

**Town of Colonie  
Industrial Development Agency**

Financial Report

December 31, 2015 and 2014

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Industrial Development Agency**

Financial Report

December 31, 2015 and 2014

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## Independent Auditor's Report

Chairman and Agency Board  
Town of Colonie Industrial Development Agency  
Latham, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of the Town of Colonie Industrial Development Agency (Agency), which comprise the statements of net position as of December 31, 2015 and 2014, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Colonie Industrial Development Agency as of December 31, 2015 and 2014, and the changes in its financial position and its cash flows 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 management's discussion and analysis on pages 3 through 7 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.

*Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the Agency's basic financial statements. The schedule of indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of indebtedness is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of indebtedness is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2016, 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.

SaxBST LLP

Albany, New York  
February 18, 2016



# Town of Colonie Industrial Development Agency

## Management's Discussion and Analysis December 31, 2015 and 2014

The following Management's Discussion and Analysis (MD&A) provides an introduction and overview to the financial activities and performance of the Town of Colonie Industrial Development Agency (Agency) for the years ended December 31, 2015 and 2014, as mandated by Governmental Accounting Standards Board (GASB) Statement No. 34. This information should be reviewed in conjunction with the financial statements of the Agency.

### Overview of Financial Statements

The Agency's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) promulgated by GASB. The Agency is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and are depreciated over their useful lives. See notes to the financial statements for a summary of the Agency's significant accounting policies.

The *Statements of Net Position* present information on the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Agency's financial position.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing how the Agency's net position changed during the most recent years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future periods.

The *Statements of Cash Flows* relate to the flows of cash and cash equivalents. Consequently, only transactions that affect the Agency's cash accounts are recorded in these statements. A reconciliation is provided at the bottom of the statements of cash flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

In addition to the financial statements and accompanying notes, this report also presents the *Supplemental Schedule of Indebtedness*.

### Financial Highlights

- The Agency's net position decreased \$150,504 from December 31, 2015 to 2014, as compared to a decrease of \$78,796 from December 31, 2014 to 2013. These decreases are the direct result of the lack of projects applying for Agency assistance during 2015 and 2014. In 2014, no new projects were undertaken, and the only project cost was related to the completion of the Mohawk River Landing Park project. In 2015, one project began the application process but will not generate project revenue until sometime in 2016.
- The Agency was presented with several projects during 2014, but they are still within the planning phases or were declined, and therefore, have generated no administrative fee revenues. The fees collected by the Agency in 2014 were related to a revised cost estimate for the Shelter Cove project. The other revenues related to a \$10,000 grant received related to the Mohawk River Landing Park project and \$13,548 received from forfeited developer deposits related to the Winding Creek Bike Path project. One project began the application process in 2015 but will not generate project revenue until sometime in 2016.

# Town of Colonie Industrial Development Agency

## Management's Discussion and Analysis December 31, 2015 and 2014

### Financial Highlights - Continued

- The Agency, under an agreement with the Albany-Colonie Regional Chamber of Commerce, continues to maintain the Town of Colonie Small Business Entrepreneurial Loan (SBEL) Program. In 2015, the Agency paid \$1,439 to the Albany-Colonie Regional Chamber of Commerce for management of this program. At December 31, 2015, the program had net loans receivable of approximately \$48,700.

### Financial Analysis of the Agency

The table below presents condensed financial information derived from the Agency's financial statements as of December 31, 2015, 2014, and 2013.

