

# City of Albany Industrial Development Agency

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

Ashley Mohl, Interim Chief Executive Officer  
Andrew Corcione, COO/Interim CFO  
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: Ashley Mohl  
Marisa Franchini  
Cassidy Roberts  
Maria Lynch

Andrew Corcione  
Joe Scott  
Olivia Sewak  
Andrew Biggane

Date: November 8, 2024

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## IDA AUDIT COMMITTEE MEETING

A meeting of the Audit Committee of the City of Albany Industrial Development Agency will be held on **Thursday, November 14<sup>th</sup>, 2024 at 3:00 pm** at 21 Lodge Street., Albany, NY 12207.

### AGENDA

#### **Roll Call, Reading & Approval of the Minutes of the Audit Committee Meeting of March 7, 2024**

#### **Unfinished Business**

- A. None

#### **New Business**

- A. The Bonadio Group – 2024 Audit Engagement Letter
- B. Review Adequacy of Audit Committee Charter
- C. Review Audit Committee 2024 Performance

#### **Other Business**

- A. None

#### **Adjournment**

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Ashley Mohl, Interim Chief Executive Officer  
Andy Corcione, Chief Operating Officer  
Marisa Franchini, Agency Counsel  
A. Joseph Scott, Special Counsel

## MINUTES OF IDA AUDIT COMMITTEE MEETING

Thursday, March 7th, 2024

Attending: Joseph Better and John Maxwell

Absent: Darius Shahinfar

Also Present: Ashley Mohl, Andy Corcione, Tom Libertucci, Renee McFarlin,  
Emma Fullem, Joe Scott and Cassidy Roberts

Public Present: Stephanie Mumford and Christina Gerasia

Chair Joseph Better called the Audit Committee meeting of the IDA to order at 1:00 p.m.

### **Roll Call, Reading and Approval of Minutes of the October 11, 2023 Committee Meeting**

A roll call of the Committee members present was held. Chair Joseph Better reported that all Committee members were present with the exception of Darius Shahinfar. Since the minutes of the previous meeting had been distributed to the Committee in advance for review, Chair Better asked for a motion to dispense with their reading and approve the minutes of the Audit Committee meeting of October 11, 2023. A motion was made by John Maxwell and seconded by Joseph Better to accept the minutes as presented. The motion to accept the minutes as presented was passed with all present members voting aye.

### **Unfinished Business**

None.

### **New Business**

#### Review of Draft 2023 Audited Financial Statements

Staff introduced Stephanie Mumford and Christina Gerasia, representatives of Teal Becker and Chiaramonte CPAs, who reviewed the Draft 2023 Audited Financial Statements with the Committee. Ms. Mumford reported that there were no difficulties conducting the audit, and credit was given to management and staff's adherence to the reporting process. Ms. Mumford noted the audit received a clean, unmodified opinion, with the financial statements fairly presented in all material respects. Ms. Mumford recommended to the Committee that the MD&A report required the addition of a new lease the Agency had entered into during 2023. Ms. Mumford reviewed the 2023 Audited Financial Statements in detail and answered any questions from the Committee. Ms. Mumford informed the Committee that new auditing standards have changed the way auditors must define and note potential areas of significant risk. Auditors must now identify the risk of management overriding controls directly in their letter even if they do not believe the occurrence of those activities has taken place. Ms. Mumford reported that

the auditors have looked at the Agency's internal controls, which do not have any deficiencies, and that nothing has come to the auditor's attention that has led them to believe there is an issue. Furthermore, the new auditing standards identify the significant risk inherent to cash as a liquid asset.

A motion to move the Draft 2023 Audited Financial Statements to the Board for approval was made by John Maxwell and seconded by Joseph Better. A vote being taken, the motion passed unanimously.

#### Review of Draft PARIS Reporting

##### *Annual Report*

Staff reviewed the Draft 2023 Annual Report with the Committee. Staff reported on the 2023 annual compliance forms submitted and the job creation/retention for existing straight lease and bond projects. Staff noted this is a draft report and that the verification process will continue until the March 31 submission deadline.

Staff reported in detail on Agency projects, giving particular attention to the jobs reporting for both straight lease and bond projects. Staff reported that there were 69 active straight-lease projects reporting to the Agency, with 68 reporting draft results. Staff reported that 18 of the straight lease projects are under construction, and that 78% of the completed straight lease projects are reporting at or above the 80% threshold of committed jobs. Staff then conducted a thorough review of each under-reporting project.

