



County of Albany, New York

Financial Report

December 31, 2021

County of Albany, New York

Financial Report

December 31, 2021

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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 Audit of the Financial Statements

Opinions

We have audited the 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, 2021, 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.

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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, except that the financial statements of the Shaker Place Rehabilitation & Nursing Center, a major enterprise fund, were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1r to the financial statements, the 2020 financial statements have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements - Continued

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements of the discretely presented component units. The information has been subjected to the auditing procedures applied by the other auditors in their audits of the financial statements of the discretely presented component units. In our opinion, based on the reports of the other auditors, the supplementary information listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, 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 29, 2022



County of Albany, New York

Management's Discussion and Analysis December 31, 2021

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, 2021. Please read it in conjunction with the financial statements.

Financial Highlights

- The County's total net position increased by \$40,628,641.
- At December 31, 2021, liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources by \$294,412,515 (net position).
- Governmental activities revenues increased by approximately 13.8%, primarily as a result of non-property tax items. Revenues from business-type activities increased by 13.0%, primarily as a result of increases in charges for services as the County continues to recover from financial impacts of the COVID-19 pandemic.
- Governmental activities expenses remained comparable to the previous year. Business-type activities expenses decreased 17.8% primarily as the result of decreased employee benefit costs and decreases to the County's other postemployment benefits liability and net pension liability.
- Unassigned fund balance for the General Fund was \$62,788,949 at December 31, 2021. The unreserved fund balance was approximately 10.0% of total General Fund revenue.

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, an enterprise recreation civic 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.

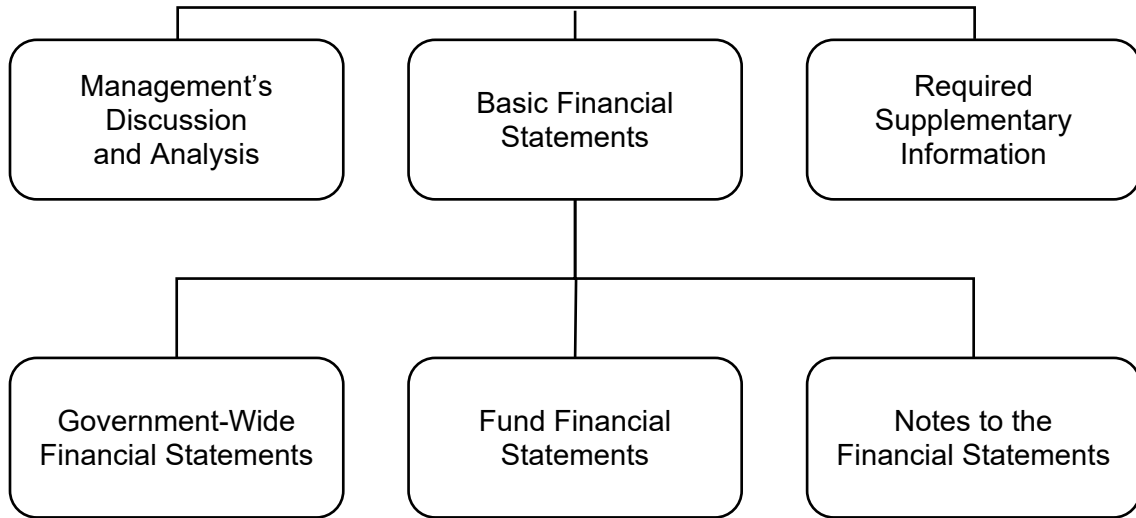
County of Albany, New York

Management's Discussion and Analysis December 31, 2021

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, 2021

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

Fund Financial Statements				
	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	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flow 	<ul style="list-style-type: none"> • 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, 2021

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, 2021

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, 2021

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
	2021	2020	2021	2020 (Restated)	2021	2020 (Restated)	
Current and other assets	\$ 386.9	\$ 331.7	\$ 60.0	\$ 63.2	\$ 446.9	\$ 394.9	13 %
Capital assets	239.8	245.5	158.2	163.7	398.0	409.2	(3)%
Total assets	626.7	577.2	218.2	226.9	844.9	804.1	5 %
Deferred outflows of resources	187.6	194.2	28.5	28.8	216.1	223.0	(3)%
Current liabilities	200.3	191.3	39.0	33.9	239.3	225.2	6 %
Long-term liabilities	613.7	879.7	185.8	251.5	799.5	1,131.2	(29)%
Total liabilities	814.0	1,071.0	224.8	285.4	1,039	1,356.4	(23)%
Deferred inflows of resources	263.0	5.2	53.7	0.6	316.7	6	100 %
Net position (deficit)							
Net investment in capital assets	58.7	66.5	28.7	30.7	87.4	97.2	(10)%
Restricted	76.1	40.6	8.0	3.2	84.1	43.8	92 %
Unrestricted	(397.5)	(411.9)	(68.5)	(64.2)	(466.0)	(476.1)	(2)%
Total net position (deficit)	\$ (262.7)	\$ (304.8)	\$ (31.8)	\$ (30.3)	\$ (294.5)	\$ (335.1)	

County of Albany, New York

Management's Discussion and Analysis December 31, 2021

Changes in Net Position (Deficit)

The County's year 2021 revenues totaled \$557.5 million (See Table A-4). This excludes the \$128.9 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 54.2% and 26.6%, 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 \$516.9 million for the year ended 2021. This also excludes the \$128.9 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) increased by \$40.6 million during 2021.

