



**ECONOMIC DEVELOPMENT CORPORATION
WARREN COUNTY**

REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

TUESDAY, October 15, 2019 AT 8:00 A.M.

Adirondack Room, 2nd Floor, 333 Glen Street,

Glens Falls, NY 12801

www.edcwc.org

AGENDA

I. Welcome & Call to Order Chair Matt Fuller

EDC Board of Directors: Matt Fuller, Mitch Amado, Chris Barden, Mike Pratt, Jim Siplon, Alex Rotolo, Laura Ladu, Warren County Representative Matt Simpson, SUNY Adirondack Representative Dr. Kristine Duffy, Town of Queensbury Representative John Strough and Glens Falls Representative Judy Calogero.

II. Approval Chair Matt Fuller

- EDC Regular Monthly Meeting Minutes, September 17, 2019 as attached herein:
- Audit & Finance Committee Meeting Minutes of October 3, 2019 as attached herein:

- III. Financial Update Treasurer Mitch Amado/CFO Jennifer Switzer
- Approval September Financials & Payment of Bills as attached herein:
- IV. Reports of Committees
- Audit & Finance Committee:
 - Governance Committee:
- V. President/CEO Report Ed Bartholomew
- Strategic Planning
- VI. New Business
- Interim Staffing/Bookkeeping Staff/Ed Bartholomew
 - Long Term Staffing Chair Matt Fuller
 - Status of Projects Staff/Ed Bartholomew
- VII. Old Business Staff/Ed Bartholomew
- Dropbox or similar location for meeting files
- VIII. Approval of Resolutions:
- Approval of 2020 Budget & Budget and Financial Plan 2020-2023 as recommended by the Audit & Finance Committee herein attached
 - Approval to engage Marvin & Company to provide audit & tax services for the year ending December 31, 2019 with the option to renew annually up to a maximum of 3 additional years (2020 – 2022) as outlined in their proposal herein attached
 - Approval to revise EDC’s Investment Policy as recommended by the Audit & Finance Committee herein attached
 - Appoint Laura D. Ladu to Finance committee.
- IX. Next meeting: Tuesday, November 19, 2019 – 8:00 A.M. – EDC Regular Monthly Meeting of the **Board of Directors in the Adirondack Room** on the 2nd Floor with EDC’s offices located at 333 Glen Street, Suite 101, Glens Falls, NY 12801 unless otherwise notified.
- X. Executive Session – If Necessary
- XI. Adjournment

To: **EDC Board Members**

Re: **Minutes of 2019 September 17, 2019 Meeting of the Board of Directors**

Present: Matt Fuller, Esq. – Chair
Judy Calogero – Secretary
Chris Barden – Vice Chair
Jim Siplon – Director
Laura Ladu - Director
John Strough – Representative, TOQ
Mike Pratt – Director
Mitch Amado – Treasurer & Chair of Audit & Finance Committee
Alex Rotolo - Director
Dr. Kristine Duffy – Representative SUNY Adirondack – Chair of Governance

Absent: Matt Simpson – Representative, Warren County

Guests: Michael Goot, The Post-Star

Staff: Ed Bartholomew, President/CEO
John Wheatley, Vice President
Jennifer Switzer, Director of Finance/CFO
Karen Lange, Office Assistant

On September 17, 2019, the Board of Directors for the Economic Development Corporation met in the Adirondack Room on the 2nd Floor at EDC Offices located at 333 Glen Street, Suite 101 in Glens Falls, New York for its Regular Monthly Board of Directors Meeting of at 8:00 a.m. The following items of business were discussed:

I. **Welcome & Call to Order:** Chair, Matt Fuller welcomed everyone and called the meeting to order at 8:00a.m.

II. **Approval**

- Approval of Regular Monthly Meeting Minutes, July 16, 2019 and approved separately Governance Committee & Audit & Finance Meeting Minutes attached herein: and herein: and herein:

All minutes were forwarded to the board for review and approval prior to the meeting. A motion is made by Mitch Amado, seconded by Judy Calogero and unanimously approved.

III: **Financial Update :**

Treasurer Amado began by asking the status of two large receivables related to Warren County and National Grid. Jennifer Switzer discussed that the receivable from Warren County was due to a drawdown of six months of contract payments due to the contracts not be approved until June. She disclosed \$150,000 had been received by EDC in early September. She then disclosed she was waiting for a final report for the Pathway Corridor project to submit the paperwork to National Grid. With no more questions from the Treasurer she reviewed items from the July and August Statement

of Activities, specifically noting in-kind services related to services provided by Creighton Manning for the Pathway Corridor project, legal costs related to Queensbury Business Park options and reminded the members the cash position would continue to increase once the Town of Queensbury contract was approved and she could drawdown funds for EDC's services.

A motion is made by Dr. Duffy, seconded by Jim Siplon and unanimously approved.

IV: Reports of Committees:

Audit & Finance: Nothing to Report.

Governance Committee: Dr. Duffy relayed for the board the discussions that ensued at the Governance Committee Meeting. First, Dr. Duffy spoke of the Whistleblower Policy and changes to be made to comply with the ABO. Next, Dr. Duffy reviewed for the board Hamel & Associates, an HR professional, the scope of services to update the employee handbook and recommended the Board approve the proposal. She also spoke of updating EDC's Strategic Plan with Camoin Associates-Tucker Strategies noting the committee recommends their proposal. Finally, Dr. Duffy spoke about looking for local companies who offer payroll services.

Member Judy Calogero, addressed the members of the board regarding working with staff on a process to set meetings and distribute meeting agendas and materials. She asked board members to send her their preferences on how they would like to receive meeting materials.

Ed Bartholomew requested member Alex Rotolo to talk about Finch's recent news.

Member Rotolo, discussed briefly the newly acquired French Paper and the opportunities they will bring. He then began to discuss the issues Finch experiences with electrical outages. Other board members agreed and noted similar experiences. The group also discussed working with National Grid on this problem. A discussion ensued regarding creating a separate committee for this issue with Chairman Fuller agreement.

V: President & CEO Report: EDC President & CEO Ed Bartholomew presented his power point presentation as attached herein: Ed began his presentation with an analysis of the U.S. Census Bureau from 2017, the Cities with Most Women Owned Businesses. Some other items that were discussed include:

- NYS ESD Tourism Economics Report Update – Data outlining the economic impacts.
- Demolition to begin September on South Street to Prepare for “The Market”
- EDC Northway Exits Site ID Project Now Focused on Chester, Horicon
- French Paper in Michigan Joining Finch Paper Holdings as discussed by member Rotolo.
- Queensbury Business Park, Chazen Co. Proposal to Perform Site Due Diligence, Chairman Fuller requested the board receive a copy of this report.
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- EDC Pursuing Apprenticeship Program Funding for the Region. Dr. Duffy requested EDC work with the college and outlined their program for the board.
- EDC Participating Panelist for SUNY/Erie Canal Bicentennial Forum on Workforce Development on October 30th at SUNY Adirondack in Queensbury
- EDC 7th Annual Southern ADK Planning & Zoning Forum at Fort William Henry in Lake George set for November 20, 2019

VI:

Approval of Resolutions:

- Approval of Camoin Associates – Tucker Strategies to undertake an update to the EDC’s Strategic Plan as outlined in the attached proposal.

Chair Fuller requested that a board member be present during review with staff of operations, what is and what is not working.

A motion is made by Judy Calogero, seconded by Dr. Kris Duffy and unanimously approved.

- Retain the Planning & Engineering firm of Chazen & Company to undertake a review of the maximum buildable development at Queensbury Business Park pursuant to the attached proposal.

Members discussed the use of this information for marketing, next steps that may include new lot boundaries and shovel readiness.

A motion is made by Chris Barden, seconded by John Strough and unanimously carried.

- Retain the firm of Hamel Resources, LLC for purposes of updating EDC’s personnel handbook pursuant to the attached proposal, and to retain the law firm of Whiteman, Osterman & Hanna for purposes of reviewing the Employee Handbook not to exceed \$1500.00

A motion is made by Alex Rotolo, seconded by Mike Pratt and unanimously carried.

A short discussion by board members to consider using alternatives, like Cloud in the future.

- Approval of Adirondack Technology for undertaking upgrades to EDC’s server and related hardware components as outlined in the attached proposal.

A motion is made by Mitch Amado, seconded by Dr. Duffy and unanimously carried.

- Approval to Revise EDC Whistleblower Policy (see attached)

A motion is made by Judy Calogero, seconded by Alex Rotolo and unanimously carried.

VII: **Other Business.** No other business was discussed.

VIII: **Next Meeting:** : Tuesday, October 15, 2019 – 8:00 a.m.- EDC Regular Monthly Meeting of the Board of Directors in the Adirondack Room on the 2nd Floor at EDC's offices located at 333 Glen Street, Suite 101, Glens Falls, NY unless otherwise notified.

IX: **Executive Session:** No Action Taken.

X: **Adjournment:** Upon no further business to come before the board, a motion is made by Mike Pratt, seconded by Jim Siplon, and carried unanimously to adjourn the meeting at 9:10 a.m.

Draft

To: *Audit/Finance Committee Members*
Re: *Minutes of October 3, 2019*

Present: Mitch Amado – Treasurer/Chair of Committee
Jim Siplon -Member
Judy Calogero, Representative, City of Glens Falls

Absent:

Guest:

Staff: Ed Bartholomew, President/CEO
Jennifer Switzer, Director of Finance/CFO

On October 3, 2019 at 8:00 a.m. the Audit & Finance Committee of the Economic Development Corporation met in the Conference Room at EDC Offices located at 333 Glen Street, Suite 101 in Glens Falls, New York. The following items of business were discussed:

- I.** **Welcome & Call to Order:** Chairman Mitch Amado welcomed committee members and staff and called the meeting to order at 8:10 a.m.

