

***ALBANY COUNTY INDUSTRIAL
DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY***

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015



Teal, Becker & Chiamonte™
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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To The Board of Directors
Albany County Industrial Development Agency,
a Component Unit of Albany County
Albany, New York

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Albany County Industrial Development Agency, a Component Unit of Albany County (the Agency), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Albany County Industrial Development Agency, a Component Unit of Albany County, as of December 31, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5, and Schedule II be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2017 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Teal Becker & Charamonte CPAs PC

Management's Discussion And Analysis

The management of the Albany County Industrial Development Agency, a Component Unit of Albany County (the Agency) offers readers of the Agency's financial statements, this narrative overview, and analysis of their financial activities for the year ended December 31, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Agency's financial statements, which follow this narrative.

Financial Highlights

- The Agency's net assets decreased by \$58,395 (or 2.2%) to \$2,619,450, as compared to the previous year.
- Total operating expenses of the Agency were \$91,575 during the year ended December 31, 2016.

Overview of the Financial Statements

The Agency's basic financial statements consist of four components; 1) Management's Discussion and Analysis (the MD&A), 2) fund financial statements, 3) notes to the financial statements, and 4) supplementary information. Because the Agency is a special-purpose government agency engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the Agency. In addition to the MD&A, management has prepared the Statements of Net Position, the Statement of Revenues, Expenses, and Changes in Fund Net Position, and the Statement of Cash Flows, following the MD&A.

Overview of the Agency

The Agency's primary mission is to encourage economic growth and expansion through financial incentives, thus advancing job opportunities, health, general prosperity, and economic welfare of the people of Albany County and the State of New York. The Agency's operations are funded entirely through fees for services and rents received.

Fund Financial Statements

The financial statements are presented on the fund basis. The fund financial statements provide a more detailed look at the Agency's activities by focusing on the individual activities of its fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Management's Discussion And Analysis (Continued)

Notes to the Financial Statements

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 9 through 15 of this report. After the notes, the supplementary information is provided to show details about the Agency's bonds and budget analysis.

Budgetary Highlights

Total expenditures were \$40,055 less than the current year budgeted amount because the Agency didn't incur the budgeted administrative fee.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information required by the New York State Office of the State Comptroller.

The Agency's Net Assets

Figure 1

	<u>2016</u>
Current Assets	<u>\$2,619,450</u>
Current Liabilities	\$ -
Net Position - Unrestricted	<u>2,619,450</u>
Total Liabilities And Net Position	<u>\$2,619,450</u>

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Agency exceeded liabilities by \$2,619,450 as of December 31, 2016. The Agency's net assets decreased by \$58,345 for the year ended December 31, 2016. The largest portion of net assets (99%) reflects the Agency's cash accounts.

**Management's Discussion And Analysis
(Continued)**

The Agency's Revenue and Expenses

Figure 2

Operating Revenues:	
Fees	<u>\$ 32,111</u>
Total Operating Revenues	<u>32,111</u>
Other Revenues:	
Interest Income	<u>1,069</u>
Total Other Revenues	<u>1,069</u>
Total Revenues	<u>33,180</u>
Operating Expenses:	
Personal Services	76,917
Administrative	<u>14,658</u>
Total Operating Expenses	<u>91,575</u>
Net Loss	<u>\$(58,395)</u>

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Statements Of Net Position

December 31

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 2,616,970	\$ 2,676,620
Prepaid expenses	<u>2,480</u>	<u>2,480</u>
 Total current assets	 <u>2,619,450</u>	 <u>2,679,100</u>
 Total Assets	 <u><u>\$ 2,619,450</u></u>	 <u><u>\$ 2,679,100</u></u>
<u>Liabilities And Net Position</u>		
Current liabilities:		
Accrued liabilities	<u>\$ -</u>	<u>\$ 1,255</u>
 Total liabilities	 -	 1,255
 Net position - unrestricted	 <u>2,619,450</u>	 <u>2,677,845</u>
 Total Liabilities And Net Position	 <u><u>\$ 2,619,450</u></u>	 <u><u>\$ 2,679,100</u></u>

The accompanying notes are an integral part of these financial statements

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Statements Of Revenues, Expenses, And Changes In Fund Net Position