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

	Year Ended December 31, 2021		
	Governmental Activities	Business-type Activities	Total
REVENUES			
Program revenues			
Charges for services	\$ 45.0	\$ 42.3	\$ 87.3
Operating grants	148.3	0.0	148.3
General revenues			
Property taxes	89.8	0.0	89.8
Other taxes	341.1	0.0	341.1
Investment earnings	1.9	0.0	1.9
Other	13.5	4.5	18.0
Total revenues	<u>639.6</u>	<u>46.8</u>	<u>686.4</u>
EXPENSES			
General government support	198.5	0.0	198.5
Education	31.4	0.0	31.4
Public safety	96.4	0.0	96.4
Health	43.0	0.0	43.0
Transportation	29.2	0.0	29.2
Economic assistance and opportunity	182.4	0.0	182.4
Culture and recreation	0.6	0.0	0.6
Home and community service	3.2	0.0	3.2
Interest and fiscal changes on debt	4.4	0.0	4.4
Business-type activities			
Shaker Place Rehabilitation & Nursing Center	0.0	12.7	12.7
Times Union Center	0.0	7.1	7.1
Sewer	0.0	36.9	36.9
Total expenses	<u>589.1</u>	<u>56.7</u>	<u>645.8</u>
Transfers	<u>(8.3)</u>	<u>8.3</u>	<u>0.0</u>
CHANGE IN NET POSITION (DEFICIT)	<u>\$ 42.2</u>	<u>\$ (1.6)</u>	<u>\$ 40.6</u>

County of Albany, New York

Management's Discussion and Analysis December 31, 2021

Table A-5: Sources of Revenues for the Year 2021

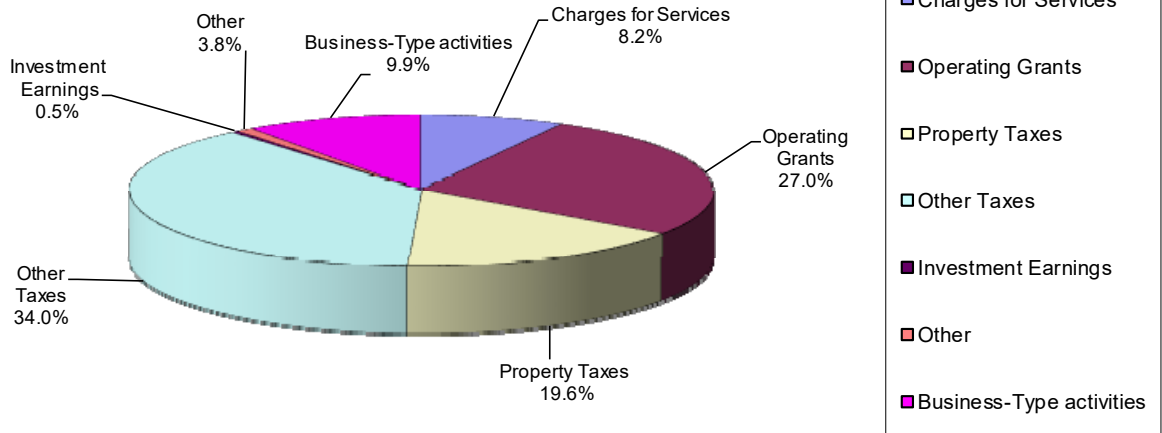
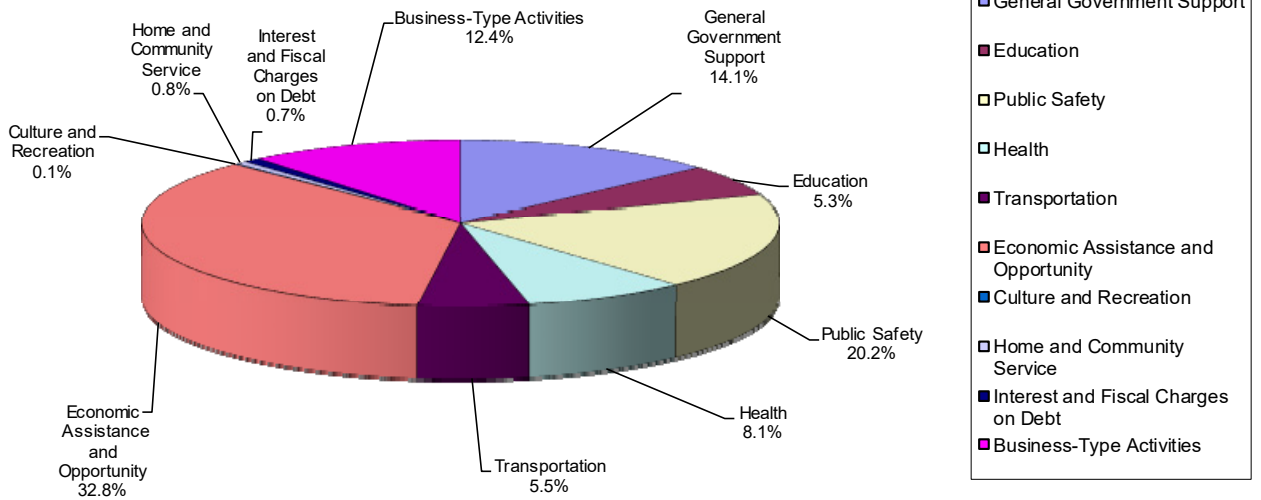


