

# City of Albany Capital Resource Corporation

21 Lodge Street  
Albany, New York 12207  
Telephone: (518) 434-2532  
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Elizabeth Staubach, Chair  
Lee Eck, Vice Chair  
Darius Shahinfar, Treasurer  
Anthony Gaddy, Secretary  
Joseph Better  
John Maxwell  
Christopher Betts

Sarah Reginelli, Chief Executive Officer  
Andrew Corcione, Chief Operating Officer  
Marisa Franchini, Agency Counsel  
A. Joseph Scott, Special Counsel

To: Elizabeth Staubach  
Lee Eck  
Anthony Gaddy  
Darius Shahinfar

Joseph Better  
Christopher Betts  
John Maxwell

CC: Sarah Reginelli  
Marisa Franchini  
Joe Scott  
Emma Fullem

Andy Corcione  
Amy Horwitz

Date: October 6, 2023

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## CRC AUDIT COMMITTEE MEETING

A meeting of the Audit Committee of the City of Albany Capital Resource Corporation will be held on **Wednesday, October 11<sup>th</sup>, 2023 at 12:15 pm** (or directly after the Audit Committee Meeting of the City of Albany Industrial Development Agency) at 21 Lodge Street., Albany, NY 12207.

### AGENDA

#### **Roll Call, Reading & Approval of the Minutes of the Finance Committee Meeting of March 6, 2023**

#### **Unfinished Business**

A. None

#### **New Business**

A. Teal, Becker and Chiaramonte CPA's – 2023 Audit Engagement Letter

#### **Other Business**

A. None

#### **Adjournment**

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## CRC MINUTES OF AUDIT COMMITTEE MEETING Monday, March 6, 2023

Elizabeth Staubach, *Chair*  
Lee Eck, *Vice Chair*  
Darius Shahinfar, *Treasurer*  
Anthony Gaddy, *Secretary*  
Joseph Better  
John Maxwell  
Christopher Betts

Sarah Reginelli, *Chief Executive Officer*  
Thomas Conoscenti, *COO/Interim CFO*  
Andy Corcione, *Project Services Director*  
Marisa Franchini, *Corporation Counsel*  
A. Joseph Scott, *Special Counsel*

Attending: Joseph Better, Darius Shahinfar, John Maxwell

Absent: Elizabeth Staubach, Christopher Betts, Lee Eck and Anthony Gaddy

Also Present: Sarah Reginelli, Tom Conoscenti, Andy Corcione, Emma Fullem, Amy Horwitz, Tom Libertucci and Marisa Franchini

Public Present: Stephanie Mumford, Christina Gerasia and Emily Silengo

Chair Joseph Better called to order the City of Albany CRC Audit Committee meeting at 12:25 p.m.

### **Roll Call, Reading and Approval of Minutes of the October 12, 2022 Committee Meeting**

A roll call of the Committee members present was held. Since the minutes of the previous meeting had been distributed to Committee members in advance for review, Chair Joseph Better made a proposal to dispense with the reading of the minutes, and proposed to approve the minutes of the October 12, 2022, Audit Committee meeting as presented. A motion to accept the minutes as presented was made by Darius Shahinfar and seconded by John Maxwell. A vote being taken, the minutes were accepted unanimously.

### **Unfinished Business**

None.

### **New Business**

#### Review of Draft 2022 Audited Financial Statements

Staff introduced Stephanie Mumford, representative of Teal Becker and Chiaramonte CPAs, who reviewed the draft 2022 Audited Financial Statements with the Committee. Ms. Mumford informed the Committee that there were no difficulties conducting the audit, and credit was given to management and staff's adherence to the reporting process. Ms. Mumford informed the Committee that the audit did not find any external weaknesses and that a clean, unmodified opinion was issued. Ms. Mumford informed the committee that there were no new GAAP standards issued in 2022, and that all bond confirmations to date have been received. Ms. Mumford reviewed the 2022 Audited Financial Statements in detail and answered any questions from the Committee.

