

Town of Colonie Industrial Development Agency  
Annual Investment Report  
FY2016

As required by Section 2925(6) of the Public Authorities Law of the State of New York, following is the annual investment report of the Town of Colonie Industrial Development Agency (the “Agency”).

Attached hereto as Schedule 1 and made a part hereof is the Agency’s Investment Policy (the “Policy”) reviewed and approved by the Agency on March 20, 2017.

The Policy has not been amended since the Agency last reviewed and adopted the Policy on February 1, 2016.

The Policy is intended to comply with the requirements of General Municipal Law Sections 10 and 11 and with Public Authorities Law Article 9, Title 7, and to provide safeguards for the Agency’s investments and deposits.

Attached hereto as Schedule 2 and made a part hereof are the results of the annual independent audit.

The Agency generated \$856.11 of interest income for the period January 1, 2016 through December 31, 2016. See Schedule 3 attached hereto and made a part hereof.

The Agency paid no fees, commissions or other charges for investment associated services during the period January 1, 2016 through December 31, 2016.

Schedule 1  
Investment Policy

See attached

# **THE TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY**

## **INVESTMENT POLICY**

As Revised for the Year Ended December 31, 2016

### **I. STATEMENT OF PURPOSE**

The Town of Colonie Industrial Development Agency (the “Agency”) has adopted this Investment and Deposit Policy (the “Policy”) in accordance with Article 9, Title 7 of the New York State Public Authorities Law (“PAL”) and the Public Authorities Reform Act of 2009 (“PARA”). This Policy shall detail the Agency’s instructions regarding the investment and deposit of its funds, all of which shall be consistent with and in compliance with the provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 232 of the Laws of 1977 of New York, as amended, constituting Section 911-d of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”), and any other applicable law regarding the investment and deposit of Agency funds.

### **II. SCOPE**

This investment policy applies to all moneys and other financial resources available for deposit and investment by the Agency on its own behalf or on behalf of any other entity or individual.

### **III. OBJECTIVES**

The primary objectives of the Agency’s investment activities are, in priority order:

- To conform with all applicable federal, state and other legal requirements (legality);
- To adequately safeguard principal (safety);
- To provide sufficient liquidity to meet all operating requirements (liquidity) and
- To obtain a reasonable rate of return (yield).

### **IV. DELEGATION OF AUTHORITY**

The Agency shall establish written procedures for the operation of the investment program consistent with these investment policies. Such procedures shall include internal controls to provide a satisfactory level of accountability based upon records incorporating the description and amount of investments, the fund(s) which they are held, the place(s) where kept, and other relevant information, including dates of sale or other dispositions and amounts realized. In addition, the internal control procedures shall describe the

responsibilities and levels of authority for key individuals involved in the investment program.

**V. PRUDENCE**

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Agency to operate effectively.

Investments shall be made with prudence, diligence, skill, judgment and care, under circumstances then prevailing, which knowledgeable and prudent persons acting in like capacity would use, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

**VI. DIVERSIFICATION**

It is the policy of the Agency to diversity its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

The Agency shall establish appropriate limits for the amount of investments which can be made with each financial institution or dealer, and shall evaluate this listing at least annually.

**VII. INTERNAL CONTROLS**

It is the policy of the Agency for all moneys collected by any officer or employee of the government to transfer those funds to the Chief Financial Officer within 5 days of deposit, or within the time period specified in the law, whichever is shorter.

The Chief Financial Officer is responsible for establishing and maintaining internal control procedures to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, properly recorded, and managed in compliance with applicable laws and regulations.