#### Condensed Statement of Net Position

	2015	2014	2013	Increase (Decrease) 2015-2014	Increase (Decrease) 2014-2013
<b>ASSETS</b>					
Current assets	\$ 1,341,199	\$ 1,493,385	\$ 1,652,333	\$ (152,186)	\$ (158,948)
Noncurrent assets	24,016	26,750	8,391	(2,734)	18,359
<b>Total assets</b>	<b><u>\$ 1,365,215</u></b>	<b><u>\$ 1,520,135</u></b>	<b><u>\$ 1,660,724</u></b>	<b><u>\$ (154,920)</u></b>	<b><u>\$ (140,589)</u></b>
<b>LIABILITIES AND NET POSITION</b>					
<b>LIABILITIES</b>	<b><u>\$ 891</u></b>	<b><u>\$ 5,307</u></b>	<b><u>\$ 67,100</u></b>	<b><u>\$ (4,416)</u></b>	<b><u>\$ (61,793)</u></b>
<b>NET POSITION</b>					
Invested in capital assets	4,893	5,522	6,151	(629)	(629)
Restricted	186,057	184,310	188,916	1,747	(4,606)
Unrestricted	1,173,374	1,324,996	1,398,557	(151,622)	(73,561)
<b>Total net position</b>	<b><u>1,364,324</u></b>	<b><u>1,514,828</u></b>	<b><u>1,593,624</u></b>	<b><u>(150,504)</u></b>	<b><u>(78,796)</u></b>
<b>Total liabilities and net position</b>	<b><u>\$ 1,365,215</u></b>	<b><u>\$ 1,520,135</u></b>	<b><u>\$ 1,660,724</u></b>	<b><u>\$ (154,920)</u></b>	<b><u>\$ (140,589)</u></b>

The overall decrease in net position from 2013 to 2015 is the result of the Agency's efforts to support economic development within the Town of Colonie, as mandated by New York State Law.

Current assets decreased \$152,186 at December 31, 2015, compared to a decrease of \$158,948 at December 31, 2014, while non-current assets decreased \$2,734 at December 31, 2015, compared to an increase of \$18,359 at December 31, 2014.

# Town of Colonie Industrial Development Agency

## Management's Discussion and Analysis December 31, 2015 and 2014

### Financial Analysis of the Agency - Continued

In 2015, the decrease in current assets resulted from normal operating expenses of the Agency, with no significant economic development activities, as in 2014 and 2013. Current assets within the SBEL program increased \$4,243 with the issuance of \$26,000 in new loans, net of \$16,906 in payments. During 2014, the Chamber and Agency determined it appropriate that one of the loans should be written off against a previously established allowance in the amount of \$16,457 and to establish a reserve for doubtful accounts based on the SBEL program's historic collection experience in the amount of \$6,232. No loans were written off during 2015, and the previously established allowance appears to be sufficient at December 31, 2015.

Accounts and accrued payables decreased \$4,416 at December 31, 2015, due to the timing of the payments of certain operating costs incurred for 2015 and 2014.

The table below presents condensed financial information derived from the financial statements of the Agency for the years ended December 31, 2015, 2014, and 2013.

### Condensed Statement of Activities

	2015	2014	2013	Increase (Decrease) 2015-2014	Increase (Decrease) 2014-2013
<b>REVENUES</b>					
Administrative fees	\$ -	\$ 20,000	\$ -	\$ (20,000)	\$ 20,000
Application income	250	750	1,000	(500)	(250)
New York State Grant	-	10,000	-	(10,000)	10,000
Other	52	13,548	-	(13,496)	13,548
Interest income	3,712	2,882	6,530	830	(3,648)
	<u>4,014</u>	<u>47,180</u>	<u>7,530</u>	<u>(43,166)</u>	<u>39,650</u>
<b>EXPENSES</b>					
Administrative expenses	17,283	26,369	19,603	(9,086)	6,766
Bad debts	-	5,864	16,825	(5,864)	(10,961)
Depreciation	629	629	14,211	-	(13,582)
Economic development costs	-	2,100	9,042	(2,100)	(6,942)
Administrative and management fees	70,366	58,272	58,843	12,094	(571)
Professional fees	66,240	21,900	20,068	44,340	1,832
Public benefit projects	-	10,842	517,561	(10,842)	(506,719)
Total expenses	<u>154,518</u>	<u>125,976</u>	<u>656,153</u>	<u>28,542</u>	<u>(530,177)</u>
Change in net position	<u>\$ (150,504)</u>	<u>\$ (78,796)</u>	<u>\$ (648,623)</u>	<u>\$ (71,708)</u>	<u>\$ 569,827</u>