##### *Procurement Report*

Staff reviewed the Draft 2023 Procurement Report with the Committee.

##### *Investment Report*

Staff reviewed the Draft 2023 Investment Report with the Committee.

##### *Mission Statement and Performance Measurement Report*

Staff reviewed the Draft Mission Statement and Performance Measurement Report with the Committee.

After review, Chair Better requested a motion to positively recommend moving all reports to the Board for approval. A motion was made by John Maxwell and seconded by Joe Better. A vote being taken, the motion passed unanimously.

#### Review of Management Assessment of Internal Controls

Staff reviewed the Management Assessment of Internal Controls with the Committee. Chair Better requested a motion to positively recommend moving the Assessment to the Board. A motion was made by John Maxwell and seconded by Joseph Better. A vote being taken, the motion passed unanimously.

#### **Other Business**

##### Compliance Update

Staff noted that they may bring up a final summary of annual compliance reporting at the March Finance and/or Board meeting.

There being no further business, Chair Better called for a motion to adjourn the meeting. A vote being taken, the motion passed unanimously and the meeting was adjourned at 1:38 p.m.

Respectfully submitted,

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Anthony Gaddy, Secretary

# MEMORANDUM

**To:** Andrew Corcione, Chief Operating Officer  
**From:** Andrew Biggane  
Director, Finance & Operations  
**Date:** November 8, 2024  
**Re:** IDA External Audit Update

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This overview serves to provide process documentation of the external audit vendor transition for the City of Albany IDA for the fiscal year ending December 31, 2024.

On September 30, 2024, we were notified that, due to changes in their staffing model, the incumbent audit firm would no longer be able to facilitate the annual audit process and has elected to discontinue the engagement, with immediate effect. After a thorough and careful review of our accounting needs, we have made the decision to recommend the Board approve the transition to a new firm, the Bonadio Group, LLC, for the purpose of conducting the upcoming audit.

The decision follows an extensive evaluation process. A comprehensive review of several firms was undertaken, evaluating their expertise, industry experience, service offerings and alignment with our organizational requirements. We solicited proposals from several firms and conducted interviews to ensure that a partner capable of providing the highest level of financial oversight and advisory services was selected. Two written quotations were received, and the firm selected represented the lower fee schedule option.

As our organization evolves. We recognized the need for an audit partner that could better support our expanded financial operations and future strategic goals. We are confident that the Bonadio Group is the best fit for our organization at this time. Their experience in our industry, coupled with their strong reputation for client service and innovation, makes them an excellent choice to help manage our current and future financial needs.

If you have any questions during this transition, please do not hesitate to reach out.

November 8, 2024

To the Board of Directors of:  
City of Albany Industrial Development Agency  
21 Lodge Street  
Albany, New York 12207

Dear Board Members,

We are pleased to confirm our understanding of the services we are to provide for the City of Albany Industrial Development Agency (IDA) for the year ended December 31, 2024.

**Audit Scope and Objectives**

We will audit the financial statements of the business-type activities and the disclosures, which collectively comprise the basic financial statements of the IDA as of and for the year ended December 31, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the IDA's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the IDA's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The Management's Discussion and Analysis is required by GAAP and will be subjected to certain limited procedures but will not be audited.

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

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The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

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

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the IDA and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

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

- Management override of controls

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information.

In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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

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

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the IDA's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

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

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your 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.

With regard to using the auditor's report, you understand you must obtain our prior written consent to reproduce our report in bond offerings, official statements, or other documents, if required under the bond requirements.



### **Other Services**

We will assist in preparing the financial statements and related notes of the IDA in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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

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

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

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

The audit documentation for this engagement is the property of Bonadio & Co., LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bonadio & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

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

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

Our fee for these services will be \$15,000. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. In the event certain circumstances, as listed in Appendix A, arise during the engagement, our agreed upon fees will be affected and additional fees may be assessed. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

All services will be rendered by and under the supervision of qualified staff in accordance with AICPA standards and the terms and conditions set forth in this letter. We make no other representation or warranty regarding either the services to be provided or any Deliverables; in particular, and without limitation of the foregoing, any express or implied warranties of fitness for a particular purpose, merchantability, warranties arising by custom or usage in the profession, and warranties arising by operation of law are expressly disclaimed.