Table A-6: Expenses for the Year 2021



County of Albany, New York

Management's Discussion and Analysis December 31, 2021

Governmental Activities

Revenues for the County's governmental activities totaled \$639.6 million, while total expenses equaled \$589.1 million. During the year 2021, the County's net transfer from governmental activities to support its business-type activities amounted to \$8.3 million. Therefore, the increase in net position for governmental activities was \$42.2 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 2021	Net Cost (Surplus) 2021
General government support	\$ 198.5	\$ 171.0
Education	31.4	21.7
Public safety	96.4	70.2
Health	43.0	9.4
Transportation	29.2	24.7
Economic assistance and opportunity	182.4	91.5
Culture and recreation	0.6	(0.1)
Home and community service	3.2	2.5
Interest and fiscal charges on debt	4.4	4.4
Total	\$ 589.1	\$ 395.3

- The cost of all governmental activities this year was \$589.1 million (includes distribution of sales tax);
- The users of the County's programs (\$45.0 million) financed some of the cost;
- Federal and state governments subsidized certain programs with grants and contributions (\$148.3 million), and
- Most of the County's net costs (\$395.3 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 \$46.8 million while total expenses equaled \$56.7 million. During the year 2021, the County's net transfer from governmental activities to support its business-type activities amounted to approximately \$8.3 million. Therefore, there was a decrease of \$1.3 million in net position (deficit) for business-type activities in 2021.

County of Albany, New York

Management's Discussion and Analysis December 31, 2021

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, enterprise recreation civic 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 2021	Net Cost (Surplus) 2021
Shaker Place Rehabilitation and Nursing Center	\$ 36.9	\$ 11.3
Times Union Center	7.1	3.5
Sewer	12.7	(0.5)
Total	\$ 56.7	\$ 14.3

- The cost of all business-type activities this year was \$56.7 million;
- The users of the County's programs (\$42.3 million) financed most of the cost; and
- The County's net cost was \$14.4 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, 2021

Capital Assets

At December 31, 2021, the County had invested \$398.0 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 2021.