**VIII. DESIGNATION OF DEPOSITORIES**

The banks and trust companies that are authorized for the deposit of monies, and the maximum amount which may be kept on deposit at any time, are:

<u>Depository Name</u>	<u>Maximum Amount</u>
Bank of America	\$ 5,000,000.00

Key Bank	5,000,000.00
JP Morgan Chase	5,000,000.00
Berkshire Bank	5,000,000.00
<u>Depository Name</u>	<u>Maximum Amount</u>
M & T Bank	5,000,000.00
Capital Bank & Trust Co.	5,000,000.00
TD Bank	5,000,000.00
Citizens Bank	5,000,000.00
First Niagara	5,000,000.00
NBT Bank	5,000,000.00
Saratoga National Bank & Trust	5,000,000.00

## **IX. SECURING DEPOSITS AND INVESTMENTS**

All deposits and investments at a bank or trust company, including all demand deposits, certificates of deposit and special time deposits (hereinafter, collectively, “deposits”) made by officers of the Agency that are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, including pursuant to a Deposit Placement Program in accordance with law, shall be secured by:

1. A pledge of “eligible securities” with an aggregate “market value” (as provided by General Municipal Law Section 10) that is at least equal to the aggregate amount of deposits by the officers. See Schedule A of this policy for a listing of “eligible securities.”
2. An “eligible surety bond” payable to the Agency for an amount at least equal to 100 percent of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims - paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The governing board shall approve the terms and conditions of the surety bond.
3. An “eligible letter of credit, ” payable to the Agency as security for the payment of 140 percent of the aggregate amount of deposits and the agreed-upon interest, if any. An “eligible letter of credit” shall be an irrevocable letter of credit issued in favor of the Agency, for a term not to exceed 90 days, by a qualified bank (other than the bank where the secured money is deposited). A qualified bank is either one whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company’s commercial papers and other unsecured short-term debt obligations) are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization, or one that is in compliance with applicable federal minimum risk-based capital requirements.
4. An “irrevocable letter of credit” issued in favor of the Agency by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical

rating organization, as security for the payment of 100 percent of the aggregate amount of public deposits and agreed-upon interest, if any.

## **X. COLLATERALIZATION AND SAFEKEEPING**

Eligible securities used for collateralizing deposits made by officers of the Agency shall be held by (the depository or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure such deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collections of such deposits upon default. It shall also provide the conditions under which the securities held may be sold, presented for payment, substituted or released and the events of default which will enable the Agency to exercise its rights against the pledged securities.

In the event that the pledged securities are not registered or inscribed in the name of the Agency, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Agency or its custodial bank or trust company. Whenever eligible securities delivered to the custodial bank or trust company are transferred by entries on the books of a federal reserve bank or other book-entry system operated by a federally regulated entity without physical delivery of the evidence of the obligations, then the records of the custodial bank or trust company shall be required to show, at all times, the interest of the Agency in the securities as set forth in the security agreement.

The custodial agreement shall provide that pledged securities will be held by the custodial bank or trust company as agent of, and custodian for, the Agency, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing of any other deposit or other bank liability. The agreement shall also describe how the custodian shall confirm the receipt, substitution or release of the collateral and it shall provide for the frequency of revaluation of collateral by the custodial bank or trust company and for the substitution of collateral when a change in the rating of a security causes ineligibility. The security and custodial agreements shall include all other provisions necessary to provide the Agency with a perfected security interest in the eligible securities and to otherwise secure the Agency's interest in the collateral, and may contain other provisions that the governing board deems necessary.

## **XI. PERMITTED INVESTMENTS**

As provided by General Municipal Law Section 11, the governing board of the Agency authorizes the Chief Financial Officer to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York;
- Through a Deposit Placement Program, certificates of deposit in one or more “banking institutions”, as defined in Banking Law Section 9-r;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America, where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- With the approval of the State Comptroller, obligations issued pursuant to Local Finance Law Section 24.00 or 25.00 (i.e., Tax Anticipation Notes and Revenue Anticipation Notes) by any municipality, school district or district corporation in the State of New York other than the Agency; and
- Obligations of the Agency, but only with any moneys in a reserve fund established pursuant to General Municipal Law 6-c, 6-d, 6-e, 6-f, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n.

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 moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event at the option of the Agency within two years of the date of purchase. Time deposit accounts and certificates of deposit shall be payable within such times as the proceeds will be needed to meet expenditures for which the moneys were obtained, and shall be secured as provided in Sections IX and X herein.