- II.** **2020 Draft Budget -** Committee members reviewed the draft financials and discussed revisions related to staffing changes and grant work. Staff member Switzer will revise the draft budget to reflect the requested changes to include 5 staff members and items related to increasing staff (IT, training), increase in professional development to allow for additional assistance with strategic plan updates and revisions to grant programs

- III.** **Review of Audit & Tax RFP responses** – A motion was made by member Calogero and seconded by member Siplon, to recommend engaging Marvin & Company to the full board, for audit and tax services as outlined in their proposal in response to EDC's RFP for services and approved unanimously.

- IV.** **EDC Depositories -** Staff member Switzer discussed having received information from 2 local banks regarding their deposit services and was awaiting responses from 2 other banks. After a short discussion the committee will wait until the additional information from the remaining 2 banks is received before making any recommendations.

V. ***Investment Policy*** – A short discussion ensued regarding the availability of insuring deposits through local banking institutions. Staff member Switzer acknowledged it would be possible but at a cost to EDC. She will reach out to those local banks interested in providing deposit services to determine the cost and will report back. After reviewing the proposed changes to the Investment Policy, the committee members requested adding language to the policy to include the purchase of eligible securities to insure EDC deposits in excess of the amount insured under the provisions of the FDIC, and as allowed under Article C. Deposit Policy of the Investment Policy.

A motion was made by member Amado, seconded by member Siplon to recommend approval of the Investment Policy to the full board with the changes discussed at this meeting, and approved unanimously.

VI. ***Adjourn*** -With no further business to come before the Audit & Finance Committee, a motion is made by Jim Siplon, seconded by Judy Calogero, and carried unanimously to adjourn the meeting at 9:10 a.m. The next meeting will be held on Tuesday, October 8, 2019 at 8 a.m.

10/10/2019

**EDC, Warren County
Board of Directors
Monthly Financial Report
September 2019**

Fiscal Overview

Fiscal Status*	Treasurer's Remarks
○	Revenues and expenses generally in line with projections.

* *White* = Solid or better than expected financial position, *Grey* = Stable financial position with some concerns, *Black* = Significant financial concerns

September Highlights

The comments below correspond to an item on the financial report listed.

Statement of Financial Position

- Accounts Receivable – See attached aging schedule
- Accounts Payable – See attached aging schedule
- Furniture & Equipment – Represents purchase of upgraded server & installation
- Website Design – website upgrades per contract

Statement of Activities

September

- FF&E – Represents purchase of 3 laptops, surface pro, back-up battery & software
- Property Taxes - Under budget – Budget included funds for exercise of QBP options

YTD

- Contracts – TOQ contract remains outstanding
- Legal – professional services related to employment matter & QBP option
- Membership/Event Planning – Budget established for professional services contract
- Marketing – Other – Budget established for professional services contract
- Product Improvement – Under budget – funds for projects not yet undertaken
- Property Taxes – Under budget – Budget included funds for exercise of QBP options

Statement of Cash Flows

Please review and approve the attached check detail listing for the month of September.

EDC
Statement of Financial Position
 As of September 30, 2019

	<u>Sep 30, 19</u>	<u>Aug 31, 19</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings			
GFNB MM	539,665.29	539,598.76	66.53
WCEDC Checking 003526808	356,568.41	166,281.60	190,286.81
WCEDC Savings-60304814	47,638.80	47,632.88	5.92
Total Checking/Savings	<u>943,872.50</u>	<u>753,513.24</u>	<u>190,359.26</u>
Accounts Receivable			
Accounts Receivable			
Allowance for Doubtful Accounts	-16,000.00	-16,000.00	0.00
Accounts Receivable - Other	136,636.28	333,441.32	-196,805.04
Total Accounts Receivable	<u>120,636.28</u>	<u>317,441.32</u>	<u>-196,805.04</u>
Total Accounts Receivable	<u>120,636.28</u>	<u>317,441.32</u>	<u>-196,805.04</u>
Other Current Assets			
Prepaid Insurance	3,207.70	3,207.70	0.00
Prepaid taxes	2,295.96	2,295.96	0.00
Security Deposit - 333 Glen St.	1,807.29	1,807.29	0.00
Total Other Current Assets	<u>7,310.95</u>	<u>7,310.95</u>	<u>0.00</u>
Total Current Assets	<u>1,071,819.73</u>	<u>1,078,265.51</u>	<u>-6,445.78</u>
Fixed Assets			
Accumulated Amortization	-23,500.00	-23,500.00	0.00
Accumulated Depreciation	-51,782.69	-51,624.69	-158.00
Furniture and Equipment	85,350.59	75,793.15	9,557.44
Land - HRLDC merger	227,204.74	227,204.74	0.00
Land Development - QIP	44,291.27	44,291.27	0.00
Website Design	43,658.74	38,658.74	5,000.00
Total Fixed Assets	<u>325,222.65</u>	<u>310,823.21</u>	<u>14,399.44</u>
TOTAL ASSETS	<u><u>1,397,042.38</u></u>	<u><u>1,389,088.72</u></u>	<u><u>7,953.66</u></u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	19,855.72	9,285.54	10,570.18
Total Accounts Payable	<u>19,855.72</u>	<u>9,285.54</u>	<u>10,570.18</u>
Total Current Liabilities	<u>19,855.72</u>	<u>9,285.54</u>	<u>10,570.18</u>
Total Liabilities	<u>19,855.72</u>	<u>9,285.54</u>	<u>10,570.18</u>
Net Assets			
Without Donor Restrictions			
Board Designated			
Operating Reserve	241,109.58	241,109.58	0.00
Property Carrying Costs	110,495.41	110,495.41	0.00
Queensbury Projects	137,226.66	137,226.66	0.00
Regional Loan Fund	50,228.39	50,228.39	0.00
Total Board Designated	<u>539,060.04</u>	<u>539,060.04</u>	<u>0.00</u>

EDC
Statement of Financial Position
As of September 30, 2019

	<u>Sep 30, 19</u>	<u>Aug 31, 19</u>	<u>\$ Change</u>
Unrestricted Net Assets	818,529.45	818,529.45	0.00
Change in Net Assets	19,597.17	22,213.69	-2,616.52
Total Net Assets	<u>1,377,186.66</u>	<u>1,379,803.18</u>	<u>-2,616.52</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>1,397,042.38</u></u>	<u><u>1,389,088.72</u></u>	<u><u>7,953.66</u></u>

EDC
A/R Aging Summary

As of September 30, 2019

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Adirondack Pub & Brewery	0.00	0.00	0.00	0.00	350.00	350.00
Adirondack Trust Company	0.00	0.00	0.00	0.00	750.00	750.00
Andritz-Ahlstrom, Inc.	0.00	0.00	0.00	0.00	500.00	500.00
AngloDynamics, Inc.	0.00	0.00	0.00	0.00	2,500.00	2,500.00
Bartlett, Pontiff, Stewart & Rhodes P.C.	0.00	0.00	0.00	0.00	350.00	350.00
Barton & Loguidice, P.C.	0.00	0.00	0.00	0.00	500.00	500.00
Behan Communications	0.00	0.00	0.00	0.00	1,020.00	1,020.00
Berkhire Bank	0.00	0.00	0.00	0.00	60.00	60.00
Bolton Local Development Corproation	0.00	0.00	0.00	0.00	1,250.00	1,250.00
City of Glens Falls	7,500.00	0.00	0.00	0.00	0.00	7,500.00
Cool Insuring	0.00	0.00	0.00	0.00	575.00	575.00
CR Bard	0.00	0.00	0.00	0.00	500.00	500.00
CT Male Associates	0.00	0.00	0.00	0.00	40.00	40.00
Cutting Edge	0.00	0.00	0.00	0.00	500.00	500.00
D.A. Collins	0.00	0.00	0.00	0.00	500.00	500.00
Fort William Henry	0.00	0.00	0.00	0.00	110.00	110.00
G.A. Bove Fuels	0.00	0.00	0.00	0.00	350.00	350.00
Glens Falls IDA	2,250.00	0.00	0.00	2,250.00	0.00	4,500.00
Glens Falls LDC	1,875.00	0.00	0.00	1,875.00	1,875.00	5,625.00
Greater GF Development Corp	0.00	0.00	0.00	0.00	282.96	282.96
Little & O'Connor Attorneys P.C.	0.00	0.00	0.00	0.00	350.00	350.00
Morris Products	0.00	0.00	0.00	0.00	500.00	500.00
National Grid	0.00	0.00	0.00	0.00	52,500.00	52,500.00
NBT Bank	0.00	0.00	0.00	0.00	220.00	220.00
North Country Janitorial	0.00	0.00	0.00	0.00	1,120.00	1,120.00
Primelink	0.00	0.00	0.00	0.00	1,000.00	1,000.00
Steven Borgos	0.00	0.00	0.00	0.00	500.00	500.00
TD Banknorth	0.00	0.00	0.00	0.00	2,500.00	2,500.00
Tech Valley Patent LLC	0.00	0.00	0.00	0.00	350.00	350.00
The Pike Company	0.00	0.00	0.00	0.00	350.00	350.00
Town of Johnsburgh	0.00	0.00	0.00	0.00	150.00	150.00
Warren County	25,000.00	0.00	0.00	0.00	0.00	25,000.00
Warren County Local Development Corporati	4,166.66	0.00	4,166.66	0.00	0.00	8,333.32
TOTAL	40,791.66	0.00	4,166.66	4,125.00	71,552.96	120,636.28

