



Albany County Business Development Corporation

Board of Directors Meeting
Virtual – Microsoft Teams

March 17, 2022
8:30 AM

AGENDA

Welcome

1. Review of February 17, 2022 Minutes Allen Maikels
2. Presentation of 2021 Audit Kevin Testo, Auditor
3. Review of January 2022 Financials Amy Thompson & Allen Maikels
4. Review of Public Authority Documents Allen Maikels
 - Board Evaluation Summary
 - Whistleblower Policy
 - Conflict of Interest Policy
 - Code of Ethic Policy
 - Procurement Guidelines and Property Disposition & Acquisition Polices
5. Other Business
6. Adjournment Allen Maikels



Board of Directors Meeting Minutes
January 20, 2022

DIRECTORS PRESENT	Allen Maikels, Marcus Pryor, Pamela Lansing, Jeffrey Stone
DIRECTORS ABSENT	Andrew Joyce, George Penn
COUNSEL PRESENT	Madeline Kauffman
AACA STAFF PRESENT	Kevin O'Connor, Melanie LaRose, 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 8:32 a.m.

Mr. Maikels presented the minutes from the January 20, 2022, meeting. Ms. Lansing motioned to approve, Mr. Stone seconded, and all were in favor.

Ms. Thompson presented December 31, 2021 Financials. Mr. Pryor motioned to approve, Ms. Lansing seconded, and all were in favor.

Mr. Maikels presented the 3rd and 4th Quarter Alliance Voucher. Ms. Lansing motioned to approve, Mr. Stone seconded, and all were in favor.

Mr. Maikels presented the following as they pertain to the Authorities Budget Office annual requirements:
Acknowledgment of Fiduciary Duty,
Review/Approve Mission Statement & Annual Performance Measurement & Report,
Provided Confidential Board Evaluation Forms,
Confirmed required ABO Board Member Training status,
Mr. Pryor motioned to approve, Mr. Stone seconded, and all were in favor.,

Mr. Maikels reviewed the Investment Policy and Investment Portfolio,
Mr. Stone motioned to approve, Ms. Lansing seconded, and all were in favor.

Mr. Stone motioned to adjourn the meeting at 8:54 a.m., Ms. Lansing seconded, and all were in favor.

Respectfully submitted,

Allen Maikels, Secretary/Treasurer

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

**Financial Statements and Required Reports
Under the Uniform Guidance as of
December 31, 2021
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

March ___, 2022

To the Board of Directors of
Albany County Business Development Corporation:

Opinion

We have audited the accompanying financial statements of Albany County Business Development Corporation (a New York not-for-profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Albany County Business Development Corporation as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Albany County Business Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Albany County Business Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Albany County Business Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Albany County Business Development Corporation's ability to continue as a going concern for a reasonable period of time.

Report on Summarized Comparative Information

We have previously audited Albany County Business Development Corporation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

(Continued)

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March _____, 2022 on our consideration of Albany County Business Development Corporation's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Albany County Business Development Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Albany County Business Development Corporation's internal control over financial reporting and compliance.

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS:		
Operating cash	\$ 21,357	\$ 101,995
Restricted cash	7,037,889	6,034,512
Accrued interest receivable	32,262	67,472
Current portion of loans receivable, net	<u>3,116,250</u>	<u>2,680,794</u>
Total current assets	<u>10,207,758</u>	<u>8,884,773</u>
LONG-TERM PORTION OF LOANS RECEIVABLE, net	<u>9,318,203</u>	<u>13,060,648</u>
	<u><u>\$ 19,525,961</u></u>	<u><u>\$ 21,945,421</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Due to The Chamber	\$ 8,390	\$ 107,797
Due to The Alliance	121,976	-
Accounts payable and accrued expenses	<u>5,277</u>	<u>9,758</u>
Total current liabilities	<u>135,643</u>	<u>117,555</u>
NET ASSETS:		
Without donor restrictions	23,919	10,419
With donor restrictions	<u>19,366,399</u>	<u>21,817,447</u>
Total net assets	<u>19,390,318</u>	<u>21,827,866</u>
	<u><u>\$ 19,525,961</u></u>	<u><u>\$ 21,945,421</u></u>

The accompanying notes are an integral part of these statements.

