Board, as appropriate in the best judgement of counsel).

In the event any member, officer or employee believes in good faith that disclosing information within the ACBDC as set forth above would likely subject such person to adverse action or be wholly ineffective, such individual may instead disclose the information to the New York State Public Authorities Budget Office at 1 (800) 560-1770.

ACBDC shall not fire, discharge, demote, suspend, threaten, harass or discriminate against a member, officer or employee because of such member's, officer's or employee's role as a whistleblower, insofar as the actions taken by such member, officer, or employee are legal.



## **ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION CONFLICT OF INTEREST POLICY**

Authority board members and employees shall be provided with this Conflict of Interest Policy upon commencement of employment or appointment and required to acknowledge that they have read, understand and are in compliance with the terms of the policy. Board members and employees should review on an ongoing basis circumstance that constitute a conflict of interest or the appearance of a conflict of interest, abide by this policy and seek guidance when necessary and appropriate. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to public authorities.

Conflicts of Interest: A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the authority. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Board members and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a director or employee has or will have:

☐ A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates.

☐ The ability to use his or her position, confidential information or the assets of the authority, to his or her personal advantage.

☐ Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.

☐ Any other circumstance that may or appear to make it difficult for the board member or employee to exercise independent judgment and properly exercise his or her official duties.

Outside Employment of Authority's Employees: No board member or employee may engage in outside employment if such employment interferes with his/her ability to properly exercise his or her official duties with the authority.

## PROCEDURES

Duty to Disclose: All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Governance Committee and/or the Ethics Officer. Such written disclosure shall be made part of the official record of the proceedings of the Authority.

Determining Whether a Conflict of Interest Exists: The Governance Committee and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, when dealing with cases where they are unsure of what to do.

Recusal and Abstention: No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

Records of Conflicts of Interest: The minutes of the authority's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations: Board members and employees should promptly report any violations of this policy to his or her supervisor, or to the Authority's ethics officer, general counsel or human resources representative in accordance with the Authority's Whistleblower Policy and Procedures.

Penalties: Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.



## **Authority Mission Statement and Performance Measurements**

Name of Public Authority:

**Albany County Business Development Corporation**

Public Authority Mission Statement:

To promote economic growth and business retention in Albany County by offering financing through the AI Tech Loan Fund to small- and medium-sized businesses (and, in special circumstances, to larger businesses) which demonstrate strong possibilities for growth, real property improvement, increased employment and retention of employment in the community.

List of Performance Goals:

ACBDC will monitor the loan program and recommend modifications or improvements on an ongoing basis. Staff from the Alliance will provide an annual status report on:

- Number of Loans approved
- Number of loans closed
- Number of jobs created and retained since 2006.
- Amount of public and private funds leveraged by the AI Tech Loan Fund
- Provide delinquency reports on outstanding loans

Based on these criteria, the ACBDC Board will determine the success of the AI Tech Loan Fund in achieving the goals outlined above.

## 2022 Results

1. Board of Directors approved 6 loans in the amount of \$938,700.
2. Alliance, as agent for the ACBDC worked with closing counsel to close 4 loans in the amount of \$1,130,000.
3. Number of jobs created and retained since 2006 is, 1,656 and 2,832 respectively.
4. Loans closed leveraged \$2,433,500 in bank financing and \$1,888,612 in owner's equity, leading to total investments in Albany County of \$5,452,112.
5. There is one loan in default in the amount of \$25,979.32, the loan is scheduled to be written off in 2023.

**2022 Confidential Evaluation of Board Performance**

<b>Criteria</b>	<b>Agree</b>	<b>Somewhat Agree</b>	<b>Somewhat Disagree</b>	<b>Disagree</b>
Board members have a shared understanding of the mission and purpose of the Authority.				
The policies, practices and decisions of the Board are always consistent with this mission.				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.				
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.				
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.				
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.				
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.				
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.				
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.				
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.				
Board members demonstrate leadership and vision and work respectfully with each other.				

Date Completed: \_\_\_\_\_

### Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Authority.				
The policies, practices and decisions of the Board are always consistent with this mission.				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.				
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.				
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Name of Authority: \_\_\_\_\_

Date Completed: \_\_\_\_\_