

**CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY**

**(A Discretely Presented Component Unit of the
City of Albany, New York)**

**Financial Statements as of
December 31, 2024
Together with
Independent Auditor's Reports**

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of Albany, New York)

TABLE OF CONTENTS

Independent Auditor’s Report	1
Management’s Discussion and Analysis (Unaudited)	4
Financial Statements	
Statement of Net Position.....	8
Statement of Revenues, Expenses, and Change in Net Position.....	9
Statement of Cash Flows.....	10
Notes to Financial Statements.....	11
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenses, and Change in Net Position – Budget and Actual.....	17
Other Required Report	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18

INDEPENDENT AUDITOR'S REPORT

March 24, 2025

To the Board of Directors of
City of Albany Industrial Development Agency:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Albany Industrial Development Agency (a discretely presented component unit of the City of Albany, New York), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Albany Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City of Albany Industrial Development Agency, as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Albany Industrial Development Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Albany Industrial Development Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Albany Industrial Development Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Albany Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025 on our consideration of City of Albany Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City of Albany Industrial Development Agency'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 City of Albany Industrial Development Agency's internal control over financial reporting and compliance.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

The following is a discussion and analysis of City of Albany Industrial Development Agency’s financial performance for the fiscal year ended December 31, 2024. This section is a summary of City of Albany Industrial Development Agency’s financial activities based on currently known facts, decisions, or conditions. It is also based on the financial statements. The results of the current year are discussed in comparison with the prior year with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with City of Albany Industrial Development Agency’s financial statements, which immediately follow this section.

OPERATIONS SUMMARY

The City of Albany Industrial Development Agency’s mission is to encourage investment and job creation/retention within the City of Albany. To do this, the City of Albany Industrial Development Agency extends conduit tax-exempt and taxable bond issuance, mortgage recording, sales, and real-property tax abatements to offset or finance construction, rehabilitation, and equipping costs for eligible projects.

The City of Albany Industrial Development Agency participates in a project by taking title to or a leasehold interest in the real property and/or equipment of the project using the proceeds of bonds sold by City of Albany Industrial Development Agency. By separate agreement, the private firm leases the facilities from the City of Albany Industrial Development Agency. Lease payments are usually equal to the debt service obligations of the issued bonds. The City of Albany Industrial Development Agency does not provide credit enhancement and issues bonds on a non-recourse basis.

Through a professional services agreement, the Capitalize Albany Corporation, an independent, not-for-profit economic development corporation provides staffing and administrative support to City of Albany Industrial Development Agency. Staff meets with prospective developers to discuss the specifics of a particular project or development and makes recommendations about appropriate economic development programs as well as other project related issues. If City of Albany Industrial Development Agency is an appropriate route, the applicant will complete and submit an application that outlines certain information and data, including anticipated level of job creation and retention that the project will generate. The application is reviewed by staff and counsel to determine project qualification and address other due diligence issues. The seven-member City of Albany Industrial Development Agency Board meets monthly or as necessary to consider project applications focusing on the “public benefits” related to the proposed project, other economic impacts and benefits on the local economy, and the anticipated employment impact. As part of the review process, the City of Albany Industrial Development Agency members also consider potential costs to the local community of the project, including the loss of potential tax revenue. Each project is also required to provide an inducement resolution that specifically states how the project meets the statutory definitions of eligibility. The City of Albany Industrial Development Agency convenes a public hearing for all projects that requests financial incentives greater than \$100,000 in value.

FINANCIAL OPERATIONS HIGHLIGHTS

The table below provides a condensed summary of revenues and expenses for the years December 31, 2024 and 2023:

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Percent Change</u>
Operating revenues	\$ 1,356,938	\$ 876,714	54.78%
Operating expenses	(1,217,224)	(1,316,835)	-7.56%
Non-operating revenues (expenses)	<u>(33,643)</u>	<u>(22,507)</u>	49.48%
 Increase (decrease) in net position	 <u>\$ 106,071</u>	 <u>\$ (462,628)</u>	 -122.93%

Agency revenues are predominantly derived from a 1% administrative fee paid by applicants for projects that close with a PILOT and a ½% administrative fee for all other projects that close within a given year. As a result, revenues will fluctuate from year to year based on the level of project activity. The following projects closed in 2024 and paid an administrative fee to the City of Albany Industrial Development Agency were as follows:

Forty-Eightcc, LLC

The involves the construction of an approximate 93,000 SF warehouse/distribution facility on what is currently 8.29 acres of vacant land. The approximately \$10.5 M project was expected to create an estimated 10 permanent jobs and 48 construction jobs.

