

## **2025 Assessment of the Effectiveness of Internal Controls**

### **City of Albany Capital Resource Corporation's ("CRC") Major Business Functions:**

The primary mission of the CRC is as follows:

*Assist in the enhancement and diversity of the economy of the City of Albany (the "City") by acting in support of projects in the City that create and/or retain jobs and/or promote private sector investment utilizing the statutory powers of the Corporation as set forth under the provisions of the laws of the State of New York.*

No changes have occurred with respect to funding sources, mission or objectives of the CRC during 2025. Accomplishments, including financial status, committee accomplishments and legal requirements are outlined on a monthly basis via publicly advertised and open meetings. Minutes of these meetings as well as supporting documents are maintained on the Corporation's website.

### **Risks Associated with CRC Operations:**

Public meeting rules are in place and regularly followed. The Chair of the Board of Directors is regularly engaged as are other board members. The Treasurer regularly reviews financial information which is then presented to the board at publicly open meetings. Additionally, for both legal and financial aspects, CRC utilizes outside sources with expertise in the associated functions to lend additional controls. As such, risks are deemed to be low for all activities and functions within CRC. A review for 2025 finds no change to the differing levels of involvement and approval.

### **Internal Control Systems in Place**

There has been a longstanding set of policies, procedures and guidelines in place at the CRC that are designed to ensure the CRC's mission is carried out in full and to minimize risk. These items remained in place during 2025. Some of the key internal controls in place include:

- Public meeting and disclosure requirements are in effect and regularly followed.
- Board of Directors annually reviews and accepts the Corporation policy manual and NYS PAAA policies.
- As noted previously, the use of external parties provides additional levels of internal control. Additionally, personnel with appropriate backgrounds and experience are utilized to help identify such items as legal or financial risks.
- Consistent reports are provided to management as well as the Treasurer and the full Board of Directors.
- The CRC annually has a financial audit. The financial audit provides an opinion on the financial statements and also includes the audit-related assessment of internal controls.
- The Corporation's board actions have addressed internal controls through review and adoption of policies and procedures within the Corporation's policy manual. These policy and procedures include the following:
  - Annual Board adoption and review of Corporation Policy Manual
  - Annual Board adoption and acceptance of NYS PAAA policies
  - Annual Board adoption and acceptance of PARIS reports
  - Annual Board adoption and review of Open Meetings and Conduct & Notification of Public Hearings policies
  - Annual Board adoption and review of Corporation Administrative & Other

#### Fees policies

- Maintenance of website in accordance with the Open Meetings Law
- Corporation board has annually reviewed the Corporation mission and Policy Manual to ensure the CRC's primary operations and functions will help fulfill its mission
- CRC staff is trained to understand the CRC objectives, functions, policies, procedures and guidelines
- Annual Board adoption and review of Corporation Code of Ethics policy
- Monthly financial reports reviewed by Board of Directors
- Annual Board adoption and review of Investment policy
- Annual Board adoption and review of Procurement policy
- Annual Board adoption and review of annual budget
- Annual Board adoption and review of Corporation property acquisition & disposition policies
- Annual external financial audit with Audit Committee oversight

#### **Extent to Which the Internal Control System is Effective**

Management has reviewed the internal control system for 2025 and finds that the items as outlined above remain in place and functioning as expected. The CRC's most recent financial audit (for the calendar year 2024 and the year ended December 31, 2024) identified no material weaknesses or significant deficiencies. Policies and procedures in place are deemed sufficient. As noted previously, CRC staff regularly reviews updates to pertinent rules.

#### **Corrective Action**

No specific corrective action is required at this time. Management consistently works to strengthen controls when possible.