

Town of Colonie Local Development Corporation
Annual Investment Report
FY2020

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 Local Development Corporation (the “Corporation”).

Attached hereto as Schedule 1 and made a part hereof is the Corporation’s Investment Policy (the “Policy”) reviewed and approved by the Corporation on January 25, 2021.

The Policy has not been amended since the Corporation last reviewed and adopted the Policy on January 27, 2020.

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

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

The Corporation generated \$179.19 of interest income for the period January 1, 2020 through December 31, 2020. See Schedule 3 attached hereto and made a part hereof.

The Corporation paid no fees, commissions or other charges for investment associated services during the period January 1, 2020 through December 31, 2020.

Schedule 1
Investment Policy

See attached

THE TOWN OF COLONIE LOCAL DEVELOPMENT CORPORATION

INVESTMENT POLICY

As Revised for the Year Ended December 31, 2016

I. STATEMENT OF PURPOSE

The Town of Colonie Local Development Corporation (the “Corporation”) 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”). This Policy shall detail the Corporation’s instructions regarding the investment and deposit of its funds, all of which shall be consistent with and in compliance with the provisions of Section 1411 of the New York State Not-For-Profit Corporation Law (the “Act”) and any other applicable law regarding the investment and deposit of Corporation funds.

II. SCOPE

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

III. OBJECTIVES

The primary objectives of the Corporation’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 Corporation 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 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 Corporation 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 Corporation to diversity its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

The Corporation 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 Corporation for all moneys collected by any officer or employee of the Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation, 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 Corporation 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 Corporation 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 Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank 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 Corporation 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 Corporation, 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 Corporation 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 Corporation 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 Corporation; and
- Obligations of the Corporation, 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 Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event at the option of the Corporation 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 Corporation 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 Corporation 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 Corporation shall not engage in any activity with any investment banker, broker, agent, dealer, investment advisor or agent unless and until the Corporation has determined that such party is qualified to do so. In determining a party’s qualifications, the Corporation 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 Corporation 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 Corporation conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. 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 Corporation 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 Corporation may proceed with such party only if:

1. The Corporation determines, by resolution, that the regular business practice does not encompass the use of a written contract; and
2. The Corporation 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 Corporation'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 Corporation or its agent (which shall not be an agent of the party with whom the Corporation enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case the Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation on an annual basis. The report prepared pursuant to the annual audit shall be available to the Corporation and shall be used in reviewing and approving this Policy.

XVI. REPORTING REQUIREMENTS

A. Quarterly Reports

At the end of each quarter, the Corporation 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 Corporation; 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 Corporation 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 LOCAL DEVELOPMENT CORPORATION

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
Local Development Corporation**

Financial Report

December 31, 2020 and 2019

**Town of Colonie
Local Development Corporation**

Financial Report

December 31, 2020 and 2019

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Independent Auditor's Report

Chairman and Corporation Board
Town of Colonie Local Development Corporation
Latham, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Town of Colonie Local Development Corporation (Corporation) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 Corporation as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 5 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 financial statements that collectively comprise the Corporation's basic financial statements. The schedule of indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of indebtedness is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of indebtedness is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2021, on our consideration of the Corporation'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 solely 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 the effectiveness of the Corporation's 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 Corporation's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Albany, New York
March 12, 2021



Town of Colonie Local Development Corporation

Management's Discussion and Analysis December 31, 2020 and 2019

The following Management's Discussion and Analysis (MD&A) provides an introduction and overview of the financial activities and performance of the Town of Colonie Local Development Corporation (Corporation) for the years ended December 31, 2020 and 2019. This information should be reviewed in conjunction with the financial statements of the Corporation.

Overview of Financial Statements

The Corporation's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB). The Corporation 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, if any, are capitalized and are depreciated over their useful lives. See notes to the financial statements for a summary of the Corporation's significant accounting policies.