144 State Street, LLC

The current project involves renovation of the existing Renaissance Hotel by Marriott consisting of improvements to the public spaces and guestrooms. The Project Beneficiary is proposing a \$3.5M new investment to the property and requesting an amendment to its PILOT agreements providing additional assistance to move forward with the project and maintain hotel operations consistent with the hotel's brand. This renovation is estimated to retain 91 permanent jobs and create 18 construction jobs.

Colvin Avenue Commons, LLC

This project involves the construction of two buildings totaling +/- 71,870 SF. The mixed-use development will include 63 units of affordable housing and +/- 4,800 SF of commercial space intended to house a daycare facility. The project will be funded in part through 9% low-income housing tax credits. The residential units will serve income qualifying residents that fall between 40% and 80% of the area median income. Support services on site will be provided by Rehabilitation Support Services, Inc. The approximate \$30.6M investment is anticipated to create 12 permanent jobs and 60 construction jobs.

Freedom Springs Albany, LLC

The Project proposes to construct an approx. 112,000 SF 3-story multi-fam affordable housing complex containing 120 residential units and approx. 3,600 SF of commercial space and +/- 86 parking spaces. The project will be funded in part through 4% low-income housing tax credits. Of the total residential units on site, thirty (30) will be reserved for veterans at risk of homelessness and an additional thirty (30) units will be reserved for Seniors at risk of homelessness. The remaining units will serve income qualifying residents that fall between 50% and 80% of the area median income. Support services on site will be provided .by Gateway Hudson Valley. This approximate \$46.3M project will create an estimated 9 permanent jobs and 100 construction jobs, as well as retain 13 permanent jobs.

FINANCIAL OPERATIONS HIGHLIGHTS (Continued)

TRPS, Lark, LLC

The project proposes to construct an approximately 37,500 SF, 4-story apartment complex containing approximately 40 residential workforce housing units. A portion of the currently vacant project site was previously owned by the Albany Community Development Agency. The estimated \$4.9M investment is anticipated to create 165 construction jobs.

OTHER ACTIVITY

A condensed summary of City of Albany Industrial Development Agency’s net assets at December 31, 2024 and 2023 is shown below:

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Current assets	\$ 3,969,884	\$ 3,676,527	7.98%
Noncurrent assets	<u>1,354,778</u>	<u>1,506,750</u>	-10.09%
Total assets	<u>5,324,662</u>	<u>5,183,277</u>	2.73%
Current liabilities	212,640	45,356	368.82%
Noncurrent liabilities	<u>1,376,836</u>	<u>1,508,806</u>	-8.75%
Total liabilities	<u>1,589,476</u>	<u>1,554,162</u>	2.27%
Unrestricted	3,725,311	3,619,190	2.93%
Restricted	<u>9,875</u>	<u>9,925</u>	-0.50%
Total net position	<u>\$ 3,735,186</u>	<u>\$ 3,629,115</u>	2.92%

Current assets consist of cash, receivables and due from other agencies. Noncurrent assets primarily consist of the intangible lease asset. Current liabilities consist of accounts payable, accruals and current debt. Long term liabilities relate to the lease.

FUTURE OPERATIONS

As of December 31, 2024, the following projects have been approved by the City of Albany Industrial Development Agency Board and are expected to close in 2025:

Equity Residential Development, LLC

The project involves the construction of a mixed-use +/- 58,400 SF, 6-story structure that will include 57 units of affordable housing, 1,590 SF of ground floor retail space intended to serve as an art gallery and 10 residential units (+/- 5,100 SF) on the second floor reserved for Capital Repertory Theatre to temporarily house actors. This approximate \$29.4 M project will create an estimated 2 permanent jobs and 50 construction jobs.

Northgate Landing, LLC

The proposed project involves the demolition of three underutilized/vacant structures totaling over 100,000 SF and the construction of two new 4-story buildings totaling approx. 233,084 SF. The development will contain +/- 185 units of affordable housing units for households with incomes ranging from 30% to 80% of the Area Median Income. This expected \$80.9M project is anticipated to create an estimated 2 permanent jobs and 200 construction jobs.

FUTURE OPERATIONS (Continued)

Centre Square, LLC

The proposed project involves the acquisition of two currently tax-exempt land parcels at 1233 & 1235 Broadway and the construction of twelve (12) market-rate residential units. The newly constructed building will total +/- 10,200 square feet. This approximate \$2.0M project will create an estimated 50 construction jobs.