EDC
A/P Aging Summary

	As of September 30, 2019					
	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Adirondack Technical Solutions	0.00	17,358.44	0.00	0.00	0.00	17,358.44
Capital Bank & Trust Co.	2,035.78	0.00	0.00	0.00	0.00	2,035.78
Charlie's Office Furniture	0.00	379.00	0.00	0.00	0.00	379.00
Crystal Rock Bottled Water	0.00	11.00	0.00	0.00	0.00	11.00
John Wheatley	0.00	0.00	0.00	0.00	71.50	71.50
TOTAL	2,035.78	17,748.44	0.00	0.00	71.50	19,855.72

EDC
Statement of Activities Budget vs. Actual
 September 2019

	<u>Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Revenues			
Contract Services			
Bolton LDC Admin Services	0.00	0.00	0.00
City of Glens Falls	7,500.00	10,000.00	-2,500.00
GFIDA	2,250.00	3,750.00	-1,500.00
Glens Falls LDC	1,875.00	1,875.00	0.00
Town of Queensbury	0.00	0.00	0.00
Warren County	25,000.00	25,000.00	0.00
Warren County LDC	4,166.66	4,166.66	0.00
Total Contract Services	<u>40,791.66</u>	<u>44,791.66</u>	<u>-4,000.00</u>
EDC Events			
Annual Economic Dev Luncheon			
Attendance	0.00	0.00	0.00
Sponsorship			
Event Sponsor	0.00	0.00	0.00
Premium Event Sponsor	0.00	0.00	0.00
Total Sponsorship	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Annual Economic Dev Luncheon - Other	0.00	0.00	0.00
Total Annual Economic Dev Luncheon	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Economic Outlook Breakfast	-80.00	0.00	-80.00
EDC Appreciation Day	0.00	0.00	0.00
Holiday - Network Event			
Sponsorship	0.00	0.00	0.00
Holiday - Network Event - Other	0.00	0.00	0.00
Total Holiday - Network Event	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Southern Adk Planning & Zoning	0.00	2,000.00	-2,000.00
Total EDC Events	<u>-80.00</u>	<u>2,000.00</u>	<u>-2,080.00</u>
Grant			
NYS	0.00	0.00	0.00
Total Grant	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Interest Income	84.17	125.00	-40.83
Member Contribution			
Members - In-kind Contributions	240.00		
Member Contribution - Other	0.00	0.00	0.00
Total Member Contribution	<u>240.00</u>	<u>0.00</u>	<u>240.00</u>
Total Revenues	<u>41,035.83</u>	<u>46,916.66</u>	<u>-5,880.83</u>
Expense			
Board & Organizational Develop.			
Accounting	0.00	0.00	0.00
EDC Events			
Annual Economic Dev Luncheon			
Advertising & Promotion	0.00	0.00	0.00
Catering	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00

EDC
Statement of Activities Budget vs. Actual
September 2019

	<u>Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Annual Economic Dev Luncheon - Other	0.00	0.00	0.00
Total Annual Economic Dev Luncheon	0.00	0.00	0.00
Economic Outlook Breakfast			
Advertising & Promotion	0.00	0.00	0.00
Facility Rental	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00
Economic Outlook Breakfast - Other	0.00	0.00	0.00
Total Economic Outlook Breakfast	0.00	0.00	0.00
EDC Appreciation Day	0.00	0.00	0.00
Holiday - Netwrk Event			
Facility rental/meals	0.00	0.00	0.00
Holiday - Netwrk Event - Other	0.00	0.00	0.00
Total Holiday - Netwrk Event	0.00	0.00	0.00
Other/Fall Event	0.00	0.00	0.00
So Adlronclack Planning & Zoning	0.00	0.00	0.00
Total EDC Events	0.00	0.00	0.00
Insurance - Business	0.00	0.00	0.00
Investor Relations	0.00	0.00	0.00
Legal	0.00	800.00	-800.00
Membership/Event Planning	0.00	2,500.00	-2,500.00
Misc	0.00	0.00	0.00
Prof Development/Training	0.00	500.00	-500.00
Total Board & Organizational Develop.	0.00	3,800.00	-3,800.00
Depreciation	158.00	599.25	-441.25
Overhead			
Connectivity	387.04	642.00	-254.96
Janitorial Service	240.00	240.00	0.00
Machinery & Equipment			
Copier	180.00	458.00	-278.00
FF&E	6,385.58	0.00	6,385.58
Hardware/system maintenance	1,794.42	1,317.00	477.42
Postage Meter	0.00	0.00	0.00
Software	0.00	0.00	0.00
Total Machinery & Equipment	8,360.00	1,775.00	6,585.00
Office Supplies	304.90	417.00	-112.10
Rent	0.00	1,807.00	-1,807.00
Total Overhead	9,291.94	4,881.00	4,410.94
Personnel			
Insurance - Health/Life/Disab	962.88	1,593.00	-630.12
Payroll Administration fees			
Payroll admin fees - EDC	20.00		
Payroll Administration fees - Other	410.63	507.00	-96.37
Total Payroll Administration fees	430.63	507.00	-76.37
Payroll Taxes			

EDC
Statement of Activities Budget vs. Actual
September 2019

	<u>Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Payroll taxes - EDC	1,811.52	2,561.00	-749.48
Total Payroll Taxes	1,811.52	2,561.00	-749.48
Retirement Contributions	2,035.78	2,176.00	-140.22
Salary - EDC	23,465.33	28,971.00	-5,505.67
Total Personnel	28,706.14	35,808.00	-7,101.86
Program Expenses			
Business Development	0.00	167.00	-167.00
Collateral Materials	0.00	1,458.00	-1,458.00
Computer and Related			
Hardware	0.00	0.00	0.00
Computer and Related - Other	0.00	0.00	0.00
Total Computer and Related	0.00	0.00	0.00
Dues-Subscript	0.00	700.00	-700.00
Marketing			
Hosting/Meeting	0.00	0.00	0.00
Marketing - Other	858.60	3,590.00	-2,731.40
Total Marketing	858.60	3,590.00	-2,731.40
Product Improvement	0.00	3,561.00	-3,561.00
Property Maintenance	0.00	1,000.00	-1,000.00
Property Taxes	4,637.67	11,470.00	-6,832.33
Website Enhancement	0.00	0.00	0.00
Program Expenses - Other	0.00	0.00	0.00
Total Program Expenses	5,496.27	21,946.00	-16,449.73
Total Expense	43,652.35	67,034.25	-23,381.90
Change In Net Assets	-2,616.52	-20,117.59	17,501.07

EDC
Statement of Activities Budget vs. Actual
January through September 2019

	<u>Jan - Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Revenues			
Contract Services			
Bolton LDC Admin Services	0.00	1,250.00	-1,250.00
City of Glens Falls	22,500.00	30,000.00	-7,500.00
GFIDA	6,750.00	11,250.00	-4,500.00
Glens Falls LDC	5,625.00	5,625.00	0.00
Town of Queensbury	0.00	85,500.00	-85,500.00
Warren County	225,000.00	225,000.00	0.00
Warren County LDC	37,500.02	37,499.94	0.08
Total Contract Services	<u>297,375.02</u>	<u>396,124.94</u>	<u>-98,749.92</u>
EDC Events			
Annual Economic Dev Luncheon			
Attendance	5,460.00	0.00	5,460.00
Sponsorship			
Event Sponsor	6,750.00	0.00	6,750.00
Premium Event Sponsor	0.00	0.00	0.00
Total Sponsorship	<u>6,750.00</u>	<u>0.00</u>	<u>6,750.00</u>
Annual Economic Dev Luncheon - Other	<u>0.00</u>	<u>15,000.00</u>	<u>-15,000.00</u>
Total Annual Economic Dev Luncheon	<u>12,210.00</u>	<u>15,000.00</u>	<u>-2,790.00</u>
Economic Outlook Breakfast	8,135.00	5,500.00	2,635.00
EDC Appreciation Day	0.00	400.00	-400.00
Holiday - Network Event			
Sponsorship	0.00	0.00	0.00
Holiday - Network Event - Other	0.00	0.00	0.00
Total Holiday - Network Event	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Southern Adk Planning & Zoning	<u>0.00</u>	<u>2,000.00</u>	<u>-2,000.00</u>
Total EDC Events	<u>20,345.00</u>	<u>22,900.00</u>	<u>-2,555.00</u>
Grant			
NYS	0.00	25,000.00	-25,000.00
Total Grant	<u>0.00</u>	<u>25,000.00</u>	<u>-25,000.00</u>
In-kind Services	3,835.97		
Interest Income	727.73	1,125.00	-397.27
Member Contribution			
Bronze	5,950.00		
Gold Level	17,000.00		
Members - In-kind Contributions	4,280.00		
Platinum Level	33,000.00		
Silver Level	23,500.00		
Titanium	12,000.00		
Member Contribution - Other	0.00	96,500.00	-96,500.00
Total Member Contribution	<u>95,730.00</u>	<u>96,500.00</u>	<u>-770.00</u>
Miscellaneous	125.84		
Total Revenues	<u>418,139.56</u>	<u>541,649.94</u>	<u>-123,510.38</u>