Except as may otherwise be provided in a contract with bondholders or noteholders, any moneys of the Agency authorized to be invested may be commingled for investment purposes, provided that any investment of commingled moneys shall be payable or redeemable at the option of the Agency within such time as the proceeds shall be needed to meet expenditures for which such moneys were obtained, or as otherwise specifically provided in General Municipal Law Section 11. The separate identity of the sources of these funds shall be maintained at all times and income received shall be credited on a pro rata basis to the fund or account from which the moneys were invested.

Any obligation that provides for the adjustments of its interest rate on set dates is deemed to be payable or redeemable on the date on which the principal amount can be recovered through demand by the holder.

## **XII. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Agency shall not engage in any activity with any investment banker, broker, agent, dealer, investment advisor or agent unless and until the Agency has determined that such party is qualified to do so. In determining a party’s qualifications, the Agency shall consider the quality and reliability of that party’s services, that party’s experience in providing such services, and the size and level of capitalization maintained by that party.

The Agency shall maintain a list of financial institutions approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution. Such listing shall be evaluated at least annually. All financial institutions with which the Agency conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Agency. Such currently approved financial institutions are set forth in Section XIII herein.

### **XIII. INVESTMENT CONTRACTS**

All investments must be made pursuant to a written contract between the Agency and the investment bank, broker, agent, dealer or advisor. If use of a written contract is not practical or not a regular business practice of the investment bank, broker, agent, dealer or advisor, the Agency may proceed with such party only if:

1. The Agency determines, by resolution, that the regular business practice does not encompass the use of a written contract; and
2. The Agency adopts procedures covering the investment transaction.

Any procedure so adopted must comply substantially with the provisions which would be required if the transaction were covered by a written contract as described below. Those procedures shall thereafter become a part of this Policy.

All investment contracts, written or otherwise, shall contain:

1. Provisions sufficient to secure the Agency's financial interest in each investment;
2. Provisions outlining the type and amount of collateral and insurance necessary to adequately secure the investment, as well as the uses, if any, of such collateral or insurance;
3. Provisions which establish a method for valuing the collateral, and procedures for monitoring the valuation of such collateral on a regular basis;
4. Provisions for the monitoring, control, deposit and retention of investments and collateral. In the case of a repurchase agreement, these provisions shall include a requirement that the obligations purchased be physically delivered for retention to the Agency or its agent (which shall not be an agent of the party with whom the Agency enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case the Agency shall take such other action as may be necessary to obtain title to or a perfected security interest in such obligations.

All contracts shall comply with the provisions of this Policy.

### **XIV. COURIER SERVICE**

The Chief Financial Officer may, subject to the approval of the governing board by resolution, enter into a contract with a courier service for the purpose of causing the deposit of public funds with a bank or trust company. The courier service shall be required to obtain a surety bond for the full amount entrusted to the courier, payable to the Agency and executed by an insurance company authorized to do business in the State of New York, with a claims-paying ability that is rated in the highest rating category by at least two nationally recognized statistical rating organizations, to insure against any loss of public deposits entrusted to the courier service for deposit or failure to deposit the full amount entrusted to the courier service.

The Agency may agree with the depository bank or trust company that the bank or trust company will reimburse all or part of, but not more than, the actual cost incurred by the Agency in transporting items for deposit through a courier service. Any such reimbursement agreement shall apply only to a specified deposit transaction, and may be subject to such terms, conditions and limitations as the bank or trust company deems necessary to ensure sound banking practices, including, but not limited to, any terms, conditions or limitations that may be required by the Department of Financial Services or other federal or State authority.

## **XV. ANNUAL AUDIT**

An independent certified public accountant shall audit all investments held by the Agency on an annual basis. The report prepared pursuant to the annual audit shall be available to the Agency and shall be used in reviewing and approving this Policy.