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021 (With Comparative Totals for 2020)

	2021			2020
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Grant income	\$ -	\$ 1,900,875	\$ 1,900,875	\$ 2,885,275
Loan interest earned	-	433,159	433,159	396,367
Recovery of bad debt	-	107,822	107,822	-
Bank interest	-	2,332	2,332	11,715
Investment income	-	-	-	9,523
Application fees	13,500	-	13,500	2,500
Recovered legal and late fees	-	80	80	40
Net assets released from restrictions	<u>4,895,316</u>	<u>(4,895,316)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,908,816</u>	<u>(2,451,048)</u>	<u>2,457,768</u>	<u>3,305,420</u>
EXPENSES:				
Program	297,169	-	297,169	279,895
Management and general	<u>55,340</u>	<u>-</u>	<u>55,340</u>	<u>63,218</u>
Total expenses	<u>352,509</u>	<u>-</u>	<u>352,509</u>	<u>343,113</u>
OPERATING CHANGES IN NET ASSETS	<u>4,556,307</u>	<u>(2,451,048)</u>	<u>2,105,259</u>	<u>2,962,307</u>
OTHER CHANGES IN NET ASSETS:				
Transfer of assets to The Chamber	<u>(4,542,807)</u>	<u>-</u>	<u>(4,542,807)</u>	<u>-</u>
CHANGE IN NET ASSETS	13,500	(2,451,048)	(2,437,548)	2,962,307
NET ASSETS - beginning of year	<u>10,419</u>	<u>21,817,447</u>	<u>21,827,866</u>	<u>18,865,559</u>
NET ASSETS - end of year	<u>\$ 23,919</u>	<u>\$ 19,366,399</u>	<u>\$ 19,390,318</u>	<u>\$ 21,827,866</u>

The accompanying notes are an integral part of these statements.

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021 (With Comparative Totals for 2020)

	2021			2020	
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>		<u>Total</u>
Agency fees	\$ 218,176	\$ 54,544	\$ 272,720	\$ 278,543	
Professional fees	65,493	-	65,493	44,270	
Bad debt expense	-	-	-	15,585	
Application fees	13,500	-	13,500	2,000	
Insurance	-	-	-	2,679	
Other expenses	-	796	796	36	
	<u>\$ 297,169</u>	<u>\$ 55,340</u>	<u>\$ 352,509</u>		<u>\$ 343,113</u>

The accompanying notes are an integral part of these statements.

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021 (With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (2,437,548)	\$ 2,962,307
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Recovery of bad debt	(107,822)	-
Unrealized and realized gains on investments	-	(9,523)
Bad debt expense	-	15,585
Changes in:		
Accrued interest receivable	35,210	(36,736)
Due to The Chamber	(99,407)	57,506
Due to The Alliance	121,976	-
Accounts payable and accrued expenses	<u>(4,481)</u>	<u>308</u>
Net cash flow from operating activities	<u>(2,492,072)</u>	<u>2,989,447</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of investments	-	1,533,847
Principal collected on loans receivable	6,171,811	2,108,477
Disbursements of loans receivable	<u>(2,757,000)</u>	<u>(6,564,337)</u>
Net cash flow from investing activities	<u>3,414,811</u>	<u>(2,922,013)</u>
CHANGE IN OPERATING AND RESTRICTED CASH	922,739	67,434
OPERATING AND RESTRICTED CASH - beginning of year	6,136,507	6,069,073
OPERATING AND RESTRICTED CASH - end of year	<u>\$ 7,059,246</u>	<u>\$ 6,136,507</u>

The accompanying notes are an integral part of these statements.