# Town of Colonie Industrial Development Agency

## Management's Discussion and Analysis December 31, 2015 and 2014

### Activities for the Years Ended 2015 to 2010

The Agency's annual fees for services are tied to the size and timing of economic activity projects. There were no fees in 2015 as compared to \$20,000 for one project in 2014. The 2014 revenue was a result of a cost revision to a project approved in 2012 and not the result of new projects in 2014. The Agency was presented with several projects during 2014 and 2015, but they are still within the planning phases and, therefore, have generated no administrative fee revenues. The table below presents a summary of the administrative fee revenue for the years ended December 31, 2015 to 2010.

Project	2015	2014	2013	2012	2011	2010
JDMH Realty: Jetro Restaurant Depot	\$ -	\$ -	\$ -	\$ 21,250	\$ -	\$ -
Precision Valve	-	-	-	-	-	15,500
Shaker Pointe at Carondolet	-	-	-	115,000	167,500	-
Shelter Cove	-	20,000	-	140,000	-	-
SRS:Shop Rite/Otto Cadillac	-	-	-	134,602	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 410,852</b>	<b>\$ 167,500</b>	<b>\$ 15,500</b>

Interest earnings increased in 2015 by \$830 as compared to a decrease of \$3,648 in 2014. The increase in interest income is principally due to more interest generated by the SBEL program through new loan issuances. The cash balances were lower for much of 2015, in addition to lower interest rates, as compared to 2014. This reduction partially offset the increased income for the SBEL program.

Administrative expenses decreased \$9,086 in 2015 as a result of the pre-demolition studies related to the vacant building owned by the Agency undertaken in 2014. Economic development costs for both 2014 and 2013 include fees the Agency paid related to the enhancements of the Planning and Economic Development Department and Small Business Advisory Council pages linked to the Town of Colonie website to facilitate interaction within the commercial development process. There were no such projects in 2015.

Professional fees increased significantly in 2015, with a \$44,340 increase due to increases in legal fees and website maintenance. Public benefit project costs decreased in 2014 by \$506,719. There were no public benefit projects undertaken in 2015. The table below presents a summary of the public benefit project costs for the years ended December 31, 2015 to 2010.

Project	Total Incurred to Date	2015	2014	2013	2012	2011	2010
Colonie Lincoln Avenue Brownfield Opportunity Area	\$ 9,375	\$ -	\$ -	\$ 4,375	\$ 5,000	\$ -	\$ -
Colonie Town Pool Handicap Access	14,631	-	-	14,631	-	-	-
Mohawk Riverside Landing Park	133,795	-	10,842	97,179	15,738	10,036	-
Northway Mall Rd/Warehouse Row Water Infrastructure	265,000	-	-	265,000	-	-	-
River Road Waste Water Treatment Plant Demolition	207,639	-	-	-	182,783	24,856	-
Route 9 Corridor Sidewalks	91,000	-	-	91,000	-	-	-
Winding Creek Bike Path Improvements	84,920	-	-	45,376	21,329	645	17,570
<b>Total</b>	<b>\$ 806,360</b>	<b>\$ -</b>	<b>\$ 10,842</b>	<b>\$ 517,561</b>	<b>\$ 224,850</b>	<b>\$ 35,537</b>	<b>\$ 54,447</b>

Management and administrative fees are paid to the Town of Colonie and Albany-Colonie Chamber of Commerce, respectively, under service agreements and increased by \$12,094 in 2015, compared to decreasing by \$571 in 2014. The bad debts expense in 2014 of \$5,864 is related to the SBEL program and is the result of establishing a general reserve for uncollectible loans in the amount of \$6,232.

# **Town of Colonie Industrial Development Agency**

Management's Discussion and Analysis  
December 31, 2015 and 2014

## **Contacting the Agency's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Town of Colonie Comptroller's Office, at Colonie Town Hall, 534 Loudon Road, Latham, New York 12110.