## **XVI. REPORTING REQUIREMENTS**

### **A. Quarterly Reports**

At the end of each quarter, the Agency members shall be provided with a report on all investment activity during that quarter. This report shall contain:

1. A list of any new investments and deposits;
2. An inventory of all existing investments and deposits; and
3. A description of the selection of investment bankers, brokers, agents, dealers, or auditors.

Any additions or deletions must be specifically indicated, with an explanation for the addition or deletion.

### **B. Annual Investment Report**

An annual investment report shall be prepared and transmitted to the appropriate oversight agencies.

The report shall include:

1. This policy, including any changes made since the last submission;
2. An explanation of this policy and any amendments;
3. The results of the annual independent audit;
4. The investment income record of the Agency; and
5. A list of all total fees, commission and other charges paid to each investment banker, broker, agent, dealer, advisor, bank and trust company, since the last submission.

The report shall be submitted to:

1. The State Department of Audit and Control; and
2. The Chief Executive Officer and Chief Fiscal Officer of the Town of Colonie.

Copies of the report shall be made available to the public, upon reasonable request.

## **XVII. ANNUAL REVIEW AND AMENDMENTS**

The Agency shall review this investment policy annually, and it shall have the power to amend this policy at any time.

## **XVIII. DEFINITIONS**

The terms “public funds,” “public deposits,” “bank,” “trust company,” “eligible securities,” “eligible surety bond,” and “eligible letter of credit” shall have the same meanings as set forth in General Municipal Law Section 10.

**THE TOWN OF COLONIE INDUSTRIAL DEVELOPMENT AGENCY**

**INVESTMENT POLICY**

**As Revised for the Year Ended December 31, 2016**

**SCHEDULE A – “ELIGIBLE SECURITIES” FOR COLLATERALIZING DEPOSITS  
AND INVESTMENTS IN EXCESS OF FDIC COVERAGE (SECTION IX)**

- i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government-sponsored corporation.
- ii) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the market value of the obligation that represents the amount of the insurance or guaranty.
- iii) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of this State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

Note – For the purposes of determining aggregate “market value,” eligible securities shall be valued at 100% of “market value.”

Schedule 2  
Annual Independent Audit

See attached

**Town of Colonie  
Industrial Development Agency**

Financial Report

December 31, 2016 and 2015

**Town of Colonie  
Industrial Development Agency**

Financial Report

December 31, 2016 and 2015

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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), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the accompanying table of contents.

### *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 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 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 Agency as of December 31, 2016, and the changes in its financial position and its 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*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 6, 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 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.

*Supplementary Information*

Our audit was 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 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 schedule of indebtedness is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Prior Year Financial Statements*

The financial statements of the Agency, as of and for the year ended December 31, 2015, were audited by other auditors whose report dated February 18, 2016, expressed an unmodified opinion on those statements.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 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.

BST & CO. CPAs, LLP

Albany, New York  
March 20, 2017



# Town of Colonie Industrial Development Agency

## Management's Discussion and Analysis December 31, 2016 and 2015

The following Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the Town of Colonie Industrial Development Agency (Agency) for the fiscal years ended December 31, 2016 and 2015. The MD&A is intended to serve as an introduction to the Agency's basic financial statements. The MD&A is designed to assist the reader in focusing on significant matters, and provide an overview of the Agency's financial activities. The following presentation is summarized. In order to gain a thorough understanding of the Agency's financial condition, the following financial statements and notes should be reviewed in their entirety.

### 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 the Governmental Accounting Standards Board (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 the 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 and cash equivalent 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*, which is required under New York State law, not by U.S. GAAP.

### Financial Highlights

- The Agency's net position decreased \$17,227 from December 31, 2015 to 2016, as compared to a decrease of \$150,504 from December 31, 2014 to 2015. These decreases are the direct result of the lack of projects applying for Agency assistance during 2016 and 2015. In 2015, one project began the application process but did not generate project revenue until June 2016. One project has applied to the Agency in January 2017 but is working its way through the process and, if approved, would generate administrative fees before the close of 2017.
- The fees collected by the Agency in 2016 and 2015 were related to a senior residential community known as the Colonie Senior Service Center Elks Lane project. The project generated \$77,862 in administrative fees in 2016 and \$250 in application fees in 2015.