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

1. THE ORGANIZATION

The Albany County Business Development Corporation (ACBDC) was incorporated under the New York State Not-For-Profit Corporation Law on September 16, 1994. ACBDC was organized to promote economic growth and business retention in Albany County by offering financing through the AI Tech Revolving Loan Fund and the Capital Region Advancement Fund. The AI Tech Loan Fund offers economic development financing at competitive interest rates to supplement traditional bank lending to businesses which demonstrate strong possibilities for growth, real property improvement, increased employment and retention of employment in the county. The Capital Region Advancement Fund was established to alleviate sudden and severe economic dislocation caused by the coronavirus (COVID-19) pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives of eligible businesses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Comparative Financial Information

The financial statements include prior-year summarized information in total, but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the ACBDC's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Cash and Restricted Cash

Cash includes bank demand deposit accounts. ACBDC's cash balances may at times exceed federally insured limits. ACBDC has not experienced any losses in these accounts and believes that it is not exposed to any significant risk with respect to cash.

Restricted cash consists of amounts restricted to provide financing through the AI Tech Revolving Loan Fund.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Cash and Restricted Cash (Continued)

Cash and restricted cash, as stated on the accompanying financial statements, were as follows at December 31:

	<u>2021</u>	<u>2020</u>
Operating cash	\$ 21,357	\$ 101,995
Restricted cash	<u>7,037,889</u>	<u>6,034,512</u>
	<u><u>\$ 7,059,246</u></u>	<u><u>\$ 6,136,507</u></u>

Loans Receivable

Loans are stated at unpaid principal balances, less an allowance for uncollectable loans. Loans receivable consist of interest bearing loans payable in monthly installments over the life of the loan. Loans receivable are periodically reviewed for collectability based on past history and current economic conditions.

A loan is considered impaired when contractual obligations are greater than 30 days past due and it is probable that the ACBDC will be unable to collect the scheduled principal payments. After all collection efforts are exhausted, any amounts deemed uncollectible based upon an assessment of the debtor's financial condition are written off. The allowance for uncollectible loans was \$88,594 and \$196,416 at December 31, 2021 and 2020, respectively.

Net Assets

Net assets without donor restrictions include operating resources, which are available for the support of ACBDC's operating activities.

Net assets with donor restrictions to be held in perpetuity include those loan funds that have been granted for the purpose of providing financing to small and medium sized businesses.

Net assets with donor restrictions that are subject to time or purpose restrictions primarily include interest earned on the loans to those businesses. Net assets with donor restrictions are released and reclassified to net assets without restrictions, as ACBDC's administration and overhead costs are expensed. ACBDC has determined that all grant funds meet the criteria to be accounted for as contributions with donor restrictions.

Revenue Recognition

ACBDC receives substantially all of its revenue from interest income generated per the outstanding loans receivable, as well as investments held. Interest income on loans is recorded when monthly payments are due. Accrued interest is recorded at period end to record interest that has been earned but not paid per the terms of the loan agreements. Interest income generated from investments is recorded when received.

Grant income from loan funds is recognized as an addition to net assets with donor restrictions when individual loans are approved in accordance with the grant funding requirements.

Allocation of Certain Expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions. ACBDC allocates a portion of the agency fee to program or management and general based on where time and efforts are made, and benefit received. Other expenses are charged to program expense as they relate directly to the program services.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Taxes

ACBDC is a not-for-profit organization exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

ACBDC has the following liquid resources available to meet cash needs for general expenditure within one year of the statement of financial position date:

	<u>2021</u>	<u>2020</u>
Financial assets, at period end:		
Operating cash	\$ 21,357	\$ 101,995
Restricted cash	7,037,889	6,034,512
Accrued interest receivable	32,262	67,472
Current portion of loans receivable, net	<u>3,116,250</u>	<u>2,680,794</u>
	10,207,758	8,884,773
Less: Current assets subject to satisfaction of restrictions	<u>(10,154,139)</u>	<u>(8,715,306)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 53,619</u>	<u>\$ 169,467</u>

As part of its liquidity management, ACBDC regularly monitors cash balances to meet its annual operating needs. ACBDC relies on the timely collection of loan receivables to meet its future lending demands.