Debt Administration

At year-end, the County had \$311.4 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	\$ 181.1	\$ 130.3	\$ 311.4
Due to employees' retirement system	6.0	0.8	6.8
Compensated absences	14.1	0.4	14.5
Net pension liability	0.4	0.1	0.5
Other postemployment benefits	437.9	65.1	503.0
Total	<u>\$ 639.5</u>	<u>\$ 196.7</u>	<u>\$ 836.2</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, 2021			
	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	\$ 135,447,871	\$ 40,041,343	\$ 175,489,214	\$ 30,209,149
Cash and cash equivalents, restricted	57,828,670	3,827,206	61,655,876	28,690,684
Custodial accounts	-	307,523	307,523	-
Taxes receivable, net	74,902,462	-	74,902,462	-
Other receivables	12,811,563	9,959,529	22,771,092	3,580,780
Other receivables, restricted	-	-	-	4,239,124
State and federal receivables	78,875,516	-	78,875,516	-
Due from other activities and custodial fund	18,954,616	-	18,954,616	-
Due from other governments	2,083,658	-	2,083,658	-
Inventory	62,755	154,895	217,650	-
Prepaid and other	5,891,508	1,083,749	6,975,257	3,368,226
Workers' compensation reserve	-	4,641,277	4,641,277	-
Total current assets	<u>386,858,619</u>	<u>60,015,522</u>	<u>446,874,141</u>	<u>70,087,963</u>
NONCURRENT ASSETS				
Prepaid expenses	-	-	-	209,668
Property held for resale	-	-	-	5,082,196
Lease receivable	-	-	-	20,212,167
Capital assets, net	239,819,553	158,151,882	397,971,435	276,300,611
Total noncurrent assets	<u>239,819,553</u>	<u>158,151,882</u>	<u>397,971,435</u>	<u>301,804,642</u>
Total assets	<u>626,678,172</u>	<u>218,167,404</u>	<u>844,845,576</u>	<u>371,892,605</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges, pensions	99,379,896	13,244,693	112,624,589	1,136,675
Deferred charges, OPEB	84,169,934	15,304,523	99,474,457	391,588
Deferred loss on refunding	4,073,387	-	4,073,387	1,344,958
Total deferred outflows	<u>187,623,217</u>	<u>28,549,216</u>	<u>216,172,433</u>	<u>2,873,221</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	43,904,863	3,402,537	47,307,400	1,017,019
Accrued liabilities	28,897,887	2,724,231	31,622,118	6,458,850
Claims payable	672,903	301,628	974,531	-
Custodial accounts	-	305,271	305,271	-
Payable from restricted assets	-	-	-	8,288,244
Due to other governments	51,874,571	-	51,874,571	-
Deposits	12,361,186	-	12,361,186	-
Due to others, net	-	629,399	629,399	-
Current portion of due to employees' retirement system	2,631,172	394,380	3,025,552	-
Due to other activities and custodial fund	5,149,818	14,002,135	19,151,953	-
Current maturities of bonds payable	21,784,618	10,445,286	32,229,904	-
Current portion of compensated absences	1,408,505	35,647	1,444,152	-
Unearned revenue	29,670,480	6,777,499	36,447,979	7,169
Accrued interest	1,906,660	-	1,906,660	-
Total current liabilities	<u>200,262,663</u>	<u>39,018,013</u>	<u>239,280,676</u>	<u>15,771,282</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	December 31, 2021			
	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
NONCURRENT LIABILITIES				
Bonds payable, less current maturities	159,315,552	119,884,918	279,200,470	68,233,170
Due to employees' retirement system, less current portion	3,335,058	445,906	3,780,964	-
Compensated absences, less current portion	12,676,549	320,829	12,997,378	-
Net pension liability, proportionate share	439,100	56,869	495,969	3,491
Other postemployment benefits liability	437,904,477	65,063,593	502,968,070	5,692,141
Total noncurrent liabilities	<u>613,670,736</u>	<u>185,772,115</u>	<u>799,442,851</u>	<u>73,928,802</u>
Total liabilities	<u>813,933,399</u>	<u>224,790,128</u>	<u>1,038,723,527</u>	<u>89,700,084</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred charges, pensions	132,718,805	17,188,834	149,907,639	1,093,887
Deferred charges, OPEB	130,276,404	36,522,954	166,799,358	1,156,601
Leases	-	-	-	22,400,114
Concession Improvement Trust funds	-	-	-	705,686
Total deferred inflows	<u>262,995,209</u>	<u>53,711,788</u>	<u>316,706,997</u>	<u>25,356,288</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	58,719,383	28,657,907	87,377,290	209,491,889
Restricted for				
Bond reserve funds	-	-	-	7,298,461
Passenger facility charges	-	-	-	8,825,350
Capital projects	45,497,721	1,281,769	46,779,490	7,085,564
Debt service	29,547,266	1,031,782	30,579,048	-
Other purposes	1,105,725	5,752,689	6,858,414	653,487
Unrestricted	<u>(397,497,314)</u>	<u>(68,509,443)</u>	<u>(466,006,757)</u>	<u>26,354,703</u>
Total net position (deficit)	<u>\$ (262,627,219)</u>	<u>\$ (31,785,296)</u>	<u>\$ (294,412,515)</u>	<u>\$ 259,709,454</u>