EDC
Statement of Activities Budget vs. Actual
January through September 2019

Expense	Jan - Sep 19	Budget	\$ Over Budget
Board & Organizational Develop.			
Accounting	6,825.00	8,500.00	-1,675.00
EDC Events			
Annual Economic Dev Luncheon			
Advertising & Promotion	7,270.73	0.00	7,270.73
Catering	4,128.25	0.00	4,128.25
Miscellaneous	2,900.00	0.00	2,900.00
Annual Economic Dev Luncheon - Other	0.00	15,000.00	-15,000.00
Total Annual Economic Dev Luncheon	<u>14,298.98</u>	<u>15,000.00</u>	<u>-701.02</u>
Economic Outlook Breakfast			
Advertising & Promotion	7,338.00	0.00	7,338.00
Facility Rental	4,148.50	0.00	4,148.50
Miscellaneous	0.00	0.00	0.00
Economic Outlook Breakfast - Other	0.00	8,000.00	-8,000.00
Total Economic Outlook Breakfast	<u>11,486.50</u>	<u>8,000.00</u>	<u>3,486.50</u>
EDC Appreciation Day	0.00	400.00	-400.00
Holiday - Netwrk Event			
Facility rental/meals	0.00	0.00	0.00
Holiday - Netwrk Event - Other	0.00	0.00	0.00
Total Holiday - Netwrk Event	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Other/Fall Event	0.00	3,000.00	-3,000.00
So Adirondack Planning & Zoning	0.00	0.00	0.00
Total EDC Events	<u>25,785.48</u>	<u>26,400.00</u>	<u>-614.52</u>
Insurance - Business	6,463.40	7,000.00	-536.60
Investor Relations	0.00	0.00	0.00
Legal	7,517.50	7,200.00	317.50
Membership/Event Planning	0.00	22,500.00	-22,500.00
Misc	0.00	0.00	0.00
Prof Development/Training	0.00	6,000.00	-6,000.00
Total Board & Organizational Develop.	<u>46,591.38</u>	<u>77,600.00</u>	<u>-31,008.62</u>
Depreciation	1,422.00	5,393.25	-3,971.25
Overhead			
Connectivity	3,398.54	5,774.00	-2,375.46
Janitorial Service	2,390.00	2,760.00	-370.00
Machinery & Equipment			
Copier	2,382.87	4,126.00	-1,743.13
FF&E	7,234.58	4,000.00	3,234.58
Hardware/system maintenance	7,167.42	11,849.00	-4,681.58
Postage Meter	291.45	900.00	-608.55
Software	0.00	5,000.00	-5,000.00
Total Machinery & Equipment	<u>17,076.32</u>	<u>25,875.00</u>	<u>-8,798.68</u>
Office Supplies	3,186.06	3,749.00	-562.94

EDC
Statement of Activities Budget vs. Actual
January through September 2019

	<u>Jan - Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Rent	16,265.61	16,267.00	-1.39
Total Overhead	42,316.53	54,425.00	-12,108.47
Personnel			
Insurance - Health/Life/Disab	7,137.01	14,336.00	-7,198.99
Payroll Administration fees			
Payroll admin fees - EDC	200.00		
Payroll Administration fees - Other	3,983.11	4,563.00	-579.89
Total Payroll Administration fees	4,183.11	4,563.00	-379.89
Payroll Taxes			
Payroll taxes - EDC	20,317.43	23,047.00	-2,729.57
Payroll Taxes - Other	-108.89		
Total Payroll Taxes	20,208.54	23,047.00	-2,838.46
Retirement Contributions	18,322.02	19,578.00	-1,255.98
Salary - EDC	226,178.77	260,736.00	-34,557.23
Total Personnel	276,029.45	322,260.00	-46,230.55
Program Expenses			
Business Development	0.00	1,499.00	-1,499.00
Collateral Materials	3,900.00	13,126.00	-9,226.00
Computer and Related			
Hardware	0.00	0.00	0.00
Software	3,500.00		
Computer and Related - Other	20.00	100.00	-80.00
Total Computer and Related	3,520.00	100.00	3,420.00
Dues-Subscript	1,795.00	10,000.00	-8,205.00
Marketing			
Hosting/Meeting	500.00	0.00	500.00
Marketing - Other	5,117.10	32,305.00	-27,187.90
Total Marketing	5,617.10	32,305.00	-26,687.90
Product Improvement	3,835.97	32,054.00	-28,218.03
Property Maintenance	990.00	5,000.00	-4,010.00
Property Taxes	9,524.96	22,450.00	-12,925.04
Website Enhancement	3,000.00	3,750.00	-750.00
Program Expenses - Other	0.00	0.00	0.00
Total Program Expenses	32,183.03	120,284.00	-88,100.97
Total Expense	398,542.39	579,962.25	-181,419.86
Change in Net Assets	19,597.17	-38,312.31	57,909.48

EDC
Statement of Cash Flows
September 2019
Sep 19

OPERATING ACTIVITIES	
Net Income	-2,616.52
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	196,805.04
Accounts Payable	10,570.18
Net cash provided by Operating Activities	<u>204,758.70</u>
INVESTING ACTIVITIES	
Accumulated Depreciation	158.00
Furniture and Equipment	-9,557.44
Website Design	-5,000.00
Net cash provided by Investing Activities	<u>-14,399.44</u>
Net cash Increase for period	190,359.26
Cash at beginning of period	753,513.24
Cash at end of period	<u><u>943,872.50</u></u>

Check Detail

Type	Num	Date	Name	Memo	Paid Amount
Bill Pmt -Check	7641	09/05/2019	Atlas Integrated LLC	Website update - 2/3 invoice for update	\$ 5,000.00
Bill Pmt -Check	7642	09/05/2019	Caroline Barber	19-20 School Taxes	\$ 3,846.35
Bill Pmt -Check	7643	09/05/2019	Seeley Office Systems Co.	Bizhub svc contract 7/12-8/11	\$ 66.43
Bill Pmt -Check	7644	09/05/2019	Watkins Garden Center	Mowing & maintenance Aug 2 & Aug 16	\$ 350.00
Bill Pmt -Check	7645	09/06/2019	Capital Bank & Trust Co.	2019 EDC Monthly SEP Distribution (July)	\$ 2,035.78
Bill Pmt -Check	7646	09/06/2019	Capital Bank & Trust Co.	2019 EDC Monthly SEP Distribution (August)	\$ 2,035.78
Bill Pmt -Check	7647	09/16/2019	Atlas Integrated LLC	Website update -	\$ 5,000.00
Bill Pmt -Check	7648	09/16/2019	De Lage Landen	A/C # 570442 - Biz HubC308 -9/1/2019-9/30/2019	\$ 180.00
Bill Pmt -Check	7649	09/16/2019	Glens Falls Common School District	303.17-24-4 - 139 Warren Street Sch Tax	\$ 791.32
Bill Pmt -Check	7650	09/16/2019	John Wheatley	Cell phone reimbursement August	\$ 7.50
Bill Pmt -Check	7651	09/16/2019	Miles Ahead Communications	July & Aug mktg svcs - Newsletters & announcements	\$ 858.60
Bill Pmt -Check	7652	09/16/2019	PrimeLink, Inc.	Voice & Data - FiberOptic - Sept	\$ 315.54
Bill Pmt -Check	7653	09/16/2019	Eventbrite, Inc.	July - 1 membership fee pd on line	\$ 19.95

TOTAL

\$ 20,507.25

2020 Draft Budget Summary

	18 Actual	19 Budget	19 YE Projection	20 Requested	
Income					
Total Contract Services	568,750	529,000	513,000	513,000	Warren County - \$300,000, Qby - \$114,000, City of GF - \$30,000 - GFIDA & GFUDC - \$16,500, Warren County LDC - \$50,000, Bolton LDC - \$2,500
Total EDC Events	22,494	26,425	25,950	29,025	Annual luncheon, Outlook Breakfast, Planning & Zoning and Holiday Event
Total Grant	50,000	25,000	-	-	
In-kind Services	6,273	-	-	-	
Interest Income	1,010	1,500	900	1,000	
Total Member Contribution	95,710	98,500	93,380	105,150	Represents 10% increase over '19 budget
Miscellaneous	2,188	-	126	-	
Total Income	<u>744,404</u>	<u>678,425</u>	<u>633,336</u>	<u>649,175</u>	4.3% decrease from 2019 Budget
Expense					
Total Board & Organizational Develop.	51,700	97,900	60,610	92,500	Includes funding for Strategic Plan update & staff training
Depreciation	2,024	7,191	1,600	12,169	Includes purchase of new software/webists upgrades
Total Overhead	48,292	69,788	59,163	65,688	
Total Personnel	391,499	429,685	372,616	540,680	Includes salaries & benefits for 5 staff members
Total Program Expenses	143,485	148,362	101,396	109,800	Includes funding for marketing of Fed Oppty Zones, EDC Sites and contract services for Housing study/other projects
Total Expense	<u>635,000</u>	<u>752,926</u>	<u>595,910</u>	<u>820,837</u>	
	<u>108,404</u>	<u>(74,501)</u>	<u>37,426</u>	<u>(171,662)</u>	

**EDC Warren County
Budget & Financial Plan 2020-2023**

	Last Year (Actual) 2018	Current Year (Estimated) 2019	Next Year Approved 2020	Proposed 2021	Proposed 2022	Proposed 2023
Revenue & Financial Sources						
Other Operating Revenues	744,404	633,336	649,175	649,175	699,175	699,175
Total Revenues & Financial Sources	744,404	633,336	649,175	649,175	699,175	699,175
Expenditures						
<i>Operating Expenditures</i>						
Salaries and wages	343,749	332,456	461,297	475,136	489,390	504,072
Other Employee Benefits	41,876	34,763	71,945	75,542	79,319	83,285
Professional Services Contracts	166,730	119,496	159,938	120,000	95,000	85,600
Supplies and Materials	6,351	5,000	5,000	5,000	5,000	5,000
Depreciation & Amortization	2,024	1,900	12,169	11,935	11,935	11,935
Other Operating Expenditures	74,270	102,293	110,488	90,000	70,000	60,000
Total Expenditures	635,000	595,910	820,637	777,613	750,645	749,292
Excess (Deficiency) of Revenues over Expenditures	109,404	37,426	(171,662)	(128,638)	(51,470)	(50,117)



September 3, 2019

Jennifer Switzer, Director of Finance
EDC Warren County
333 Glen Street, Suite 101
Glens Falls, NY 12801

CC via e-mail: jswitzer@edcwc.org

Dear Jen:

We would like to thank you for the opportunity to submit this proposal to continue providing audit and tax services to EDC Warren County (the EDC).