4. LOANS RECEIVABLE

Loans receivable consist of interest bearing notes and are payable in monthly installments over the life of the loan. The loans receivable balance is comprised of 61 and 66 loans at December 31, 2021 and 2020, respectively, and consists of the following:

	<u>2021</u>	<u>2020</u>
Loans receivable	\$ 12,523,047	\$ 15,937,858
Less: Allowance for uncollectible loans	<u>(88,594)</u>	<u>(196,416)</u>
	<u>\$ 12,434,453</u>	<u>\$ 15,741,442</u>

4. LOANS RECEIVABLE (Continued)

Loans receivable mature in the years ended December 31:

2021	\$ 3,116,159
2022	1,637,250
2023	1,720,969
2024	2,620,393
2025	556,169
Thereafter	<u>2,872,107</u>
	<u>\$ 12,523,047</u>

The unpaid principal balance of impaired loans totaled \$25,980 at December 31, 2021 and was 100% allowed for.

The performance and credit quality of the loans receivable portfolio is also monitored by analyzing the age of the loans receivable as determined by the length of time recorded payment is past due. The following table presents the loans receivable portfolio summarized by the past due status at December 31, 2021:

30-59 days past due	60-89 days past due	Greater than 90 days past due	Total Past Due	Current	Total Gross Loans Receivable
\$ -	\$ -	\$ 25,980	\$ 25,980	\$ 12,497,067	\$ 12,523,047

5. CONTRACTED SERVICES

In order to accomplish ACBDC's purpose of furthering economic development in the County of Albany (the County), ACBDC worked closely with the Capital Region Chamber of Commerce, Inc. (the Chamber) through June 30, 2021. The Chamber in return provided staff to the ACBDC to fulfill its mission. ACBDC reimbursed the Chamber for administrative costs of \$150,744 and \$278,543 during the years ended December 31, 2021 and 2020, respectively. Additionally, at December 31, 2021 and 2020, ACBDC owed the Chamber \$8,390 and \$50,291, respectively.

Effective July 1, 2021, ACBDC contracted with Advance Albany County Alliance Local Development Corporation (the Alliance) to serve as its agent. The Alliance now provides staff to the ACBDC to fulfill its mission. At December 31, 2021, ACBDC owed the Alliance \$121,976 for certain administrative costs. Collectively, these costs are recorded as agency fees on the accompanying Statement of Functional Expenses.

6. TRANSFER OF ASSETS TO THE CHAMBER

During 2020, ACBDC received grant funding to establish the CARES Act Revolving Loan Fund (CRAF). The total CRAF grant awarded amounted to \$8,755,500. As of December 31, 2021, ACBDC had vouchered and received \$4,212,693 of this funding for approved loans. Effective June 30, 2021, the CRAF grant was transferred to The Chamber and ACBDC transferred the respective loans funds (\$4,427,617) and cash (\$115,190) to the Chamber. At this time, approximately \$4.5 million was also released from restrictions, as ACBDC no longer had the obligation to meet the grantor's requirements.

7. COMMITMENTS AND CONTINGENCIES

ACBDC has approved and committed an additional \$750,000 of loans to be funded by the AI Tech Revolving Loan Fund at December 31, 2021.

Expenditures are subject to audit by the funding agency or by their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Management believes that such disallowances, if any, will be immaterial.

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on ACBDC and its future results and financial position is not presently determinable.

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March , 2022, which is the date the financial statements were available to be issued.

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
Department of Commerce/ Economic Development Administration/ Economic Adjustment Assistance	11.307	\$ 19,899,945
Total Department of Commerce		\$ 19,899,945
Total Expenditures of Federal Awards		\$ 19,899,945

The accompanying notes are an integral part of this schedule.

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2021

1. GENERAL

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Albany County Business Development Corporation (ACBDC) for the year ended December 31, 2021. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting used by ACBDC to report to the federal government.