County of Albany, New York

Government-Wide Financial Statements Statement of Activities

Year Ended December 31, 2021

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	\$ 198,521,075	\$ 17,686,087	\$ 9,242,668	\$ -	\$ (171,592,320)	\$ -	\$ (171,592,320)	\$ -
Education	31,414,269	1,674,626	8,049,589	-	(21,690,054)	-	(21,690,054)	-
Public safety	96,426,732	14,065,339	12,179,667	-	(70,181,726)	-	(70,181,726)	-
Health	43,006,650	4,526,881	29,053,643	-	(9,426,126)	-	(9,426,126)	-
Transportation	29,148,257	1,865,709	2,601,288	-	(24,681,260)	-	(24,681,260)	-
Economic assistance and opportunity	182,455,049	3,959,743	86,956,680	-	(91,538,626)	-	(91,538,626)	-
Culture and recreation	640,353	539,754	171,200	-	70,601	-	70,601	-
Home and community service	3,183,286	663,046	56,015	-	(2,464,225)	-	(2,464,225)	-
Interest and fiscal charges on debt	4,422,978	-	-	-	(4,422,978)	-	(4,422,978)	-
Total governmental activities	<u>589,218,649</u>	<u>44,981,185</u>	<u>148,310,750</u>	<u>-</u>	<u>(395,926,714)</u>	<u>-</u>	<u>(395,926,714)</u>	<u>-</u>
Business-type activities								
Sewer	12,698,606	13,182,013	-	-	-	483,407	483,407	-
Enterprise Recreation Civic Center	7,069,518	3,549,375	-	-	-	(3,520,143)	(3,520,143)	-
Shaker Place Rehabilitation & Nursing Center	36,905,119	25,569,002	-	-	-	(11,336,117)	(11,336,117)	-
Total business-type activities	<u>56,673,243</u>	<u>42,300,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,372,853)</u>	<u>(14,372,853)</u>	<u>-</u>
Total primary government	<u>\$ 645,891,892</u>	<u>\$ 87,281,575</u>	<u>\$ 148,310,750</u>	<u>\$ -</u>	<u>(395,926,714)</u>	<u>(14,372,853)</u>	<u>(410,299,567)</u>	<u>-</u>
Component units								
Industrial Development Agency	127,052	61,382	-	-	-	-	-	(65,670)
Albany County Airport Authority	54,728,973	40,775,457	4,810,756	11,276,697	-	-	-	2,133,937
Albany County Land Bank	4,821,641	2,256,780	-	-	-	-	-	(2,564,861)
Total component units	<u>\$ 59,677,666</u>	<u>\$ 43,093,619</u>	<u>\$ 4,810,756</u>	<u>\$ 11,276,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(496,594)</u>
General revenues and transfers					89,822,511	-	89,822,511	-
Real property taxes					8,038,417	-	8,038,417	-
Real property tax items					333,066,367	-	333,066,367	-
Non-property tax items					3,707,047	-	3,707,047	-
Intergovernmental charges					1,946,337	19,897	1,966,234	270,601
Use of money and property					6,030,965	-	6,030,965	-
Sale of property and compensation for loss					-	-	-	1,606,250
Donation of property for sale					3,773,566	4,523,101	8,296,667	4,702,056
Miscellaneous					(8,254,386)	8,254,386	-	-
Net interfund transfers					438,130,824	12,797,384	450,928,208	6,578,907
Total general revenues and transfers					<u>438,130,824</u>	<u>12,797,384</u>	<u>450,928,208</u>	<u>6,578,907</u>
CHANGE IN NET POSITION (DEFICIT)					42,204,110	(1,575,469)	40,628,641	6,082,313
NET POSITION (DEFICIT), beginning of year, as restated					<u>(304,831,329)</u>	<u>(30,209,827)</u>	<u>(335,041,156)</u>	<u>253,627,141</u>
NET POSITION (DEFICIT), end of year					<u>\$ (262,627,219)</u>	<u>\$ (31,785,296)</u>	<u>\$ (294,412,515)</u>	<u>\$ 259,709,454</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Balance Sheet - Governmental Funds

		December 31, 2021				
		Major Funds				
		General	Miscellaneous Special Revenue	Capital Projects	Other Governmental	Total
ASSETS						
Cash and cash equivalents	\$ 92,204,353	\$ -	\$ 41,786,015	\$ 1,268,735	\$ 135,259,103	
Cash and cash equivalents, restricted	11,844,828	-	3,961,547	34,847,392	50,653,767	
Taxes receivable, net	74,902,462	-	-	-	74,902,462	
Other receivables	12,145,954	-	-	657,366	12,803,320	
State and federal receivables	76,263,283	-	-	2,612,233	78,875,516	
Due from other funds	23,687,338	29,670,480	5,509	418,679	53,782,006	
Due from other governments	1,740,504	-	-	80,384	1,820,888	
Inventory	62,755	-	-	-	62,755	
Prepaid expenses	5,219,601	-	-	202,424	5,422,025	
Total assets	<u>\$ 298,071,078</u>	<u>\$ 29,670,480</u>	<u>\$ 45,753,071</u>	<u>\$ 40,087,213</u>	<u>\$ 413,581,842</u>	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 41,054,411	\$ -	\$ 218,847	\$ 1,171,839	\$ 42,445,097	
Accrued liabilities	19,388,903	-	-	117,445	19,506,348	
Due to other funds	36,829,563	-	36,503	7,784,174	44,650,240	
Due to other governments	51,872,213	-	-	2,358	51,874,571	
Deposits payable	12,361,186	-	-	-	12,361,186	
Total liabilities	<u>161,506,276</u>	<u>-</u>	<u>255,350</u>	<u>9,075,816</u>	<u>170,837,442</u>	
DEFERRED INFLOWS OF RESOURCES						
Other unavailable resources	-	29,670,480	-	-	29,670,480	
Tax revenues, unavailable	38,126,769	-	-	-	38,126,769	
Total deferred inflows of resources	<u>38,126,769</u>	<u>29,670,480</u>	<u>-</u>	<u>-</u>	<u>67,797,249</u>	
FUND BALANCES						
Nonspendable	21,362,910	-	-	202,424	21,565,334	
Restricted	3,322,361	-	45,497,721	29,547,266	78,367,348	
Assigned	10,963,813	-	-	1,261,707	12,225,520	
Unassigned	62,788,949	-	-	-	62,788,949	
Total fund balances	<u>98,438,033</u>	<u>-</u>	<u>45,497,721</u>	<u>31,011,397</u>	<u>174,947,151</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 298,071,078</u>	<u>\$ 29,670,480</u>	<u>\$ 45,753,071</u>	<u>\$ 40,087,213</u>	<u>\$ 413,581,842</u>	

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)

		<u>December 31, 2021</u>
Total governmental fund balances		\$ 174,947,151
<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.		239,819,553
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	99,379,896	
Deferred charges, OPEB	84,169,934	
Deferred loss on refunding	<u>4,073,387</u>	187,623,217
Deferred inflows 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	(132,718,805)	
Deferred charges, OPEB	<u>(130,276,404)</u>	(262,995,209)
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.		469,483
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.		38,126,769
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.		376,617
The following long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable	(180,693,279)	
Compensated absences	(14,085,054)	
Other postemployment benefits liability	(437,904,477)	
Due to employees' retirement system	(5,966,230)	
Net pension liability	<u>(439,100)</u>	(639,088,140)
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.		<u>(1,906,660)</u>
Total net position (deficit)		<u>\$ (262,627,219)</u>

County of Albany, New York

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

Year Ended December 31, 2021					
	Major Funds				Total
	General	Miscellaneous Special Revenue	Capital Projects	Other Governmental	
REVENUES					
Real property taxes	\$ 93,642,319	\$ -	\$ -	\$ -	\$ 93,642,319
Real property tax items	8,038,417	-	-	-	8,038,417
Non-property tax items	329,426,255	-	-	3,640,112	333,066,367
Departmental income	31,717,984	-	-	228,335	31,946,319
Intergovernmental charges	11,951,611	-	-	1,114,954	13,066,565
Use of money and property	1,872,598	-	930	66,541	1,940,069
Fines and forfeitures	196,636	-	-	-	196,636
Sale of property and compensation for loss	4,568,850	-	-	39,163	4,608,013
Miscellaneous local sources	1,499,688	-	-	85,032	1,584,720
Interfund revenues	-	-	-	1,634,000	1,634,000
State aid	74,996,876	-	-	2,922,824	77,919,700
Federal aid	72,578,617	-	-	-	72,578,617
Total revenues	630,489,851	-	930	9,730,961	640,221,742
EXPENDITURES					
Current operations					
General government support	172,717,929	-	-	-	172,717,929
Education	31,414,269	-	-	-	31,414,269
Public safety	62,174,695	-	-	-	62,174,695
Transportation	1,128,754	-	-	12,284,856	13,413,610
Health	35,119,294	-	-	-	35,119,294
Economic assistance and opportunity	168,340,266	-	-	-	168,340,266
Culture and recreation	395,099	-	-	-	395,099
Home and community service	3,702,765	-	-	-	3,702,765
Employee benefits	70,157,199	-	-	4,125,033	74,282,232
Capital outlay, general government support	416,323	-	183,053	-	599,376
Capital outlay, public safety	3,417,803	-	4,579,357	-	7,997,160
Capital outlay, health	156,965	-	-	-	156,965
Capital outlay, transportation	-	-	5,069,511	318,395	5,387,906
Capital outlay, economic assistance and opportunity	56,187	-	-	-	56,187
Capital outlay, home and community service	14,698	-	-	-	14,698
Debt service					
Principal	-	-	-	19,801,168	19,801,168
Interest	271,667	-	-	6,972,952	7,244,619
Total expenditures	549,483,913	-	9,831,921	43,502,404	602,818,238
Excess (deficiency) of revenues over (under) expenditures	81,005,938	-	(9,830,991)	(33,771,443)	37,403,504
OTHER FINANCING SOURCES (USES)					
Premiums on debt issuance	-	-	3,066,047	63,545	3,129,592
Serial bond proceeds	-	-	22,420,189	-	22,420,189
Transfers from other funds	599,855	-	-	36,824,784	37,424,639
Transfers to other funds	(39,403,661)	-	-	(7,993,082)	(47,396,743)
Total other financing sources (uses)	(38,803,806)	-	25,486,236	28,895,247	15,577,677
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	42,202,132	-	15,655,245	(4,876,196)	52,981,181
FUND BALANCES, beginning of year	56,235,901	-	29,842,476	35,887,593	121,965,970
FUND BALANCES, end of year	\$ 98,438,033	\$ -	\$ 45,497,721	\$ 31,011,397	\$ 174,947,151

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

		<u>Year Ended December 31, 2021</u>
Net change in fund balances - total governmental funds	\$	52,981,181
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
<p>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.</p>		
Capital outlays	13,100,571	
Depreciation expense	<u>(18,753,065)</u>	(5,652,494)
<p>Governmental funds report bond refundings 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.</p>		
Amortization of gain on refundings		(907,957)
<p>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.</p>		
		(3,819,808)
<p>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:</p>		
Compensated absences	(1,010,448)	
Other postemployment benefits liability	140,815,639	
Change in deferred outflows of resources, other postemployment benefits liability	(14,240,605)	
Change in deferred inflows of resources, other postemployment benefits liability	<u>(130,276,404)</u>	(4,711,818)
<p>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.</p>		
		3,008,461
<p>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.</p>		
		(1,538,466)
<p>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).</p>		
		19,801,168
<p>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.</p>		
		(25,549,781)
<p>In the statement of activities, bond premiums are amortized against interest expense over the life of the bond.</p>		
		3,984,180
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.</p>		
		(229,597)
<p>Governmental funds report the annual contribution to the New York State Retirement System as employee benefits expense. The prior year contribution is required to be recognized as an expense, as well as the change in the following items:</p>		
Change in net pension liability	123,249,802	
Change in deferred outflows of resources	9,128,314	
Change in deferred inflows of resources	<u>(127,539,075)</u>	4,839,041
Change in net position (deficit) of governmental activities		<u>\$ 42,204,110</u>

County of Albany, New York

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

	December 31, 2021				Internal Service Fund
	Enterprise Funds				Self Insurance
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Sewer	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	
CURRENT ASSETS					
Cash and cash equivalents	\$ 13,879,621	\$ 19,146,985	\$ 7,014,737	\$ 40,041,343	\$ 188,768
Cash and cash equivalents, restricted	1,727,725	1,281,769	817,712	3,827,206	7,174,903
Custodial accounts	-	-	307,523	307,523	-
Receivables	4,033,465	1,224,649	4,701,415	9,959,529	8,243
Due from other funds	33,267	4,103,183	216,031	4,352,481	4,673,032
Due from other governments	-	-	-	-	262,770
Inventory	-	-	154,895	154,895	-
Prepaid expenses	163,462	67,147	853,140	1,083,749	-
Workers' compensation reserve	-	-	4,641,277	4,641,277	-
Total current assets	19,837,540	25,823,733	18,706,730	64,368,003	12,307,716
NONCURRENT ASSETS					
Capital assets, net	29,930,338	50,269,469	77,952,075	158,151,882	-
Total assets	49,767,878	76,093,202	96,658,805	222,519,885	12,307,716
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges, pensions	3,068,160	-	10,176,533	13,244,693	-
Deferred charges, other postemployment benefits	3,972,478	-	11,332,045	15,304,523	-
Total deferred outflows of resources	7,040,638	-	21,508,578	28,549,216	-

See accompanying Notes to Financial Statements.

County of Albany, New York

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	December 31, 2021				Internal Service Fund
	Enterprise Funds			Total	Self Insurance
	Sewer	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center		
CURRENT LIABILITIES					
Accounts payable	848,771	554,535	1,999,231	3,402,537	1,459,766
Accrued liabilities	119,053	831,781	1,773,397	2,724,231	9,391,539
Claims payable	301,628	-	-	301,628	672,903
Due to others, net	-	-	629,399	629,399	-
Due to other funds	667,507	131,555	17,555,554	18,354,616	-
Current portion of due to employees' retirement system	95,792	-	298,588	394,380	-
Current portion of compensated absences	35,647	-	-	35,647	-
Unearned revenue	-	6,777,499	-	6,777,499	-
Current maturities of bonds payable	897,896	4,914,337	4,633,053	10,445,286	42,542
Custodial accounts	-	-	305,271	305,271	-
Total current liabilities	2,966,294	13,209,707	27,194,493	43,370,494	11,566,750
NONCURRENT LIABILITIES					
Bonds payable, less current maturities	7,026,513	45,265,980	67,592,425	119,884,918	364,349
Due to employees' retirement system, less current portion	120,714	-	325,192	445,906	-
Compensated absences, less current portion	320,829	-	-	320,829	-
Net pension liability, proportionate share	13,511	-	43,358	56,869	-
Other postemployment benefits liability	15,730,868	-	49,332,725	65,063,593	-
Total liabilities	26,178,729	58,475,687	144,488,193	229,142,609	11,931,099

See accompanying Notes to Financial Statements.

County of Albany, New York

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

	December 31, 2021				Internal Service Fund
	Enterprise Funds				Self Insurance
	Sewer	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	
DEFERRED INFLOWS OF RESOURCES					
Deferred charges, pensions	4,083,838	-	13,104,996	17,188,834	-
Deferred charges, OPEB	10,422,072	-	26,100,882	36,522,954	-
Total deferred inflows of resources	14,505,910	-	39,205,878	53,711,788	-
NET POSITION (DEFICIT)					
Net investment in capital assets	22,005,929	89,152	6,562,826	28,657,907	-
Restricted for					
Capital projects	-	1,281,769	-	1,281,769	-
Debt service	1,031,782	-	-	1,031,782	-
Other purposes	5,752,689	-	-	5,752,689	(2,216,636)
Unrestricted	(12,666,523)	16,246,594	(72,089,514)	(68,509,443)	2,593,253
Total net position (deficit)	\$ 16,123,877	\$ 17,617,515	\$ (65,526,688)	\$ (31,785,296)	\$ 376,617