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

Neither party shall be liable to the other for any delay or failure to perform any of the services nor obligations set forth in this letter due to causes beyond its reasonable control. All terms and conditions of this letter that are intended by their nature to survive termination of this letter shall survive termination and remain in full force, including but not limited to the terms and conditions concerning payments, warranties, limitations of liability, indemnities, and resolution of differences. If any provision of this letter is determined to be invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

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

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

In the unlikely event that differences concerning this engagement or our services provided hereunder should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, we both agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to this engagement. This engagement will be governed by the laws of the State of New York.

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

### **Reporting**

We will issue a written report upon completion of our audit of the IDA's financial statements. Our report will be addressed to Board of Management of the IDA. 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 a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions 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 withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the IDA is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Electronic Communications**

In performing services under this Agreement, Bonadio & Co., LLP and/or the IDA may wish to communicate electronically either via facsimile, electronic mail, cloud-based portal or similar methods (collectively, "Electronic Means"). However, the electronic transmission of information cannot be guaranteed to be secure or error free, and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Unless you notify us otherwise, we shall regard your acceptance of this Agreement as your consent to use Electronic Means. It is therefore your responsibility to notify Bonadio & Co., LLP when/if your employee(s) no longer require access to Electronic Means that are controlled by Bonadio. Such notice may be sent by email to the partner responsible for this engagement at the address noted in the signature section of this Agreement. All risks related to your business, including access connected with the use of Electronic Means by you or your employees are borne by you and are not our responsibility.

You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2023 peer review report accompanies this letter.

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

Very truly yours,  
BONADIO & CO., LLP



By:  
Alan Walther, CPA  
Partner

RESPONSE:

This letter correctly sets forth the understanding of the City of Albany Industrial Development Agency.

\_\_\_\_\_

\_\_\_\_\_  
(Management Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Governance Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

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

September 18, 2023

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

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

### Firm's Responsibility

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

### Peer Reviewer's Responsibility

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

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1 and SOC 2 engagements).

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

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bonadio & Co., LLP has received a peer review rating of *pass*.



EisnerAmper LLP  
Baton Rouge, Louisiana

## **Appendix A**

### **Circumstances Affecting Timing and Fee Estimate**

The fee quoted for the audit is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually requires reassignment of personnel used in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Bonadio & Co., LLP may incur significant unanticipated costs. The audit start date will be agreed upon with management.
2. All audit schedules are (a) not provided by you on the date requested, (b) not completed in an appropriate format or mathematically correct, or (c) not in agreement with the appropriate records (e.g., general ledger accounts, source documents, confirmations).
3. If all requested information is not provided by the date requested, additional fees at standard hourly rates will be charged for all work performed after the scheduled fieldwork dates.
4. Weaknesses or significant changes in the internal control structure or systems.
5. Necessary changes to management prepared financial statements.
6. Significant new issues or changes as follows:
  - a) Significant new accounting issues that require an unusual amount of time to resolve,
  - b) Significant changes or transaction that occur prior to the issuance of our reports,
  - c) Significant changes in auditing requirements set by regulators.
7. Significant delays in your assistance in the engagement or delays in reconciling variances as requested by Bonadio & Co., LLP.
8. All invoices, contracts, or other documents, which we will identify, are not located by your personnel or made ready for our easy access.
9. Significant level of proposed adjustments identified during our audit.
10. Changes in audit scope caused by events that are beyond our control.
11. Untimely payment of our invoices as they are rendered.
12. Delays in engagement continuance due to outside parties including attorneys and lending institutions.

## SCHEDULE H

### AUDIT COMMITTEE CHARTER

#### **Purpose**

Pursuant to the Agency's by-laws, the purpose of the Audit Committee shall be to (1) assure that the Agency's board fulfills its responsibilities for the Agency's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors.

#### **Powers of the Audit Committee**

It shall be the responsibility of the Audit Committee to:

Appoint, compensate, and oversee the work of any public accounting firm employed by the Agency.

Conduct or authorize investigations into any matters within its scope of responsibility.

Seek any information it requires from Agency employees, all of whom should be directed by the board to cooperate with committee requests.

Meet with Agency staff, independent auditors or outside counsel, as necessary.

Retain, at the Agency's expense, such outside counsel, experts and other advisors as the Audit Committee may deem appropriate.

The Agency board will ensure that the Audit Committee has sufficient resources to carry out its duties.

#### **Composition of Committee and Selection of Members**

The Audit Committee shall be established as set forth in and pursuant to the Agency's by-laws. The Audit Committee shall consist of at least three members of the board of directors who are independent of Agency operations. The Agency's board will appoint the Audit Committee members and the Audit Committee chair.

Audit committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, Audit Committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with

the Agency or receives compensation from an entity that has material business relationships with the Agency.