The amount of federal expenditures is computed as defined in the Department of Commerce Economic Development Revolving Loan Fund (RLF) Guidelines. The guidelines define current year expenditures, as the grantee's fiscal year ending balance of outstanding loans, plus cash and investment balances, the amount of RLF income earned, and the amount expended on eligible administrative costs during the fiscal year. Total expenditures at December 31, 2021 were calculated as follows:

Balance of RLF principal outstanding at the end of the fiscal year	\$12,523,047
Restricted cash balance in the RLF at the end of the fiscal year	7,037,889
Unpaid principal of loans written off during the fiscal year	-
Administrative expenses paid out of RLF during the fiscal year	<u>339,009</u>
 Federal share of the RLF	 <u>\$19,899,945</u>

3. FEDERAL LOANS AND LOAN GUARANTEES

The ACBDC had no federal loans or loan guarantees outstanding as of December 31, 2021.

4. INSURANCE

The ACBDC did not participate in any federal insurance programs for the year ended December 31, 2021.

5. DE MINIMIS COST RATE

The ACBDC did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

March ____, 2022

To the Board of Directors of
Albany County Business Development Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Albany County Business Development Corporation (ACBDC), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March ____, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ACBDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACBDC's internal control. Accordingly, we do not express an opinion on the effectiveness of ACBDC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

(Continued)

Internal Control over Financial Reporting (Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACBDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

March ____, 2022

To the Board of Directors of
Albany County Business Development Corporation:

Report on Compliance for Each Major Federal Program

We have audited Albany County Business Development Corporation's (ACBDC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on ACBDC's major federal program for the year ended December 31, 2021. ACBDC's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of ACBDC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ACBDC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal programs. However, our audit does not provide a legal determination of ACBDC's compliance.

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(Continued)

Opinion on Major Federal Program

In our opinion, ACBDC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Report on Internal Control Over Compliance

Management of ACBDC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS DECEMBER 31, 2021

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial statements:

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over the major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes None reported

Type of auditor's report issued on compliance for the major programs: Unmodified

Any audit findings that are required to be reported in accordance with the Uniform Guidance Yes No

Identification of the major programs:

CFDA Number

Name of Federal Program or Cluster

11.307

Economic Adjustment Assistance

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes No

ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

DECEMBER 31, 2021

Section 2 – Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2021.

Section 3 – Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs for the year ended December 31, 2021.

Section 4 – Prior Year Findings, Questioned Costs and Recommendations

There were no federal award findings, questioned costs or recommendations for the year ended December 31, 2020.

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

	Total
ASSETS	
Current Assets	
Bank Accounts	
Restricted Cash	
10220 - M&T MM 3324 ALTECH ACBDC	4,513,981.43
10250 - M&T 4113 AI Tech Operating	2,669,426.84
Total Restricted Cash	<u>\$ 7,183,408.27</u>
Unrestricted Cash	
10210 - M&T ACBDC Corp Checking 4105	21,354.30
10255 - M&T 3994 CRAF Operating	3.00
Total Unrestricted Cash	<u>\$ 21,357.30</u>
Total Bank Accounts	<u>\$ 7,204,765.57</u>
Accounts Receivable	
14615 - Loans Receivable-AI Tech LT	12,403,843.61
14620 - Bad Debt Allowance	-88,594.00
15150 - Accrued Loan Interest	32,262.00
Total Accounts Receivable	<u>\$ 12,347,511.61</u>
Total Current Assets	<u>\$ 19,552,277.18</u>
Fixed Assets	
16000 - Furniture & Fixtures	6,588.00
16999 - Accumulated Depreciation	-6,588.00
Total Fixed Assets	<u>\$ 0.00</u>
TOTAL ASSETS	<u>\$ 19,552,277.18</u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
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	141,776.33
Total Accounts Payable	<u>\$ 147,056.07</u>
Total Current Liabilities	<u>\$ 147,056.07</u>
Total Liabilities	<u>\$ 147,056.07</u>
Net Position	
28615 - Trust Assets	15,650,961.00
30000 - Net Assets	6,176,905.00
Retained Earnings	-2,437,548.24
Net Operating Revenues	14,903.35
Total Net Position	<u>\$ 19,405,221.11</u>
TOTAL LIABILITIES & NET POSITION	<u>\$ 19,552,277.18</u>

These financial statements omit the statement of cash flow and substantially all disclosures required by US GAAP. They have not been subjected to an audit, review or compilation agreement, and therefore no assurance is provided on them.