FINANCIAL STATEMENTS

City of Albany Industrial Development Agency's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the *Government Accounting Standards Board (GASB)*. City of Albany Industrial Development Agency is a public benefit corporation created by State legislation and is a component unit of the City of Albany. City of Albany Industrial Development Agency follows enterprise fund accounting; accordingly, the financial statements are presented using the economic resources management focus. These financial statements are presented in a manner similar to a private business.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of City of Albany Industrial Development Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to:

City of Albany Industrial Development Agency
Attention: Chief Financial Officer & Assistant Treasurer
21 Lodge Street
Albany, NY 12207

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of Albany, New York)

STATEMENT OF NET POSITION
DECEMBER 31, 2024

CURRENT ASSETS

Cash - unrestricted	\$ 3,795,176
Cash - restricted	9,875
Accounts receivable	10,948
Mortgage receivable	131,970
Due from other agencies	<u>21,915</u>
Total current assets	<u>3,969,884</u>

NONCURRENT ASSETS

Capital assets, net	<u>1,354,778</u>
Total noncurrent assets	<u>1,354,778</u>

TOTAL ASSETS 5,324,662

CURRENT LIABILITIES

Accounts payable	20,546
Accrued expenses	50,249
Deferred revenue	9,875
Mortgage payable	<u>131,970</u>
Total current liabilities	<u>212,640</u>

NONCURRENT LIABILITIES

Lease payable	<u>1,376,836</u>
Total long-term liabilities	<u>1,376,836</u>

TOTAL LIABILITIES 1,589,476

NET POSITION

Restricted	9,875
Unrestricted	<u>3,725,311</u>
Total Net Position	<u>\$ 3,735,186</u>

The accompanying notes are an integral part of these statements.

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of Albany, New York)

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUE:

Agency fees	\$ 1,356,938
Total operating revenue	<u>1,356,938</u>

OPERATING EXPENSES:

Professional services	939,343
Economic development support	250,000
Bad debt expense	1,000
Miscellaneous expenses	6,878
Depreciation and amortization	<u>20,003</u>
Total operating expenses	<u>1,217,224</u>
Operating income	<u>139,714</u>

NON-OPERATING REVENUES (EXPENSES):

Interest income	21,760
Interest expense	<u>(55,403)</u>
Total non-operating revenues (expenses)	<u>(33,643)</u>

CHANGE IN NET POSITION	106,071
NET POSITION - beginning of year	<u>3,629,115</u>
NET POSITION - end of year	<u>\$ 3,735,186</u>

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of Albany, New York)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments received for agency fees	\$ 1,378,690
Payments for operating expenses	<u>(1,160,357)</u>
Net Cash Provided by Operating Activities	<u>218,333</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Interest expense	<u>(55,404)</u>
Net Cash Used by Financing Activities	<u>(55,404)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>21,760</u>
Net Cash Provided by Investing Activities	<u>21,760</u>
Change in cash	<u>184,689</u>
Cash, Beginning of Year	<u>3,620,362</u>
Cash, End of Year	<u>\$ 3,805,051</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 139,714
Depreciation and amortization	20,003
Changes in operating assets and liabilities:	
Accounts receivable	43,717
Due from other agencies	(21,915)
Prepaid expenses	1,500
Accounts payable and accrued liabilities	35,364
Unearned revenue	<u>(50)</u>
Net Cash Provided by Operating Activities	<u>\$ 218,333</u>

The accompanying notes are an integral part of these statements.

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of Albany, New York)**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Albany Industrial Development Agency, a public benefit corporation created by State legislation, is a discretely presented component unit of the City of Albany, New York, and commenced operations on May 13, 1974. The City of Albany Industrial Development Agency's purpose is to promote the advancement of job opportunities, health, general prosperity, and economic welfare of the people of the State of New York, to attract commerce and industry, and to retain areas adaptable for commercial and/or industrial purposes. Additionally, the City of Albany Industrial Development Agency's purpose is to promote, develop, encourage, and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, and research facilities. The City of Albany Industrial Development Agency also has the power to acquire, construct, reconstruct, lease, sell, improve, maintain, equip, or furnish certain properties and facilities. The members of the City of Albany Industrial Development Agency are appointed by the City of Albany's Common Council. City of Albany Industrial Development Agency members have complete responsibility for management of the City of Albany Industrial Development Agency and accountability for fiscal matters.

Financial Reporting Entity

City of Albany Industrial Development Agency is a component unit of the City. In accordance with accounting principles generally accepted in the United States of America, City of Albany Industrial Development Agency's financial statements are discretely presented in the City's financial statements.

Basis of Accounting

The accounting policies of City of Albany Industrial Development Agency conform to generally accepted accounting principles as applicable to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. City of Albany Industrial Development Agency is considered a proprietary business-type entity and reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of City of Albany Industrial Development Agency are agency fees. Operating expenses include administrative expenses, professional fees, and economic development contractual services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is City of Albany Industrial Development Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Risk Disclosure

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by the Federal Deposit Insurance Corporation. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, City of Albany Industrial Development Agency's deposits may not be returned to them.