**Town of Colonie  
Industrial Development Agency**

Statements of Net Position

	December 31,	
	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,167,202	\$ 1,323,918
Prepaid expenses	6,672	6,385
Restricted assets		
Cash, restricted for revolving loan fund	137,624	144,621
Accrued interest	123	82
Loans receivable, current portion, net	29,578	18,379
Total current assets	1,341,199	1,493,385
<b>CAPITAL ASSETS, net</b>	4,893	5,522
<b>OTHER ASSETS, less current portion</b>		
Restricted assets		
Loans receivable, net	19,123	21,228
	<b>\$ 1,365,215</b>	<b>\$ 1,520,135</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 391	\$ 3,807
Accrued expenses	500	1,500
Total current liabilities	891	5,307
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET POSITION</b>		
Invested in capital assets	4,893	5,522
Restricted for revolving loan fund	186,057	184,310
Unrestricted	1,173,374	1,324,996
	1,364,324	1,514,828
	<b>\$ 1,365,215</b>	<b>\$ 1,520,135</b>

**Town of Colonie  
Industrial Development Agency**

Statements of Revenues, Expenses, and Changes in Net Position

	<b>Years Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>OPERATING REVENUES</b>		
Administrative fees	\$ -	\$ 20,000
Application income	250	750
New York State Grant	-	10,000
Other	52	13,548
	<u>302</u>	<u>44,298</u>
<b>OPERATING EXPENSES</b>		
Administrative fees	1,439	1,098
Association dues	8,750	8,450
Bad debt expense	-	5,864
Building related costs	219	8,257
Conferences and travel	3,700	4,071
Depreciation	629	629
Economic development costs	-	2,100
Insurance	4,591	4,485
Legal fees	46,940	8,650
Management fees	68,927	57,174
Postage, office supplies, and other	23	1,106
Professional fees	13,825	12,600
Public benefit projects	-	10,842
Website maintenance	5,475	650
	<u>154,518</u>	<u>125,976</u>
<b>Operating loss</b>	<b>(154,216)</b>	<b>(81,678)</b>
<b>OTHER INCOME</b>		
Interest income	3,712	2,882
	<u>3,712</u>	<u>2,882</u>
<b>Change in net position</b>	<b>(150,504)</b>	<b>(78,796)</b>
<b>NET POSITION, <i>beginning of year</i></b>	<u>1,514,828</u>	<u>1,593,624</u>
<b>NET POSITION, <i>end of year</i></b>	<u><b>\$ 1,364,324</b></u>	<u><b>\$ 1,514,828</b></u>

See accompanying Notes to Financial Statements.

# Town of Colonie Industrial Development Agency

## Statements of Cash Flows

	Years Ended December 31,	
	2015	2014
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 250	\$ 20,750
Payments to vendors	(158,540)	(180,570)
Receipts from other operating sources	-	23,548
	<b>(158,290)</b>	<b>(136,272)</b>
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
Interest income earned	3,671	3,035
Repayment of related-party advances	-	400,000
Loans advanced under revolving loan fund	(26,000)	(35,000)
Payments received on revolving loan fund loans	16,906	9,756
Change in cash restricted for loan fund	6,997	23,833
	<b>1,574</b>	<b>401,624</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(156,716)</b>	<b>265,352</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<b>1,323,918</b>	<b>1,058,566</b>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b>\$ 1,167,202</b>	<b>\$ 1,323,918</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (154,216)	\$ (81,678)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Bad debt expense	-	5,864
Depreciation	629	629
(Increase) decrease in		
Prepaid expenses	(287)	141
Deposits	-	565
Increase (decrease) in		
Accounts payable	(3,416)	(62,505)
Accrued expenses	(1,000)	712
	<b>\$ (158,290)</b>	<b>\$ (136,272)</b>

See accompanying Notes to Financial Statements.