The *Statements of Net Position* present information on the Corporation'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 Corporation's financial position.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing how the Corporation'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 reported in these statements for some items will result in cash flows in future periods.

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

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

Financial Highlights

In 2010, the Corporation was formed and began implementing strategies to support economic activity in the Town that is otherwise not permissible under New York State law by the Town of Colonie Industrial Development Corporation (Corporation).

From 2011 through 2014 the Corporation successfully closed on its first development project, which consisted of three phases. In 2019 the Corporation assisted with the fourth and final phase of its first project. The Shaker Pointe at Carondelet, Inc. Project provides a full-service retirement residence community and resulted in the issuance of a total of \$48.7 million in Multi-Modal Revenue Bonds. This project generated a total of \$298,500 in fees for the Corporation between 2011 and 2018.

In June 2016, the Corporation closed on its second development project, The Colonie Senior Service Centers, Inc. Elks Lane senior housing project. This project provides a full service retirement residence community to low and moderate income seniors. The project resulted in the issuance of \$12.8 million in Multi-Modal Revenue Bonds which generated \$64,000 in fees for the Corporation in 2016.

Town of Colonie Local Development Corporation

Management's Discussion and Analysis December 31, 2020 and 2019

Financial Analysis of the Corporation

One other project submitted an application to the Corporation during 2019, but the application was withdrawn.

The tables below present condensed financial information derived from the Corporation's financial statements as of and for the years ended December 31, 2020, 2019, and 2018.

Condensed Statements of Net Position

	December 31,			Increase (Decrease) 2020-2019	Increase (Decrease) 2019-2018
	2020	2019	2018		
ASSETS					
Current assets	\$ 252,236	\$ 268,322	\$ 279,731	\$ (16,086)	\$ (11,409)
LIABILITIES AND NET POSITION					
LIABILITIES	\$ -	\$ -	\$ 579	\$ -	\$ (579)
NET POSITION					
Unrestricted	252,236	268,322	279,152	(16,086)	(10,830)
Total liabilities and net position	\$ 252,236	\$ 268,322	\$ 279,731	\$ (16,086)	\$ (11,409)

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,			Increase (Decrease) 2020-2019	Increase (Decrease) 2019-2018
	2020	2019	2018		
Revenues					
Administrative fees	\$ -	\$ -	\$ 62,500	\$ -	\$ (62,500)
Application income	-	250	250	(250)	-
Interest income	179	499	408	(320)	91
Total revenue	179	749	63,158	(570)	(62,409)
Expenses					
Administrative expenses	3,918	3,754	3,795	164	(41)
Professional fees	12,347	7,825	8,883	4,522	(1,058)
Total expenses	16,265	11,579	12,678	4,686	(1,099)
Change in net position	\$ (16,086)	\$ (10,830)	\$ 50,480	\$ (5,256)	\$ (61,310)

The annual fees for services are tied to the size and timing of economic activity projects, so will, therefore, fluctuate from year to year depending upon this activity. As previously noted in the financial highlights section, 2011 marked the Corporation's first year of substantial activity culminating in the closing of its first development project in December 2011. The Shaker Pointe at Carondelet Project was a four phase project that resulted in the issuance of \$48.7 million in bonds which provided the Corporation with \$298,500 in fee revenue between 2011 and 2018.

The Colonie Senior Service Center, Inc. project closed in June of 2016 generating fee revenue of \$64,250.

Town of Colonie Local Development Corporation

Management's Discussion and Analysis December 31, 2020 and 2019

Financial Analysis of the Corporation - Continued

During 2020, as in prior years, the Corporation's expenses were primarily for liability insurance, annual management fee, website maintenance, general legal counsel and independent audit services. During this time, the costs have remained relatively stable. In 2020 legal services were roughly \$3,800 higher than in prior years.

During 2018 the Corporation changed financial institutions and was able to increase its rate of return thereby increasing the interest earned. However, with the COVID-19 pandemic during most of 2020 those rates of return have declined significantly.