A motion to move the 2022 Audited Financial Statements to the Board for approval was made by Darius

Shahinfar and seconded by John Maxwell. A vote being taken, the motion passed unanimously.

Review of Draft 2022 PARIS Reporting

Review of Draft 2021 Annual Report

Staff reviewed the Draft 2022 Annual Report with the Committee. Staff reported on the 2022 annual job creation/retention forms as well as the bond confirmations for all CRC projects. Any outstanding forms are expected to be received by the PARIS submission deadline of March 31, 2023. Staff will continue the verification process up to the March 31<sup>st</sup> deadline.

Review of Draft 2022 Reports

Staff reviewed the *Draft 2022 Procurement Report, Draft 2022 Investment Report, Draft 2022 Real Property & Personal Property Transaction Report and Draft 2022 Performance Measurement Report* with the Committee.

After review, a motion to move the 2022 Draft PARIS Reporting and Draft Annual Report to the Board for approval was made by Darius Shahinfar and seconded by John Maxwell. A vote being taken, the motion passed unanimously.

Review of Management Assessment of Internal Controls and Performance Measures Report

Staff reviewed the Draft 2022 Management Assessment of Internal Controls and Performance Measures Report with the Committee.

**Other Business**

Compliance Report

None.

There being no further business, Chair Better asked for a motion to adjourn the meeting. Upon a motion made by Darius Shahinfar and seconded by John Maxwell, the meeting was adjourned by unanimous consent at 12:38 p.m.

Respectfully submitted,

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Anthony Gaddy, Secretary



Teal, Becker & Chiaramonte™  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

October 3, 2023

To The Board of Directors  
City of Albany Capital Resource Corporation,  
a Component Unit of the City of Albany  
21 Lodge Street  
Albany, NY 12207

The following represents our understanding of the services Teal, Becker and Chiaramonte, CPAs, P.C. (the Firm) will provide the City of Albany Capital Resource Corporation, a Component Unit of the City of Albany (the Corporation).

You have requested that the Firm audit the financial statements of the Corporation, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and statements of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

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 to issue our auditors' 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with *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 made by a reasonable user based on the financial statements.

### **Auditor Responsibilities**

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit 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, misrepresentations, or the override of internal control.
- 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 the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

### **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Management Responsibilities**

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. 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 error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
- c. To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - ii. Additional information that we may request from management for the purpose of the audit; and
  - iii. Unrestricted access to persons within the Corporation and others from whom we determine it necessary to obtain audit evidence.
- d. For including the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by the Corporation's auditor;
- e. For identifying and ensuring that the Corporation complies with the laws and regulations applicable to its activities;

- f. For 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 current year under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For providing access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including an expectation that management will provide access to information relevant to disclosures;
- j. For informing us of any known or suspected fraud affecting the Corporation involving management, employees with a significant role in internal control, and others where fraud could have a material effect on the financials; and
- k. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management and those charged with governance, written confirmation concerning representations made to us in connection with the audit.

#### **Nonattest Services**

With respect to any nonattest service we will perform the following:

- Financial Statement Preparation

With respect to the nonattest service listed above we agree to perform the following at the end of the year:

- Propose adjusting or correcting journal entries to be reviewed and approved by the Corporation's management.

We will not assume management responsibilities on behalf of the Corporation. However, we will provide advice and recommendations to assist management of the Corporation in performing its responsibilities.

The Corporation's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the service; (c) evaluating the adequacy of the service performed; (d) evaluating and accepting responsibility for the results of the service performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- We will perform the service in accordance with applicable professional standards.
- This engagement is limited to the previously noted nonattest service above. Our Firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account codings and approving journal entries.

## **Reporting**

We will issue a written report upon completion of our audit of the Corporation's basic financial statements. Our report will be addressed to the Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are 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 opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

## **Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your internet website, you understand 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.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

In connection with this engagement, we may communicate with you or others via e-mail. As e-mails can be intercepted, disclosed, used, and/or otherwise communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed, we cannot ensure that e-mails from us will be properly delivered and read only by the addressee. Therefore, we disclaim and waive any liability for interception or unintentional disclosure of e-mail transmissions, or for the unauthorized use or failed delivery of e-mails 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 arising from the use of e-mail, including any punitive, consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure of confidential information.