# Town of Colonie Industrial Development Agency

Notes to Financial Statements  
December 31, 2015 and 2014

## Note 1 - Organization and Summary of Significant Accounting Policies

### *a. Organization and Purpose*

The Town of Colonie Industrial Development Agency (Agency) was created in 1977 by the Town of Colonie (Town) under the provisions of Chapter 232 of the 1977 Laws of New York State for the purpose of encouraging growth in the Town. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Town, is a separate entity and operates independently of the Town. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The Town, the Agency, nor any political subdivision thereof, is obligated in any manner for repayment of bonds issued by the Agency. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

### *b. Basis of Accounting and Financial Statement Presentation*

The accounts of the Agency are maintained in a single proprietary fund on the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for government entities. The Governmental Accounting Standards Board (GASB) is the primary standard-setting body for establishing governmental accounting and financial reporting principles. With this measurement focus, all assets and liabilities associated with operations are included on the statement of net position.

Net position is presented in the following categories:

*Invested in capital assets* - Consists of capital assets, net of accumulated depreciation.

*Restricted for revolving loan fund* - Consists of net loans receivable, accrued interest earnings, and a cash account restricted for use by the Revolving Loan Fund (Note 6).

*Unrestricted* - Consists of all other net position that does not meet the definition of "invested in capital assets" or "restricted for revolving loan fund."

### *c. Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

### *d. Cash and Cash Equivalents*

The Agency's cash and cash equivalents are defined as restricted and unrestricted short-term, highly liquid investments that are both readily convertible to known amounts of cash at maturity (90 days).

# Town of Colonie Industrial Development Agency

Notes to Financial Statements  
December 31, 2015 and 2014

## Note 1 - Organization and Summary of Significant Accounting Policies - Continued

### *e. Receivables*

Small Business Entrepreneurial loans are carried at amortized amounts, based on paydown of principal. Management records an allowance on loans based on a review of the outstanding loan balances and its collection history. At both December 31, 2015 and 2014, the allowance for uncollectible loans receivable was \$6,232. The allowance is reviewed annually based on collection history of the loans and known facts and circumstances.

### *f. Capital Assets*

Capital assets acquired by the Agency are stated at cost, including interest capitalized during construction when applicable. Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets.

<u>Description</u>	<u>Estimated Life</u>
Building and improvements	5-30 years
Furniture and equipment	10 years
Intangible assets	3 years

### *f. Subsequent Events*

The Agency has evaluated subsequent events for potential recognition or disclosure through February 18, 2016, the date the financial statements were available to be issued.

## Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consist of:

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Cash in checking accounts	\$ 2,393	\$ 1,034
Cash and cash equivalents in money market account	<u>1,164,809</u>	<u>1,322,884</u>
Total cash and cash equivalents	<u>\$ 1,167,202</u>	<u>\$ 1,323,918</u>
Cash, restricted for revolving loan fund	<u>\$ 137,624</u>	<u>\$ 144,621</u>

Restricted cash consists of funds held for use in the Agency's revolving loan fund. The Agency's investment policies are governed by state statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of New York State or its localities, and Certificates of Participation.

# Town of Colonie Industrial Development Agency

Notes to Financial Statements  
December 31, 2015 and 2014

## Note 2 - Cash and Cash Equivalents - Continued

In accordance with the provisions of Section 10 of the General Municipal Law of New York State, all Agency deposits, including certificates of deposit and special time deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, shall be collateralized by a pledge of eligible securities, letters of credit, or surety bonds. As of December 31, 2015 and 2014, the collateral was sufficient to secure the Agency's deposits in excess of FDIC insurance.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government.

All investment obligations shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the monies 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 Agency within two years of the date of purchase.

## Note 3 - Capital Assets, Net

Capital assets are as follows:

	December 31,			
	2014	Additions	Disposal	2015
Capital assets, not being depreciated				
Land	\$ 4,893	\$ -	\$ -	\$ 4,893
Capital assets being depreciated				
Building and improvements	221,224	-	-	221,224
Intangible assets	1,887	-	-	1,887
Total	223,111	-	-	223,111
Less accumulated depreciation for				
Building and improvements	(221,224)	-	-	(221,224)
Intangible assets	(1,258)	(629)	-	(1,887)
Total	(222,482)	(629)	-	(223,111)
Total capital assets being depreciated, net	629	(629)	-	-
Capital assets, net	<u>\$ 5,522</u>	<u>\$ (629)</u>	<u>\$ -</u>	<u>\$ 4,893</u>

## Note 4 - Related Party Transactions

Transactions with the Town are as follows:

The Comptroller's Office and the Department of Planning and Economic Development provide staff support and office space to the Agency. Under the terms of an annual agreement, the Agency paid the Town \$68,927 and \$57,174 for support services for the years ended December 31, 2015 and 2014, respectively. The Agency also reimburses the Town for direct costs incurred by the Town on behalf of the Agency.

During 2014, the Town repaid an advance of \$400,000 related to a public benefit project within the Town.

# Town of Colonie Industrial Development Agency

Notes to Financial Statements  
December 31, 2015 and 2014

## Note 5 - Industrial Revenue Bond and Note Transactions

Industrial development revenue bonds issued by the Agency are secured by property which is leased to companies and is retired by these payments. The bonds are not obligations of the Agency or the Town. The Agency does not record the assets or liabilities resulting from bonds issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bonds, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives administration fees from the borrowing companies. Such administrative fee income is recognized upon issuance of bonds. There were no new issuances of industrial revenue bonds during 2015 and 2014. The Agency had industrial revenue bonds outstanding totaling \$6,110,000 and \$6,350,000 at December 31, 2015 and 2014, respectively.

## Note 6 - Revolving Loan Fund

### *Commitments and Contingencies*

The Agency established the Town of Colonie Small Business Revolving Loan Trust Fund (Fund), which is administered by the Albany-Colonie Regional Chamber of Commerce (Chamber) for the purpose of providing loans to qualified small businesses. The Chamber is authorized and empowered to make loan commitments not to exceed \$25,000 to a single qualified borrower and to advance loan proceeds from the Fund. The Agency pays the Chamber an administrative fee, from interest income, for its services in connection with the Fund. Any and all other interest earned by the Fund becomes part of the principal of the Fund to be used to make additional loans. Principal payments from borrowers are also returned to the Fund.

Activity within the Fund for the years ended December 31, 2015 and 2014 is as follows:

	December 31,	
	2015	2014
Loans, beginning of year	\$ 45,839	\$ 37,052
Principal advances	26,000	35,000
Principal repayments	(16,906)	(9,756)
Write-offs	-	(16,457)
	54,933	45,839
Allowance for uncollectible amounts	(6,232)	(6,232)
	\$ 48,701	\$ 39,607

**Town of Colonie  
Industrial Development Agency**

Supplementary Information - Schedule of Indebtedness

<u>Project Description</u>	<u>Original Issue Amount</u>	<u>Original Issue Date</u>	<u>Current Interest Rate</u>	<u>Outstanding January 1, 2015</u>	<u>Issued During 2015</u>	<u>Principal Payments 2015</u>	<u>Outstanding December 31, 2015</u>	<u>Final Maturity Date</u>
Saint Gregory's School	\$ 1,300,000	09/98	5.75%	\$ 350,000	\$ -	\$ -	\$ 350,000	9/1/2018
One Mustang Drive II, LLC	5,880,000	9/10	2.83%	5,880,000	-	120,000	5,760,000	9/1/2030
One Mustang Drive II, LLC	970,000	9/10	0.00%	120,000	-	120,000	-	9/1/2015
				<u>\$ 6,350,000</u>	<u>\$ -</u>	<u>\$ 240,000</u>	<u>\$ 6,110,000</u>	

**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***

Chairman and Agency Board  
Town of Colonie Industrial Development Agency  
Latham, New York

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 statement of net position of the Town of Colonie Industrial Development Agency (Agency) as of December 31, 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 18, 2016.

**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 opinion on the financial statements, but not for the purpose of expressing our 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 entity'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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.

SaxBST LLP

Albany, New York  
February 18, 2016