

**RENSELAER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

**Financial Statements and
Supplementary Information**

December 31, 2015

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Financial Statements

December 31, 2015

Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rensselaer County Industrial Development Agency
Troy, New York

We have audited the accompanying statement of net position of Rensselaer County Industrial Development Agency (the "Agency"), a component reporting unit of the County of Rensselaer, New York, as of December 31, 2015, and the related statements of revenues, expenses and change in net position, and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 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 Rensselaer County Industrial Development Agency as of December 31, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis for the year ended December 31, 2015, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinion on the basic financial statements is not affected by this missing information.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions – Pension Plans on pages 20 and 21 be presented to supplement the basic financial statements. Such information, although not 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 consists 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 audit 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for the purposes of additional analysis as required by Title 1 Article 18A of the New York State General Municipal Law, and is not a required part of the basic financial statements. The supplementary information 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 audit 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 supplementary information 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 March 17, 2016 on our consideration of Rensselaer County Industrial Development 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.

Wojcicki & Co. CPAs, P.C.

East Greenbush, New York
March 17, 2016

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Net Position

December 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,990,615
Restricted cash	13,602
Grants receivable	297,904
Accounts receivable	74,882
Note receivable - current portion	9,729

TOTAL CURRENT ASSETS 4,386,732

NONCURRENT ASSETS

Capital assets, net	10,644
Note receivable, net of current portion	360,207
Capitalized development costs	873,993

TOTAL ASSETS 5,631,576

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>59,904</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	18,986
Due to Rensselaer County	297,904
Security deposits	2,620

TOTAL CURRENT LIABILITIES 319,510

LONG-TERM LIABILITIES

Net pension liability	<u>17,457</u>
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TOTAL LIABILITIES 336,967

DEFERRED INFLOWS OF RESOURCES

Rent advances - revenue applicable to future years	<u>25,723</u>
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NET POSITION

Net investment in capital assets	10,644
Restricted	13,602
Unrestricted	5,304,544

TOTAL NET POSITION \$ 5,328,790

See accompanying notes to financial statements.

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Revenues, Expenses and Change in Net Position

For the Year Ended December 31, 2015

OPERATING REVENUES		
Project administration fees		\$ 919,013
Grant revenue		369,936
Tourism revenue		174,066
	TOTAL OPERATING REVENUES	<u>1,463,015</u>
OPERATING EXPENSES		
Professional fees		489,380
Salaries and related expenses		290,194
Promotion and development		250,957
Consulting		204,765
Tourism expenses		170,489
Office expense		23,135
Insurance		15,292
Travel		13,168
Dues and subscriptions		11,498
New York State grant expense		5,863
Depreciation		5,125
Other expenses		3,077
	TOTAL OPERATING EXPENSES	<u>1,482,943</u>
	OPERATING LOSS	(19,928)
NON-OPERATING REVENUES (EXPENSES)		
Interest income		3,659
	TOTAL NON-OPERATING REVENUE	<u>3,659</u>
CHANGE IN NET POSITION		(16,269)
NET POSITION, beginning of year - as restated (see Note B)		<u>5,345,059</u>
	NET POSITION, end of year	<u>\$ 5,328,790</u>

See accompanying notes to financial statements.

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Cash Flows

For the Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from project fees	\$ 939,466
Proceeds from tourism revenue	159,731
Proceeds from rent revenue	25,723
Proceeds from security deposit	2,620
Payments for operating expenses	<u>(1,535,539)</u>
NET CASH USED IN OPERATING ACTIVITIES	(407,999)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from interest income	<u>3,659</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>3,638</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(404,361)
Cash and cash equivalents at beginning of year	<u>4,408,578</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,004,217</u>

RECONCILIATION OF OPERATING LOSS TO NET	
CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (19,928)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	5,125
Changes in operating assets, liabilities, deferred outflow of resources, and deferred inflow of resources:	
Grants receivable	(297,904)
Accounts receivable	20,453
Note receivable	(369,936)
Deferred outflows of resources - pension related	(49,762)
Accounts payable	(25,416)
Due to Rensselaer County	297,904
Advances from grantors	(14,335)
Security deposits	2,620
Net pension liability	17,457
Deferred inflow of resources - rent advances	<u>25,723</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (407,999)</u>

See accompanying notes to financial statements.

RENSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2015

NOTE A--AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Rensselaer County Industrial Development Agency (the "Agency"), a component reporting unit of the County of Rensselaer, New York, was created on April 1, 1974 by a special act of the New York State Legislature. The purpose of the Agency is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, and research facilities, including industrial pollution control facilities and recreation facilities, within Rensselaer County.

Basis of Presentation

The Agency's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions promulgated by GASB, the Authority has elected not to apply Financial Accounting Standards Board (FASB) pronouncements and interpretations issued after November 30, 1989.

The accounting and financial reporting treatment applied to the Agency is determined by its measurement focus. The transactions of the Agency are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statement of net position with revenues recorded when earned and expenses recorded when incurred. Net position is classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and accumulated amortization, reduced by the outstanding balances of bonds, notes, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of investment in capital assets, net of related debt. Rather that portion of the debt is included in restricted net position.

Restricted net position: This component of net position represents external restrictions on net position imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

RENSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE A--AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Unrestricted net position: This component represents net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Agency's principal on-going operations. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Agency considers as cash all demand deposits and all highly liquid investments which are readily convertible to cash.

Grants and Accounts Receivable

Grants and accounts receivable are non-interest bearing and are carried at their estimated collectible amounts. Grants and accounts receivable are periodically evaluated for collectability based on a review of outstanding receivables, historical collection information and current economic conditions. In the opinion of Agency management, all receivable balances are considered collectible; accordingly, no allowance for doubtful accounts has been recorded.

Notes Receivable

Notes receivable are funded from a Community Development Block Grant program for a revolving loan program, the purpose of which is to be able to take repayments of existing loans and loan those funds out to future project applicants. Notes receivable amounts are carried at their net realizable value and are periodically evaluated for collectability based on past history with the customer and their current financial condition. An allowance for uncollectible notes receivable is determined based on experience, the estimated value of the collateral and current economic conditions. The allowance for doubtful accounts was \$0 for the year ended December 31, 2015.

RENSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE A--AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Capital Assets

Acquisitions of property and equipment and expenditures which materially change the capacities or extend the useful lives are capitalized and recorded at historical cost. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred. When an asset is sold or retired, the cost and accumulated depreciation are removed from their respective accounts and the resulting gain or loss is included in the change in net position. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the related assets, generally ranging from 5 to 40 years.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Agency reports deferred outflows related to pensions in the Statement of Net Position. The types of deferred outflows related to pensions are described in Note H.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Agency reports deferred inflows related to advanced rental payments received. These payments will be recognized as revenue in a future period.

Financing Activities

Certain industrial development revenue bonds issued by the Agency are collateralized by property that is leased to companies and is returned by lease payments. The bonds are not obligations of the Agency or the State of New York. The Agency does not record the assets or liabilities resulting from completed bond transactions in its accounts since its primary function is to arrange financing between borrowing companies and bond holders, and funds arising from those transactions are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives project administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds.

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE A--AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Payment in Lieu of Taxes (PILOT)--Continued

The Agency enters into and administers PILOT agreements for various unrelated business entities located in Rensselaer County. Under the terms of the PILOT agreements, title to property owned by the unrelated business entity is transferred to the Agency for a certain period of time. During the period in which the Agency holds title, the business entity pays a PILOT to the Agency based on a calculation defined by the specific agreement. The PILOTs allow the companies to make payments that are less than the property taxes that would be paid on the related property's assessed value. Once the PILOT is received, the Agency remits the PILOT to the respective taxing authorities. Certain requirements, as defined by each agreement, are to be met by the company to be able to maintain its PILOT. These requirements, as stated in the PILOT agreement, can be comprised of reaching and maintaining certain employment goals and paying its PILOT in a timely fashion. At the completion of the PILOT, title to the property is transferred back to the third-party business owner, and the property goes back on the tax rolls.

PILOT receipts and PILOT payments are accounted for as pass-through transactions and are not included in the revenues or expenses of the Agency. The Agency is responsible for collecting and remitting the funds. However, the taxing authorities bear the risk of loss if the PILOT payments are not paid to the Agency by the respective companies.

Income Taxes

The Agency is exempt from Federal, State and Local income taxes.

Subsequent Events

The Agency evaluates transactions that occur subsequent to year end for potential recognition or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were approved by management and available to be issued on March 17, 2016.

RENSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE B--CHANGE IN ACCOUNTING PRINCIPLE

The Agency adopted GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. GASB 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pension through pension plans that are covered by the scope of GASB 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. Accordingly, the cumulative change in accounting principle adjustment to net position is shown in the table below:

	Net Pension Liability	Deferred Outflows	Net Position
Balance at December 31, 2014, as previously reported	\$ -	\$ -	\$ 5,334,938
Contributions made subsequent to measurement date	-	33,472	33,472
NYS Employee Retirement System Plan	(23,351)	-	(23,351)
Balance at December 31, 2014, as restated	<u>\$ (23,351)</u>	<u>\$ 33,472</u>	<u>\$ 5,345,059</u>

NOTE C--CASH AND CASH EQUIVALENTS

All cash of the Agency is maintained in accounts covered by the Federal Deposit Insurance Corporation (FDIC). In accordance with state law, collateral is required for demand deposits and certificates of deposit not covered by FDIC insurance. The Agency's uninsured deposits are collateralized by accounts held by the pledging financial institution agent in the Agency's name.

The Agency has cash amounts that are restricted for the collection and remittance of payments in lieu of taxes (PILOT) to various local taxing authorities. The amount of restricted cash and cash equivalents was approximately \$13,600 at December 31, 2015.

NOTE D--NOTE RECEIVABLE

Note receivable consists of a loan, which was assigned to the Agency from the Rensselaer County Economic Development Corporation, to a local business in monthly installments of \$3,863, including interest at 3.25%, maturing in July 2020. Subsequent to year end, the Agency entered into a new loan agreement with the owners of the business. The new note requires monthly payments of interest and principal of \$1,931 for the first twelve months and monthly principal and interest payments of \$3,863 from the 13th month until maturity in February 2026. The note includes interest at 3.25%.

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE E--CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2015 is as follows:

	Beginning Balance	Additions	Subtractions	Ending Balance
Equipment	\$ 148,459	\$ -	\$ -	\$ 148,459
Accumulated depreciation	(132,690)	(5,125)	-	(137,815)
Capital assets, net	<u>\$ 15,769</u>	<u>\$ (5,125)</u>	<u>\$ -</u>	<u>\$ 10,644</u>

NOTE F--CAPITALIZED DEVELOPMENT COSTS

The Agency has capitalized engineering, infrastructure, cleanup and redevelopment costs related to the South Troy Industrial Park Project. The project is being funded through a grant from the New York State Department of Environmental Conservation. Project expenditures have been capitalized up to the estimated fair market value of the land. The remaining project expenditures are expensed as incurred. The capitalized project costs will be recognized as an expense as the remaining 16 acres are sold.

NOTE G--OPERATING LEASES

The Agency leases an automobile under a non-cancellable operating lease that expires in December 2018. The future minimum lease payments under the operating lease for the year ended December 31, 2015 are as follows:

Year Ended December 31,	
2016	\$ 5,998
2017	5,998
2018	5,998
	<u>\$ 17,994</u>

Rent expense was approximately \$9,900 for the year ended December 31, 2015.

The Agency entered into a non-cancellable operating lease for office space that expires in December 2019. As of December 31, 2015, the office space had not yet been completed. Accordingly there is no rent expense related to the lease during the year ended December 31, 2015. The future minimum lease payments under the operating lease for the year ended December 31, 2015 are as follows:

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE G--OPERATING LEASES--Continued

Year Ended December 31,	
2016	\$ 140,000
2017	140,000
2018	140,000
2019	<u>140,000</u>
	<u>\$ 560,000</u>

Total future minimum lease payments have not been reduced by an approximate amount of \$62,000 of sublease rentals to be received in the year ended December 31, 2016 under non-cancellable subleases.

NOTE H--RELATED PARTY TRANSACTIONS

The Agency is billed annually by Rensselaer County for occupancy expenses and other shared services that are provided to the Agency by Rensselaer County. Fees paid to Rensselaer County totaled approximately \$430,000 for the year ended December 31, 2015. Amounts payable to Rensselaer County was approximately \$298,000 at December 31, 2015.

NOTE I--PENSION PLAN

The Agency participates in the New York State and Local Employee's Retirement System (NYSERS). This is a cost sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the NYSERS. The NYSERS benefits are established under the provisions of the New York State Retirement and Social Security law. Once an employer elects to participate in the NYSERS, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of State statute. The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001.

RENSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE I--PENSION PLAN--Continued

NYSERS is noncontributory for employees who joined NYSERS prior to July 27, 1976. For employees who joined NYSERS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in NYSERS for more than ten years are no longer required to contribute. Employees that join NYSERS after January 1, 2010 and prior to April 1, 2012 are required to contribute 3% of their salaries throughout their active membership. Employees that join after April 1, 2012 are required to contribute 3% to 6% of their salaries, depending on their salaries, throughout their active membership.

The Agency is required to contribute at an actuarially determined rate. The Agency contributions made to NYSERS were equal to 100% of the contributions required each year. The required contributions for the current year and two preceding years were:

December 31, 2015	\$	33,472
December 31, 2014	\$	44,005
December 31, 2013	\$	19,222

At December 31, 2015, the Agency reported a net pension liability of \$17,457 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by the 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.

As of December 31, 2015, the Agency's proportion was 0.0005167%.

For the year ended December 31, 2015, the Agency recognized pension expense of \$17,436. At December 31, 2015, the Agency reported deferred outflows of resources related to pensions from the following sources:

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE I--PENSION PLAN--Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 559
Net difference between projected and actual earnings on pension plan investments	3,032
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	6,551
Contributions subsequent to the measurement date	49,762
	<u>\$ 59,904</u>

The Agency recognized \$49,762 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2015 which will be recognized as a reduction of the net pension liability in the year ended December 31, 2016.

The other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31:	
2016	\$ 2,536
2017	2,536
2018	2,535
2019	2,535
	<u>\$ 10,142</u>

Actuarial Assumptions

The total pension liability at March 31, 2015 was determined using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The total pension liability for the March 31, 2014 measurement date was determined by using an actuarial valuation as of April 1, 2014.

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE I--PENSION PLAN--Continued

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.70%
Salary scale	4.9 percent indexed by service
Projected COLAs	1.4% compounded annually
Decrement	Developed from the Plan's 2010 experience study of the period April 1, 2005 through March 31, 2010.
Mortality improvement	Society of Actuaries Scale MP-2014
Investment rate of return	7.5% compounded annually, net of investment expense

The long term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	38.0	7.3
International Equity	13.0	8.55
Private Equity	10.0	11.00
Real Estate	8.0	8.25
Absolute Return	3.0	6.5
Opportunistic Portfolio	3.0	8.60
Real Assets	3.0	8.65
Bonds & Mortgages	18.0	4.00
Cash	2.0	2.25
Inflation-Indexed Bonds	2.0	4.00
	100%	

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements--Continued

NOTE I--PENSION PLAN--Continued

Discount Rate

The discount rate used to calculate the total pension liability was 7.5%. 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 Plan'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.

Sensitivity of the Proportionate Share of the New 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 7.5%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount 7.5%	1% Increase 8.5%
Proportionate share of net pension liability (asset)	\$ 116,356	\$ 17,457	\$ (66,039)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2015 were as follows:

Total pension liability	\$ 164,591,504
Net position	(161,213,259)
Net pension liability (asset)	<u>\$ 3,378,245</u>
NYSERS net position as a percentage of total pension liability	97.95%

COMPLIANCE REPORT



**INDEPENDENT AUDITORS' 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
Rensselaer County Industrial Development Agency
Troy, New York

We have audited, in accordance with the 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 Rensselaer County Industrial Development Agency (the "Agency"), which comprise the statement of net position 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 March 17, 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 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 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 Rensselaer County Industrial Development Agency's financial statements are free of 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.

Wojcicki & Co. CPAs, P.C.

East Greenbush, New York
March 17, 2016

REQUIRED SUPPLEMENTARY INFORMATION

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Schedule of Proportionate Share of Net Pension Liability (Asset)

December 31, 2015

New York State Employees' Retirement System Plan	Last 10 fiscal years									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Proportion of net pension liability (asset)	0.0005167%									
Proportionate share of net pension liability (asset)	\$ 17,457									
Covered-employee payroll	\$ 253,521									
Proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	6.89%									
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.95%									

Information for periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as the information becomes available

See accompanying notes to the financial statements.

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Schedule of Contributions - Pension Plans

December 31, 2015

	Last 10 fiscal years									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
New York State Employees' Retirement System Plan										
Contractually required contribution	\$ 33,472									
Contributions in relation to the contractually required contribution	33,472									
Contribution deficiency (excess)	<u>\$ -</u>									
Agency's covered-employee payroll	\$ 253,521									
Contributions as a percentage of covered-employee payroll	13.20%									

Information for periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as the information becomes available

See accompanying notes to the financial statements.

SUPPLEMENTARY INFORMATION

RENNSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Schedule I - Schedule of Indebtedness

December 31, 2015

Project	Issuance Date	Interest Rate At Issuance	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity Date
Conduit Debt							
Brunswick Senior Housing	06/99	Varies	\$ 2,510,000	\$ -	\$ 190,000	\$ 2,320,000	07/29
Columbia 17th Street, LLC	12/10	2.28%	7,116,000	-	-	7,116,000	12/35
Emma Willard	6/06	Varies	27,475,000	-	26,705,000	770,000	01/36
Emma Willard	7/15	Varies	-	19,785,000	-	19,785,000	01/36
Franciscan Heights	12/04	Varies	5,840,000	-	135,000	5,705,000	12/36
Hawthorne Ridge	10/05	Varies	7,990,000	-	310,000	7,680,000	10/35
Hoosick Falls Health Center	12/99	2.15%	1,618,800	-	336,000	1,282,800	04/19
Hudson Valley Community College Child Care Center	04/00	2.97%	235,433	-	235,433	-	01/16
LaSalle Institute of Troy	02/03	5.68%	420,891	-	130,037	290,854	03/18
RC Housing	01/08	Varies	18,085,000	-	405,000	17,680,000	06/38
Rensselaer Polytechnic Institute Dormitory	06/99	Varies	31,375,000	-	460,000	30,915,000	08/29
Sage Colleges	12/02	Varies	5,710,000	-	290,000	5,420,000	02/33
W.F. Bruen Rescue	01/01	5.50%	3,344	-	3,344	-	07/16
WMHT	12/03	Varies	3,115,000	-	290,000	2,825,000	12/23
			<u>\$ 111,494,468</u>	<u>\$ 19,785,000</u>	<u>\$ 29,489,814</u>	<u>\$ 101,789,654</u>	

See auditors' report.

RENNSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Schedule II - Schedule of Supplemental Information - Bonds/Notes

December 31, 2015

Project	Project Purpose Code	Total Project Amount	Benefited Project Amount	Bond Amount	Federal Tax Status	Not for Profit	Total Exemptions	Payments in lieu of Taxes (PILOTS)	FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of jobs to be Retained	Current FTE Employees	FTE Construction Jobs Created During the Fiscal Year
Brunswick Senior Housing	Finance, Insurance & Real Estate	\$ 5,130,000	\$ 5,130,000	\$ 5,130,000	Taxable	N	-	-	-	8	-	5	-
Columbia 17th Street, LLC	Finance, Insurance & Real Estate	8,106,000	8,106,000	8,106,000	Tax Exempt	N	28,077	32,000	-	104	-	93	-
Emma Willard School	Civic Facility	31,325,000	31,325,000	31,325,000	Tax Exempt	Y	-	-	135	-	135	119	-
Franciscan Heights	Finance, Insurance & Real Estate	6,710,000	6,710,000	6,710,000	Taxable	N	-	-	-	45	-	4	-
Hawthorne Ridge	Finance, Insurance & Real Estate	15,250,000	15,250,000	15,250,000	Tax Exempt	Y	-	-	2	65	2	72	-
Hoosick Falls Health Center	Services	4,820,000	4,820,000	4,820,000	Tax Exempt	Y	-	-	135	-	135	113	-
Hudson Valley Community College Child Care Center	Civic Facility	2,500,000	2,500,000	2,500,000	Tax Exempt	Y	-	-	10	12	10	23	-
LaSalle Institute of Troy	Civic Facility	1,550,000	1,550,000	1,550,000	Tax Exempt	Y	-	-	66	4	61	56	-
Metropolitan Life Insurance Company	Finance, Insurance & Real Estate	75,000,000	75,000,000	75,000,000	Taxable	N	1,212,347	1,211,574	-	350	-	324	-
RC Housing	Civic Facility	19,275,000	19,275,000	19,275,000	Tax Exempt	Y	266,031	111,995	-	8	-	22	-
Rensselaer Polytechnic Institute Dormitory	Finance, Insurance & Real Estate	54,350,000	54,350,000	54,350,000	Tax Exempt	Y	-	-	-	2	100	2	-
Sage Colleges	Civic Facility	13,580,000	13,580,000	13,580,000	Tax Exempt	Y	-	-	426	-	426	428	-
University of Albany Cancer Center	Other Categories	10,000,000	10,000,000	10,000,000	Tax Exempt	Y	-	189,000	-	300	-	88	-
W.F. Bruen Rescue	Civic Facility	600,000	600,000	600,000	Tax Exempt	Y	-	-	-	-	-	18	-
WMHT	Civic Facility	5,235,000	5,235,000	5,235,000	Tax Exempt	Y	-	-	-	55	-	51	-

See auditors' report.

RENNSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Schedule III - Schedule of Supplemental Information - Straight Leases

December 31, 2015

Project	Project Purpose Code	Total Lease Amount	Not for Profit	Total Exemptions	Payments in lieu of Taxes (PILOTS)	FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Current FTE Employees	FTE Construction Jobs Created During the Fiscal Year
172 River Street LLC Project	Retail Trade	\$ 2,100,000	N	\$ 40,515	\$ 13,905	-	11	-	8	-
Atlantic Power	Transportation, Communication, Electric, Gas and Sanitary Services	4,399,631	N	190,817	151,314	-	38	-	33	-
B A Capital Corp.	Agriculture, Forestry and Fishing	2,188,000	N	-	-	-	71	-	482	-
Besicorp-Empire Power Co. LLC	Transportation, Communication, Electric, Gas & Sanitary Services	358,000,000	Y	12,272,684	1,000,000	-	8	-	20	-
Columbia 465 Jordan Rd.	Other Categories	2,035,000	N	31,222	27,404	-	50	-	1	-
Columbia CCPNG, LLC	Finance, Insurance and Real Estate	9,823,000	N	111,079	115,876	-	132	-	128	-
Computer Sciences Corporations	Services	25,000,000	-	-	-	149	421	149	350	-
East Greenbush Lodging Associates	Other Categories	7,802,500	N	93,750	-	-	13	-	1	20
Eastwyck Village Associates	Finance, Insurance and Real Estate	108,800	N	280,787	28,189	-	4	-	5	-
FedEx	Transportation, Communication, Electric, Gas & Sanitary Services	20,645,000	N	-	-	-	37	100	172	-
Forrest Pointe	Finance, Insurance and Real Estate	9,300,000	Y	272,942	265,880	-	-	-	5	-
G E HealthCare	Manufacturing	180,000,000	N	1,964,670	392,815	-	130	-	134	-
Gorman Terminals, LLC	Transportation, Communication, Electric, Gas & Sanitary Services	1,505,000	N	1,424	1,207	5	18	5	6	-
Greenbush Associates I	Wholesale Trade	6,200,000	N	292,674	79,479	-	51	-	239	-
Greenbush Associates II	Wholesale Trade	2,570,000	N	290,932	60,996	-	-	-	389	29
Greenbush Associates IV	Finance, Insurance and Real Estate	2,969,361	N	-	-	-	1	-	-	-
Greenbush Associates/Phoenix III	Finance, Insurance and Real Estate	15,000,000	N	236,128	89,023	-	200	-	223	-
Greenbush Hotels-Marriott	Finance, Insurance and Real Estate	8,200,000	N	244,590	200,479	-	25	-	16	-
Greenbush Spec. IV	Finance, Insurance and Real Estate	5,240,000	N	301,848	60,996	-	-	-	224	-
Greenbush Terrace Apartments	Finance, Insurance and Real Estate	4,800,000	N	191,063	179,015	-	6	-	2	-
Hannaford Freezer	Agriculture, Forestry and Fishing	4,056,780	N	164,872	117,745	-	50	-	321	-
House Avenue	Other Categories	8,729,200	N	56,250	-	-	3	-	10	4
Hudson V Apartments LLC	Civic Facility	2,500,000	N	61,392	24,232	-	5	-	2	-
JCM Holdings Project	Finance, Insurance and Real Estate	2,500,000	N	81,856	73,287	-	-	-	-	-
Mannix Associates I	Services	6,400,000	N	202,084	54,508	120	65	120	138	-
Mannix Associates II	Services	5,000,000	N	144,595	88,874	157	28	157	131	-
Map Info/Pitney Bowes	Manufacturing	1,500,000	N	386,325	316,974	320	180	320	213	-
MSLP II, LLC	Services	22,650,000	N	65,425	80,766	52	-	-	54	37
Mt. Ida Apartments	Finance, Insurance and Real Estate	9,683,473	N	33,390	52,000	-	5	135	10	-
NYISO Project	Civic Facility	15,000,000	N	840,660	220,000	-	200	-	529	17
Oak Hill Apartments	Finance, Insurance and Real Estate	16,000,000	N	583,223	583,046	-	5	-	5	-
Parsons Outpost	Retail Trade	1,400,000	N	-	-	-	5	-	-	6
Quakenbush Properties, LLC	Other Categories	3,086,000	N	23,906	-	-	1	-	15	15
Regeneron East Greenbush	Manufacturing	27,000,000	N	592,528	146,000	-	-	-	1,338	105
Regeneron 1 CSC Way Project	Manufacturing	6,000,000	N	688,986	180,000	160	130	-	-	-
Regeneron 81 Columbia Project	Manufacturing	74,000,000	N	-	-	-	-	-	-	-
Rose & Kiernan	Finance, Insurance and Real Estate	4,465,000	N	198,290	41,980	67	8	67	67	-
Ross Valve	Manufacturing	3,323,484	N	234,639	57,463	1	67	1	375	7
Scannell Properties	Other Categories	35,234,000	N	1,930,777	1,138,614	-	174	-	-	-
Schodack Hospitality Project	Civic Facility	6,099,000	N	121,752	114,500	-	11	-	21	-
Schodack Realty	Transportation, Communication, Electric, Gas & Sanitary Services	2,000,000	N	46,123	43,301	80	10	80	89	-
Schodack Senior Housing	Finance, Insurance and Real Estate	3,930,000	Y	64,531	56,937	-	-	-	2	-
SPC Albany Windham LLC, TA Albany Windam LLC	Finance, Insurance and Real Estate	-	N	5,116	18,000	-	10	-	11	-
University @ Albany Foundation	Other Categories	5,000,000	Y	-	637,306	350	-	350	439	-
Upstate Construction & Building Maintenance, LLC	Construction	24,460,000	N	216,021	122,811	2	1	-	2	-
Van Allen Apartments	Other Categories	283,700,000	N	325,000	-	-	6	-	-	50
Village at Schodack	Finance, Insurance and Real Estate	4,650,000	N	85,000	75,805	-	-	-	1	1

See auditors' report.