# Town of Colonie Industrial Development Agency

## Management's Discussion and Analysis December 31, 2016 and 2015

### Financial Highlights - Continued

- The Agency was awarded a \$250,000 grant from the New York State Department of State in 2015, and executed the contract in 2016, for the Lincoln Avenue Brownfield Opportunity Area (BOA) study. The Lincoln Avenue BOA study encompasses about a 350 acre area, which holds three designated brownfields, and will examine the potential for redevelopment of these sites in conjunction with identifying future uses of the area abutting the pre-existing residential area within the BOA study area. Upon execution, the Agency was advanced \$66,600, which is reported as unearned revenue at December 31, 2016.
- During 2016, Agency expenses decreased by \$55,901, to \$98,617, from 2015 levels. This was the result of renegotiated administrative fees with the Town of Colonie, and reduced legal costs in 2016.
- 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 2016, the Agency paid \$1,219 to the Albany-Colonie Regional Chamber of Commerce for management of this program. At December 31, 2016, the program had net loans receivable of approximately \$30,332.

### Financial Analysis of the Agency

The table below presents condensed financial information derived from the Agency's financial statements as of December 31, 2016, 2015, and 2014.

#### Condensed Statement of Net Position

	2016	2015	2014	Increase (Decrease) 2016-2015	Increase (Decrease) 2015-2014
<b>ASSETS</b>					
Current assets	\$ 1,412,333	\$ 1,341,199	\$ 1,493,385	\$ 71,134	\$ (152,186)
Noncurrent assets	18,445	24,016	26,750	(5,571)	(2,734)
<b>Total assets</b>	<b>\$ 1,430,778</b>	<b>\$ 1,365,215</b>	<b>\$ 1,520,135</b>	<b>\$ 65,563</b>	<b>\$ (154,920)</b>
<b>LIABILITIES</b>					
	\$ 83,681	\$ 891	\$ 5,307	\$ 82,790	\$ (4,416)
<b>NET POSITION</b>					
Investment in capital assets	6,560	4,893	5,522	1,667	(629)
Restricted	187,510	186,057	184,310	1,453	1,747
Unrestricted	1,153,027	1,173,374	1,324,996	(20,347)	(151,622)
<b>Total net position</b>	<b>1,347,097</b>	<b>1,364,324</b>	<b>1,514,828</b>	<b>(17,227)</b>	<b>(150,504)</b>
<b>Total liabilities and net position</b>	<b>\$ 1,430,778</b>	<b>\$ 1,365,215</b>	<b>\$ 1,520,135</b>	<b>\$ 65,563</b>	<b>\$ (154,920)</b>

The overall decrease in net position from 2014 to 2016 is the result of the lower project activity that generates administrative fees. Administrative fees are used to support the Agency's operating costs and mission of supporting economic development within the Town of Colonie.

Current assets increased \$71,134 at December 31, 2016, compared to a decrease of \$152,186 at December 31, 2015, while non-current assets decreased \$5,571 at December 31, 2016, compared to a decrease of \$2,734 at December 31, 2015.

# Town of Colonie Industrial Development Agency

## Management's Discussion and Analysis December 31, 2016 and 2015

### Financial Analysis of the Agency - Continued

In 2016, the increase in current assets resulted from \$66,600 in advanced grant revenue related to the Lincoln Avenue BOA study, offset by normal operating expenses of the Agency, with only one economic development project. In 2015, the decrease resulted from normal operating expenses and no significant economic development activity. Current assets within the SBEL program increased \$8,300 with no issuance of new loans and \$18,369 in payments. No loans were written off during 2016 and 2015, and the previously established allowance of \$6,232, appears to be sufficient at December 31, 2016.