As your current auditor, we understand your organization which enhances our ability to meet the audit and other needs of management and the Board of Directors. Based on our relationship we are familiar with EDC's compliance reporting requirements to the New York State Authorities Budget Office.

We value the strong relationship we have developed with the EDC and are confident that we can continue to meet your service need expectations.

While the contents of this proposal will illustrate in detail our understanding of and approach to the auditing and tax services required by the EDC, we would like to highlight a few key elements:

1. Marvin and Company, P.C. recognizes that not-for-profit organizations have a unique set of accounting and auditing needs that are different from the typical corporate entity.
2. Not-for-profit clients comprise approximately 70% of our accounting and auditing practice unit.
3. We currently perform work for more than 200 not-for-profit organizations throughout the state. Many of these organizations are similar in size and nature to your organization.
4. We have extensive experience working with 501(c)(3) organizations.
5. We believe in communication throughout the year and utilize an ongoing planning process that helps us maximize efficiency and minimize the burden on your management and staff.
6. We believe that proper planning greatly reduces the possibility of surprises during year-end fieldwork, conducting our audits in phases – planning and preliminary fieldwork, final fieldwork, and wrap-up and reporting.
7. We are committed to meeting the needs of the EDC in your requested time frame and providing a thorough audit that gives peace of mind to Board Members.

For EDC's 2019 financial statement audit the requirement from the *New York State Public Authorities Accountability Act of 2009* for audit partner rotation after five years will be met by Jim Amell, CPA becoming the director responsible for the final review and issuance of Marvin and Company's auditor's reports to the EDC.

We trust that our proposal will demonstrate our ability to continue to provide the highest quality and timely service, that we will help the management of the EDC and the Board of Directors achieve its objectives and that all the information needed to facilitate the selection process is provided. Should you need any additional information or have any questions or concerns, please contact us.

We welcome the opportunity to meet with your organization to discuss our proposal.

We look forward to deepening our relationship and working with you and your organization in a mutually rewarding engagement.

Sincerely,



James E. Amell, CPA
Director



Proposal for Professional Audit and Tax Services

Submitted By

**Marvin and Company, P.C.
111 Everts Avenue
P.O. Box 4750
Queensbury, NY 12804**

(518) 792-6595

James E. Amell, CPA, Director, jea@marvincpa.com

September 3, 2019



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EDC Warren County

Introduction

Marvin and Company, P.C. is committed to assisting our clients with their audit, tax, accounting and management advisory needs. We pride ourselves on the special relationships we develop with our clients and concentrate our service practice around working in concert with them to achieve their goals and objectives. We look forward to continuing our relationship with the EDC Warren County (the EDC) and hope that the following pages illustrate our dedication to servicing your needs.

Our Strategies to Address Your Needs

Our approach to your audit will take into account the following strategies:

- Communication throughout the year
- Advance planning of the audit process to ensure there are no surprises
- Detailed consideration of your internal controls and reliance thereon where possible
- Well planned and executed fieldwork
- Full understanding of not-for-profit industry
- Complete and thorough quality control procedures
- Multiple Directors, Managers and Staff with not-for-profit organization experience

As a client of Marvin and Company, P.C. you will have unlimited access to the many resources our firm has to offer. Our complete client service team is available to consult with you throughout the year, whenever questions or issues arise.

Extensive Director and Manager involvement and day-to-day contact between our professional staff in the field and resources in our office ensures that the audit is efficient, focused appropriately on risk areas, and functioning to keep management and those charged with governance well informed. Our use of technology and paperless audit processes allows for information to be available in real time to the entire client service team. This allows us to address audit issues immediately, perform ongoing reviews as the work is performed, and to address your ongoing needs timely.

EDC Warren County

Understanding of Services to Be Provided

Based on your request for proposal, Marvin and Company, P.C. would provide the following services required by the EDC:

- ✓ Audit of the financial statements of the EDC for the years ended December 31, 2019, 2020, 2021 and 2022. Our audits will be performed 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.
- ✓ Preparation of the EDC's Federal Form 990 and NYS Charities Registration Form CHAR500 for the years ended December 31, 2019, 2020, 2021 and 2022.
- ✓ Preparation and presentation of the management letter including recommendations on improving the controls and efficiencies of procedures and systems. Our management letter will include comments relating to efficiency improvement in areas of financial reporting. Prior to the completion of the management letter, we will meet with the appropriate Board and staff representatives from the EDC to review the findings and recommendations in detail.
- ✓ In addition to completing the audit, your engagement team will be available through the contract period to provide the organization advice and guidance on financial, accounting, tax and reporting issues. We will keep administration abreast of the working requirements of any new applicable accounting or financial reporting pronouncements.
- ✓ Senior representatives will conduct an annual audit planning conference with appropriate EDC personnel and EDC's Audit and Finance Committee prior to the start of each audit. Each year we will be available to make a formal presentation of the results of the audited financials and related reports to the EDC's Audit and Finance Committee.
- ✓ The final drafts of the audited financial statements and related reports will be available for review by March 6, 2020.

All of the services listed above are core services provided by Marvin and Company, P.C.

EDC Warren County

Firm Profile

Marvin and Company, P.C. is a regional accounting firm that has the perfect mix of large-firm resources and small-firm attention to detail that is desired by organizations like the EDC. We still value the same personalized service and commitment to our client relationships that has been a hallmark of our reputation since 1923. We are proud of our connection to the Capital Region and maintain offices in Latham and Queensbury, New York, from which we service a wide range of clients throughout New York State. Our organizational structure is as follows:

	<u>Total Professionals</u>
Shareholders/Directors	8
Principals	6
Managers	7
Senior Assurance Associates	7
Assurance Associates	9
Tax Associates	16
Support Staff	<u>12</u>
Total	<u>65</u>

The audit for the EDC will be staffed from our Queensbury, NY office.

We provide a range of services including auditing and tax services. We also provide the following:

Assurance and Accounting Services:

- Reviews and compilations
- Examination engagements
- Agreed-upon procedures
- Internal control evaluations
- Accounting standards implementation
- Policies and procedures development and implementation
- Board presentations and education

Tax and Consulting Services

- Unrelated business income tax planning
- Representation before IRS and State tax examiners
- Information technology audits

Marvin and Company, P.C. is independent and will remain independent of the EDC as defined by auditing standards generally accepted in the United States of America and the U.S. Government Accountability Office's *Government Auditing Standards*. Each year our firm reviews our independence status with all clients by asking our professional and support staff to complete independence questionnaires.

All of our professional staff are members of the New York State Society of Certified Public Accountants (NYSSCPA) and the American Institute of Certified Public Accountants (AICPA). They are required to obtain a minimum of 40 hours of continuing professional education (CPE) each year. As a member firm of the Government Audit Quality Center of the AICPA and as required by *Government Auditing Standards* all of our staff are required to obtain 24 hours of government specific CPE every two years. In addition, as a member firm of the Employee Benefit Plan Audit Quality Center of the AICPA all of our staff are required to obtain eight hours of employee benefit specific CPE every three years. Our professional audit staff meet these standards annually.

Marvin and Company, P.C. is registered with the New York State Education Department Office of the Professions. We meet all requirements to practice in New York State. All professional staff who have met the qualifications to be licensed in New York State are in good standing.

Marvin and Company, P.C. has not had any disciplinary actions taken or pending against the firm or its staff members during the past five years with state regulatory bodies or professional organizations.

Our firm has adopted a records retention policy. After seven years our audit documentation and files will no longer be available. Physical deterioration or catastrophic events may also shorten the time during which our records will be available.

Marvin and Company, P.C., is an equal opportunity employer, and does not discriminate with regard to race, religion, color, sex or national ancestry.

EDC Warren County

Affiliated Professional Organizations

Marvin and Company, P.C. is an independent member of the BDO Alliance USA, a national and international certified public accounting firm that services clients through 600 offices in 100 countries. This affiliation adds multi-dimensional capacity to Marvin and Company, P.C. in terms of accessible expertise in audit, accounting and management advisory services.

General Qualifications

Not-for-Profit Auditing Services

Marvin and Company, P.C. recognizes that not-for-profit organizations like the EDC have a unique set of accounting and auditing needs that are different from the typical corporate entity. As a firm that has worked alongside many similar client entities, we are aware of the nuances associated with not-for-profit organizations and can identify the issues that are critical to your organization's success. This deep understanding comes from a long history of serving the not-for-profit industry throughout our over 95-year history. In fact, not-for-profit clients comprise approximately 70% of our accounting and auditing practice unit.