For The Years Ended December 31

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Fees	\$ 32,111	\$ 574,500
Economic development	<u>-</u>	<u>500,000</u>
Total operating revenues	<u>32,111</u>	<u>1,074,500</u>
Operating expenses:		
Personal services	76,917	76,144
Administrative	14,658	11,134
Economic development support	-	600,000
Contractual expenses	<u>-</u>	<u>13,750</u>
Total operating expenses	<u>91,575</u>	<u>701,028</u>
Operating income (loss)	<u>(59,464)</u>	<u>373,472</u>
Other revenues:		
Interest income	1,069	1,136
Rental income (Note 3)	<u>-</u>	<u>27,000</u>
Total other revenues	<u>1,069</u>	<u>28,136</u>
Net income (loss)	(58,395)	401,608
Net position - beginning	<u>2,677,845</u>	<u>2,276,237</u>
Net Position - Ending	<u><u>\$ 2,619,450</u></u>	<u><u>\$ 2,677,845</u></u>

The accompanying notes are an integral part of these financial statements

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Statements Of Cash Flows

For The Years Ended December 31

	<u>2016</u>	<u>2015</u>
Cash flows for operating activities:		
Receipts from fees	\$ 32,111	\$ 574,500
Receipts for economic development	-	500,000
Payments for economic development support	-	(600,000)
Payments for personal services	(78,172)	(73,568)
Payments for administration expenses	(14,658)	(11,134)
Payments for contractual expenses	-	(13,750)
Net cash provided by (used by) operating activities	<u>(60,719)</u>	<u>376,048</u>
Cash flows from investing activities:		
Receipts from rental income	-	27,000
Interest	1,069	1,136
Net cash provided by investing activities	<u>1,069</u>	<u>28,136</u>
Net increase (decrease) in cash and cash equivalents	(59,650)	404,184
Cash and cash equivalents - beginning of year	<u>2,676,620</u>	<u>2,272,436</u>
Cash And Cash Equivalents - End Of Year	<u><u>\$ 2,616,970</u></u>	<u><u>\$ 2,676,620</u></u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:		
Operating income (loss)	\$ (59,464)	\$ 373,472
Changes in assets and liabilities:		
Increase in prepaid expenses	-	2,802
Decrease in accrued expenses	(1,255)	(226)
Net Cash Provided By (Used By) Operating Activities	<u><u>\$ (60,719)</u></u>	<u><u>\$ 376,048</u></u>

The accompanying notes are an integral part of these financial statements

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 1: Organization And Summary Of Significant Accounting Policies

Organization and purpose - The Albany County Industrial Development Agency, a Component Unit of Albany County (the Agency) was created under the provisions of the Laws of New York State for the purpose of encouraging economic growth in Albany County and limits its activity to projects in Albany County. The Agency is considered to be a component unit of Albany County since the Albany County Legislature appoints the Agency's Board of Directors.

Basis of presentation - The Agency utilizes the accrual basis of accounting wherein revenue is recognized when earned and expenses are recognized when incurred. The accompanying financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the *Government Accounting Standards Board* (GASB), which is the primary standard setting body for establishing governmental accounting and financial principles.

Cash and cash equivalents - The Agency's investment policies are governed by State statutes. The Agency's funds must be deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit, and for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States of America and its agencies and obligations of the State and its municipalities and school districts.

At December 31, 2016, the carrying amount of the Agency's deposits, including cash and certificates of deposit, is \$2,616,970. The insured and collateral status of the year end bank balances are as follows:

Status of bank balances:

Collateralized with securities held by the pledging financial institution	\$ 2,000,000
Covered by federal deposit insurance	500,000
Uncollateralized	<u>118,092</u>
Total Bank Balances	<u>\$ 2,618,092</u>

The Agency has not incurred any losses from the uncollateralized position. Subsequent to December 31, 2016, the Agency obtained additional collateral sufficient to cover the bank balances in the amount of \$2,500,000.

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 1: Organization And Summary Of Significant Accounting Policies (Continued)

Statement of cash flows and cash equivalents - The Agency follows accounting principles generally accepted in the United States of America, which requires the reporting of cash flows under the direct method of cash flow reporting. For purposes of the statements of cash flows, the Agency considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents in accordance with accounting principles generally accepted in the United States of America.