Ideally, all members on the Audit Committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

The Audit Committee shall have access to the services of at least *one financial expert*; whose name shall be disclosed in the annual report of the Agency.

The Audit Committee's financial expert should have (1) an understanding of generally accepted accounting principles and financial statements; (2) experience in preparing or auditing financial statements of comparable entities; (3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; (4) experience with internal accounting controls and, (5) an understanding of Audit Committee functions.

### **Meetings**

The Audit Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Audit Committee are expected to attend each committee meeting, in person or via videoconference. The Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present or participating through videoconference shall constitute a quorum.

Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials five (5) calendar days before the scheduled Audit Committee meeting. The Audit Committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings will be recorded.

The Audit Committee will meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency.

Minutes of the committee's meeting shall be prepared and filed in the records of the Agency and posted to the Agency's webpage.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.



## **Responsibilities**

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) the Agency's internal auditors; (c) oversight of management's internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; and (e) miscellaneous issues related to the financial practices of the Agency.

### **A. Independent Auditors and Financial Statements**

The Audit Committee shall:

Appoint, compensate and oversee independent auditors retained by the Agency and pre-approve all audit services provided by the independent auditor.

Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the Agency's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.

Review and approve the Agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications.

Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.

Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

### **B. Internal Auditors**

The Agency may, in its absolute discretion and by resolution of the members, create and establish an internal audit procedure. In the event such an internal audit procedure is created, the Audit Committee shall:

Review with management and the internal audit director, the charter, activities, staffing and organizational structure of the internal audit function. The Audit Committee shall have authority over the appointment, dismissal, compensation and performance reviews of the internal audit director.

Ensure that the internal audit function is organizationally independent from Agency operations.

Review the reports of internal auditors, and have authority to review and approve the annual internal audit plan.

Review the results of internal audits and approve procedures for implementing accepted recommendations of the internal auditor.

### **C. Internal Controls, Compliance and Risk Assessment**

The Audit Committee shall:

Review management's assessment of the effectiveness of the Agency's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

### **D. Special Investigations**

The Audit Committee shall:

Ensure that the Agency has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.

Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.

Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)

Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

### **E. Other Responsibilities of the Audit Committee**

The Audit Committee shall:

Present annually to the Agency's board a report of how it has discharged its duties and met its responsibilities as outlined in the charter.

Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.

Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the Agency. The Audit Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.

Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

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**Industrial Development Agency**

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

Ashley Mohl, *Interim Chief Executive Officer*  
Andrew Corcione, *Chief Operating Officer*  
Marisa Franchini, *Agency Counsel*  
A. Joseph Scott, *Special Counsel*

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## CAIDA Audit Committee 2024 Self Evaluation

### 1. Meetings

- During 2024, the Audit Committee met twice. The charter requires the Committee to meet a minimum of two times per year, plus any additional meetings as needed.
- All meetings were properly noticed and open to the public as required, and all agendas, meeting materials and minutes were made available to the public in advance of each meeting on the agency's website.
- Meeting materials were provided to board members in advance of each meeting.
- Minutes of each meeting were regularly prepared, distributed to board members and posted on the agency's website.

### 2. 2024 Summary of Activities

The following is a summary of the Audit Committee's activities and recommendations to the Board of Directors regarding agency operations during 2024.

Actions taken:

- Appointed and oversaw independent auditors retained by the Agency and pre-approved all audit services provided by the independent auditor.
- Established procedures for the engagement of the independent auditor to provide permitted audit services.
- Reviewed and approved the Agency's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Reviewed significant accounting and reporting issues, including complex or unusual transactions and management decisions, recent professional and regulatory pronouncements, and assessed their impact on the financial statements.

- Reviewed and discussed any significant risks reported in the independent audit findings and recommendations and assessed the responsiveness and timeliness of management’s follow-up activities pertaining to the same.
- Reviewed management’s assessment of the effectiveness of the Agency’s internal controls and reviewed the report on internal controls by the independent auditor as a part of the financial audit engagement.
- Presented annually to the Agency’s board a report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Reviewed the committee’s charter annually, reassessed its adequacy, and recommended any proposed changes to the board of the Agency.
- Conducted a self-evaluation of Committee performance.

Other Activities:

- Reviewed the Agency’s Annual Report, Procurement Report and Investment Report for FYE 2023.

**3. Compliance**

- During 2024, the Committee complied with NYS ABO and PAAA requirements.
- The Committee complied with its functions as regards Board reporting and regulatory compliance.