We currently perform work for more than 200 not-for-profit organizations throughout the state. Many of these organizations are similar in size and nature to your organization.

Since we have extensive experience in the not-for-profit industry in New York State, we have developed the staff to deal with the issues your organization faces. In addition to the knowledge that comes with our staff's experience and continuing professional education, we have professionals who have developed specialized experience to assist your organization. Essentially, all of the professional staff in our audit and accounting department work on not-for-profit-organization engagements, many of them exclusively.

Our directors, principals, managers and assurance supervisors serve on the governing boards of not-for-profit organizations. As a result, they understand first-hand the issues that face not-for-profit organizations.

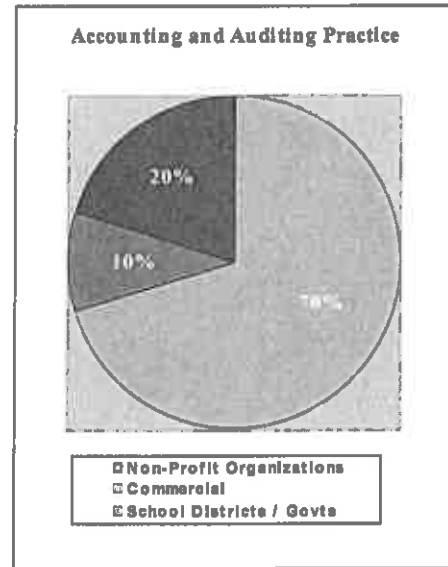
Exempt Organizations and Tax Services

We have extensive experience working with 501(c)(3) organizations and assisting our clients with their Federal Form 990 and NYS Form CHAR 500 filings. We prepare over 170 of these information returns annually and are well equipped to handle your organization's questions or issues.

We are also available to assist with Internal Revenue Code interpretation and structuring regarding unrelated business income subject to tax, and other issues, such as lobbying activities, that can affect tax-exempt status. These issues can have an immediate and direct effect on the organization, and it is important that management is informed of them.

Peer Review

Our firm has undergone thirteen peer reviews administered through the New York State Society of CPAs for the American Institute of Certified Public Accountants (AICPA). This program is dedicated to ensuring that participating firms have quality control systems in place over their accounting and auditing practice. This Peer Review process specifically included reviews of our not-for-profit, commercial, employee benefit plan, governmental and school district assurance engagements. In each of our peer reviews over the last 40 years, we have received an unmodified report (peer review rating of pass), which underscores our commitment to provide high quality audit services. During the off-peer review years, our firm performs internal inspections which mirror the procedures of an external peer review. A copy of our latest peer review report is included in this proposal as Appendix A. This report has been accepted by the AICPA's Peer Review Committee. No letter of comment was received.



EDC Warren County

Communication of New Accounting Developments

We are able to provide our clients with a variety of general and industry specific publications, which contain information addressing issues such as fundraising, lobbying activities, pension administration, tax planning, new standard implementation and compliance issues. Our electronic newsletter is issued monthly. Furthermore, our access to BDO USA's *Nonprofit Standard*, provides timely vital information tailored to the needs of busy non-profit executives. Because of our continuous involvement in the not-for-profit industry, coupled with the extensive training of our staff at all levels, we are fully equipped to keep you informed of the latest developments.

Advanced Audit Technologies

During all stages of our audit process, Marvin and Company, P.C. incorporates automated audit tools to provide you with timely information and effective and efficient audits. Marvin and Company, P.C. utilizes state-of-the-art audit technologies, including a third-party practice aid to prepare an audit approach specifically tailored to your organization utilizing a risk-based audit methodology. This methodology is used by the audit engagement team to identify inherent risks and control strengths.

In addition, some of our other cost-effective applications include:

ProSystem FX® Engagement (Engagement) – A workpaper preparation and storage program with fully integrated trial balances, journal entries, financial preparation, and variance and ratio analysis. Engagement also provides an electronic bridge to various other applications and databases.

Caseware IDEA® – A data extraction and analysis program that allows us to import large amounts of electronic data, apply sampling, set custom parameters and perform analysis procedures in a fraction of the time it would take to do it manually. The software not only provides an efficient mechanism to analyze data where it is required, but also makes it cost effective to perform value added procedures that may not be required as part of an audit.

Staff and Supervisory Qualifications and Experience

At Marvin and Company, P.C. we believe that the first step to a successful relationship is assigning professionals that will best meet the needs of your organization. In selecting your engagement team we evaluate your stipulated needs, the characteristics of your organization and the experience of our professionals, and select the individuals who we believe are the right fit for your organization.

Your engagement team is outlined below. All of these individuals have significant experience servicing not-for-profit organizations and are therefore well-versed in either the audit, tax and/or accounting issues that may be specific to your organization.

Jim Amell, CPA, Director, will be the engagement director. Jim will ensure that all services are delivered in a timely and satisfactory manner and will have ultimate responsibility for the engagement deliverables. He is a Director in our Accounting and Auditing Department and has almost 40 years of experience in providing audit and accounting services to various business types, including school districts, not-for-profits, for-profits and governmental organizations.

Margaret A. Hurlburt, CPA, Assurance Supervisor. Peggy would be the engagement supervisor. She will be responsible for the development and execution of the audit program and will ensure that all work is performed timely and in accordance with applicable professional standards. Peggy will coordinate and supervise the day-to-day activities of the audit staff.

Peggy has worked on the EDC audit since 2013 and is knowledgeable about the EDC.

Heather R. Lewis, CPA, Director, will provide the Engagement Quality Control Review. Heather has over 16 years of experience in auditing not-for-profit organizations. Heather will provide an objective, independent review of the audit engagement, the financial statements, and the firm's reports prior to their issuance.

EDC Warren County

Heather D. Patten, CPA, is a Principal of the firm and will be responsible for the coordination and preparation of the Federal Form 990 and the CHAR 500. She will ensure that all work is performed timely and will also supervise and review the overall preparation of the information returns. Heather will also be available as a resource to you for any tax related questions or issues that may arise.

Additionally, the engagement will be staffed with Associate(s), as required. The personnel assigned will be selected based on their experience, qualifications and your scheduling needs and will have extensive training and experience in auditing not-for-profit organizations. Resumes outlining each individual's unique qualifications are included in Appendix B.

Staffing Continuity

Marvin and Company, P.C. makes every effort to maintain staff continuity on all engagements. We schedule our audit engagements so that the staff who perform preliminary test work also perform final fieldwork. We make every attempt to assign the same staff each year, so that they are familiar with client personnel and procedures. Our rule of thumb in assigning staff is that their first assignment priority are those engagements they worked on in the previous year.

Audit Team Member Rotation

In accordance with the *New York State Public Authorities Accountability Act of 2009* engagement partner rotation is required after five years. Marvin and Company, P.C. met this requirement for the 2019 audit by having Jim Amell being the engagement director. For the years ended December 31, 2020, 2021 and 2022 Marvin and Company, P.C. reserves the right to replace Jim with Karl F. Newton, CPA as the engagement director. Karl was the engagement director for the EDC audit from 2013 through 2018.

Approach to the Engagement

Audit Approach

As auditors, we want to be precise, effective and efficient. We believe that proper planning greatly reduces the possibility of surprises during year-end fieldwork. To this end, we conduct our audits in phases – preliminary fieldwork and final fieldwork. Encompassing the entire process is an ongoing planning process that helps us to maximize efficiency and minimize the burden on your management and staff.

Risk Assessments (Identifying High Risk)

Under professional standards, an auditor plans the audit to obtain reasonable assurance of detecting misstatements that, in our judgment, could have a material effect on the financial statements taken as a whole. Audit risk is the risk that an auditor may unknowingly fail to modify the opinion on financial statements that are materially misstated. Risk assessment is fundamental to the audit process, and we approach the risk assessment process from several perspectives. We pride ourselves on obtaining an understanding of the risks that face your organization from a wide range of internal sources. We also consider the concerns of management and those charged with governance. We always try to incorporate those concerns into our audit design. We will obtain an understanding of your organization and its environment, including internal control, to identify areas where there is an increased risk of material misstatement of the financial statements. This phase will include interviews of management, those charged with governance and key personnel involved in the processes and walkthroughs of specific transaction cycles. Once we have obtained enough information about the risks facing your organization, every member of the engagement team will meet to have a "brainstorming" session specific to your organization. We then plan our audit procedures with the organization's specific risks in mind. As the engagement progresses, we maintain a focus on risks that may arise outside of our initial assessment and adjust our procedures and make recommendations accordingly.

EDC Warren County

Planning and Preliminary Fieldwork

The most important aspect of any engagement happens at the onset of the engagement. At Marvin and Company, P.C. we believe that planning is everything. Our goal as your engagement partner is to make sure that your audit is efficient and cost-effective. In order to accomplish this, we will meet with your key personnel to provide a framework for the audit. This extensive planning includes:

- Meeting and developing a relationship with your staff so they understand that we are working toward a mutual goal
- Studying and evaluating your system of internal control (i.e. a front-end review/assessment)
- Anticipating any issues that might arise prior to the start of the audit
- Answering questions regarding accounting issues that your staff may have
- Outlining the responsibilities of your organization in assisting us with the audit
- Performing a risk assessment for both the financial statements and compliance to focus audit effort
- Developing an audit approach with an emphasis on areas of your concern

We will begin our audit planning at an agreeable time that is convenient for your staff. We will develop and agree on a timeline relative to the deliverables for the specific areas of concentration for audit fieldwork. We will also provide you with a prepared by client list of items based on our planning work.