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

	Total
Operating Revenues	
44000 - Bank Interest	99.47
44050 - Loan Interest Earned	34,604.15
Total Operating Revenues	\$ 34,703.62
Gross Profit	\$ 34,703.62
Operating Expenses	
50035 - Agency Fee	19,800.27
Total Operating Expenses	\$ 19,800.27
Net Operating Income	\$ 14,903.35
Change in Net Position	\$ 14,903.35
 Net Position (Beginning of Period)	 19,390,318
 Net Position (End of Period)	 19,405,221

***These financial statements omit the statement of cash flow and substantially all disclosures required by US GAAP.
 They have not been subjected to an audit, review or compilation agreement, and therefore no assurance is provided on them.***

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

	Actual	Budget	Budget Variance	% of Budget
Operating Revenues				
41000 - Application Fees	0.00	0.00	0.00	0.00%
44000 - Bank Interest	99.47	325.00	(225.53)	30.61%
44050 - Loan Interest Earned	34,604.15	32,500.00	2,104.15	106.47%
Total Operating Revenues	\$ 34,703.62	\$ 32,825.00	\$ 1,878.62	105.72%
Operating Expenses				
50035 - Agency Fee	19,800.27	25,000.00	(5,199.73)	79.20%
Bad Debt Writeoff	0.00	0.00	0.00	0.00%
Total Operating Expenses	\$ 19,800.27	\$ 25,000.00	\$ 5,199.73	79.20%
Change in Net Position	\$ 14,903.35	\$ 7,825.00	\$ 7,078.35	190.46%

***These financial statements omit the statement of cash flow and substantially all disclosures required by US GAAP.

They have not been subjected to an audit, review or compilation agreement, and therefore no assurance is provided on them.***

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.	6			
The policies, practices and decisions of the Board are always consistent with this mission.	6			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	6			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	6			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	6			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.	6			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	6			
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	6			
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.	6			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	6			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	6			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	6			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	6			
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	6			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	6			
Board members demonstrate leadership and vision and work respectfully with each other.	6			

Name of Authority: Albany County Business Development Corporation

Date Completed: 3/16/22



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.

Albany County Business Development Corporation

BOARD OF DIRECTORS CONFLICT OF INTEREST DISCLOSURE STATEMENT

This Disclosure Statement shall be completed and submitted by all Directors as soon as reasonably practicable following appointment, and on an annual periodicity during their term on the Board.

Pursuant to the purposes and intent of the policy on conflicts of interest requiring disclosure of certain interests, adopted by the Board of Directors, a copy of which has been furnished to me, I hereby state that I have read and understand the policy and agree to comply with the policy. I understand that the policy applies to all committees and subcommittees having board-delegated powers. I understand that the Corporation is a Public Authority and a charitable organization that must engage primarily in activities that accomplish one or more of its tax-exempt purposes to maintain its tax-exempt status. I hereby state that I and/or members of my immediate family have no affiliations or interests and have taken part in no transaction which, when considered in conjunction with my relation to the Corporation, might constitute a conflict of interest, EXCEPT as is noted below. (If none, write "None". Please use additional paper if more space is needed.)

Please also provide below your employment and other Director/Officer positions:

I also agree to report (as soon as practicable) to the ACBDC Board Chairperson in writing of any situations that may develop in the above areas.

Printed Name:

Date:

Signature:



**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 engaged 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.



**ALBANY COUNTY BUSINESS
DEVELOPMENT CORPORATION
AL TECH LOAN FUND
FINANCING TO FUEL BUSINESS GROWTH**

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
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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.



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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. An 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.

**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: