



County of Albany, New York

Financial Report

December 31, 2020

County of Albany, New York

Financial Report

December 31, 2020

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Independent Auditor's Report

County Executive and Members
of the County Legislature
County of Albany, New York
Albany, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Albany, New York (County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County'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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Albany County Airport Authority, the Albany County Industrial Development Agency, and the Albany County Land Bank which are shown as discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the discretely presented component units, are based solely on the reports of the other auditors. 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. The financial statements of the Shaker Place Rehabilitation & Nursing Center, a major enterprise fund, were not audited in accordance with *Government Auditing Standards*.

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 opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Correction of Misstatements

As discussed in Note 1s to the financial statements, the 2019 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 1t to the financial statements, in 2020 the County adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of other postemployment benefits liability, schedule of proportionate share of net pension liability, schedule of pension contributions, and budgetary comparison information on pages 4-14, 62, 63, 64 and 65, respectively, 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 opinions on the financial statements that collectively comprise the County's basic financial statements. The combining discretely presented component unit financial statements on pages 66 and 67 are presented for purposes of additional analysis and are not a required part of the basic financial statements.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Albany, New York
September 30, 2021



County of Albany, New York

Management's Discussion and Analysis December 31, 2020

This section of the County of Albany, New York's (County) annual financial report presents its discussion and analysis of financial performance during the year ended December 31, 2020. Please read it in conjunction with the financial statements.

Financial Highlights

- The County's total net position decreased by \$58,473,838.
- At December 31, 2020, liabilities and deferred inflows of the County exceeded its assets and deferred outflows by \$336,980,550 (net position).
- Governmental activities revenues decreased by approximately 5.9%, primarily as a result of non-property tax items. Revenues from business-type activities decreased by 8.4%, primarily as a result of decreases in charges for services during the COVID-19 pandemic.
- Governmental activities expenses increased by approximately 0.6%, primarily as a result of increases to the County's other postemployment benefits liability and net pension liability. Business-type activities expenses increased 22.0% primarily as the result of increased employee benefit costs and increases to the County's other postemployment benefits liability and net pension liability.
- Unassigned fund balance for the General Fund was \$34,544,198 at December 31, 2020. The unreserved fund balance was approximately 6.4% of total General Fund revenue.
- The County continued to offer all programs, without reducing services, while maintaining sufficient fund balances.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the financial statements, and required supplementary information. The financial statements include two types of statements that present different views of the County:

- The first of the statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the County, reporting the operations in *more detail* than the entity-wide statements.
 1. The *governmental fund statements* tell how *general government services*, such as public safety, were financed in the *short-term* as well as what remains for future spending.
 2. The *proprietary fund statements* offer *short- and long-term* financial information about the activities that the County operates *like businesses*, such as utility systems, recreation center and a rehabilitation and nursing center.
 3. The *fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee* or *agent* for the benefit of others.

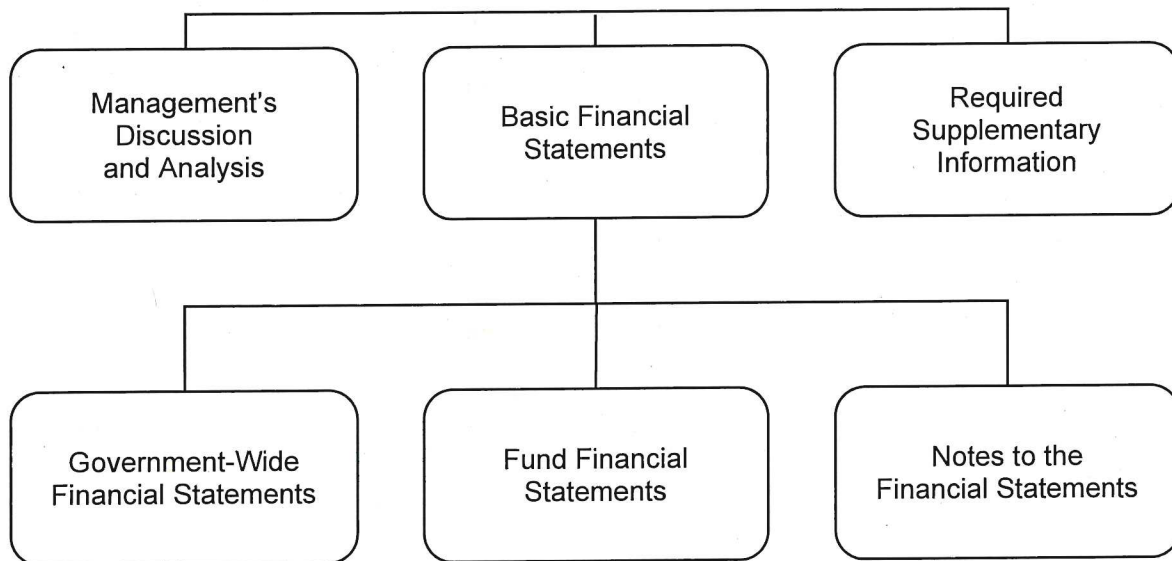
County of Albany, New York

Management's Discussion and Analysis December 31, 2020

The financial statements also include *notes* that provide additional information about the financial statements and the balances reported. The statements are followed by a section of *required supplementary information* that is designed to enhance the reader's understanding of the financial condition of the County.

Table A-1 shows how the various parts of this annual report are arranged and related to one another.

Table A-1: Organization of the County's Annual Financial Report



County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Table A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each of the statements.

Table A-2: Major Features of the Entity-wide and Fund Financial Statements

<u>Fund Financial Statements</u>				
	Government-Wide Statements	Governmental	Proprietary	Fiduciary
Scope	Entire entity and component units (except fiduciary funds)	The day-to-day operating activities of the County, such as police, fire, and parks	The activities of the County, such as utility systems, parking facilities, and nursing centers	Instances in which the County administers resources on behalf of others
Required Financial Statements	- Statement of Net Position - Statement of Activities	- Balance Sheet - Statement of Revenues, Expenditures, and Changes in Fund Balances	- Statement of Net Position - Statement of Revenues, Expenses and Changes in Net Position - Statement of Cash Flow	- Statement of Fiduciary Net Position - Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus; except agency funds do not have measurement focus
Type of Balance Information	All assets, deferred outflows of resources, liabilities, deferred inflows of resources, both financial and capital short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; deferred inflows of resources; not capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, deferred inflows of resources, both financial and capital short-term and long-term	All resources held in a trustee or agency capacity for others
Type of Inflow and Outflow Information	All inflows and outflows during year; regardless of when cash is received or paid	Near-term inflows and outflows of spendable resources	All inflows and outflows during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Government-Wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources currently required to be disclosed under accounting principles generally accepted in the United States of America (U.S. GAAP). All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide statements report the County's *net position* and how it has changed. Net position, the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the financial health or position of the County.

- Over time, increases or decreases in net position are indicators of whether the financial position is improving or deteriorating, respectively.
- For an assessment of the overall health of the County, additional nonfinancial factors, such as changes in the County's property tax base and the condition of roads, buildings, and other facilities, should be considered.

The government-wide financial statements are divided into three categories:

- *Governmental Activities* - Most services, such as public safety, health and social services, and general administration, are included in this category. Property taxes, sales and use taxes, and state and federal grants finance most of these activities.
- *Business-type Activities* - Fees are charged to customers to help cover the costs of certain services, such as health facility, recreation, and sewer.
- *Component Units* - Although legally separate, component units are important because the County is financially accountable for these entities. The County has three component units; the Albany County Airport Authority, the Albany County Industrial Development Agency, and the Albany County Land Bank that are aggregated and reported in a separate column to emphasize that they are legally separate from the County.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

Government-wide statements are reported utilizing an economic resources measurement focus and a full accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenues and expenses using the economic resources measurement focus and the accrual basis of accounting, and

County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Government-Wide Statements - Continued

- Allocate net position balances as follows:
 - *Net Investment in Capital Assets* - Net position invested in capital assets, net of related debt;
 - *Restricted Net Position* - Restricted net position is net position with constraints placed on its use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation, and
 - *Unrestricted Net Position* - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific revenue sources and spending on particular programs.

The County has three kinds of funds:

- *Governmental Funds* - Most of the services are included in governmental funds, which generally focus on: (1) how *cash and other financial assets* can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the County. The governmental fund statements focus primarily on the sources, uses, and balances of current financial resources and often have a budgetary orientation. Because this information does not encompass the additional long-term focus of the government-wide statements, a separate reconciliation provides additional information that explains the relationship (or differences) between them. The governmental funds consist of the General Fund, Debt Service Fund, Special Revenue Funds, and Capital Project Funds. Required statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances.
- *Proprietary Funds* - The proprietary funds generally report services for which customers are charged a fee. Like government-wide statements, proprietary funds provide both long-term and short-term financial information. The enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The County uses internal service funds (the other type of proprietary fund) to report activities that provide services to its other programs and activities. The County currently has one internal service fund. This fund is used to account for the County's risk management activities. Required statements are the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows.
- *Fiduciary Funds* - The County is the *trustee* or *fiduciary* for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The County excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. This reporting should be used to support the County's own programs and is developed using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans and certain postemployment healthcare plans. Required statements are the statement of fiduciary net position and the statement of changes in fiduciary net position.

County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Financial Analysis of the County as a Whole

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed government-wide statement of net position.

Table A- 3: Condensed Statement of Net Position (Deficit) (In millions)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2020	2019	2020	2019 (Restated)	2020	2019 (Restated)	
Current and other assets	\$ 331.7	\$ 272.6	\$ 61.3	\$ 90.5	\$ 393.0	\$ 363.1	8 %
Capital assets	245.5	253.9	163.7	150.3	409.2	404.2	1 %
Total assets	577.2	526.5	225.0	240.8	802.2	767.3	5 %
Deferred outflows of resources	194.2	138.6	28.8	17.8	223.0	156.4	43 %
Current liabilities	191.3	118.8	33.9	32.4	225.2	151.2	49 %
Long-term liabilities	879.7	799.2	251.5	236.3	1,131.2	1,035.5	9 %
Total liabilities	1,071.0	918.0	285.4	268.7	1,356	1,186.7	14 %
Deferred inflows of resources	5.2	13.7	0.6	1.7	5.8	15	100 %
Net position (deficit)							
Net investment in capital assets	66.5	51.7	30.7	33.8	97.2	85.5	14 %
Restricted	40.6	21.9	3.2	9.3	43.8	31.2	40 %
Unrestricted	(411.9)	(340.2)	(66.1)	(54.9)	(478.0)	(395.1)	21 %
Total net position (deficit)	\$ (304.8)	\$ (266.6)	\$ (32.2)	\$ (11.8)	\$ (337.0)	\$ (278.4)	

County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Changes in Net Position (Deficit)

The County's year 2020 revenues totaled \$498.3 million (See Table A-4). This excludes the \$105.5 million of sales tax revenue that is received and passed through to other localities but is required to be recorded as revenue in the statement of activities. Taxes and operating grants accounted for most of the County's revenue by contributing 53.6% and 27.0%, respectively, of every dollar raised (see Table A-5). The remainder came from charges for services, investment earnings and other miscellaneous sources.

The total cost of all programs and services totaled \$556.8 million for the year ended 2020. This also excludes the \$105.5 million of sales tax revenue distributed to other localities but is required to be recorded as an expenditure in the statement of activities.

Net position (deficit) decreased by \$58.5 million during 2020.

Table A-4: Changes in Net Position (Deficit) (In millions)

	Year Ended December 31, 2020		
	Governmental Activities	Business-type Activities	Total
REVENUES			
Program revenues			
Charges for services	\$ 41.2	\$ 34.6	\$ 75.8
Operating grants	135.5	0.0	135.5
General revenues			
Property taxes	98.3	0.0	98.3
Other taxes	272.3	0.0	272.3
Investment earnings	2.5	0.1	2.6
Other	11.4	7.9	19.3
Total revenues	<u>561.2</u>	<u>42.6</u>	<u>603.8</u>
EXPENSES			
General government support	184.3	0.0	184.3
Education	29.3	0.0	29.3
Public safety	112.3	0.0	112.3
Health	44.9	0.0	44.9
Transportation	30.9	0.0	30.9
Economic assistance and opportunity	182.7	0.0	182.7
Culture and recreation	0.6	0.0	0.6
Home and community service	4.5	0.0	4.5
Interest and fiscal changes on debt	3.8	0.0	3.8
Business-type activities			
Shaker Place Rehabilitation & Nursing Center	0.0	41.2	41.2
Times Union Center	0.0	8.9	8.9
Sewer	0.0	18.9	18.9
Total expenses	<u>593.3</u>	<u>69.0</u>	<u>662.3</u>
Transfers	<u>(6.1)</u>	<u>6.1</u>	<u>0.0</u>
CHANGE IN NET POSITION (DEFICIT)	<u><u>\$ (38.2)</u></u>	<u><u>\$ (20.3)</u></u>	<u><u>\$ (58.5)</u></u>

County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Table A-5: Sources of Revenues for the Year 2020

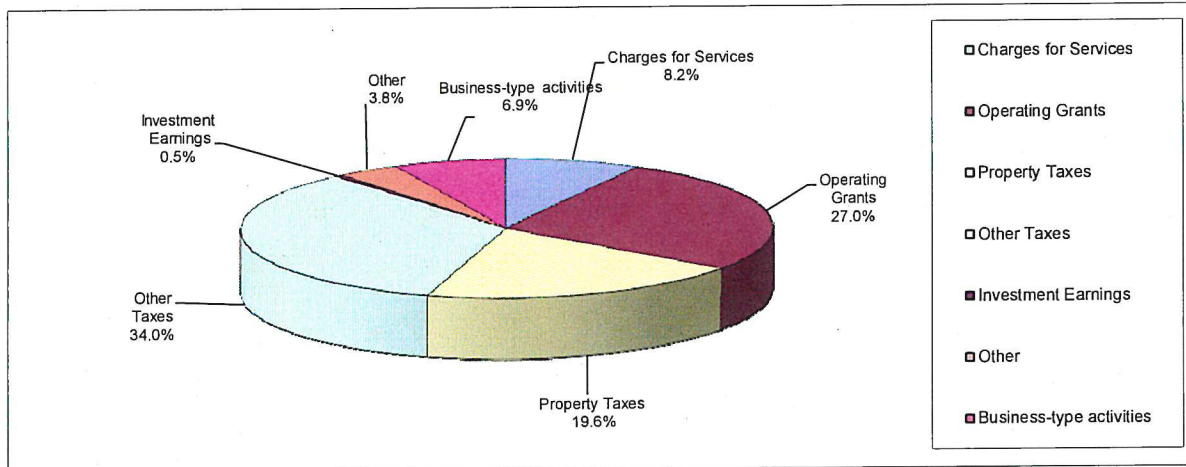
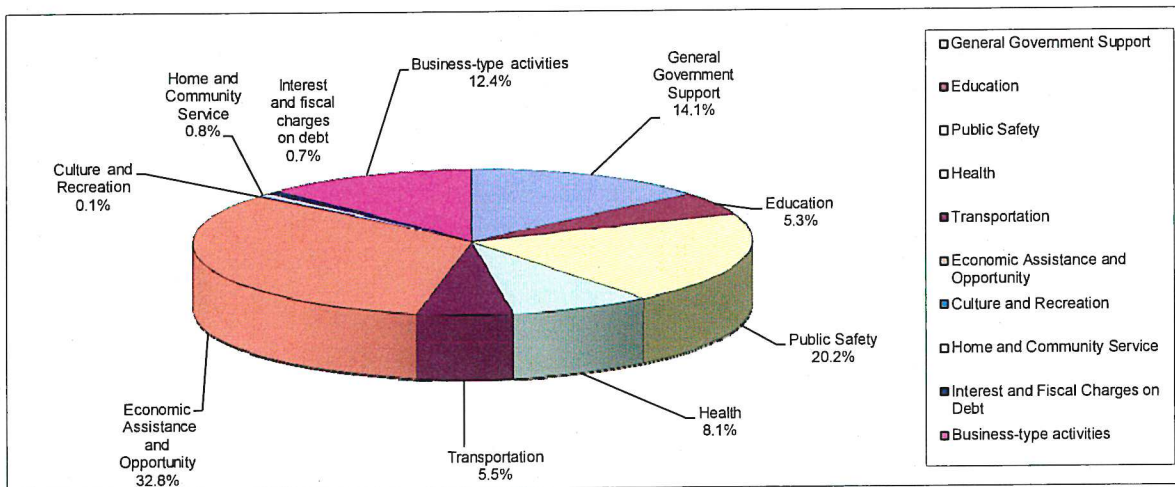


Table A-6: Expenses for the Year 2020



County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Governmental Activities

Revenues for the County's governmental activities totaled \$561.2 million, while total expenses equaled \$593.3 million. During the year 2020, the County's net transfer from governmental activities to support its business-type activities amounted to \$6.1 million. Therefore, the decrease in net position for governmental activities was \$38.2 million. The continuation of the County's stable financial condition can be credited to:

- Continued leadership of the County Executive and the County Legislature;
- Approval of the County's proposed annual budget, and
- A secure tax base.

Table A-7 presents the cost of nine major County governmental activities: general government support, education, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community service, and interest and fiscal charges on debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the County's taxpayers by each of these functions.

Table A-7: Net Cost of Governmental Activities (In millions)

Category	Total Cost 2020	Net Cost 2020
General government support	\$ 184.3	\$ 156.2
Education	29.3	19.6
Public safety	112.3	86.5
Health	44.9	13.5
Transportation	30.9	24.8
Economic assistance and opportunity	182.7	108.4
Culture and recreation	0.6	(0.2)
Home and community service	4.5	3.9
Interest and fiscal charges on debt	3.8	3.8
Total	<u>\$ 593.3</u>	<u>\$ 416.5</u>

- The cost of all governmental activities this year was \$593.3 million (includes distribution of sales tax);
- The users of the County's programs (\$41.2 million) financed some of the cost;
- Federal and state governments subsidized certain programs with grants and contributions (\$135.5 million), and
- Most of the County's net costs (\$416.5 million) were financed by taxes and other miscellaneous revenue (includes distribution of sales tax).

Business-Type Activities

Revenues for the County's business-type activities totaled approximately \$42.7 million while total expenses equaled \$69.1 million. During the year 2020, the County's net transfer from governmental activities to support its business-type activities amounted to approximately \$6.1 million. Therefore, there was a decrease of \$20.3 million in net position (deficit) for business-type activities in 2020.

County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Business-Type Activities - Continued

The continuation of the stable financial condition of the County's business-type activities can be attributed to:

- Continued leadership of the County Executive and the County Legislature;
- Approval of the County's proposed annual budget, and
- Increases in rates and fees.

Table A-8 presents the cost of major County business-type activities: rehabilitation and nursing center, Times Union Center, and sewer. The table also shows each activity's net cost (surplus) (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost, when reflected, shows the financial burden placed on the County's taxpayers by each of these functions.

Table A-8: Net Cost of Business-Type Activities (In millions)

Category	Total Cost 2020	Net Cost (Surplus) 2020
Shaker Place Rehabilitation and Nursing Center	\$ 41.2	\$ 21.3
Times Union Center	8.9	6.4
Sewer	18.9	6.7
Total	<u>\$ 69.0</u>	<u>\$ 34.4</u>

- The cost of all business-type activities this year was \$69.1 million;
- The users of the County's programs (\$34.6 million) financed most of the cost; and
- The County's net cost was \$34.4 million.

Financial Analysis of the County's Funds

Variances between years for the governmental fund financial statements are not the same as variances between years for the governmental activities on the government-wide financial statements. The County's governmental fund financial statements are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, these statements do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. The governmental statements include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

Budgetary Highlights

Over the course of the year, the County Legislature and County Executive revised the budget several times. These budget amendments fall into two categories:

- Changes made to account for significant events, and
- Increases in appropriations to prevent budget overruns.

County of Albany, New York

Management's Discussion and Analysis December 31, 2020

Capital Assets

At December 31, 2020, the County had invested \$409.2 million in a broad range of capital assets, including land, infrastructure, buildings and building improvements, and equipment, which includes vehicles and motor equipment. The County continues to invest in its infrastructure, buildings, and equipment. Significant ongoing capital projects within the County's business-type activities were advanced during 2020.

Debt Administration

At year-end, the County had \$319.7 million in general obligation and other long-term debt outstanding. More detailed information about the County's long-term liabilities is presented in Note 8 to the financial statements.

Table A-9: Outstanding Long-Term Debt (in millions)

	Governmental Activities	Business-type Activities	Total
Serial bonds	\$ 179.4	\$ 140.3	\$ 319.7
Due to employees' retirement system	8.9	1.3	10.2
Compensated absences	13.1	0.4	13.5
Net pension liability	123.7	14.9	138.6
Other postemployment benefits	578.7	105.2	683.9
Total	<u>\$ 903.8</u>	<u>\$ 262.1</u>	<u>\$ 1,165.9</u>

Factors Bearing on the Future of the County and Next Year's Budgets

New York State has burdened counties with the expenditure of significant amounts of local resources for unfunded mandates. The growth of these programs has placed strain on county budgets for New York State counties. The State-run Medical Assistance Program has caused significant local cost increases in recent years. The County has little control of these expenditures, and the program will continue to put financial stress on local finances. The County is also faced with significant costs in its retirement contribution to the New York State Retirement System and increases in other employee fringe benefits.

Contacting the County's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the finances of the County and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Albany County
Attn: Executive Deputy Comptroller
112 State Street, Room 1030
Albany, New York 12207
(518) 447-7130

County of Albany, New York

Government-Wide Financial Statements Statement of Net Position (Deficit)

December 31, 2020

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	\$ 78,001,548	\$ 37,385,816	\$ 115,387,364	\$ 29,214,233
Cash and cash equivalents, restricted	49,461,011	4,727,493	54,188,504	26,190,581
Resident funds held in trust	-	219,369	219,369	-
Taxes receivable, net	84,688,366	-	84,688,366	-
Other receivables	12,733,160	8,968,082	21,701,242	2,534,733
Other receivables, restricted	-	-	-	4,026,539
State and federal receivables	90,250,356	-	90,250,356	-
Due from other activities and custodial fund	10,250,245	4,377,137	14,627,382	-
Due from other governments	1,389,635	-	1,389,635	-
Inventory	68,823	91,838	160,661	-
Prepaid and other	4,866,886	766,892	5,633,778	992,688
Workers' compensation reserve	-	4,792,684	4,792,684	-
Total current assets	331,710,030	61,329,311	393,039,341	62,958,774
NONCURRENT ASSETS				
Prepaid expenses	-	-	-	225,103
Property held for resale	-	-	-	6,077,324
Capital assets, net	245,472,047	163,725,417	409,197,464	282,720,287
Total noncurrent assets	245,472,047	163,725,417	409,197,464	289,022,714
Total assets	577,182,077	225,054,728	802,236,805	351,981,488
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges, pensions	90,806,721	10,943,383	101,750,104	1,046,330
Deferred charges, OPEB	98,410,539	17,893,875	116,304,414	504,922
Deferred loss on refunding	4,981,344	-	4,981,344	1,802,374
Total deferred outflows	194,198,604	28,837,258	223,035,862	3,353,626
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	39,047,156	4,135,935	43,183,091	1,077,073
Accrued liabilities	14,892,087	3,102,562	17,994,649	5,488,534
Claims payable	1,265,000	-	1,265,000	-
Paycheck Protection Program loan	-	-	-	99,900
Resident funds held in trust	-	219,369	219,369	-
Payable from restricted assets	-	-	-	8,179,556
Due to other governments	45,231,270	-	45,231,270	-
Tax anticipation notes	40,000,000	-	40,000,000	-
Deposits	19,823,977	-	19,823,977	-
Due to others, net	-	1,011,020	1,011,020	-
Current portion of due to employees' retirement system	2,992,206	461,401	3,453,607	-
Due to other activities and custodial fund	5,261,204	10,221,617	15,482,821	-
Current maturities of bonds payable	19,841,639	10,099,974	29,941,613	-
Current portion of compensated absences	1,307,461	35,538	1,342,999	-
Unearned revenue	-	4,614,106	4,614,106	757,490
Accrued interest	1,677,063	-	1,677,063	-
Total current liabilities	191,339,063	33,901,522	225,240,585	15,602,553

See accompanying Notes to Financial Statements.

County of Albany, New York

Government-Wide Financial Statements Statement of Net Position (Deficit) - Continued

	December 31, 2020			
	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
NONCURRENT LIABILITIES				
Bonds payable, less current maturities	159,534,569	130,172,316	289,706,885	77,033,441
Due to employees' retirement system, less current portion	5,982,485	840,285	6,822,770	-
Compensated absences, less current portion	11,767,145	319,841	12,086,986	-
Net pension liability, proportionate share	123,688,902	14,953,041	138,641,943	1,110,544
Other postemployment benefits liability	578,720,116	105,228,013	683,948,129	5,723,485
Total noncurrent liabilities	879,693,217	251,513,496	1,131,206,713	83,867,470
Total liabilities	1,071,032,280	285,415,018	1,356,447,298	99,470,023
DEFERRED INFLOWS OF RESOURCES				
Deferred charges, pensions	5,179,730	626,189	5,805,919	44,658
Deferred charges, OPEB	-	-	-	1,552,848
Concession Improvement Trust funds	-	-	-	640,444
Total deferred inflows	5,179,730	626,189	5,805,919	2,237,950
NET POSITION (DEFICIT)				
Net investment in capital assets	66,095,839	30,683,171	96,779,010	204,477,008
Restricted for				
Bond reserve funds	-	-	-	7,165,926
Passenger facility charges	-	-	-	9,431,150
Capital projects	29,842,476	1,573,045	31,415,521	7,754,587
Debt service	34,143,389	1,030,954	35,174,343	-
Other purposes	3,884,720	633,031	4,517,751	-
Unrestricted	(438,797,753)	(66,069,422)	(504,867,175)	24,798,470
Total net position (deficit)	<u>\$ (304,831,329)</u>	<u>\$ (32,149,221)</u>	<u>\$ (336,980,550)</u>	<u>\$ 253,627,141</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

Government-Wide Financial Statements

Statement of Activities

Year Ended December 31, 2020									
Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Change in Net Position (Deficit)			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-Type Activities	Total		
Primary Government									
Governmental activities									
General government support	\$ 184,252,060	\$ 16,352,045	\$ 11,748,665	\$ -	\$ (156,151,350)	\$ -	\$ (156,151,350)	\$ -	
Education	29,325,769	1,420,554	8,234,472	-	(19,670,743)	-	(19,670,743)	-	
Public safety	112,290,499	10,595,473	15,181,797	-	(86,513,229)	-	(86,513,229)	-	
Health	44,934,022	4,813,842	26,615,682	-	(13,504,498)	-	(13,504,498)	-	
Transportation	30,871,126	1,784,239	4,304,880	-	(24,782,007)	-	(24,782,007)	-	
Economic assistance and opportunity	182,672,656	5,300,274	68,883,666	-	(108,488,716)	-	(108,488,716)	-	
Culture and recreation	598,105	435,768	399,549	-	237,212	-	237,212	-	
Home and community service	4,528,810	481,034	156,029	-	(3,891,747)	-	(3,891,747)	-	
Interest and fiscal charges on debt	3,767,560	-	-	-	(3,767,560)	-	(3,767,560)	-	
Total governmental activities	593,240,607	41,183,229	135,524,740	-	(416,532,638)	-	(416,532,638)	-	
Business-type activities									
Sewer	18,912,042	12,247,597	-	-	-	(6,664,445)	(6,664,445)	-	
Times Union Center	8,926,238	2,441,429	-	-	-	(6,484,809)	(6,484,809)	-	
Shaker Place Rehabilitation & Nursing Center	41,220,505	19,944,719	-	-	-	(21,275,786)	(21,275,786)	-	
Total business-type activities	69,058,785	34,633,745	-	-	-	(34,425,040)	(34,425,040)	-	
Total primary government	\$ 662,299,392	\$ 75,816,974	\$ 135,524,740	\$ -	(416,532,638)	(34,425,040)	(450,957,678)	-	
Component units									
Industrial Development Agency	119,369	192,500	-	-	-	-	-	73,131	
Albany County Airport Authority	55,568,573	30,819,324	11,053,631	10,850,904	-	-	-	(2,844,714)	
Albany County Land Bank	5,429,278	3,728,541	-	-	-	-	-	(1,700,737)	
Total component units	\$ 61,117,220	\$ 34,740,365	\$ 11,053,631	\$ 10,850,904	-	-	-	(4,472,320)	
General revenues and transfers									
Real property taxes					90,759,622	-	90,759,622	-	
Real property tax items					7,569,466	-	7,569,466	-	
Non-property tax items					272,315,146	-	272,315,146	-	
Intergovernmental charges					3,689,153	-	3,689,153	-	
Use of money and property					2,463,690	145,495	2,609,185	353,888	
Sale of property and compensation for loss					5,190,835	-	5,190,835	-	
Donation of property for sale					-	-	-	1,883,535	
Miscellaneous					2,491,121	7,859,312	10,350,433	2,227,326	
Net interfund transfers					(6,114,984)	6,114,984	-	-	
Total general revenues and transfers					378,364,049	14,119,791	392,483,840	4,464,749	
CHANGE IN NET POSITION (DEFICIT)									
					(38,168,589)	(20,305,249)	(58,473,838)	(7,571)	
NET POSITION (DEFICIT), beginning of year, as restated					(266,662,740)	(11,843,972)	(278,506,712)	253,634,712	
NET POSITION (DEFICIT), end of year					\$ (304,831,329)	\$ (32,149,221)	\$ (336,980,550)	\$ 253,627,141	

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Balance Sheet - Governmental Funds

	December 31, 2020				
	Major Funds				Total
	General	Debt Service	Capital Projects	Other Governmental	
ASSETS					
Cash and cash equivalents	\$ 47,017,939	\$ 432	\$ 29,348,257	\$ 1,549,217	\$ 77,915,845
Cash, restricted	1,887,169	34,392,152	4,750,124	-	41,029,445
Taxes receivable, net	84,688,366	-	-	-	84,688,366
Other receivables	10,208,291	314,978	84,107	50,277	10,657,653
State and federal receivables	88,169,560	-	617,834	1,462,962	90,250,356
Due from other funds	14,739,936	2,691,596	940,365	125,000	18,496,897
Due from other governments	1,295,267	94,368	-	-	1,389,635
Inventory	68,823	-	-	-	68,823
Prepaid expenses	4,761,863	-	-	190,679	4,952,542
Total assets	\$ 252,837,214	\$ 37,493,526	\$ 35,740,687	\$ 3,378,135	\$ 329,449,562

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

LIABILITIES					
Accounts payable	\$ 37,602,395	\$ -	\$ 272,761	\$ 658,135	\$ 38,533,291
Accrued liabilities	6,879,527	-	-	86,094	6,965,621
Tax anticipation notes	40,000,000	-	-	-	40,000,000
Due to other funds	5,119,925	3,350,137	5,625,450	887,344	14,982,856
Due to other governments	45,228,912	-	-	2,358	45,231,270
Deposits payable	19,823,977	-	-	-	19,823,977
Total liabilities	154,654,736	3,350,137	5,898,211	1,633,931	165,537,015
DEFERRED INFLOWS OF RESOURCES					
Tax revenues, unavailable	41,946,577	-	-	-	41,946,577
FUND BALANCES					
Nonspendable	12,424,246	-	-	173,476	12,597,722
Restricted	3,379,620	34,143,389	29,842,476	-	67,365,485
Assigned	5,887,837	-	-	1,570,728	7,458,565
Unassigned	34,544,198	-	-	-	34,544,198
Total fund balances	56,235,901	34,143,389	29,842,476	1,744,204	121,965,970
Total liabilities, deferred inflows of resources, and fund balances	\$ 252,837,214	\$ 37,493,526	\$ 35,740,687	\$ 3,378,135	\$ 329,449,562

See accompanying Notes to Financial Statements.

County of Albany, New York

Reconciliation of the Total Fund Balances in the Governmental Funds to the Government-Wide Statement of Net Position (Deficit)

	December 31, 2020
Total governmental fund balances	\$ 121,965,970
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements, but are included in the statement of net position.	245,472,047
Deferred outflows are not financial resources and, therefore, are not reported in the fund financial statements, but are included in the statement of net position:	
Deferred charges, pensions	90,806,721
Deferred charges, OPEB	98,410,539
Deferred loss on refunding	<u>4,981,344</u>
	194,198,604
Prepayment of the County's retirement system contribution is a prepaid expense in the governmental funds but a deferred outflow in the governmental activities. Additionally, the prepayment of amortized amounts is a prepaid expense in the governmental funds but a reduction of debt in the governmental activities.	(85,656)
Property taxes that are not considered collectible in the current period are deferred in the governmental funds, and revenues that do not provide current resources are not included in governmental fund financial statements.	41,946,577
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. In the government-wide financial statements, the Internal Service Fund assets and liabilities are included with the activities that utilize the majority of the services provided. The County's governmental activities are the major users of these services. This is the amount of net position included with the governmental activities in the statement of net position.	1,915,083
The following long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(178,928,846)
Compensated absences	(13,074,606)
Other postemployment benefits liability	(578,720,116)
Due to employees' retirement system	(8,974,691)
Net pension liability	<u>(123,688,902)</u>
	(903,387,161)
Accrued interest expense on long-term debt is not reported as an expenditure in governmental funds but is included as a liability in the statement of net position.	(1,677,063)
Deferred inflows related to pension liabilities are not reported in the fund financial statements, but are included in the statement of net position.	<u>(5,179,730)</u>
Total net position (deficit)	<u><u>\$ (304,831,329)</u></u>

County of Albany, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended December 31, 2020

	Major Funds				Total
	General	Debt Service	Capital Projects	Other Governmental	
REVENUES					
Real property taxes	\$ 85,036,624	\$ -	\$ -	\$ -	\$ 85,036,624
Real property tax items	7,569,466	-	-	-	7,569,466
Non-property tax items	269,286,682	1,374,953	-	1,653,511	272,315,146
Departmental income	29,948,492	-	-	6,095	29,954,587
Intergovernmental charges	10,040,690	-	-	923,272	10,963,962
Use of money and property	2,003,542	401,689	11,440	2,570	2,419,241
Fines and forfeitures	270,775	-	-	-	270,775
Sale of property and compensation for loss	4,223,464	-	84,107	42,980	4,350,551
Miscellaneous local sources	1,452,189	-	-	39,151	1,491,340
Interfund revenues	-	-	-	1,648,060	1,648,060
State aid	71,208,937	377,468	129,550	4,175,330	75,891,285
Federal aid	60,549,129	-	-	-	60,549,129
Total revenues	541,589,990	2,154,110	225,097	8,490,969	552,460,166
EXPENDITURES					
Current operations					
General government support	146,911,146	-	-	-	146,911,146
Education	29,325,769	-	-	-	29,325,769
Public safety	61,794,514	-	-	-	61,794,514
Transportation	862,160	-	-	13,128,376	13,990,536
Health	33,239,042	-	-	-	33,239,042
Economic assistance and opportunity	160,720,571	-	-	-	160,720,571
Culture and recreation	340,155	-	-	-	340,155
Home and community service	4,614,004	-	-	-	4,614,004
Employee benefits	67,888,655	-	-	4,217,802	72,106,457
Capital outlay, general government support	803,486	-	1,994,156	-	2,797,642
Capital outlay, public safety	3,139,201	-	4,472,141	-	7,611,342
Capital outlay, health	139,444	-	-	-	139,444
Capital outlay, transportation	-	-	4,213,175	291,758	4,504,933
Capital outlay, economic assistance and opportunity	229,101	-	-	-	229,101
Capital outlay, home and community service	15,300	-	-	-	15,300
Debt service					
Principal	-	19,920,862	-	-	19,920,862
Interest	-	6,130,012	-	-	6,130,012
Total expenditures	510,022,548	26,050,874	10,679,472	17,637,936	564,390,830
Excess (deficiency) of revenues over (under) expenditures	31,567,442	(23,896,764)	(10,454,375)	(9,146,967)	(11,930,664)
OTHER FINANCING SOURCES (USES)					
Repayments to escrow agent on refunding of serial bonds	-	(13,825,602)	-	-	(13,825,602)
Premiums on debt issuance	-	1,409,161	161,594	-	1,570,755
Serial bond proceeds	-	7,200,000	3,764,406	-	10,964,406
Transfers from other funds	168,300	52,777,442	2,400,000	8,304,991	63,650,733
Transfers to other funds	(43,011,190)	(6,995,206)	(21,453,321)	(377,189)	(71,836,906)
Total other financing sources (uses)	(42,842,890)	40,565,795	(15,127,321)	7,927,802	(9,476,614)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(11,275,448)	16,669,031	(25,581,696)	(1,219,165)	(21,407,278)
FUND BALANCES, beginning of year	67,511,349	17,474,358	55,424,172	2,963,369	143,373,248
FUND BALANCES, end of year	\$ 56,235,901	\$ 34,143,389	\$ 29,842,476	\$ 1,744,204	\$ 121,965,970

See accompanying Notes to Financial Statements.

County of Albany, New York

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position (Deficit) Shown in the Government-Wide Statement of Activities

	Year Ended December 31, 2020
Net change in fund balances - total governmental funds	\$ (21,407,278)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital outlays	12,435,735
Depreciation expense	<u>(20,849,626)</u>
	(8,413,891)
Governmental funds report bond refunding's as other financing sources and uses. However, in the statement of activities, the gain on refunding is reported as a deferred outflow and amortized over the life of the bond. This is the amount of amortization in the current period.	
Amortization of gain on refundings	(907,957)
Property tax revenues and certain social service revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	5,722,998
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These include:	
Compensated absences	(701,109)
Other postemployment benefits liability	<u>(16,938,001)</u>
	(17,639,110)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the amortized portion of the New York State Retirement bill.	2,892,510
Revenues and expenditures of Internal Service Funds are not included in business-type activities but are included in the governmental activities in the statement of activities.	1,251,032
Repayment and refunding of bond principal and other long-term debt is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position (deficit).	32,561,339
Proceeds from the issuance of new debt, including proceeds from advance refunding of bonds and premiums are included in the statement of revenues, expenditures and changes in fund balance as revenue, but included in the statement of net position (deficit) as a component of bonds payable.	(12,535,160)
In the statement of activities, bond premiums are amortized against interest expense over the life of the bond.	3,273,484
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.	1,192,814
Governmental funds report the annual contribution to the New York State Retirement System as employee benefits expense. GASB 68 requires the prior year contribution to be recognized as an expense, as well as the change in the following items:	
Change in net pension liability	(91,141,314)
Change in deferred outflows of resources	58,458,730
Change in deferred inflows of resources	<u>8,523,214</u>
	(24,159,370)
Change in net position (deficit) of governmental activities	<u>\$ (38,168,589)</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Net Position (Deficit) - Proprietary Funds

	December 31, 2020					Internal Service Fund
	Enterprise Funds					
	Sewer	Times Union Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
CURRENT ASSETS						
Cash and cash equivalents	\$ 13,308,318	\$ 19,197,645	\$ 4,879,853	\$ 37,385,816	\$	85,703
Cash and cash equivalents, restricted	1,693,986	1,573,045	1,460,462	4,727,493		8,431,566
Resident funds held in trust	-	-	219,369	219,369		-
Receivables	3,810,199	1,110,667	4,047,216	8,968,082		2,075,507
Due from other funds	300,003	3,962,821	114,313	4,377,137		1,475,000
Inventory	-	-	91,838	91,838		-
Prepaid expenses	143,591	52,920	570,381	766,892		-
Workers' compensation reserve	-	-	4,792,684	4,792,684		-
Total current assets	19,256,097	25,897,098	16,176,116	61,329,311		12,067,776
NONCURRENT ASSETS						
Capital assets, net	32,470,705	48,807,917	82,446,795	163,725,417		-
Total assets	51,726,802	74,705,015	98,622,911	225,054,728		12,067,776
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges, pensions	2,950,753	-	7,992,630	10,943,383		-
Deferred charges, other postemployment benefits	4,644,576	-	13,249,299	17,893,875		-
Total deferred outflows of resources	7,595,329	-	21,241,929	28,837,258		-

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Net Position (Deficit) - Proprietary Funds - Continued

	December 31, 2020					Internal Service Fund
	Enterprise Funds					
	Sewer	Times Union Center	Shaker Place Rehabilitation & Nursing Center	Total		Self Insurance
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)						
CURRENT LIABILITIES						
Accounts payable	1,416,406	818,882	1,900,647	4,135,935		513,865
Accrued liabilities	579,943	601,527	1,921,092	3,102,562		7,926,466
Claims payable	-	-	-	-		1,265,000
Due to others, net	-	-	1,011,020	1,011,020		-
Due to other funds	559,290	448,418	9,213,909	10,221,617		-
Current portion of due to employees' retirement system	108,440	-	352,961	461,401		-
Current portion of compensated absences	35,538	-	-	35,538		-
Unearned revenue	-	4,614,106	-	4,614,106		-
Current maturities of bonds payable	875,599	4,815,542	4,408,833	10,099,974		40,471
Resident funds held in trust	-	-	219,369	219,369		-
Total current liabilities	3,575,216	11,298,475	19,027,831	33,901,522		9,745,802
NONCURRENT LIABILITIES						
Bonds payable, less current maturities	7,942,819	49,761,957	72,467,540	130,172,316		406,891
Due to employees' retirement system, less current portion	216,506	-	623,779	840,285		-
Compensated absences, less current portion	319,841	-	-	319,841		-
Net pension liability, proportionate share	4,020,616	-	10,932,425	14,953,041		-
Other postemployment benefits liability	27,313,233	-	77,914,780	105,228,013		-
Total liabilities	43,388,231	61,060,432	180,966,355	285,415,018		10,152,693

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Net Position (Deficit) - Proprietary Funds - Continued

	December 31, 2020				Internal Service Fund
	Enterprise Funds				
	Times Union Center	Shaker Place Rehabilitation & Nursing Center	Total		Self Insurance
Sewer					
	168,371	457,818	626,189		-
Deferred charges, pensions					
	23,652,287	7,030,884	30,683,171		-
NET POSITION (DEFICIT)					
Net investment in capital assets					-
Restricted for					
Capital projects	1,573,045	-	1,573,045		-
Debt service	1,030,954	-	1,030,954		-
Other purposes	633,031	-	633,031		505,100
Unrestricted	(9,550,743)	(68,590,217)	(66,069,422)		1,409,983
Total net position (deficit)	\$ 15,765,529	\$ 13,644,583	\$ (32,149,221)	\$ 1,915,083	

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements

Statement of Revenues, Expenses, and Changes in Net Position (Deficit) - Proprietary Funds

	Year Ended December 31, 2020				
	Enterprise Funds			Internal Service Fund	
	Sewer	Times Union Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
OPERATING REVENUES					
Charges for services, net	\$ 12,247,597	\$ 2,441,429	\$ 19,944,719	\$ 34,633,745	\$ 2,041,093
Other operating revenues	540,173	1,549	1,581,601	2,123,323	918,296
Total operating revenues	<u>12,787,770</u>	<u>2,442,978</u>	<u>21,526,320</u>	<u>36,757,068</u>	<u>2,959,389</u>
OPERATING EXPENSES					
Health care services	-	-	15,645,721	15,645,721	-
Administrative and general services	3,563,029	-	2,285,183	5,848,212	-
Employee benefits	9,643,018	-	13,833,245	23,476,263	1,122,863
Depreciation	2,144,636	3,699,605	3,489,200	9,333,441	-
Contractual expenses	3,314,086	3,228,673	-	6,542,759	2,678,968
New York State assessment	-	-	1,163,907	1,163,907	-
County cost allocations	-	-	2,226,474	2,226,474	-
Total operating expenses	<u>18,664,769</u>	<u>6,928,278</u>	<u>38,643,730</u>	<u>64,236,777</u>	<u>3,801,831</u>
Operating loss	<u>(5,876,999)</u>	<u>(4,485,300)</u>	<u>(17,117,410)</u>	<u>(27,479,709)</u>	<u>(842,442)</u>
NONOPERATING REVENUE (EXPENSE)					
Interest earnings	23,102	2,300	120,093	145,495	44,449
Interest on debt	(247,273)	(1,997,960)	(2,576,775)	(4,822,008)	(22,164)
Intergovernmental transfer	-	-	5,671,255	5,671,255	-
Other	-	-	64,734	64,734	-
Total nonoperating revenue (expense)	<u>(224,171)</u>	<u>(1,995,660)</u>	<u>3,279,307</u>	<u>1,059,476</u>	<u>22,285</u>
Loss before transfers	<u>(6,101,170)</u>	<u>(6,480,960)</u>	<u>(13,838,103)</u>	<u>(26,420,233)</u>	<u>(820,157)</u>
Transfers from other funds	377,211	6,995,206	1,594,868	8,967,285	2,071,189
Transfers to other funds	(764,511)	(2,087,790)	-	(2,852,301)	-
	<u>(387,300)</u>	<u>4,907,416</u>	<u>1,594,868</u>	<u>6,114,984</u>	<u>2,071,189</u>
Change in net position (deficit)	<u>(6,488,470)</u>	<u>(1,573,544)</u>	<u>(12,243,235)</u>	<u>(20,305,249)</u>	<u>1,251,032</u>
NET POSITION (DEFICIT), beginning of year, as restated	<u>22,253,999</u>	<u>15,218,127</u>	<u>(49,316,098)</u>	<u>(11,843,972)</u>	<u>664,051</u>
NET POSITION (DEFICIT), end of year	<u>\$ 15,765,529</u>	<u>\$ 13,644,583</u>	<u>\$ (61,559,333)</u>	<u>\$ (32,149,221)</u>	<u>\$ 1,915,083</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2020					Internal Service Fund
	Enterprise Funds					
	Sewer	Times Union Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance	
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES						
Cash received for services provided	\$ 12,266,313	\$ 2,429,554	\$ 18,400,143	\$ 33,096,010	\$ 965,626	
Cash received from grants and others	540,173	-	1,581,601	2,121,774	-	
Cash payments to suppliers for goods and services	(6,218,065)	(4,293,865)	(11,621,403)	(22,133,333)	(4,183,218)	
Cash payments to employees for services	(3,097,077)	-	(21,117,627)	(24,214,704)	-	
	<u>3,491,344</u>	<u>(1,864,311)</u>	<u>(12,757,286)</u>	<u>(11,130,253)</u>	<u>(3,217,592)</u>	
CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES						
Cash received from others	-	-	5,671,255	5,671,255	-	
Other nonoperating revenue	-	-	64,734	64,734	-	
Interest received	23,102	2,300	120,093	145,495	44,449	
Transfers in (out)	(755,229)	726,187	7,832,515	7,803,473	596,189	
	<u>(732,127)</u>	<u>728,487</u>	<u>13,688,597</u>	<u>13,684,957</u>	<u>640,638</u>	
CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of property and equipment	(519,749)	(2,356,770)	(19,923,187)	(22,799,706)	-	
Payments of long-term debt	(910,790)	(2,645,604)	(4,220,411)	(7,776,805)	(38,491)	
Proceeds from issuance of long-term debt	-	-	335,595	335,595	-	
Interest paid	(247,273)	(1,997,960)	(2,841,056)	(5,086,289)	(22,164)	
	<u>(1,677,812)</u>	<u>(7,000,334)</u>	<u>(26,649,059)</u>	<u>(35,327,205)</u>	<u>(60,655)</u>	
Net increase (decrease) in cash and cash equivalents	1,081,405	(8,136,158)	(25,717,748)	(32,772,501)	(2,637,609)	
CASH AND CASH EQUIVALENTS, beginning of year	13,920,899	28,906,848	32,058,063	74,885,810	11,154,878	
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 15,002,304</u>	<u>\$ 20,770,690</u>	<u>\$ 6,340,315</u>	<u>\$ 42,113,309</u>	<u>\$ 8,517,269</u>	

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds - Continued

	Year Ended December 31, 2020					Internal Service Fund
	Enterprise Funds			Shaker Place		
	Sewer	Times Union Center	Rehabilitation & Nursing Center	Total	Self Insurance	
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating loss	\$ (5,876,999)	\$ (4,485,300)	\$ (17,117,410)	\$ (27,479,709)	\$ (842,442)	
Adjustments to reconcile operating loss to net cash provided (used) by operating activities						
Depreciation	2,144,636	3,699,605	3,489,200	9,333,441	-	
Other postemployment benefits accrual	7,310,064	-	5,646,836	12,956,900	-	
Portion due to employees' retirement system to be amortized (Increase) decrease in	(125,851)	-	(355,027)	(480,878)	-	
Receivables	18,716	535,506	(1,544,576)	(990,354)	(1,993,763)	
Workers' compensation reserve	-	-	(84,600)	(84,600)	-	
Prepaid expenses and other assets	10,901	33,457	(476,589)	(432,231)	-	
Deferred charges, pensions	(1,904,451)	-	(5,147,639)	(7,052,090)	-	
Deferred charges, other postemployment benefits	(1,407,237)	-	(2,604,112)	(4,011,349)	-	
Increase (decrease) in						
Accounts payable	710,755	(587,353)	(3,295,400)	(3,171,998)	(218,520)	
Due to others	-	-	1,011,020	1,011,020	-	
Accrued liabilities	(83,056)	(511,296)	407,069	(187,283)	(1,427,867)	
Claims payable	-	-	-	-	1,265,000	
Compensated absences	(12,157)	-	-	(12,157)	-	
Due to employees' retirement system	20,450	-	11,620	32,070	-	
Net pension liability	2,962,628	-	8,055,659	11,018,287	-	
Unearned revenue	-	(548,930)	-	(548,930)	-	
Deferred charges, pensions	(277,055)	-	(753,337)	(1,030,392)	-	
Net cash provided (used) by operating activities	\$ 3,491,344	\$ (1,864,311)	\$ (12,757,286)	\$ (11,130,253)	\$ (3,217,592)	

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Fiduciary Net Position - Fiduciary Fund

	December 31, 2020
	Custodial Fund
ASSETS	
Due from other funds	\$ 855,439
NET POSITION	
Restricted	
Bail deposits	271,767
Court and trust	494,548
Miscellaneous	89,124
	\$ 855,439

County of Albany, New York

Fund Financial Statements Statement Changes in Fiduciary Net Position - Fiduciary Fund

	Year Ended December 31, 2020
	Custodial Fund
ADDITIONS	
Bail deposits	\$ 125,229
Court and trust	325,933
Miscellaneous	270,392
Total additions	<u>721,554</u>
DEDUCTIONS	
Bail deposits	99,787
Court and trust	204,377
Miscellaneous	188,122
Total deductions	<u>492,286</u>
CHANGE IN FIDUCIARY NET POSITION	229,268
FIDUCIARY NET POSTION, <i>beginning of year, as restated</i>	<u>626,171</u>
FIDUCIARY NET POSTION, <i>end of year</i>	<u><u>\$ 855,439</u></u>

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies

The financial statements of the County of Albany, New York (County) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

a. Reporting Entity

The County is a municipal corporation established in 1683, which performs local governmental functions within its jurisdiction, including law enforcement services; economic assistance; health services; maintenance of County roads and waterways; and operation of a rehabilitation and nursing center, airport, sewer district, and civic center. The County is governed by an elected County Executive and a 39-member County Legislature.

The County provides mandated social service programs such as Medicaid, Temporary Assistance for Needy Families, Supplemental Nutrition Program, and Safety Net. The County also provides services and facilities in the areas of culture, recreation, education, police, youth, health, senior services, roads, and sanitary sewage. These general government programs and services are financed by various taxes, state and federal aid, and departmental revenue, which are primarily comprised of service fees and various types of program-related charges.

Component Units - In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the County and/or its citizens, or whether the activity is conducted within geographic boundaries of the County and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the County is able to exercise oversight responsibilities. Based on the application of these criteria, the following is a brief review of the component units addressed in defining the County's reporting entity.

The financial statements include the financial data of the County's three component units. These units are aggregated and reported in a separate column to emphasize that they are legally separate from the County. The financial information of these component units has been summarized from their audited financial statements.

Albany County Industrial Development Agency - The Albany County Industrial Development Agency (Agency) was created under the provisions of the laws of New York State for the purpose of encouraging economic growth in the County and limits its activity to projects in the County. The Agency is exempt from federal, state, and local income taxes. The Agency's Board of Directors is appointed by the County Legislature. The financial statements of the Agency have been prepared on an accrual basis. The annual financial report can be obtained by writing to the Albany County Industrial Development Agency, 112 State Street, Room 1116, Albany, New York 12207.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

a. Reporting Entity - Continued

Component Units - Continued

Albany County Airport Authority - The Albany County Airport Authority (Authority) was created by New York State on August 4, 1993, pursuant to the provisions of Chapter 686 of the Laws of 1993 as an independent public benefit corporation under Article 8, Title 32, of the New York State Public Authorities Law. On March 15, 1994, the transfer date, the Authority entered into an interim agreement with the County of Albany whereby the County granted, and the Authority accepted sole possession, use, occupancy, and management of the Airport, including all rights, interest, powers, privileges, and other benefits in each and every contract relating to the maintenance, operation, leasing, management, or construction of the Airport, and all other rights, privileges, or entitlements necessary to continue to use, operate, and develop the Airport. A permanent transfer agreement was signed December 5, 1995, which, upon its approval by the Federal Aviation Administration, became effective on May 16, 1996, for a term of 40 years.

The Authority's activities are accounted for in a similar manner to those activities often found in the private sector using the flow of economic resources measurement in a focus manner and the activities accrual basis of accounting. All assets and deferred inflows of resources, liabilities and deferred outflows of resources, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

The Authority's Board of Directors consists of seven members, four appointed by the majority leader of the County Legislature and three by the County Executive. The Authority's financial statements are available by writing to the Chief Financial Officer, Albany County Airport Authority, Administration Building, Suite 204, Albany, New York 12211-1057.

Albany County Land Bank Corporation - The Albany County Land Bank Corporation (Corporation) was established July 1, 2014 for the purpose of rehabilitating decrepit and abandoned or seized properties in the County of Albany. The Corporation is governed by its Articles of Incorporation, bylaws, and general laws of the State of New York. The financial statements of the Corporation have been prepared on an accrual basis. The annual financial report can be obtained by writing to the Albany County Land Bank Corporation, 255 Orange Street, Suite 104, Albany, New York 12210.

Government-Wide Financial Statements - The government-wide financial statements (statement of net position and the statement of activities) report information on all the non-fiduciary activities of the County. Interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and inter-governmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Indirect expenses have been included as part of the program expenses reported for the various functional activities. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Items not included among program revenues are reported instead as *general revenues*.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

a. Reporting Entity - Continued

Fund Financial Statements - The fund financial statements report information about the County's funds, including fiduciary funds. Separate financial statements are provided for major governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements.

The County considers the following governmental funds as major funds:

General Fund - This fund is the principal operating fund of the County and is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund - This fund is used to account for the accumulation of financial resources for the payment of principal and interest on long-term debt for other governmental funds and recording of certain tax revenues restricted for the payment of debt service.

Capital Projects Fund - This fund is used to account for and report financial resources to be used for the acquisition, construction, or renovation of major capital facilities or equipment within the County's projected five-year Capital Program. To be eligible for inclusion in the Capital Program, projects must have a total cost of more than \$250,000 and a useful life of at least six years. Each project is separately budgeted.

Proprietary Funds - Proprietary funds are used to account for operations that: (a) are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The County maintains three proprietary funds as follows:

Shaker Place Rehabilitation & Nursing Center - The Shaker Place Rehabilitation & Nursing Center (Rehabilitation and Nursing Center) is a 250-bed State-licensed facility. The County provides an operating subsidy to the Rehabilitation and Nursing Center to help defray operating expenses.

Times Union Center - The Times Union Center (Center) accounts for all activity related to the entertainment performances scheduled at the Center for the benefit of the Capital District and surrounding areas.

Sewer District - The Sewer District (District) was established by County Resolution 45 of 1968 and has provided wastewater services since 1974. The District was established to account for the construction and operation of sewers and sewage treatment facilities in the County.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

a. Reporting Entity - Continued

Fund Financial Statements - Continued

Internal Service Fund - Although this fund is not a proprietary fund, it utilizes proprietary fund accounting and is used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The County uses the Internal Service Fund to account for its risk management activities. The County is self-insured for certain risks, including workers' compensation and unemployment benefits.

Fiduciary Fund - This fund is used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are measurable when the amount of the revenue is subject to reasonable estimate. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues exclusive of revenue from Federal and State supported programs to be available if they are collected within 60 days of the end of the current period. Revenue from Federal and State supported programs, are considered available if collected within one year of year-end. Debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. All other revenue items that are not measurable are recognized when cash is received by the County.

c. Budgets and Budgetary Accounting

The County's annual procedures in establishing the budgetary data reflected in the financial statements are as follows:

General Budget Process - The County Executive submits to the County Legislature a tentative budget for the fiscal year commencing the following January 1. The tentative budget includes expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. The County Legislature acts on the tentative budget by December 20. If the County Legislature does not act, the tentative budget is automatically adopted.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

c. Budgets and Budgetary Accounting - Continued

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year-end are reported as assignments of fund balance since the commitments do not constitute expenditures or liabilities. Open encumbrances authorized by appropriation from the previous year's budget, after review and approval by the Budget Director, are added to the current year's budget approved by the County Legislature to provide the modified budget which is presented in the accompanying financial statements.

Budgetary Principles - The budget is developed on the basis of principles that are generally consistent with U.S. GAAP, except that encumbrances are treated as budgetary expenditures in the year of occurrence of the commitment to purchase. Open encumbrances authorized by appropriation from the previous year's budget, after review and approval by the Commissioner of Management and Budget, are added to the current year's budget approved by the County Legislature. All unencumbered appropriations lapse at the end of the fiscal year. Budgetary comparisons presented in this report are on the budgetary basis and represent the budget as modified. This results in the following reconciliation of fund balances (General and Non-major funds) computed on a U.S. GAAP basis and a budgetary basis:

U.S. GAAP basis, fund balances, December 31, 2020	\$ 121,965,970
Outstanding encumbrances	<u>(5,887,837)</u>
Budgetary basis, fund balances, December 31, 2020	<u>\$ 116,078,133</u>

d. Credit Risk

In compliance with New York State law, County investments are limited to 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, time deposit accounts, and certificates of deposit issued by a bank or trust company located in and authorized to do business in New York State, and certain joint or cooperative investment programs.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, it is the County's policy to generally limit investments to 180 days or less.

Custodial Credit Risk - For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the fair value of purchased securities in repurchase transactions must be maintained, and the securities must be held by a third party in the County's name. For deposits, custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Collateral is required for deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Banks can satisfy collateral requirements by furnishing a letter of credit, a surety bond, or by pledging eligible securities as specified in Section 10 of New York State General Municipal Law.

Concentration of Credit Risk - To promote competition in rates and service costs, and to limit the risk of institutional failure, County deposits and investments are placed with multiple institutions.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

e. Cash and Investments

All highly liquid investments with an original maturity date of three months or less are considered to be cash equivalents.

f. Inventory

Inventory, which is comprised of general supplies (General Fund) and housekeeping, medical, and dietary supplies (those of the Rehabilitation and Nursing Center), are valued at the lower of cost (first-in, first-out) or market. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

g. Restricted Assets

Certain resources of the governmental and proprietary funds are classified as restricted assets on the balance sheet or statement of net position as the County Legislature limits their use. These resources are maintained in separate bank accounts.

h. Capital Assets

Capital assets, which include property, buildings and building improvements, equipment, and infrastructure assets (e.g., roads, bridges, drainage systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed in instances where such records and information are not available. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are incurred.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building improvements	20
Land improvements	20
Infrastructure	
Dams and drainage systems	100
Water and sewer systems	50
Traffic control systems	40
Bridges and culverts	30
Roads	10
Equipment	
Office equipment and furniture	7
Heavy equipment	15
Other	5
Vehicles	8
Computers	3

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

h. Capital Assets - Continued

The County evaluates prominent events or changes in circumstances affecting capital assets to determine if impairment of any capital assets has occurred. A capital asset is considered impaired if both: (a) the decline in service utility of the capital asset is large in magnitude; and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. There were no impaired capital assets at December 31, 2020.

i. Property Tax Revenue Recognition

The County-wide property tax is levied by the County Legislature effective January 1 of the year the taxes are recognizable as revenue. Taxes become a lien on the related property on January 1 of the year for which they are levied. In the fund financial statements, property tax is only recognized as revenue in the year for which the property tax is made and to the extent that such taxes are received within the reporting period or 60 days thereafter.

Delinquent property taxes not collected at year-end (excluding collections in the 60-day subsequent period) are recorded as deferred inflows of resources in the fund financial statements.

j. Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net position by the County that is applicable to a future period. The County's deferred outflows of resources represent the loss on the refunding of bonds that is being amortized into interest expense over the life of the new bonds as well as deferred costs related to the change in the net pension liability and postemployment benefits other than pensions.

k. Deferred Inflows of Resources and Unearned Revenues

The County's deferred inflows of resources arise when potential revenue does not meet both of the "measurable" and "available" criteria for recognition in the current period as defined in Note 1b. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow is removed from the balance sheet, and revenue is recognized.

Deferred inflows of resources in the General Fund of \$41,946,577 at December 31, 2020 represent property tax revenue that was not considered available. Deferred inflows of resources in the proprietary funds and governmental activities represent amounts related to the change in the net pension liability and postemployment benefits other than pensions, if any.

Unearned revenues arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. The County's governmental funds do not have any unearned revenues as of December 31, 2020. Unearned revenues in the Times Union Center Fund represent cash receipts for which the underlying service has not been performed as of December 31, 2020.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

l. Compensated Absences

Under terms of personnel policies and union agreements, County employees earn vacation and sick leave subject to certain limitations. Accumulated vacation not taken at the end of the fiscal year or during the succeeding years is paid upon termination. Accumulated sick leave is payable upon retirement. The long-term portion (i.e., accumulated vacation and sick pay expected to be paid from future expendable resources for the government funds) is recorded in general long-term debt in the government-wide financial statements. The costs of vacation and sick pay of the proprietary funds are accounted for as liabilities of those funds.

m. Insurance

The County assumes liability for most risk including, but not limited to, workers' compensation. Asserted and incurred but not reported claims and judgments are recorded when it is probable that a liability has been incurred, and the amount of loss can be reasonably estimated.

Governmental fund type estimated current contingent liabilities (i.e., those to be liquidated with available financial resources in the ensuing year) for property damage and personal injury liability are recorded in the General Fund. The long-term portion (i.e., liabilities to be paid from future resources) is recorded in general long-term debt in the government-wide financial statements.

n. Resident Service Revenue

Patient service revenue of the Rehabilitation and Nursing Center is recorded at established rates. Payments for services rendered to residents covered by Medicare, Medicaid, and certain other prospective rates or cost based third-party payers are generally less than established rates, and contractual allowances are recorded to reflect these differences. The rates established by the third-party payers are based on a defined cost of service in providing patient care and are subject to audit by the third-party payers. Any adjustments to previously reimbursed amounts resulting from these audits are recognized when they are known. This revenue is reflected in charges for services, net, in the statement of revenues, expenses, and changes in net position (deficit) - proprietary funds.

Final determination of amounts due to the Rehabilitation and Nursing Center under these cost reimbursement programs are subject to audit or review by the respective administrative agencies, and provision has been made for estimated adjustments that may result. Differences between estimated amounts accrued and final settlements are reported in operations in the year of settlement.

o. Pensions

Nearly all County employees are members of various New York State retirement systems. The County is invoiced annually by the systems for its share of the costs (see Note 9).

p. Interfund Revenues

The County allocates General Fund costs incurred in the general administration of the County to other funds based on their proportionate benefit of the total costs allocated. Such costs are reported as general government support expenditures in the General Fund as well as in the benefiting funds.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

q. *Fund Balance/Net Position (Deficit)*

In the government-wide and the proprietary fund statements of net position (deficit), net position (deficit) represents the difference between the assets and deferred outflows, and liabilities and deferred inflows subdivided into the following three categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt, including bonds and bond anticipation notes, which are attributable to the acquisition, construction, or improvement of capital assets, reduce the balance in the category.

Restricted Net Position - This category presents net position with constraints placed on use either by: (1) external groups, such as creditors, grantors, contributors, or laws and regulations of the County or other governments; or (2) laws through constitutional provisions or enabling legislation that are legally enforceable. Liabilities to be extinguished from restricted assets reduce the balance in this category.

Unrestricted Net Position (Deficit) - This category presents all other net position (deficit) that does not meet the definition of "restricted net position" or "net investment in capital assets."

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

Nonspendable - Amounts that cannot be spent because they are either: (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

Restricted - Amounts that have restraints that are either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation that are legally enforceable.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.

Assigned - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.

Unassigned - The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

q. Fund Balance/Net Position (Deficit) - Continued

The County's fund balance policy is set by the County Legislature, the highest level of decision-making authority. The County Legislature considers "formal action" for a committed fund balance to be the passing of a resolution. The County Legislature has delegated the ability to assign fund balance to the County Comptroller. The County considers fund balance spent in the order of restricted, committed, assigned, and unassigned.

r. Estimates

The preparation of financial statements in conformity with U. S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and other financing sources, expenses/expenditures and other financing uses, assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and during the reported period. Actual results could differ from those estimates.

s. Prior Period Restatement

The financial position of the County's Shaker Place Rehabilitation & Nursing Center and Business-Type Activities as of December 31, 2019 contained certain misstatements requiring prior period restatements as a result of:

- An understatement of cash
- An understatement of the Workers' compensation reserve; and
- An overstatement of accounts payable.

As a result of the prior period restatements, the County has restated net position at December 31, 2019 as follows:

	As Previously Stated	Increase/ (Decrease)	As Restated
<i>Shaker Place Rehabilitation & Nursing Center</i>			
Cash and cash equivalents	\$ 6,966,327	\$ 649,994	\$ 7,616,321
Workers' compensation reserve	2,856,649	1,851,435	4,708,084
Accounts payable	(6,076,092)	880,045	(5,196,047)
Net deficit	(52,697,572)	3,381,474	(49,316,098)
<i>Business-Type Activities</i>			
Cash and cash equivalents	46,946,353	649,994	47,596,347
Workers' compensation reserve	2,856,649	1,851,435	4,708,084
Accounts payable	8,187,978	880,045	9,068,023
Net deficit	(15,225,446)	3,381,474	(11,843,972)

t. Adoption of New Accounting Standard

During 2020, the County adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities for all state and local governments.

County of Albany, New York

Notes to Financial Statements December 31, 2020

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

t. Adoption of New Accounting Standard - Continued

The focus of this criteria generally is on: (1) whether a government is controlling the assets of the fiduciary activities; and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the adoption of this standard, the County now reports activity formerly recognized in the Agency Fund within the General Fund and Custodial Fund. The County's Custodial Fund includes a statement of net position and a statement of changes in net position. Opening adjustments to the County's General Fund and Custodial Fund statement of fiduciary net position were as follows:

	As Previously Stated <u>January 1, 2020</u>	Adoption of GASB 84	As Restated <u>January 1, 2020</u>
<i>General Fund</i>			
Assets	\$ 185,769,294	\$ 31,868,555	\$ 217,637,849
Liabilities	82,034,366	31,868,555	113,902,921
<i>Custodial Fund</i>			
Cash and cash equivalents	-	626,171	626,171
Net position	-	626,171	626,171
<i>Agency Fund</i>			
Assets	32,494,726	(32,494,726)	-
Liabilities	32,494,726	(32,494,726)	-

u. Subsequent Events

The County has evaluated subsequent events for potential recognition or disclosure through September 30, 2021, the date the financial statements were available to be issued.

Bond Issuance

During July 2021, the County issued Series A 2021 Serial Bonds totaling \$22,970,000. The Series A 2021 Serial Bonds were issued to finance various projects within the County and bear interest at rates varying between 2.00% - 5.00%. The Series A 2021 Serial Bonds mature in July 2036.

Note 2 - Cash and Investments

The County's investment policies are governed by State statutes and various resolutions of the County Legislature. County 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 United States Treasury and United States Government agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 2 - Cash and Investments - Continued

A summary of cash and cash equivalents (bank balances) is as follows:

	December 31, 2020
Cash in banks	\$ 134,456,516
Restricted cash in banks	54,178,594
Total	<u>\$ 188,635,110</u>

It is the County's policy for deposits to be secured by collateral valued at fair value or par, whichever is lower, less the amount of the FDIC insurance. The County's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the County at fiscal year-end. The County's deposits were adequately insured and collateralized as of December 31, 2020.

Note 3 - Property Taxes and Non-property Tax Items

Real property tax levies are fully accrued at the beginning of the fiscal year and are received and accounted for in the General Fund. The current year's property taxes are levied, and the prior year's unpaid school taxes are re-levied on a warrant to collect taxes by December 31, based on the full assessed value of real property within the County, and attached as an enforceable lien on January 1. Collections within the County are the responsibility of town receivers and collectors through April 1. Collections within the County for the cities of Albany, Cohoes, and Watervliet are the responsibility of the cities' receivers and collectors through December 31, August 31, and October 31, respectively. At that time, settlement proceedings take place whereby the County becomes the tax collecting agent, and the towns and cities receive full credit for their entire levy. The collections thereafter are the responsibility of the County.

Uncollected property taxes assumed by the County as a result of the settlement proceedings are reported as receivables in the General Fund to maintain central control and provide for tax settlement and enforcement proceedings. The portion of the receivable that represents taxes re-levied for schools is recognized as a liability, is included in due to other governments, and was \$11,162,428 at December 31, 2020. Another portion of the receivable that is not considered available under the modified accrual basis of accounting, i.e., not collected within 60 days, is recorded as deferred inflows of resources in the fund financial statements and totaled \$41,946,577 at December 31, 2020.

Taxes receivable are reported net of an allowance for uncollectible amounts of approximately \$5,037,000 at December 31, 2020.

Tax rates are calculated using assessments prepared by individual town and city assessors as adjusted by the New York State Board of Equalization and Assessment for the purpose of apportionment. The five-year average taxable assessed value of real property, as adjusted by New York State, is \$27,155,874,902.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 3 - Property Taxes and Non-property Tax Items - Continued

The primary non-property tax item is sales tax, which is accrued as revenue based on the date on which the taxes are remitted to the State. Sales tax receivable was \$29,323,338 at December 31, 2020 and is included within State and Federal receivables in the General Fund.

Note 4 - Interfund Receivables, Payables, and Transfers

Interfund receivables and payables of the County consisted of the following:

Fund	Interfund Receivables	Interfund Payables
General	\$ 14,739,936	\$ 5,119,925
Debt Service	2,691,596	3,350,137
Capital Projects	940,365	5,625,450
Other Governmental	125,000	887,344
Sewer	300,003	559,290
Times Union Center	3,962,821	448,418
Shaker Place Rehabilitation & Nursing Center	114,313	9,213,909
Self Insurance	1,475,000	-
Custodial	855,439	-
	<u>\$ 25,204,473</u>	<u>\$ 25,204,473</u>

The County made the following operating transfers:

	Transfers-Out					
	General	Debt Service	Capital Projects	Other Governmental	Sewer	Times Union Center
Transfers-In						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 168,300	\$ -
Debt Service	28,640,120	-	21,453,321	-	596,211	2,087,790
Capital Projects	2,400,000	-	-	-	-	-
Other Governmental	8,304,991	-	-	-	-	-
Internal Service	2,071,189	-	-	-	-	-
Sewer	22	-	-	377,189	-	-
Times Union Center	-	6,995,206	-	-	-	-
Shaker Place Nursing & Rehabilitation Center	1,594,868	-	-	-	-	-
Total	<u>\$ 43,011,190</u>	<u>\$ 6,995,206</u>	<u>\$ 21,453,321</u>	<u>\$ 377,189</u>	<u>\$ 764,511</u>	<u>\$ 2,087,790</u>

Transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 5 - Receivables

Other revenues accrued by the County consist of the following:

Fund	
General, chargebacks and miscellaneous	\$ 10,208,291
Debt Service, hotel occupancy tax	314,978
Capital Projects, miscellaneous	84,107
Other Governmental, miscellaneous	50,277
Times Union Center, customers, tenants, promoters, and commissions	1,110,667
Sewer Fund, municipal charges	3,810,199
Shaker Place Rehabilitation & Nursing Center, resident charges	4,047,216
Internal Service, insurance charges	2,075,507
Total	<u>\$ 21,701,242</u>

State and Federal Receivables - State and federal receivables primarily represent claims for reimbursement of expenditures in administering various health and social service programs in accordance with New York State and Federal laws and regulations. They are net of related advances from New York State. Cash advances received by the County under other programs are reported as other liabilities. Amounts accrued are as follows:

General Fund	
Social Service programs	\$ 40,845,310
Sales tax	29,323,337
Grants and aid, various programs	18,000,913
	<u>88,169,560</u>
Capital Projects, Department of Transportation	617,834
Other Governmental	
County Road, Consolidated Highway Improvement Program	1,344,245
County Road, Other	1,232
County Road, Automobile Use Tax	117,485
Total	<u>\$ 90,250,356</u>

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 5 - Receivables - Continued

Due From Other Governments - Due from other governments represents amounts due primarily from other local municipalities for chargebacks and other miscellaneous items. Amounts accrued are as follows:

Fund	
General, chargebacks and miscellaneous	\$ 1,295,267
Debt service	94,368
Total	<u>\$ 1,389,635</u>

Note 6 - Capital Assets, Net

a. Governmental Activities Capital Assets

A summary of governmental activities capital assets by major classification is as follows:

	Primary Government			
	Beginning Balance	Additions and Transfers	Deletions and Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 8,097,715	\$ -	\$ -	\$ 8,097,715
Construction in progress	15,686,372	10,919,020	6,587,372	20,018,020
Total capital assets not being depreciated	<u>23,784,087</u>	<u>10,919,020</u>	<u>6,587,372</u>	<u>28,115,735</u>
Capital assets, being depreciated				
Buildings and building improvements	245,693,772	2,725,672	-	248,419,444
Infrastructure	246,615,378	3,861,700	-	250,477,078
Equipment	39,307,199	1,516,715	12,110,671	28,713,243
Total capital assets being depreciated	<u>531,616,349</u>	<u>8,104,087</u>	<u>12,110,671</u>	<u>527,609,765</u>
Less accumulated depreciation for				
Buildings and building improvements	95,383,366	7,567,977	-	102,951,343
Infrastructure	177,645,839	11,149,192	-	188,795,031
Equipment	28,485,293	2,132,457	12,110,671	18,507,079
Total accumulated depreciation	<u>301,514,498</u>	<u>20,849,626</u>	<u>12,110,671</u>	<u>310,253,453</u>
Governmental activities capital assets, net	<u>\$ 253,885,938</u>	<u>\$ (1,826,519)</u>	<u>\$ 6,587,372</u>	<u>\$ 245,472,047</u>

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 6 - Capital Assets, Net - Continued

a. Governmental Activities Capital Assets - Continued

Depreciation expense for 2020 was charged to functions of the primary government as follows:

Governmental activities	
General government support	\$ 5,513,971
Public safety	3,621,263
Health	23,521
Transportation	11,392,798
Economic assistance and opportunity	170,483
Culture and recreation	127,590
	<u>\$ 20,849,626</u>

b. Business-Type Activities Capital Assets

A summary of business-type activities capital assets by major classification is as follows:

	Beginning Balance	Additions and Transfers	Deletions and Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 3,142,716	\$ -	\$ -	\$ 3,142,716
Land improvements	391,094	-	-	391,094
Construction in progress	38,244,645	2,660,340	11,082,670	29,822,315
Total capital assets not being depreciated	<u>41,778,455</u>	<u>2,660,340</u>	<u>11,082,670</u>	<u>33,356,125</u>
Capital assets, being depreciated				
Buildings and improvements	266,976,603	30,406,137	-	297,382,740
Equipment	15,172,580	815,899	1,027,884	14,960,595
	282,149,183	31,222,036	1,027,884	312,343,335
Accumulated depreciation	173,668,486	9,333,441	1,027,884	181,974,043
Total capital assets being depreciated	<u>108,480,697</u>	<u>21,888,595</u>	<u>-</u>	<u>130,369,292</u>
Business-type activities capital assets, net	<u>\$ 150,259,152</u>	<u>\$ 24,548,935</u>	<u>\$ 11,082,670</u>	<u>\$ 163,725,417</u>

Note 7 - Tax Anticipation Notes

The County's tax anticipation notes are accounted for in the General Fund. At December 31, 2020, a total of \$40,000,000 in tax anticipation notes were outstanding. The tax anticipation notes bore interest at a rate of 0.23% and matured on May 28, 2021.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 8 - Noncurrent and Debt Related Liabilities

a. *Bond Indebtedness*

Bonded indebtedness is recorded in the Governmental Activities and Enterprise Funds. The following is a summary of bond transactions:

Governmental Activities

Description	Year Issue/ Maturity	Interest Rate	Original Issue Amount	Balance December 31, 2019	Accretion, Issuances and Refunding	Amortization/ Payments/ Refunding/ Transfers	Balance December 31, 2020
Governmental Funds							
General Fund							
2012 general obligation	2012/2028	2.000/3.000	\$ 20,505,000	\$ 12,245,000	-	\$ 12,245,000	\$ -
2012 general obligation refunding	2012/2024	2.000/5.000	55,587,964	5,612,485	-	5,612,485	-
2012 qualified energy conservation bond	2012/2021	2.500/3.100	205,000	48,048	-	23,703	24,345
2013 general obligation	2013/2028	2.000/4.000	33,897,320	4,337,476	-	2,141,169	2,196,307
2014 general obligation refunding	2014/2027	2.000/5.000	25,663,369	19,625,589	-	2,124,611	17,500,978
2016 general obligation refunding	2016/2026	1.000/5.000	25,330,000	18,870,000	-	2,320,000	16,550,000
2017 general obligation refunding	2017/2028	3.000/4.000	16,643,100	16,524,177	-	4,574	16,519,603
2018 general obligation	2018/2029	4.000/5.000	57,442,127	56,749,760	-	6,094,024	50,655,736
2019 general obligation	2019/2039	2.000/5.000	18,556,884	18,556,884	-	644,264	17,912,620
2019 general obligation refunding	2019/2025	5.000	9,450,000	9,450,000	-	1,390,000	8,060,000
2019 general obligation refunding	2019/2024	5.000	23,493,894	23,493,894	-	-	23,493,894
2020 general obligation	2020/2036	2.000/4.000	3,764,405	-	3,764,405	-	3,764,405
2020 general obligation refunding	2020/2028	5.000	7,200,000	-	7,200,000	-	7,200,000
			297,739,063	185,513,313	10,964,405	32,599,830	163,877,888
Unamortized Premium			-	17,201,049	1,570,755	3,273,484	15,498,320
Total governmental activities			\$ 297,739,063	\$ 202,714,362	\$ 12,535,160	\$ 35,873,314	\$ 179,376,208

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 8 - Noncurrent and Debt Related Liabilities - Continued

a. *Bond Indebtedness - Continued*

Business-Type Activities

Description	Year Issue/ Maturity	Interest Rate	Original Issue Amount	Balance December 31, 2019	Accretion, Issuances and Refunding	Payments/ Refunding/ Transfers	Balance December 31, 2020
Business-Type Activities							
Sewer, Enterprise Fund							
2003 general obligation	2003/2022	1.003/4.710	\$ 1,418,149	\$ 250,000	-	\$ 80,000	\$ 170,000
2005 general obligation	2005/2020	2.059/3.819	628,905	45,000	-	45,000	-
2006 clean water	2006/2026	3.601/4.769	4,052,176	1,520,000	-	205,000	1,315,000
2013 general obligation	2013/2028	2.000/4.000	1,370,000	174,512	-	86,147	88,365
2015 EFC revenue bond	2015/2035	0.200/3.942	3,644,853	2,960,000	-	165,000	2,795,000
2017 general obligation refunding	2017/2028	3.000/4.000	674,199	669,392	-	185	669,207
2018 general obligation	2018/2029	4.000/5.000	4,131,856	3,926,202	-	311,048	3,615,154
Shaker Place Rehabilitation & Nursing Center, Enterprise Fund							
2013 general obligation	2013/2028	2.000/4.000	350,000	215,595	-	22,055	193,540
2018 general obligation	2018/2029	4.000/5.000	34,620,637	32,496,665	-	2,574,512	29,922,153
2019 general obligation	2019/2039	2.000/5.000	-	46,771,811	-	1,623,845	45,147,966
2020 general obligation	2020/2036	2.000/4.000	335,595	-	335,595	-	335,595
Times Union Center, Enterprise Fund							
2012 general obligation refunding	2012/2024	2.000/5.000	322,036	32,515	-	32,515	-
2012 qualified energy conservation bond	2012/2021	2.500/3.100	1,395,000	326,952	-	161,297	165,655
2013 general obligation	2013/2028	2.000/4.000	1,437,000	163,429	-	80,676	82,753
2014 general obligation refunding	2014/2027	2.000/5.000	8,701,631	6,654,411	-	720,389	5,934,022
2017 general obligation refunding	2017/2028	3.000/4.000	745,461	740,419	-	702,128	38,291
2018 general obligation	2018/2029	4.000/5.000	44,545,920	40,161,560	-	512,672	39,648,888
2019 general obligation	2019/2039	2.000/5.000	7,111,305	7,111,305	-	246,892	6,864,413
2019 general obligation refunding	2019/2024	5.000	136,106	136,106	-	-	136,106
			115,620,829	144,355,874	335,595	7,569,361	137,122,108
Unamortized Premium			-	3,621,907	-	471,725	3,150,182
Total business-type activities			\$ 115,620,829	\$ 147,977,781	\$ 335,595	\$ 8,041,086	\$ 140,272,290

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 8 - Noncurrent and Debt Related Liabilities - Continued

a. Bond Indebtedness - Continued

The annual repayment of principal and interest on bonded debt is as follows:

	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
Year ending December 31,					
2021	\$ 19,841,639	\$ 6,908,501	\$ 10,099,974	\$ 5,190,498	\$ 42,040,612
2022	20,691,426	5,889,679	10,418,478	4,698,598	41,698,181
2023	21,749,650	4,865,205	10,838,455	4,189,764	41,643,074
2024	22,763,765	3,876,781	11,357,453	3,678,562	41,676,561
2025	17,139,034	2,851,796	11,860,191	3,141,001	34,992,022
2026 through 2030	49,956,620	5,203,048	53,264,256	7,638,342	116,062,266
2031 through 2035	6,542,771	989,873	16,077,229	2,608,377	26,218,250
2036 through 2039	5,192,983	284,228	13,206,072	816,909	19,500,192
Total	<u>\$ 163,877,888</u>	<u>\$ 30,869,111</u>	<u>\$ 137,122,108</u>	<u>\$ 31,962,051</u>	<u>\$ 363,831,158</u>

b. Non-Current and Debt Related Liabilities

Bond Anticipation Notes - Liabilities for bond anticipation notes (BANs), if any, are generally accounted for in the Capital Projects Funds and business type activities. BANs must be renewed annually and typically require principal payments at that time. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewable for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Compensated Absences - As explained in Note 11, the County records the value of governmental fund type compensated absences in the governmental activities. The payment of compensated absences is dependent on many factors and, therefore, cannot be reasonably estimated as to future timing of payment. The annual budgets of the operating funds provide for such as amounts become payable.

Summary of Changes - The following tables summarize changes in the County's non-current and debt related liabilities:

Changes in Noncurrent and Debt Related Liabilities - Governmental Activities

	Balance December 31, 2019	Increases/ Additions	Decreases/ Payments	Balance December 31, 2020
Bonds payable	\$ 202,714,362	\$ 12,535,160	\$ 35,873,314	\$ 179,376,208
Due to employee retirement system	11,867,201	-	2,892,510	8,974,691
Compensated absences	12,373,497	1,237,348	536,239	13,074,606
Net pension liability	32,547,588	107,665,305	16,523,991	123,688,902
Other postemployment benefits liability	563,869,294	34,446,549	19,595,727	578,720,116
	<u>\$ 823,371,942</u>	<u>\$ 155,884,362</u>	<u>\$ 75,421,781</u>	<u>\$ 903,834,523</u>

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 8 - Noncurrent and Debt Related Liabilities - Continued

b. Non-Current and Debt Related Liabilities - Continued

Changes in Noncurrent and Debt Related Liabilities - Business-type Activities

	Balance December 31, 2019	Increases/ Additions	Decreases/ Payments	Balance December 31, 2020
Bonds payable	\$ 147,977,781	\$ 335,595	\$ 8,041,086	\$ 140,272,290
Due to employee retirement system	1,750,494	-	448,808	1,301,686
Compensated absences	367,536	36,754	48,911	355,379
Net pension liability	3,934,754	13,015,911	1,997,624	14,953,041
Other postemployment benefits liability	92,271,113	16,163,529	3,206,629	105,228,013
	<u>\$ 246,301,678</u>	<u>\$ 29,551,789</u>	<u>\$ 13,743,058</u>	<u>\$ 262,110,409</u>

Note 9 - Retirement Plans

a. Plan Description and Benefits Provided

The County participates in the New York State and Local Employees' Retirement System (ERS), which is a cost-sharing multiple-employer, public employee retirement system. ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from ERS at www.osc.state.ny.us/retire.

ERS provides retirement, disability, and death benefits for eligible members, including an automatic cost of living adjustment. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

b. Contributions

Employees in ERS Tiers I through IV are noncontributory except for employees with less than 10 years of service who contribute 3% of their salary, Tier V employees who contribute 3% of their salary, and Tier VI employees who contribute between 3% and 6% of their salary. The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. The County's contributions for the current year and two preceding years were:

2020	\$ 18,521,615
2019	18,473,962
2018	18,345,949

Contributions made to the ERS were equal to 100% of the contributions required for each year, less the applicable amortizations.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 9 - Retirement Plans - Continued

b. Contributions - Continued

Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5% of employees covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in the ERS's average rate and the previous graded rate.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in the ERS's average rate and the previous graded rate.
- For subsequent State fiscal years in which the ERS's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. The total unpaid liability at the end of the fiscal year was \$10,276,377, of which \$1,301,686 is reported in the proprietary funds and \$8,974,691 on the statement of net position for the governmental activities.

For the years ended December 31, 2011 through 2015, the County opted to amortize the allowable portions of the annual ERS payment over a ten-year period. The principal amount amortized was \$31,787,964. The principal and interest payments began in February 2012 and will end in February 2025, with interest ranging from 3% to 3.75% per annum.

The maturity schedule for this debt is as follows:

ERS Amortization	Principal	Interest	Total
Year ending December 31,			
2021	\$ 3,453,607	\$ 341,070	\$ 3,794,677
2022	3,025,552	224,975	3,250,527
2023	2,232,842	125,351	2,358,193
2024	1,199,381	37,996	1,237,377
2025	364,995	11,554	376,549
	<u>\$ 10,276,377</u>	<u>\$ 740,946</u>	<u>\$ 11,017,323</u>

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 9 - Retirement Plans - Continued

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

At December 31, 2020, the County reported a liability of \$138,641,943 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019. The County's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2020 measurement date, the County's proportionate share was 0.5235608%.

For the year ended December 31, 2020, the County recognized pension expense of \$45,597,795. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,159,639	\$ -
Changes of assumptions	1,202,659	2,410,493
Net differences between projected and actual investment earnings on pension plan investments	2,791,592	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	71,074,599	3,395,426
County contributions subsequent to the measurement date	18,521,615	-
Total	<u>\$ 101,750,104</u>	<u>\$ 5,805,919</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2021	\$ 12,422,407
2022	19,247,551
2023	25,322,554
2024	<u>20,430,058</u>
Total	<u>\$ 77,422,570</u>

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 9 - Retirement Plans - Continued

d. Actuarial Assumptions

The actuarial assumptions used in the April 1, 2019 valuation, with updated procedures used to roll forward the total pension liability to March 31, 2020, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. These assumptions are:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.50%
Salary Scale	3.80%, indexed by service
Investment rate of return, including inflation	6.80% compounded annually, net of expenses
Decrement	Based on FY 2011-2015 experience
Mortality improvement	Society of Actuaries' Scale MP-2018
Cost of living adjustment	1.30%

e. Investment Asset Allocation

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class and ERS's target asset allocation as of the applicable valuation dates are summarized as follows:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation-Indexed bonds	4.00%	0.50%
	<u>100.00%</u>	

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 9 - Retirement Plans - Continued

f. Discount Rate

The discount rate projection of cash flows assumes that contributions from members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.8% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
County's proportionate share of the net pension liability	\$ 254,447,109	\$ 138,641,943	\$ 31,984,894

h. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the New York State and Local Employees' Retirement System as of March 31, 2020 were as follows (amounts in thousands):

Employer's total pension liability	\$ 194,596,261
Plan net position	<u>(168,115,682)</u>
Employer's net pension liability	<u>\$ 26,480,579</u>
Ratio of plan net position to the employers' total pension liability	<u>86.39%</u>

Note 10 - Postemployment Benefits Other Than Pensions

Plan Description. The County provides a single-employer self-insured PPO health plan (Plan). The Plan provides lifetime healthcare insurance and prescription drug coverage for eligible retirees and their spouses through the County's Plan, which covers both active and retired members. Benefit provisions are established through negotiations between the County and the unions representing employees and are renegotiated at the end of each of the bargaining periods.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 10 - Postemployment Benefits Other Than Pensions - Continued

Funding Policy. Contribution requirements also are negotiated between the County and union representatives. The County contributes a percent of the cost of current-year premiums for eligible retired Plan members and their spouses. The Plan is funded under a pay-as-you-go process, which is a method of financing postretirement health care benefits under which the contributions to the Plan are generally made at about the same time and amount as benefits and expenses become due. For the year ended December 31, 2020 the County contributed \$22,802,356 to the Plan. Plan members receiving benefits contribute a percent of their premium costs.

A summary of the participants of the Plan as of the January 1, 2020 measurement date is as follows:

Actives	2,155
Retirees	<u>1,860</u>
Total	<u><u>4,015</u></u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

At December 31, 2020, the County reported a liability of \$683,948,129 for its OPEB liability. The OPEB liability was measured as of January 1, 2020 by an actuarial valuation as of that date. For the year ended December 31, 2020, the County recognized OPEB expense of \$50,610,078. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	<u>\$ 116,304,414</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	
2021	\$ 16,829,957
2022	16,829,957
2023	16,829,957
2024	16,829,957
2025	16,829,957
Thereafter	<u>32,154,629</u>
Total	<u><u>\$ 116,304,414</u></u>

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 10 - Postemployment Benefits Other Than Pensions - Continued

Actuarial Assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Assumptions	Factor
Discount rate	2.02%
Valuation date	January 1, 2020
Salary scale	3.00%
Mortality	RP 2014 Healthy Male and Female Tables are based on the Employee and Healthy Annuitant Tables for both pre & post retirement mortality improvement using the most current Society of Actuaries Mortality Improvement Scale MP-2018
Marital rate	80% elect dependent coverage
Actuarial cost method	Entry Age Normal as a Level Percentage of Payroll
Health care cost trends	Year 1 (January 1, 2022): 7.00% Ultimate Trend (January 1, 2026 and later): 4.50% Grading per year: 0.25%

The discount rate used to measure the liability was 2.02%, based on the average of the Bond Buyer 20-year general obligation bond index, S&P Municipal Bond 20 Year HG and Fidelity GO AA 20-year bond index.

Schedule of Changes in Net OPEB Liability.

The changes in the net OPEB liability are as follows:

January 1, 2020	<u>\$ 656,140,407</u>
Changes for the year	
Service cost	12,498,119
Interest cost	13,023,732
Benefit payments	(22,802,356)
Change of assumptions	<u>25,088,227</u>
Net changes for the year	<u>27,807,722</u>
December 31, 2020	<u><u>\$ 683,948,129</u></u>

Sensitivity of OPEB Liability to Changes in Health Care Cost Trend Rates and Discount Rate

The following presents the OPEB liability of the Plan as of December 31, 2020 using the current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates 1% higher or 1% lower than the current rates:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
Other postemployment benefits liability	\$ 556,074,861	\$ 683,948,129	\$ 862,277,055

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 10 - Postemployment Benefits Other Than Pensions - Continued

Sensitivity of OPEB Liability to Changes in Health Care Cost Trend Rates and Discount Rate - Continued

The following presents the OPEB liability of the Plan as of December 31, 2020 using the current discount rate of 2.02%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 1.02%	Current Rate 2.02%	1% Increase 3.02%
Other postemployment benefits liability	\$ 855,373,308	\$ 683,948,129	\$ 561,450,876

Note 11 - Fund Balance

In the fund financial statements, the County reports restrictions of net assets for amounts that are legally restricted by outside parties for a specific purpose or restricted by enabling legislation.

	General	Debt Service	Capital Projects	Other Governmental
Nonspendable				
Prepays and inventory	\$ 4,830,686	\$ -	\$ -	\$ 173,476
Long-term interfund loans	7,593,560	-	-	-
	<u>12,424,246</u>	<u>-</u>	<u>-</u>	<u>173,476</u>
Restricted for				
Debt service	-	34,143,389	-	-
Capital reserve	-	-	29,842,476	-
Tax stabilization	1,850,155	-	-	-
EMS ambulance reserve	289,407	-	-	-
911 reserve	1,240,058	-	-	-
	<u>3,379,620</u>	<u>34,143,389</u>	<u>29,842,476</u>	<u>-</u>
Assigned for				
Appropriations	5,887,837	-	-	-
Special revenue purposes	-	-	-	1,570,728
	<u>5,887,837</u>	<u>-</u>	<u>-</u>	<u>1,570,728</u>
Unassigned	<u>34,544,198</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>\$ 56,235,901</u>	<u>\$ 34,143,389</u>	<u>\$ 29,842,476</u>	<u>\$ 1,744,204</u>

Note 12 - Risk Financing Activities

- The County is exposed to various risks of loss related to auto, property, general liability, public officers' liability, and workers' compensation. The County has purchased an insurance policy for all risks excluding workers' compensation which includes a cash deductible with varying amounts per occurrence and in the aggregate per claim year.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 12 - Risk Financing Activities - Continued

- b. County employees are entitled to coverage under the New York State Unemployment Insurance Law. The County has elected to discharge its liability to the New York State Unemployment Insurance Fund by the benefit reimbursement method, a dollar-to-dollar reimbursement to the fund for benefits paid from the fund to former County employees and charged to the County's account.
- c. The County is self-insured for workers' compensation benefits on a cost reimbursement basis. Each fund of the County is responsible for claims payments incurred for their employees. The County is commercially insured with excess insurance with a self-insured retention of \$700,000 and \$750,000 for Police, Sheriffs and Corrections Officer; and an employer's liability limit of \$2,000,000.

All funds of the County participate in the program and make payments to the Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for unforeseen losses. The claims liability of \$7,926,466 reported in the fund at December 31, 2020, is based on GASB requirements, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Changes in the fund's claims liability amount during 2020 were:

Balance January 1	Current Year Claims and Changes in Estimates	Claim Payments	Balance December 31
<u>\$ 9,354,333</u>	<u>\$ 684,773</u>	<u>\$ 2,112,640</u>	<u>\$ 7,926,466</u>

Note 13 - Commitments and Contingencies

a. Lawsuits

The County is a defendant in a number of lawsuits that arise out of the normal course of operations of the County. The County records accruals for claims liability to the extent that management concludes their occurrence is probable and the related damages are estimable. It is in the opinion of the County's legal counsel that an unfavorable outcome with respect to certain lawsuits is probably, with the potential damages estimated to total \$1,265,000. Accordingly, the County has reported a liability of \$1,265,000 in the Self Insurance Fund at December 31, 2020.

b. Grant Programs

The County participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs may be conducted, in accordance with grantor requirements, on a periodic basis. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County believes, based upon its review of current activity and prior experience, the amount of such disallowances, if any, will be minimal.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 13 - Commitments and Contingencies - Continued

c. Contracts

The County has entered into various contracts with outside vendors for goods and services, which were unperformed at year-end. The County has provided authority to fund these transactions in the subsequent year's budget.

d. Labor Relations

Certain County employees are represented by eight bargaining units with the balance governed by County rules and regulations. There are eleven bargaining unit contracts. One contract expired effective December 31, 2016 and is currently under negotiation. The remaining contracts have expiration dates effective between December 31, 2021 to December 31, 2022.

e. Environmental Risks

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the County expect such compliance to have, any material effect upon the capital expenditures or financial condition of the County. The County believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

f. Regulatory Environment (Shaker Place Rehabilitation & Nursing Center)

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretations, as well as regulatory actions unknown or unasserted at this time.

g. Transfers to the County (Times Union Center)

Under the terms of the agreement between the Center, the operator, and the County, net surpluses earned by the Center are transferred to the County in the year subsequent to when those surpluses are earned. Transfers received by the County will fund net losses that are incurred by the Center. During the year ended December 31, 2020, the Center transferred \$2,595,271 to the County.

Note 14 - Tax Abatements

Certain property values in the County have been reduced as the result of payment in-lieu of tax (PILOT) agreements entered into by the Albany County Industrial Development Agency (IDA) for the purpose of general economic development. These agreements reduce the assessed value of the properties for all taxing agencies in Albany County, including the County. As a result of the agreement, the County receives PILOT payments which are equal to the reduced assessed value times the County's levied tax rate.

There were no significant abatement programs in effect at December 31, 2020.

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 15 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 87, *Leases* (GASB No. 87). This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations* (GASB No. 91). This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves note disclosures. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020* (GASB No. 92). This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument technology. The requirements of this statement, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* (GASB No. 93). This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallbacks provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The requirements to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB No. 94). The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 15 - Accounting Standards Issued But Not Yet Implemented - Continued

capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPP's meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB No. 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Service Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and 84, and a Supersession of GASB Statement No. 32* (GASB No. 97). The primary objectives of this statement are to (1) increase consistency and comparability relating to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans as a fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board would typically perform. The requirements of this statement that (1) exempt primary governments that perform duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other

County of Albany, New York

Notes to Financial Statements December 31, 2020

Note 15 - Accounting Standards Issued But Not Yet Implemented - Continued

postemployment benefit plans, or other employee benefit plans and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

Management has not estimated the extent of potential impact if these statements, if any, on the County's financial statements.

County of Albany, New York

Required Supplementary Information Schedule of Other Postemployment Benefits Liability

	2020	2019	2018
Beginning of the year	<u>\$ 656,140,407</u>	<u>\$ 525,971,830</u>	<u>\$ 520,083,996</u>
Changes for the year			
Service cost	12,498,119	7,004,888	5,651,486
Interest cost	13,023,732	18,539,318	19,399,100
Benefit payments	(22,802,356)	(17,381,223)	(19,162,752)
Change of assumptions	25,088,227	122,005,594	-
Net changes for the year	<u>27,807,722</u>	<u>130,168,577</u>	<u>5,887,834</u>
End of the year	<u>\$ 683,948,129</u>	<u>\$ 656,140,407</u>	<u>\$ 525,971,830</u>
Covered payroll	<u>\$ 118,004,937</u>	<u>\$ 114,567,900</u>	<u>\$ 111,230,971</u>
OPEB liability as a percentage of covered payroll	580%	573%	473%

Schedule is intended to show information for 10 years. Data not available prior to the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

County of Albany, New York

Required Supplementary Information Schedule of Proportionate Share of Net Pension Liability

	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability	0.5235608%	0.5149016%	0.4936194%	0.5034731%	0.4940550%	0.5056861%
County's proportionate share of the net pension liability	\$ 138,641,943	\$ 36,482,342	\$ 15,931,295	\$ 47,307,460	\$ 79,297,203	\$ 17,083,314
County's covered-employee payroll	\$ 122,170,679	\$ 123,282,866	\$ 123,860,584	\$ 119,146,390	\$ 118,773,066	\$ 112,117,907
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	113.48%	29.59%	12.86%	39.71%	66.76%	15.24%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

County of Albany, New York

Required Supplementary Information Schedule of Pension Contributions

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 18,521,615	\$ 18,473,962	\$ 18,345,949	\$ 18,078,611	\$ 18,390,616	\$ 20,096,421
Contributions in relation to the contractually required contribution	18,521,615	18,473,962	18,345,949	18,078,611	18,390,616	16,961,239
Contribution deficiency (excess)	-	-	-	-	-	3,135,182
County's covered-employee payroll	122,170,679	123,282,866	123,860,584	119,146,390	118,773,066	112,117,907
Contribution as a percentage of covered-employee payroll	15%	15%	15%	15%	15%	15%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

County of Albany, New York

Supplementary Information - Combining Statement of Net Position - Discretely Presented Component Units

	Year Ended December 31, 2020			Variance with Modified Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Adopted	Modified		
REVENUES				
Real property taxes	\$ 85,036,624	\$ 85,036,624	\$ 85,036,624	\$ -
Real property tax items	9,622,250	9,622,250	7,569,466	(2,052,784)
Non-property tax items	304,529,889	304,529,889	269,286,682	(35,243,207)
Department income	33,103,795	33,123,795	29,948,492	(3,175,303)
Intergovernmental charges	10,816,693	10,816,693	10,040,690	(776,003)
Use of money and property	3,608,884	3,608,884	2,003,542	(1,605,342)
Fines and forfeitures	688,750	688,750	270,775	(417,975)
Sale of property and compensation for loss	3,991,589	3,991,589	4,223,464	231,875
Miscellaneous local sources	880,483	925,855	1,452,189	526,334
State aid	87,560,348	94,389,055	71,208,937	(23,180,118)
Federal aid	72,601,296	73,249,624	60,549,129	(12,700,495)
Total revenues	612,440,601	619,983,008	541,589,990	(78,393,018)
EXPENDITURES				
General government support	162,121,861	165,346,882	147,714,632	17,632,250
Public safety	83,579,046	89,405,903	64,933,715	24,472,188
Transportation	1,118,178	1,116,808	862,160	254,648
Health	39,493,605	40,615,209	33,378,486	7,236,723
Economic assistance and opportunity	193,102,594	191,802,029	160,949,672	30,852,357
Culture and recreation	1,371,964	1,419,719	340,155	1,079,564
Education	29,172,853	30,201,936	29,325,769	876,167
Home and community service	2,717,387	4,159,997	4,629,304	(469,307)
Employee benefits	67,509,123	68,401,134	67,888,655	512,479
Total expenditures	580,186,611	592,469,617	510,022,548	82,447,069
OTHER FINANCING SOURCES (USES)				
Interfund transfers-in	468,300	566,291	168,300	(397,991)
Interfund transfers-out	(39,721,960)	(41,326,249)	(43,011,190)	(1,684,941)
Total other financing sources (uses)	(39,253,660)	(40,759,958)	(42,842,890)	(2,082,932)
Net change in fund balance	\$ (6,999,670)	\$ (13,246,567)	(11,275,448)	\$ 1,971,119
FUND BALANCE, beginning of year			67,511,349	
FUND BALANCE, end of year			\$ 56,235,901	

County of Albany, New York

Supplementary Information - Combining Statement of Net Position - Discretely Presented Component Units

	December 31, 2020			
	Industrial Development Agency	Airport Authority	Albany County Land Bank	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,867,823	\$ 21,399,156	\$ 4,947,254	\$ 29,214,233
Cash and cash equivalents, restricted	-	26,190,581	-	26,190,581
Other receivables	-	1,777,557	757,176	2,534,733
Other receivables, restricted	-	4,026,539	-	4,026,539
Prepaid and other	1,902	946,847	43,939	992,688
Total current assets	<u>2,869,725</u>	<u>54,340,680</u>	<u>5,748,369</u>	<u>62,958,774</u>
NONCURRENT ASSETS				
Prepaid expenses	-	225,103	-	225,103
Property held for resale	-	-	6,077,324	6,077,324
Capital assets, net	-	282,719,364	923	282,720,287
Total noncurrent assets	<u>-</u>	<u>282,944,467</u>	<u>6,078,247</u>	<u>289,022,714</u>
Total assets	<u>2,869,725</u>	<u>337,285,147</u>	<u>11,826,616</u>	<u>351,981,488</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges, pensions	-	1,046,330	-	1,046,330
Deferred charges, OPEB	-	504,922	-	504,922
Deferred loss on refunding	-	1,802,374	-	1,802,374
Total deferred outflows	<u>-</u>	<u>3,353,626</u>	<u>-</u>	<u>3,353,626</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	-	583,134	493,939	1,077,073
Paycheck Protection Program loan	-	-	99,900	99,900
Accrued liabilities	-	5,488,534	-	5,488,534
Payable from restricted assets	-	8,179,556	-	8,179,556
Unearned revenue	-	-	757,490	757,490
Total current liabilities	<u>-</u>	<u>14,251,224</u>	<u>1,351,329</u>	<u>15,602,553</u>
NONCURRENT LIABILITIES				
Bonds payable	-	77,033,441	-	77,033,441
Other postemployment benefits liability	-	5,723,485	-	5,723,485
Net pension liability, proportionate share	-	1,110,544	-	1,110,544
Total noncurrent liabilities	<u>-</u>	<u>83,867,470</u>	<u>-</u>	<u>83,867,470</u>
Total liabilities	<u>-</u>	<u>98,118,694</u>	<u>1,351,329</u>	<u>99,470,023</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred charges, pensions	-	44,658	-	44,658
Deferred charges, OPEB	-	1,552,848	-	1,552,848
Concession Improvement Trust funds	-	640,444	-	640,444
Total deferred inflows	<u>-</u>	<u>2,237,950</u>	<u>-</u>	<u>2,237,950</u>
NET POSITION				
Net investment in capital assets	-	204,476,085	923	204,477,008
Restricted for	-		-	
Bond reserve funds	-	7,165,926	-	7,165,926
Passenger facility charges	-	9,431,150	-	9,431,150
Capital projects	-	7,754,587	-	7,754,587
Unrestricted	<u>2,869,725</u>	<u>11,454,381</u>	<u>10,474,364</u>	<u>24,798,470</u>
Total net position	<u>\$ 2,869,725</u>	<u>\$ 240,282,129</u>	<u>\$ 10,475,287</u>	<u>\$ 253,627,141</u>

See Independent Auditor's Report.

County of Albany, New York

Supplementary Information - Combining Statement of Activities - Discretely Presented Component Units

	Year Ended December 31, 2020			
	Industrial Development Agency	Airport Authority	Albany County Land Bank	Total
OPERATING REVENUES				
Charges for services, net	\$ 192,500	\$ 26,505,431	\$ 2,356,079	\$ 29,054,010
Other operating revenues	-	4,313,893	154,272	4,468,165
Operating grants and contributions	-	-	1,218,190	1,218,190
Total operating revenues	192,500	30,819,324	3,728,541	34,740,365
OPERATING EXPENSES				
Cost of services	80,872	32,068,622	5,428,149	37,577,643
General and administrative	38,497	1,122,655	-	1,161,152
Depreciation	-	17,465,299	1,129	17,466,428
Total operating expenses	119,369	50,656,576	5,429,278	56,205,223
Operating income (loss)	73,131	(19,837,252)	(1,700,737)	(21,464,858)
NONOPERATING REVENUE (EXPENSE)				
Other nonoperating revenues	-	2,227,326	-	2,227,326
Other nonoperating grants	-	11,053,631	-	11,053,631
Interest earnings	41,943	309,776	2,169	353,888
Interest on debt	-	(3,699,761)	-	(3,699,761)
Bond issuance costs	-	(249,796)	-	(249,796)
Amortization of bond insurance premiums	-	(40,733)	-	(40,733)
Total nonoperating revenue	41,943	9,600,443	2,169	9,644,555
Income (loss) before special items	115,074	(10,236,809)	(1,698,568)	(11,820,303)
Capital contributions	-	10,850,904	-	10,850,904
Donation of property for sale	-	-	1,883,535	1,883,535
Cost of permanently impaired assets	-	(921,707)	-	(921,707)
Total special items	-	9,929,197	1,883,535	11,812,732
Change in net position	115,074	(307,612)	184,967	(7,571)
NET POSITION, beginning of year	2,754,651	240,589,741	10,290,320	253,634,712
NET POSITION, end of year	\$ 2,869,725	\$ 240,282,129	\$ 10,475,287	\$ 253,627,141