Contacting the Corporation's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation'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 Local Development Corporation

Statements of Net Position

		December 31,	
		<u>2020</u>	<u>2019</u>
ASSETS			
CURRENT ASSETS			
Cash		\$ 251,255	\$ 267,368
Prepaid expenses		<u>981</u>	<u>954</u>
Total current assets		<u>\$ 252,236</u>	<u>\$ 268,322</u>
NET POSITION			
NET POSITION			
Unrestricted		<u>\$ 252,236</u>	<u>\$ 268,322</u>
		<u>\$ 252,236</u>	<u>\$ 268,322</u>

See accompanying Notes to Financial Statements.

Town of Colonie Local Development Corporation

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2020	2019
OPERATING REVENUES		
Application income	\$ -	\$ 250
OPERATING EXPENSES		
Insurance fees	1,783	1,754
Legal fees	6,537	2,693
Management fees	2,000	2,000
Transcription fees	135	-
Professional fees	2,500	2,500
Website maintenance	3,310	2,632
	<u>16,265</u>	<u>11,579</u>
Operating loss	(16,265)	(11,329)
OTHER INCOME		
Interest income	<u>179</u>	<u>499</u>
Change in net position	(16,086)	(10,830)
NET POSITION, <i>beginning of year</i>	<u>268,322</u>	<u>279,152</u>
NET POSITION, <i>end of year</i>	<u>\$ 252,236</u>	<u>\$ 268,322</u>

See accompanying Notes to Financial Statements.

Town of Colonie Local Development Corporation

Statements of Cash Flows

	Years Ended December 31,	
	2020	2019
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Receipts from customers	\$ -	\$ 250
Payments to vendors	(16,292)	(12,164)
	<u>(16,292)</u>	<u>(11,914)</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Interest income earned	<u>179</u>	<u>499</u>
Net decrease in cash	(16,113)	(11,415)
CASH, <i>beginning of year</i>	<u>267,368</u>	<u>278,783</u>
CASH, <i>end of year</i>	<u>\$ 251,255</u>	<u>\$ 267,368</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	\$ (16,265)	\$ (11,329)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Increase in prepaid expenses	(27)	(6)
Decrease in accrued expenses	<u>-</u>	<u>(579)</u>
	<u>\$ (16,292)</u>	<u>\$ (11,914)</u>

See accompanying Notes to Financial Statements.

Town of Colonie

Local Development Corporation

Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies

a. Business Organization

The Town of Colonie Local Development Corporation (Corporation) was created in 2010 by the Town of Colonie (Town) under the Sections 402 and 1411 of the Not-for-Profit Corporation Law of New York State for the purpose of encouraging growth in the Town. The Corporation is exempt from federal, state, and local income taxes. The Corporation, although established by the Town, is a separate entity and operates independently of the Town. Corporation members have complete responsibility for management of the Corporation and accountability for fiscal matters. Neither the Town, the Corporation, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds, notes, and straight leases as described in Note 4. Accordingly, they are not reported as liabilities in the accompanying financial statements.

b. Basis of Accounting and Financial Statement Presentation

The accounts of the Corporation 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. There was no investment in capital assets at December 31, 2020 and 2019.
- *Restricted* – Consists of assets with externally placed constraints net of liabilities that will be liquidated from those assets. There was no restricted net position at December 31, 2020 and 2019.
- *Unrestricted* - Consists of all other net position that does not meet the definitions of "investment in capital assets" or "restricted" described above.

Revenues are recognized when earned, and expenses are recognized when incurred. The Corporation distinguishes operating revenues and expenses from nonoperating items. Operating revenues are determined based on the services provided by the Corporation. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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. Subsequent Events

The Corporation has evaluated subsequent events for potential recognition or disclosure through March 12, 2021, the date the financial statements were available to be issued.