Accounts and accrued payables increased \$16,190 at December 31, 2016, due to the timing of the payments of certain operating costs incurred for 2016 and 2015. None of the grant revenue received related to the Lincoln Avenue BOA study has been earned by the Agency as of December 31, 2016, and is, therefore, recognized as such in the financial statement.

The table below presents condensed financial information derived from the financial statements of the Agency for the years ended December 31, 2016, 2015, and 2014.

### Condensed Statement of Activities

	2016	2015	2014	Increase (Decrease) 2016-2015	Increase (Decrease) 2015-2014
<b>REVENUES</b>					
Administrative fees	\$ 77,862	\$ -	\$ 20,000	\$ 77,862	\$ (20,000)
Application income	-	250	750	(250)	(500)
New York State Grant	-	-	10,000	-	(10,000)
Other	-	52	13,548	(52)	(13,496)
Interest income	3,528	3,712	2,882	(184)	830
	<u>81,390</u>	<u>4,014</u>	<u>47,180</u>	<u>77,376</u>	<u>(43,166)</u>
<b>EXPENSES</b>					
Administrative expenses	17,932	17,283	26,369	649	(9,086)
Bad debts	-	-	5,864	-	(5,864)
Depreciation	833	629	629	204	-
Economic development costs	-	-	2,100	-	(2,100)
Administrative and management fees	51,219	70,366	58,272	(19,147)	12,094
Professional fees	28,633	66,240	21,900	(37,607)	44,340
Public benefit projects	-	-	10,842	-	(10,842)
Total expenses	<u>98,617</u>	<u>154,518</u>	<u>125,976</u>	<u>(55,901)</u>	<u>28,542</u>
Change in net position	<u>\$ (17,227)</u>	<u>\$ (150,504)</u>	<u>\$ (78,796)</u>	<u>\$ 133,277</u>	<u>\$ (71,708)</u>

### Activities for the Years Ended 2016 to 2011

The Agency's annual fees for services are tied to the size and timing of economic activity projects. There was one project that generated fees in 2016 as compared to none in 2015. The Agency was presented with no other projects in 2016. One project has applied to the Agency in January 2017 but is working its way through the process and if approved would generate administrative fees before the close of 2017.

# Town of Colonie Industrial Development Agency

## Management's Discussion and Analysis December 31, 2016 and 2015

### Activities for the Years Ended 2016 to 2011 - Continued

The table below presents a summary of the administrative fee revenue for the years ended December 31, 2016 to 2011.

Project	2016	2015	2014	2013	2012	2011
Colonie Senior Service Centers	\$ 77,862	\$ -	\$ -	\$ -	\$ -	\$ -
JDMH Realty: Jetro Restaurant Depot	-	-	-	-	21,250	-
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>\$ 77,862</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 410,852</b>	<b>\$ 167,500</b>

Interest earnings decreased in 2016 by \$184 as compared to an increase of \$830 in 2015. The decrease in interest income is principally due to less interest generated by the SBEL program through loan repayments in 2016. The cash balances were slightly higher for much of 2016, which resulted in higher interest rates, as compared to 2015. This partially offset the decreased income for the SBEL program.

Administrative expenses and depreciation expense remained relatively stable during 2016 and 2015 resulting in increases of \$649 and \$204, respectively. Economic development costs in 2014 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 2016 and 2015.

Professional fees decreased significantly in 2016, with a \$37,607 decrease due to declines in legal fees and website maintenance, as compared to the \$44,340 increases in those costs in 2015. Public benefit project costs decreased in 2014 by \$506,719. There were no public benefit projects undertaken in 2016 and 2015. The table below presents a summary of the public benefit project costs for the years ended December 31, 2016 to 2011.

Project	Total Incurred to Date	2016	2015	2014	2013	2012	2011
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	67,350	-	-	-	45,376	21,329	645
<b>Total</b>	<b>\$ 788,790</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,842</b>	<b>\$ 517,561</b>	<b>\$ 224,850</b>	<b>\$ 35,537</b>

Management and administrative fees are paid to the Town of Colonie and Albany-Colonie Chamber of Commerce, respectively, under service agreements and decreased by \$19,147 in 2016, compared to increasing by \$12,094 in 2015. The bad debts expense in 2014 of \$5,864 is related to the SBEL program and is the result of increasing the general reserve for uncollectible loans to \$6,232.