Some of the other areas addressed at this time will include:

- Confirmations
- Minutes – We will review minutes of Board and other committee meetings held during the year
- Preliminary Analytical Review – We will review key financial statement areas including a preliminary analysis of budget-to-actual and prior year-to-current year comparisons
- Permanent File – We will obtain copies and review all relevant documents
- Audit Programs – We will tailor our audit programs as we develop our approach and determine the nature, timing, and extent of substantive procedures that we will perform during final fieldwork

Based on the information we obtain during this phase, we can determine:

- The general areas of audit risk
- The extent of reliance on your system of internal control and accounting procedures. Because the scope of our audit is decided on the basis of the results of this essential review, it is one of the first steps we will perform.

Final Fieldwork

The final fieldwork phase of the audit will commence once the books are closed and the appropriate audit schedules have been completed. During this phase, we will perform the appropriate tests of account balances and transaction tests in order to form an opinion on the financial statements.

Based on our understanding of the EDC we will conduct certain aspects of the preliminary and final fieldwork at the same time.

Wrap-up

After fieldwork is complete, we will spend time in our offices addressing confirmation responses, testing financial statements, completing reviews and finalizing communications.

We view the audit process as a cooperative one. We meet with management at scheduled intervals to discuss and review engagement status and progress against our plan so as to keep all informed and make the audit process a smooth and efficient one. We will provide you with a timeline to document our mutual expectations relative to the timing and completion of each phase of the engagement.

EDC Warren County

The Management Letter

We will prepare a management letter, outlining comments relating to efficiency improvement in areas of financial reporting and accounting procedures.

We consider the management letter to be an integral part of the audit process. A significant effort is spent formulating ideas that will help the EDC operate more efficiently and effectively. Our policy is to discuss issues as they arise with the appropriate management personnel. We will prepare a management letter in draft form for management. We will revise the draft management letter after appropriate discussions with management and will present this to those charged with governance.

Communication with those Charged with Governance

As part of the audit we will communicate with those charged with governance over the financial reporting process. At the start of the audit we will communicate the general timing and scope, as well as the terms of the engagement. Close to the issuance of our report on the financial statements we will make additional required communications about the conduct of the audit including any significant issues encountered during the audit. The engagement director is available to speak with those charged with governance at any time.

Assistance by Your Personnel

Marvin and Company, P.C. believes in utilizing the work of client staff to the fullest extent possible to minimize your costs. We will provide your personnel with a list of schedules to be completed for each phase of fieldwork. In most cases these will be the same schedules you prepare to support your financial statements and complete your month end close. These lists will be provided well in advance to allow time for adequate completion. We will also need access to various personnel during the audit to help us gain an understanding of your internal control processes and verify their implementation. We approach client assistance from the perspective of maximizing your knowledge and ability to reduce audit costs, while at the same time minimizing the burden on you and your staff.

The Process Timeline

In order to conduct a thorough and comprehensive audit of the EDC's financial statements we are proposing the following timeline. Specific dates would be determined as mutually agreed-upon with management:

Mid January	Planning
Late January/early February	Audit and Finance Committee audit planning meeting
Late January/early February	Preliminary and Final Fieldwork
March 6	Release of draft audit reports, draft management financial statements and other required auditor's communications
March 9-13	Attend the Audit and Finance Committee meeting to present the draft audit reports, draft management financial statements and other required auditor's communications
Late March	Deliver final reports and presentation of the financial statement to the EDC's Board of Directors
April 30	Release draft Form 990 and CHAR500 for review approval by the EDC and those charged with governance
May 15	Assist in filing approved Form 990 and CHAR500 with the appropriate tax authorities

EDC Warren County

Engagement Fees and Administration

We acknowledge that fees are usually a significant factor when selecting a CPA firm. With this in mind, Marvin and Company, P.C. has undertaken many technological changes to mitigate costs, while simultaneously maintaining the same scope and level of quality client service for more than 95 years. This is considered a fixed fee engagement. The fees for the audit and related services, which include out-of-pocket costs, are detailed as follows:

	December 31, <u>2019</u>	December 31, <u>2020</u>	December 31, <u>2021</u>	December 31, <u>2022</u>
Audit of the financial statements of the EDC for the years ended December 31, 2019, 2020, 2021 and 2022	\$ 6,030	\$ 6,240	\$ 6,400	\$ 6,600
Preparation of Federal Form 990 and the New York State CHAR500 for the years ended December 31, 2019, 2020, 2021 and 2022	<u>950</u>	<u>950</u>	<u>975</u>	<u>975</u>
Total	<u>\$ 6,980</u>	<u>\$ 7,190</u>	<u>\$ 7,375</u>	<u>\$ 7,575</u>

Any services that you request that are outside of this engagement will be billed at our standard hourly rates. If a situation arises that could potentially result in a cost-overrun, we will discuss this with you in advance of performing any procedures to ensure that you are aware of the possibility of additional costs.

Our current standard hourly rates for 2019 are as follows:

Director	\$ 250 - \$ 270
Principal/Manager	\$ 125 - \$ 225
Senior Assurance Associate	\$ 80 - \$ 125
Assurance Associate	\$ 60 - \$ 80

Invoices will be rendered as the engagement progresses and are due and payable upon presentation. **A two percent discount is available for invoices paid within 20 days.**

The proposed fees are dependent on:

- a) The understanding that the overall condition of the financial and accounting records is good and that we will receive the audit schedules and support from your personnel as necessary for the performance of audit procedures on agreed-upon dates.
- b) No significant change in operations, audit scope, auditing or accounting standards, or applicable compliance requirements.

EDC Warren County

References

EDC Warren County

333 Glen Street

Glens Falls, NY 12801

Contact: Jennifer Switzer, Director of Finance

Tel: 518-761-6007

Town of Bolton Landing Local Development Corp.

P.O. Box 7

Bolton Landing, NY 12814

Contact: Brian Humphrey, Treasurer

Email: BNHumphrey9@gmail.com

Family YMCA of the Glens Falls Area, Inc.

600 Glen Street

Glens Falls, NY 12801

Contact: Brian Bearor, Associate Executive Director

Tel: 518-793-3878

Additional Information

Competitive Advantages

What separates Marvin and Company, P.C. from the rest of the pack? Not only are we leaders and experts in serving non-profit organizations, we also provide intangibles that can help you be a better organization. Whether through our webinars, seminars, newsletters, or other informal communication, we will keep you informed of issues that could impact your organization. Through our volunteerism on boards, community programs and involvement in local Chambers of Commerce, we are actively involved in the non-profit industry. We understand the issues you are facing. We are committed to providing the highest level of client service. You won't think of us as just your auditor, but also as a valued resource for your organization. The following represents a partial list of the benefits and competitive advantages provided through Marvin and Company, P.C.:

- ✓ Specialty and experience in the non-profit industry
- ✓ Extensive Director/Principal and Manager involvement
- ✓ Routine consultation
- ✓ Communication of current trends
- ✓ Use of technology to maximize audit efficiency
- ✓ Quality assurance and control procedures

Resource Dedication

The Marvin and Company, P.C. engagement team is comprised of trained, experienced professionals who are committed to providing service tailored to your needs. Our firm selects the engagement team with great care, ensuring that the staff chosen will have extensive experience servicing similar entities.

We differentiate our services by building a strong relationship with our clients based on our understanding of their needs and communication. Through our resource dedication, we work with our clients to respond timely and creatively manage their problems and opportunities.

Continual Communication

Marvin and Company, P.C. makes every attempt to communicate with clients throughout the year and encourages management to call us with questions as they arise. We consider periodic phone calls to be part of the audit planning process; phone calls or informal meetings do not result in additional charges unless additional services or research are required. We are a firm that is available when you need us!

Marvin and Company, P.C. provides business clients with access to our monthly electronic newsletter that offers clients timely updates regarding new accounting pronouncements or other issues affecting the entity. We offer monthly webinars through Marvin University that provide the opportunity for participants to keep abreast of changes in the accounting profession as well as other business topics. The webinars are an hour long and are offered free of charge the third Wednesday of every month. Credits for CPE are available for those who participate in the webinars.

Information Technology Services

In addition to traditional accounting, audit and tax services, Marvin and Company, P.C. offers a variety of Information Technology (IT) services. Whether you need assistance with IT related staff training, developing policies and procedures or securing your network, our team of consultants are here to meet your needs.

Some of the IT services performed by Marvin and Company, P.C. include internal and external network mapping, internal and external vulnerability testing, phishing tests, email spoofing and Wi-Fi security auditing. An Advisory Services: Information Technology summary is included in this proposal.

Appendix A – Peer Review Report



Flaherty Salmin LLP Certified Public Accountants
2300 Buffalo Road, Building 200, Rochester, NY 14621-1565
Office 585.275.0120 | Fax 585.275.0104 | www.fsalmin.com
PrimoGlobal |

Report on the Firm's System of Quality Control

To the Directors of Marvin and Company, P.C.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Marvin and Company, P.C. (the firm) in effect for the year ended July 31, 2017. 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. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As 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 Marvin and Company, P.C. in effect for the year ended July 31, 2017 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*. Marvin and Company, P.C. has received a peer review rating of *pass*.