It is our policy to keep records related to this engagement for seven years, after which time the Firm will commence the process of destroying the contents of the engagement files. These records will be returned to you promptly upon the completion of the engagement along with a copy of the financial statements. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. The balance of the Firm's engagement file is the Firm's property, and we will provide copies of such documents at our discretion, if compensated for any time and costs associated with the effort, unless required by law.

Notwithstanding anything contained herein both the Firm and the Corporation agree that regardless of where the Corporation is domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at the Firm's office located in the county of Albany, State of New York, USA and the county of Albany, State of New York, USA shall have the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of the State of New York.

The Firm's liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you. In no event shall the Firm be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, our maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fees received by us for this engagement. The provisions set forth in this paragraph shall survive the completion of the engagement.

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement 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 Albany, New York, by the American Arbitration Association, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to the laws of the State of New York. 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.

The Firm may transmit confidential information that you provided us, to third parties, in order to facilitate the services provided to you by the Firm. Such encrypted transmissions might include, but are not limited to, the uploading of data to client portals. Information security is a priority at the Firm; we use the security model referred to as CIA Triad (confidentiality, integrity, and availability) to guide solutions, policies, and procedures implemented at our Firm. We are required by law to take reasonable precautions to protect your data. Outside service vendors utilized by the Firm in connection with our work performed under this engagement have been verified as secure and we have verified that all service providers take the necessary precautions to keep your information secure and confidential. By affixing your signature below, you consent to having confidential information transmitted to entities outside the Firm as may be necessary for the purpose of completion of services under the terms of this engagement. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the Firm.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such services, our services will continue to be governed by the terms of this engagement letter.



### **Provisions of Engagement Administration, Timing, and Fees**

Stephanie Mumford, CPA is the engagement shareholder for the audit services specified in this letter. Her responsibilities include supervising Teal, Becker & Chiamonte, CPAs, P.C.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit reports.

Our fees for the year ending December 31, 2023 will be \$5,800 and are based on our standard hourly rates plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the skill required. The above fees are based on anticipated cooperation from your personnel and the assumptions that unexpected circumstances will not be encountered during the audit. Interim billings will be submitted as work progresses and as expenses are incurred and are due and payable upon presentation of our invoices. A final bill will be provided at the conclusion of our services and payment is due upon presentation. Interest at the rate of 1.5% per month will be charged on all late payments forty five (45) days past due. In the event that your account is turned over to an attorney for collection, you agree to pay all costs of collection including, attorney's fees, costs and disbursements.

Our ability to provide services in accordance with our fees depends on the quality, timeliness, and accuracy of your records and the number of general ledger adjustments required as a result of our work. To assist you in this process, we provide you with a Client Request List (PBC List) that identifies the key work you will need to perform in preparation for the engagement. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, excessive general ledger adjustments, and/or untimely assistance, will result in an increase of our fees. Other circumstances that may result in an increase of our fees include significant unanticipated transactions, financial reporting issues, post-review or post-fieldwork circumstances requiring revisions to work previously completed, or delays in resolution of issues that extend the period of time necessary to complete the engagement.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Corporation's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;

- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Teal, Becker & Chiaramonte, CPAs, P.C. and constitutes confidential information. However, we may be requested to make certain audit documentation available to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Teal, Becker & Chiaramonte, CPAs, P.C.'s personnel.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Very truly yours,

**TEAL, BECKER & CHIARAMONTE, CPAs, P.C.**



**RESPONSE:**

This letter correctly sets forth our understanding and Agreement and it is acknowledged and agreed to by an authorized representative of **City of Albany Capital Resource Corporation, a Component Unit of the City of Albany** by:

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

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

Number of bound copies of the financial statements needed: \_\_\_\_\_

Special mailing instructions for the bound copies of the financial statements: \_\_\_\_\_

Do you need an electronic copy of the financial statements? \_\_\_\_\_