### 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

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,230,085	\$ 1,167,202
Prepaid expenses	6,623	6,672
Restricted assets		
Cash, restricted for revolving loan fund	155,108	137,624
Due from related entity	2,006	-
Accrued interest	64	123
Loans receivable, current portion, net	18,447	29,578
Total current assets	1,412,333	1,341,199
<b>NON-CURRENT ASSETS</b>		
Restricted assets		
Loans receivable, net of current portion	11,885	19,123
Capital assets, net		
Non-depreciable	4,893	4,893
Depreciable, net	1,667	-
Total non-current assets	18,445	24,016
	<b>\$ 1,430,778</b>	<b>\$ 1,365,215</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 947	\$ 391
Accrued expenses	16,134	500
Unearned revenue	66,600	-
Total current liabilities	83,681	891
<b>NET POSITION</b>		
Investment in capital assets	6,560	4,893
Restricted for revolving loan fund	187,510	186,057
Unrestricted	1,153,027	1,173,374
	1,347,097	1,364,324
	<b>\$ 1,430,778</b>	<b>\$ 1,365,215</b>

See accompanying Notes to Financial Statements.

**Town of Colonie  
Industrial Development Agency**

Statements of Revenues, Expenses, and Changes in Net Position

	<b>Years Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>OPERATING REVENUES</b>		
Administrative fees	\$ 77,862	\$ -
Application income	-	250
Other	-	52
	77,862	302
<b>OPERATING EXPENSES</b>		
Administrative fees	1,219	1,439
Association dues	8,545	8,750
Building related costs	244	219
Conferences and travel	3,050	3,700
Depreciation	833	629
Insurance	4,835	4,591
Legal fees	15,633	46,940
Management fees	50,000	68,927
Postage, office supplies, and other	1,258	23
Professional fees	10,800	13,825
Website maintenance	2,200	5,475
	98,617	154,518
<b>Operating loss</b>	<b>(20,755)</b>	<b>(154,216)</b>
<b>OTHER INCOME</b>		
Interest income	3,528	3,712
	3,528	3,712
<b>Change in net position</b>	<b>(17,227)</b>	<b>(150,504)</b>
<b>NET POSITION, <i>beginning of year</i></b>	1,364,324	1,514,828
<b>NET POSITION, <i>end of year</i></b>	<b>\$ 1,347,097</b>	<b>\$ 1,364,324</b>

See accompanying Notes to Financial Statements.

# Town of Colonie Industrial Development Agency

## Statements of Cash Flows

	Years Ended December 31,	
	2016	2015
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 77,862	\$ 250
Payments to vendors	(81,545)	(158,540)
Receipts from operating grants	66,600	-
	<b>62,917</b>	<b>(158,290)</b>
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	<b>(2,500)</b>	-
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
Interest income earned	3,587	3,671
Issuance of related-party advances	(2,006)	-
Loans advanced under revolving loan fund	-	(26,000)
Payments received on revolving loan fund loans	18,369	16,906
	<b>19,950</b>	<b>(5,423)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>80,367</b>	<b>(163,713)</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<b>1,304,826</b>	<b>1,468,539</b>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b>\$ 1,385,193</b>	<b>\$ 1,304,826</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (20,755)	\$ (154,216)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	833	629
(Increase) decrease in		
Prepaid expenses	49	(287)
Increase (decrease) in		
Accounts payable	556	(3,416)
Accrued expenses	15,634	(1,000)
Unearned revenue	66,600	-
	<b>\$ 62,917</b>	<b>\$ (158,290)</b>

See accompanying Notes to Financial Statements.

# Town of Colonie Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

## 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. Neither 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:

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

*Restricted for revolving loan fund* - Consists of loans receivable net of allowances for uncollectable balances, 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 mature within 90 days from the date of purchase.