Town of Colonie

Local Development Corporation

Notes to Financial Statements **December 31, 2020 and 2019**

Note 2 - Cash

The Corporation's investment policies are governed by state statutes. In addition, the Corporation has its own written investment policy. Corporation 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.

In accordance with the provisions of Section 10 of the General Municipal Law of New York State, all Corporation deposits, including certificates of deposit and special time deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, shall be collateralized by a pledge of eligible securities, letters of credit, or surety bonds. As of December 31, 2020, and 2019, the FDIC insurance was sufficient to secure the Corporation's deposits.

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

All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase. The Corporation did not have any investments for the periods ended December 31, 2020 and 2019.

Note 3 - Related Party Transactions

The Comptroller's, Purchasing, and Planning and Economic Development Departments of the Town provide staff support and office space to the Corporation. The Corporation has entered into an annual agreement with the Town for reimbursement of these costs. The management fee with the Town was \$2,000 for both 2020 and 2019.

Note 4 - Industrial Revenue Bond and Note Transactions

Certain revenue bonds, notes, and straight leases issued by the Corporation are secured by property which is leased to companies and is retired by these payments. The bonds, notes, and straight leases are not obligations of the Corporation or the Town. The Corporation does not record the assets or liabilities resulting from completed bonds, notes, and straight leases issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond, note, and lease holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Corporation receives administration fees from the borrowing companies. Such administrative fee income is recognized upon authorization and closing of bonds. No revenue bonds were authorized in either 2020 or 2019. One revenue bond was authorized in 2018 in the amount of \$12,500,000, of which \$4,079,329 was issued during 2018, and \$790,300 was used to refinance the balance of a 2014 revenue bond. The balance of the unissued portion, totaling \$8,420,671, was issued in 2019. Revenue bonds outstanding at December 31, 2020 and 2019, were \$44,283,857 and \$45,046,601, respectively.

Town of Colonie Local Development Corporation

Supplementary Information - Schedule of Indebtedness

Project Description	Original Issue Amount	Original Issue Date	Current Interest Rate	Year Ended December 31, 2020				Outstanding December 31, 2020	Principal Payments 2020	Final Maturity Date
				Outstanding January 1, 2020	Issued During 2020					
Shaker Pointe at Carondelet	\$ 10,000,000	12/11	0.01%	\$ 9,030,000	\$ -			\$ 8,755,000	\$ -	12/2041
Shaker Pointe at Carondelet	12,000,000	12/13	0.01%	11,100,000	-			10,835,000	265,000	12/2041
Shaker Pointe at Carondelet	12,500,000 *	06/18	5.15%	12,500,000	-			12,500,000	-	06/2048
Colonie Senior Service Centers	12,800,000 *	05/16	1.91%	12,416,601	-			12,193,857	222,744	5/1/2046
				<u>\$ 45,046,601</u>	<u>\$ -</u>			<u>\$ 44,283,857</u>	<u>\$ 762,744</u>	

* This is debt that has been issued on a drawdown basis.



**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 Corporation Board
Town of Colonie Local Development Corporation
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 financial statements of the Town of Colonie Local Development Corporation (Corporation), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 12, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BST+Co.CPAs, LLP

Albany, New York
March 12, 2021



Schedule 3
Summary of Account Activity

See attached

Town of Colonie Local Development Corporation
Annual Investment Report
For the Year Ended December 31, 2020

The Town of Colonie Local Development Corporation (LDC) did not have any investments in securities during 2019. All funds were held either in a money market or checking account. 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 LDC's money market for the year ended December 31, 2020 follows;

Beginning Balance	\$ 249,625.32
Additions during the year	-
Withdrawals during the year	-
Interest Earned	<u>179.19</u>
Ending Balance	<u>\$ 249,804.51</u>

During 2020 the interest rates on the checking account were as follows:

January 1 to February 28, 2020	0.20%
March 1 to March 31, 2020	0.13%
April 1 to August 31, 2020	0.05%
September 1 to December 31, 2020	0.02%