Capital assets - The Agency's property and equipment are stated at historical cost. Expenditures for additions, renewals, and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the costs and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue. The Agency capitalizes all expenditures for property and equipment in excess of \$1,000.

Industrial Development Revenue Bonds - The Agency may issue Industrial Development Revenue Bonds. The Bonds are special obligations of the Agency payable solely from revenue derived from the leasing, sale, or other disposition of a project. As explained more fully in Note 2, there is no liability to the Agency; therefore, the obligations are not accounted for in the accounts of the Agency.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal value. Non-operating revenues, such as investment earnings, result from non-exchange transactions.

Income taxes - The Agency is exempt from federal, state, and local income taxes.

Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Agency periodically evaluates estimates and assumptions used in the preparation of the financial statements and makes changes on a prospective basis when adjustments are necessary.

Presentation - Certain reclassifications, when applicable, are made to the prior year financial statement presentation to correspond to the current year's format. Reclassifications, when made, have no effect on total net position or net income (loss).

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 2: Industrial Development Revenue Bonds And Notes

The bonds and notes are not obligations of New York State or Albany County and are not general obligations of the Agency. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

At December 31, 2016, the original value of bonds issued aggregated \$23,600,000 and the outstanding balance was \$16,729,348.

Note 3: Net Investment In Direct Financing-Type Lease

The Agency was the lessor of certain real estate known as the Tobin Packing Plant. The lessee had an option to purchase the real estate in 2000 but rescinded the option. At the expiration of the lease, the lessor by Warranty Deed conveyed all of its right, title, and interest in the real estate to the lessee for the sum of one dollar. The term and purchase options under the lease were extended from December 31, 2014 for a three-month period ending and including March 31, 2015. Rental income received for the years ended December 31, 2016 and 2015 was \$-0- and \$27,000, respectively.

Note 4: Employee Benefit Plans

a) Plan Description and Benefits Provided

The Agency is a participant in the New York State and Local Retirement System (the System). The Agency employee had the option to buy past service credits with the retirement system at no cost to the Agency. This is a cost sharing multiple public employer cost-sharing retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 4: Employee Benefit Plans (Continued)

The System is noncontributory except for employees who joined after July 27, 1976 and prior to January 1, 2010, who have less than ten years of service or membership, are required to contribute 3% of their salary throughout their active membership. Employees who joined on or after January 1, 2010 and before April 1, 2012 are required to contribute 3.5% throughout their active membership. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31st. Employer contribution rates ranged from 9.3% to 16.0% of salaries for the year ended December 31, 2016 and 10.5% to 18.8% of salaries for the year ended December 31, 2015. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

2016	\$	5,306
2015		3,104
2014		3,112

b) **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2016, the Agency's liability for its proportionate share of the net pension liability was \$6,663. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the Pension Plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2016, the Agency's proportion was 0.0000415 percent.

For the year ended December 31, 2016, the Agency recognized pension expense of \$6,267. At December 31, 2016, the Agency's deferred outflows of resources and deferred inflows of resources related to pensions were not material.

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 4: Employee Benefit Plans (Continued)

Agency contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31:

2017	\$	2,387
2018		2,387
2019		2,387
2020		1,971

c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Inflation	2.50%
Salary scale	3.8% in ERS
Investment rate of return including inflation	7.0% compounded annually, net of investment expenses
Cost of living adjustments	1.3% annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Sale MP-2014

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 4: Employee Benefit Plans (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016, are summarized below:

Long-Term Expected Rate Of Return 2016	
<u>Asset Type</u>	<u>Long-Term Expected Real Rate</u>
Domestic Equity	7.30%
International Equity	8.55%
Private Equity	11.00%
Real Estate	8.25%
Absolute Return Strategies	6.75%
Opportunistic Portfolio	8.60%
Real Asset	8.65%
Bonds and Mortgages	4.00%
Cash	2.25%
Inflation Indexed Bonds	4.00%

d) Discount Rate

The discount rate used to calculate the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 4: Employee Benefit Plans (Continued)

e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the Agency's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that 1-percentage point lower (6 percent) or 1-percentage point higher (8 percent) than the current rate:

	1% Decrease <u>-6.00%</u>	Current Assumption <u>-7.00%</u>	1% Increase <u>-8.00%</u>
Employer's Proportionate Share Of The Net Pension Asset/(Liability)	<u>\$ 15,025</u>	<u>\$ 6,663</u>	<u>\$ (402)</u>

f) Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of March 31, 2016, were as follows:

	(Dollars In Millions)
	Employees
	<u>Retirement System</u>
Employers' total pension liability	\$ (172,304)
Plan net position	<u>156,253</u>
Employers' Net Pension Asset/(Liability)	<u>\$ (16,051)</u>
Ration Of Plan Net Position To The Employers' Total Pension Asset/(Liability)	<u>90.70%</u>

**REQUIRED SUPPLEMENTARY INFORMATION
AND
SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)**

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Schedule Of Bond Indebtedness

For The Year Ended December 31, 2016

Name of Project	Principal Amount Of Issue	Issue Date	Outstanding Beginning Of Fiscal Year	Issues During Fiscal Year	Paid During Fiscal Year	Outstanding End Of Fiscal Year
Columbia Harriman 455, LLC, Series 2010A	\$ 9,050,000	12/31/2010	\$ 5,386,301	\$ -	\$ 173,062	\$ 5,213,239
Albany Academy and Albany Academy for Girls, Series 2007A	6,000,000	06/28/2007	5,007,270	-	164,613	4,842,657
Albany Academy and Albany Academy for Girls, Series 2007B	300,000	06/29/2007	250,364	-	8,231	242,133
First Unitarian Universalist Society of Albany, Series 2006A	1,200,000	06/26/2006	899,350	-	31,704	867,646
Wildwood Programs, Inc., Series 2006K-1	3,550,000	06/01/2006	2,505,000	-	165,000	2,340,000
LaSalle School, Series 2002A	<u>3,500,000</u>	12/05/2002	<u>3,332,095</u>	-	<u>108,422</u>	<u>3,223,673</u>
Total	<u>\$ 23,600,000</u>		<u>\$ 17,380,380</u>	<u>\$ -</u>	<u>\$ 651,032</u>	<u>\$ 16,729,348</u>

See paragraph on supplementary schedules in independent auditors' report

**ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY,
A COMPONENT UNIT OF ALBANY COUNTY**

Required Supplementary Information
Schedule Of Revenues, Expenses, And Changes In Net Position - Budget
(Non-GAAP Basis) And Actual

For The Year Ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Fees	\$ 40,000	\$ 32,111	\$ (7,889)
Interest income	1,000	1,069	69
Use of surplus	<u>90,630</u>	<u>-</u>	<u>(90,630)</u>
 Total revenues	 <u>131,630</u>	 <u>33,180</u>	 <u>(98,450)</u>
Expenditures:			
Personal services	62,250	68,488	(6,238)
Administrative fee	50,000	-	50,000
Health insurance	8,250	8,429	(179)
Audit fee	6,200	6,100	100
Insurance liability	2,400	2,375	25
Office expense	1,900	2,432	(532)
Meetings and seminars	500	575	(75)
Bank charges	130	76	54
Legal fees	<u>-</u>	<u>3,100</u>	<u>(3,100)</u>
 Total expenditures	 <u>131,630</u>	 <u>91,575</u>	 <u>40,055</u>
 Net loss	 <u>-</u>	 <u>(58,395)</u>	 <u>\$ (58,395)</u>
 Net position - beginning	 <u>2,677,845</u>	 <u>2,677,845</u>	
 Net Position - Ending	 <u>\$ 2,677,845</u>	 <u>\$ 2,619,450</u>	

See paragraph on supplementary schedules in independent auditors' report



**Report On Internal Control Over Financial
Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements Performed
In Accordance With *Government Auditing Standards***

To The Board of Directors
Albany County Industrial Development Agency,
a Component Unit of Albany County

Independent Auditors' Report

We have audited, 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, the financial statements of the governmental activities and the business-type activities of the Albany County Industrial Development Agency, a Component Unit of Albany County (the Agency) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 30, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Teal Becker & Charamonte, CPAs PC

Albany, New York
March 30, 2017