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in City of Albany Industrial Development Agency's name.

Net Position

Net position represents the difference between the assets/deferred outflows of resources, and liabilities/and deferred inflows of resources. Net position is reported as restricted only when there are limitations imposed on its use.

It is City of Albany Industrial Development Agency's policy to first use restricted resources when an expense is incurred for purposes which both restricted and unrestricted resources are available.

The City of Albany Industrial Development Agency has a restricted fund balance of \$9,875 that is to be used for externally restricted proceedings and related expenses.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The City of Albany Industrial Development Agency is exempt from income taxes as a not-for-profit corporation under tax section 501(c)(3) as determined by the Internal Revenue Service and, accordingly, these financial statements do not reflect a provision for income taxes.

Accounts Receivable

Accounts receivable are comprised of amounts billed and currently due from agencies. Substantially all of the accounts receivable are considered collectible. Accordingly, no allowance for doubtful accounts is required.

Agency Fee Revenue

Agency revenues are predominantly derived from a 1% administrative fee paid by applicants for projects that close with a PILOT and a ½% administrative fee for all other projects that close within a given year.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Capital Assets

Depreciation on all assets is provided on the straight-line basis over the estimated useful life of 5 years for equipment.

Capital assets also include leased assets with a term greater than one year. The City of Albany Industrial Development Agency does not implement a capitalization threshold for leased assets. Leased assets are amortized on a straight-line basis over the term of the lease.

Deferred Revenue

Fee income collected for the subsequent year is recorded as deferred revenue and recognized in the period in which the corresponding expenses occur.

Industrial Development Revenue Bonds

The City of Albany Industrial Development Agency may issue industrial development revenue bonds. The bonds are special obligations of the City of Albany Industrial Development Agency, payable solely from revenue derived from the leasing, sale, or other disposition of a project. As explained more fully in Note 8, there is no liability to the City of Albany Industrial Development Agency; therefore, the obligations are not accounted for in the financial statements of the City of Albany Industrial Development Agency.

2. CASH

City of Albany Industrial Development Agency's maintains its cash accounts with one commercial bank. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at this commercial bank may, at times, exceed federally insured limit.

Amounts in excess of the FDIC limits at December 31, 2024 were collateralized and insured as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	<u>\$ 3,847,052</u>	<u>\$ 3,805,051</u>
Collateralized with securities held by a third party for the benefit of the Agency pursuant to a third party custodian agreement	\$ 3,347,052	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 3,847,052</u>	

The City of Albany Industrial Development Agency holds an escrow account as required by an agreement with Capitalize Albany Corporation. The escrow account balance is reported as restricted cash on the Statement of Net Position and has a balance of \$9,875 as of December 31, 2024. These funds are used to pay for eminent domain proceedings and related expenses per the agreement with Capitalize Albany Corporation.

3. CAPITAL ASSETS

Activity related to capital assets for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Equipment	<u>\$ 10,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,101</u>
Less: accumulated depreciation				
Equipment	<u>505</u>	<u>2,020</u>	<u>-</u>	<u>2,525</u>
Total capital assets being depreciated, net	<u>9,596</u>	<u>(2,020)</u>	<u>-</u>	<u>7,576</u>
Lease assets being amortized				
Building	<u>1,380,170</u>	<u>-</u>	<u>-</u>	<u>1,380,170</u>
Less: accumulated amortization				
Building	<u>14,986</u>	<u>17,982</u>	<u>-</u>	<u>32,968</u>
Total lease assets being amortized, net	<u>1,365,184</u>	<u>(17,982)</u>	<u>-</u>	<u>1,347,202</u>
Total capital and lease assets, net	<u>\$ 1,374,780</u>	<u>\$ (20,002)</u>	<u>\$ -</u>	<u>\$ 1,354,778</u>

Depreciation expense for the year ended December 31, 2024 was \$2,020. Amortization expense for the year ended December 31, 2024 was \$17,982.

4. MORTGAGE RECEIVABLE

The City of Albany Industrial Development Agency's mortgage notes receivable comprise loans which are recorded at cost. The mortgagor is James Housing Development Fund Company, Inc. The original mortgage was signed September 14, 1994.

At December 31, 2024 the Agency had \$131,970 recorded as a short-term asset as the loan matures on June 30, 2025.

5. MORTGAGE PAYABLE

The City of Albany Industrial Development Agency has entered into a loan agreement with the City of Albany. The proceeds were loaned, in turn, to the eligible mortgagor. Loan repayment maturities vary by loan and are collateralized by mortgage notes receivable.