Flaherty Salmin LLP

Rochester, New York
January 26, 2018

Appendix B – Biographies

James E. Amell, CPA
Director

EMPLOYMENT

July 1981 - Present

Marvin and Company, P.C.
Director

EDUCATION

Siena College

BBA in Accounting, Cum Laude, 1981

CERTIFICATION

Date: November 1983

State: New York

Number: 48254



EXPERIENCE

Almost 40 years' experience in auditing, accounting, tax and management advisory services for school district, government, business and not-for-profit organizations, including:

Adirondack Mountain Club
Schoharie Central School District
Schalmont Central School District
Saratoga Springs City School District
Niskayuna Central School District
Glens Falls City School District
Queensbury Central School District
Ravena Coeymans Selkirk Central School District
Coxsackie-Athens Central School District
Wells Central School District
Albany County Airport Authority

MEMBERSHIPS

Member American Institute of Certified Public Accountants
Member New York State Society of Certified Public Accountants
Member NYS Association of School Business Officials
Member Northeast Subcontractors Association
President Scotia Rotary Club 2002-03
Trustee and Treasurer The Hyde Museum
Member Siena College Alumni Association
Member Adirondack Mountain Club
Member Glens Falls Rotary
Board Member and Treasurer Glens Falls Symphony Orchestra

Appendix B – Biographies

Margaret A Hurlburt, CPA
Assurance Supervisor

EMPLOYMENT

July 2013 – Present	Marvin and Company, P.C. Supervisor
December 2012 – May 2013	CMJ, LLP Senior Associate
April 2006 – June 2012	Whittemore, Downen and Ricciardelli, LLP Accounting Manager
December 2000 – April 2006	Edwards, Williams, McManus and Ricciardelli, PC Senior Accountant
December 1986 – December 2000	CWI, Inc. Senior Staff Accountant



EDUCATION

College of St. Joseph, Rutland, VT
BS in Accounting, Magna Cum Laude, May 2000

College of St. Joseph, Rutland, VT
BA in Organizational Leadership, May 1999

SUNY Adirondack, Queensbury, NY
AAS in Accounting Summa Cum Laude May 1987

CERTIFICATION

Date: October 15, 2003
State: New York
Number: 089666-1

QUICKBOOKS CERTIFICATIONS

ProAdvisor Certification	Online Certification:
Date: annually 2003 – 2013	Date 2013 – 3 year certification

EXPERIENCE

More than 25 years in the accounting field including auditing, accounting, management and CFR preparation. Industries serviced include several not-for-profit organizations as well as commercial organizations. Among the not-for-profit organizations which I have been involved with recently include:

Tri-County United Way	EDC Warren County
United Way of the Adirondack Region	Town of Bolton Local Development Corporation
Homefront Development Corporation	

OTHER ACTIVITIES

Member, American Institute of Certified Public Accountants
Member, New York State Society of Certified Public Accountants
Member Zonta Club of Glens Falls
Warm the Children volunteer
Pine Knolls Alliance Food Pantry volunteer

Appendix B – Biographies

Heather R. Lewis, CPA
Director

EMPLOYMENT

June 2002 - Present

Marvin and Company, P.C.
Director

EDUCATION

Siena College

BS in Accounting, May 2002

CERTIFICATION

Date: July 13, 2004

State: New York

Number: 091102



EXPERIENCE

Provides accounting, auditing and tax services to various entities including governmental entities, not-for-profit organizations, school districts and human services organizations. Some of the entities that Heather has been involved with include:

Abilities First, Inc.
Adirondack Mountain Club
Albany County Airport Authority
Averill Park Central School District
Berlin Central School District
Bethlehem Central School District
Coxsackie-Athens Central School District
Disability Rights New York
Elsmere Fire District
Faculty-Student Association of Schenectady County
Community College
Gateway Community Industries, Inc.
Hyde Park Central School District
Mid-Hudson Workshop for the Disabled, Inc.
Mohawk Opportunities, Inc.
Multi-County Community Development Corporation
New York State Magistrates Association

North Colonie Central School District
NYSARC, Inc. Schoharie County Chapter
New York State Joint Commission on Public Ethics
Poestenkill Fire Company, Inc.
Queensbury Union Free School District
Ravena-Coeymans-Selkirk Central School District
Rehabilitation Support Services, Inc.
Schalmont Central School District
Schodack Central School District
Schoharie Central School District
Student Government Assoc. of Schenectady County
Community College
Unity House of Troy, Inc.
Town of Duaneburg
Town of Westerlo
Transitional Services Association, Inc.

MEMBERSHIPS

Member American Institute of Certified Public Accountants (AICPA)
Member New York State Society of Certified Public Accountants
Member New York State Government Finance Officers Association
Treasurer, Ingersoll Place Assisted Living Facility (2013-2017)
Member AICPA Government Audit Quality Center
Member NYS Association of School Business Officials
Member, Board of Directors of Alternative Living Group (2017-2018)

Appendix B – Biographies

Heather D. Patten, CPA
Principal



EMPLOYMENT

August 2002 - Present	Marvin and Company, P.C. Principal
August 1999 – August 2002	Edwards, Williams, McManus, & Ricciardelli, P.C. Senior Accountant
May 1998 – August 1999	George W. Gore, CPA Accountant

EDUCATION

Siena College, Loudonville, NY
BBA in Accounting, May 1998

CERTIFICATION

Date: October 4, 2001
State: New York
Number: 085960

EXPERIENCE

Experience working with a variety of clients including not-for-profit and small business entities. Some of the not-for-profit entities that Heather has been involved with include:

Adirondack Historical Association
United Cerebral Palsy Association / Prospect School (UCPA)
Foundation for the Advancement of Developmentally Disabled Persons, Inc.
Adirondack Community College Foundation
Greater Adirondack Home Aides, Inc.
Tri-County United Way, Inc.
Council for Prevention of Alcohol and Substance Abuse, Inc.
Employee Assistance Program of Warren, Washington & Saratoga Counties, Inc.
Episcopal Charities of Albany, Inc.
North Country School
Rensselaer County Historical Society, Inc.

Certificate of Non-Collusion

Certificate of Non-Collusion

Made to: **EDC Warren County**

- I) By submitting this proposal to provide audit and tax services, each proposer and each person signing on behalf of any firm certifies, and in the case of a joint proposal, each party therefore certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief:
- a) The fees and terms in this proposal have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such fees and terms with any other proposer or with any other competitor; and
 - b) Unless otherwise required by law, the fees and terms which have been quoted in this proposal have not been knowingly disclosed by the proposer prior to the opening, directly or indirectly, to any other proposer or to any competitor; and
 - c) No attempt has been made by the proposer or will be made to induce any other persons, partnership or corporation to submit or not submit a proposal for the purpose of restricting competition.

James E. Amell, CPA, Director

Printed Name and Title



Signature

Marvin and Company, P.C.

Name of Firm/Company/Corporation

August 30, 2019

Date

111 Everts Avenue

Street Address

jea@marvincpa.com

E-mail Address

Queensbury, NY 12804

City, State, Zip

518-792-6595

Telephone Number

EXHIBIT I

ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY

I. INVESTMENT AND DEPOSIT POLICY

A. Introduction

1. Scope – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.
2. Objectives – The primary objectives of the Economic Development Corporation's (the "Corporation") investment activities are, in priority order:
 - a. to conform with all applicable federal, state and other legal requirements (legal);
 - b. to adequately safeguard principal (safety);
 - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
 - d. to obtain a reasonable rate of return (yield).
3. Prudence – All participants in the investment process and all participants responsible for depositing the Corporation's funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Corporation to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Corporation's funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation's funds or which could impair their ability to make impartial investment decisions.

4. Diversification – It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

5. Internal Controls

- a. All moneys collected by an officer or employee of the Corporation shall be immediately deposited in such depositories and designated by the Corporation for the receipt of such funds.
- b. The Corporation shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Corporation for investment and deposit purposes.
- c. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

1. Designation of Depositories

In order to minimize risk and maximize benefit, EDC will utilize only federally insured local banking and savings institutions. Recommendations will be made by the Audit & Finance Committee as to those institutions to be designated based upon ratings commonly used for business purposes. The amount on deposit with any one institution may not in the usual course of business exceed the FDIC insured limit. The Committee may also recommend the purchase of collateral when necessary as well.

B. Investment Policy

1. Permitted Investments

Pursuant to the Not-For-Profit Corporation Law ("N-PCL"), the Corporation is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts;*
- b. Certificates of deposit;*
- c. Obligations of the United States of America;**
- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;**
- e. Obligations of the State of New York;*

*Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are collateralized in the same manner as set forth in paragraph (C) below for deposits of public funds.

**All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

2. Authorized Financial Institutions and Dealers

The Corporation shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Chief Executive Officer or Chairperson of the Board of Directors is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

3. Purchase of Investments

The Corporation may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to the N-PCL where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board of Directors.
- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the board of Directors.

All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company shall be held pursuant to a written custodial agreement as described in the N-PCL.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

C. Deposit Policy

1. Collateralization of Deposits

When deposits of the Corporation, including certificates of deposit and special time deposits, are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act the Audit & Finance Committee may make a recommendation to secure deposits through the purchase of collateral:

- a. By pledge of “eligible securities” with an aggregate “market value” as provided by the N-PCL, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least on nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the Board of Directors.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may

cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

Approved and adopted this 12th day of December, 2013 and
Revised and approved as of October 15, 2019.

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EXHIBIT A

SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an Agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by any Corporation of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (10) Zero Coupon obligations of the United States government marketed as "Treasury strips".