# Town of Colonie Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

## 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, 2016 and 2015, the allowance for uncollectible loans receivables 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.

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

### *g. Subsequent Events*

The Agency has evaluated subsequent events for potential recognition or disclosure through March 20, 2017, the date the financial statements were available to be issued.

## Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consist of:

	December 31,	
	2016	2015
<i>Unrestricted</i>		
Cash in checking accounts	\$ 1,958	\$ 2,393
Cash and cash equivalents in money market account	1,228,127	1,164,809
Total unrestricted cash and cash equivalents	1,230,085	1,167,202
<i>Restricted</i>		
Cash, restricted for revolving loan fund	155,108	137,624
Total cash and cash equivalents	\$ 1,385,193	\$ 1,304,826

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, 2016 and 2015

## 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, must be collateralized by a pledge of eligible securities, letters of credit, or surety bonds. As of December 31, 2016 and 2015, 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 must 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, must 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,			
	2015	Additions	Disposal	
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	2,500	-	4,387
Total	<u>223,111</u>	<u>2,500</u>	<u>-</u>	<u>225,611</u>
Less accumulated depreciation for				
Building and improvements	(221,224)	-	-	(221,224)
Intangible assets	(1,887)	(833)	-	(2,720)
Total	<u>(223,111)</u>	<u>(833)</u>	<u>-</u>	<u>(223,944)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>1,667</u>	<u>-</u>	<u>1,667</u>
Capital assets, net	<u>\$ 4,893</u>	<u>\$ 1,667</u>	<u>\$ -</u>	<u>\$ 6,560</u>

## Note 4 - Related Party Transactions

The Town of Colonie 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 \$50,000 and \$68,927 for support services for the years ended December 31, 2016 and 2015, respectively. The Agency also reimburses the Town for direct costs incurred by the Town on behalf of the Agency.

# Town of Colonie Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

## 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 2016 and 2015. The Agency had industrial revenue bonds outstanding totaling \$5,810,000 and \$6,110,000 at December 31, 2016 and 2015, 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.

At December 31, 2016 the Chamber owed the Fund \$2,006 related to activity occurring within the Fund during the fourth quarter of 2016.

Activity within the Fund for the years ended December 31, 2016 and 2015 is as follows:

	December 31,	
	2016	2015
Loans, beginning of year	\$ 54,933	\$ 45,839
Principal advances	-	26,000
Principal repayments	(18,369)	(16,906)
	36,564	54,933
Allowance for uncollectible amounts	(6,232)	(6,232)
	\$ 30,332	\$ 48,701

**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, 2016</u>	<u>Issued During 2016</u>	<u>Principal Payments 2016</u>	<u>Outstanding December 31, 2016</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	09/10	3.07%	5,760,000	-	300,000	5,460,000	9/1/2030
				<u>\$ 6,110,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 5,810,000</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, 2016, 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, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 20, 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 opinion 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 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.

BST & CO. CPAs, LLP

Albany, New York  
March 20, 2017



Schedule 3  
Summary of Account Activity

See attached

Town of Colonie Industrial Development Agency  
Annual Investment Report  
For the Year Ended December 31, 2016

The Town of Colonie Industrial Development Agency (IDA) did not have any investments in securities during 2016. All funds were held either in a money market or checking account. Funds were collateralized for all balances above the FDIC coverage. Management periodically reviewed CD rates and short term Treasury bond rates to determine if interest rates for short term investments had recovered sufficiently to transfer funds. A summary of the activity in the IDA's money market for the year ended December 31, 2016 follows:

Beginning Balance	\$ 1,164,808.81
Additions during the year	144,462.00
Withdrawals during the year	(82,000.00)
Interest Earned	<u>856.11</u>
Ending Balance	<u><u>1,228,126.92</u></u>

During 2016 the interest rates on the JP Morgan Chase Money Market account were as follows:

January 1 to January 14, 2016	0.03%
January 15 to August 14, 2016	0.08%
August 15 to December 31, 2016	0.06%