At December 31, 2024 \$131,970 was recorded as a short-term liability as the loan matures on June 30, 2025.

6. LEASES

The City of Albany Industrial Development Agency leases a building from an unrelated entity under an operating lease expiring November 2099. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate/ Discount Rate</u>	<u>Total Lease Liability</u>
Building	3.97%	<u>\$ 1,376,836</u>

Activity of the lease liability for the year ended December 31, 2024 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Building	<u>\$ 1,376,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,376,836</u>	<u>\$ -</u>
Total Lease Liability	<u>\$ 1,376,836</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,376,836</u>	<u>\$ -</u>

Annual requirements to amortize lease obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 41,519	\$ 41,519
2026	-	42,141	42,141
2027	-	42,773	42,773
2028	-	43,414	43,414
2029	-	44,066	44,066
2030-2034	-	230,443	230,443
2035-2039	-	248,253	248,253
2040-2044	-	267,439	267,439
2045-2049	-	288,108	288,108
2050-2054	-	310,374	310,374
2055-2059	-	334,361	334,361
2060-2064	-	360,202	360,202
2065-2069	-	388,040	388,040
2070-2074	-	418,029	418,029
2075-2079	-	450,336	450,336
2080-2084	123,082	362,057	485,139
2085-2089	301,551	221,082	522,633
2090-2094	412,184	150,840	563,024
2095-2099	540,019	56,029	596,048
Total	<u>\$ 1,376,836</u>	<u>\$ 4,299,506</u>	<u>\$ 5,676,342</u>

7. RELATED PARTY TRANSACTIONS

The City of Albany Industrial Development Agency shares a common board of directors with the City of Albany Capital Resource Corporation, a component unit of the City of Albany.

As of December 31, 2024, the City of Albany Capital Resource Corporation owes the City of Albany Industrial Development Agency \$20,000 for the allocation of contracted administrative expenses. As of December 31, 2024, Capitalize Albany Corporation owes the City of Albany Industrial Development Agency \$1,915.

8. INDUSTRIAL DEVELOPMENT REVENUE BOND TRANSACTIONS

Industrial Development Revenue Bonds issued by the City of Albany Industrial Development Agency are secured by property which is leased to private companies. The debt is retired by the lease payments. The bonds are not obligations of New York State, the City of Albany, and are not general obligations of the City of Albany Industrial Development Agency. Accordingly, the City of Albany Industrial Development Agency does not record related activity in its financial statements. The City of Albany Industrial Development Agency acts as a financing conduit. For providing this service, the City of Albany Industrial Development Agency receives an administrative fee. Such administrative fee income is recognized immediately upon issuance of bonds. Industrial Development Revenue Bonds outstanding as of December 31, 2024 total \$25,480,961.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of Albany, New York)

SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION - BUDGET AND ACTUAL (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUE:			
Agency fees	\$ 811,000	\$ 1,356,938	\$ (545,938)
Total operating revenue	<u>811,000</u>	<u>1,356,938</u>	<u>(545,938)</u>
OPERATING EXPENSES:			
Professional services	791,168	939,343	(148,175)
Economic development support	250,000	250,000	-
Miscellaneous expenses	15,000	6,878	8,122
Bad debt expense	-	1,000	(1,000)
Depreciation and amortization	<u>1,771</u>	<u>20,003</u>	<u>(18,232)</u>
Total operating expenses	<u>1,057,939</u>	<u>1,217,224</u>	<u>(159,285)</u>
Operating income (loss)	<u>(246,939)</u>	<u>139,714</u>	<u>(386,653)</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest income	25,000	21,760	3,240
Interest expense	<u>-</u>	<u>(55,403)</u>	<u>55,403</u>
Total non-operating revenues (expenses)	<u>25,000</u>	<u>(33,643)</u>	<u>58,643</u>
CHANGE IN NET POSITION		106,071	
NET POSITION - beginning of year		<u>3,629,115</u>	
NET POSITION - end of year		<u>\$ 3,735,186</u>	

The accompanying notes are an integral part of these statements.

OTHER REQUIRED REPORT

INDEPENDENT AUDITOR'S 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

March 24, 2025

To the Board of Directors of
City of Albany Industrial Development Agency:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Albany Industrial Development Agency, (a discretely presented component unit of City of Albany, New York), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Albany Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Albany Industrial Development Agency'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 City of Albany Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Albany Industrial Development 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 or significant deficiencies may exist that were not identified.

6 Wembley Court
Albany, NY 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S 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*

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Albany Industrial Development 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 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.