County of Albany, New York

Fund Financial Statements

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

	Year Ended December 31, 2021				
	Enterprise Funds				Internal Service Fund
	Sewer	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
OPERATING REVENUES					
Charges for services, net	\$ 13,182,013	\$ 3,549,375	\$ 25,569,002	\$ 42,300,390	\$ 2,073,047
Other operating revenues	553,541	-	383,149	936,690	1,195,896
Total operating revenues	13,735,554	3,549,375	25,952,151	43,237,080	3,268,943
OPERATING EXPENSES					
Health care services	-	-	16,878,102	16,878,102	-
Administrative and general services	3,817,982	-	2,222,364	6,040,346	-
Employee benefits	2,160,776	-	7,056,018	9,216,794	4,433,685
Depreciation	2,269,232	1,677,475	4,777,952	8,724,659	-
Contractual expenses	4,224,612	3,265,695	-	7,490,307	2,072,725
New York State assessment	-	-	1,470,130	1,470,130	-
County cost allocations	-	-	2,033,749	2,033,749	-
Total operating expenses	12,472,602	4,943,170	34,438,315	51,854,087	6,506,410
Operating income (loss)	1,262,952	(1,393,795)	(8,486,164)	(8,617,007)	(3,237,467)
NONOPERATING REVENUE (EXPENSE)					
Interest earnings	12,773	1,182	5,942	19,897	6,268
Interest on debt	(226,004)	(2,126,348)	(2,466,804)	(4,819,156)	(24,985)
Intergovernmental transfer	-	-	3,826,003	3,826,003	-
Loss on disposal	-	-	(343,590)	(343,590)	-
Other	-	-	103,998	103,998	-
Total nonoperating revenue (expense)	(213,231)	(2,125,166)	1,125,549	(1,212,848)	(18,717)
Income (loss) before transfers	1,049,721	(3,518,961)	(7,360,615)	(9,829,855)	(3,256,184)
Transfers from other funds	-	7,623,448	1,453,866	9,077,314	1,717,718
Transfers to other funds	(691,373)	(131,555)	-	(822,928)	-
	(691,373)	7,491,893	1,453,866	8,254,386	1,717,718
Change in net position (deficit)	358,348	3,972,932	(5,906,749)	(1,575,469)	(1,538,466)
NET POSITION (DEFICIT), beginning of year, as restated	15,765,529	13,644,583	(59,619,939)	(30,209,827)	1,915,083
NET POSITION (DEFICIT), end of year	\$ 16,123,877	\$ 17,617,515	\$ (65,526,688)	\$ (31,785,296)	\$ 376,617

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2021				Internal Service Fund
	Enterprise Funds				Self Insurance
	Sewer	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES					
Cash received for services provided	\$ 12,958,747	\$ 5,598,786	\$ 26,854,200	\$ 45,411,733	\$ 5,073,437
Cash received from grants and others	553,541	-	383,149	936,690	-
Cash payments to suppliers for goods and services	(8,575,930)	(3,314,015)	(10,278,223)	(22,168,168)	(4,687,533)
Cash payments to employees for services	(2,651,083)	-	(21,349,955)	(24,001,038)	-
	2,285,275	2,284,771	(4,390,829)	179,217	385,904
CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES					
Cash received from others	-	-	3,826,003	3,826,003	-
Other nonoperating revenue	-	-	101,746	101,746	-
Interest received	12,773	1,182	5,942	19,897	6,268
Transfers in (out)	(316,420)	7,034,668	9,693,793	16,412,041	(1,480,314)
	(303,647)	7,035,850	13,627,484	20,359,687	(1,474,046)
CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of property and equipment	(256,573)	(3,139,027)	(626,822)	(4,022,422)	-
Proceeds from issuance of long-term debt	-	549,811	-	549,811	-
Payments of long-term debt	(894,009)	(4,946,993)	(4,408,833)	(10,249,835)	(40,471)
Interest paid	(226,004)	(2,126,348)	(2,708,866)	(5,061,218)	(24,985)
	(1,376,586)	(9,662,557)	(7,744,521)	(18,783,664)	(65,456)
Net increase (decrease) in cash and cash equivalents	605,042	(341,936)	1,492,134	1,755,240	(1,153,598)
CASH AND CASH EQUIVALENTS, beginning of year	15,002,304	20,770,690	6,340,315	42,113,309	8,517,269
CASH AND CASH EQUIVALENTS, end of year	\$ 15,607,346	\$ 20,428,754	\$ 7,832,449	\$ 43,868,549	\$ 7,363,671

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, 2021				
	Enterprise Funds				Internal Service Fund
	Sewer	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,262,952	\$ (1,393,795)	\$ (8,486,164)	\$ (8,617,007)	\$ (3,237,467)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	2,269,232	1,677,475	4,777,952	8,724,659	-
Loss on disposal of capital assets	527,708	-	-	527,708	-
Other postemployment benefits accrual	(11,582,365)	-	(28,582,055)	(40,164,420)	-
Portion due to employees' retirement system to be amortized	(95,792)	-	(298,588)	(394,380)	-
(Increase) decrease in					
Receivables	(223,266)	(113,982)	1,285,195	947,947	2,067,264
Due from other governments	-	-	-	-	(262,770)
Workers' compensation reserve	-	-	151,407	151,407	-
Prepaid expenses and other assets	(19,871)	(14,227)	(345,815)	(379,913)	-
Deferred charges, pensions	(117,407)	-	(2,183,903)	(2,301,310)	-
Deferred charges, other postemployment benefits	672,098	-	1,917,254	2,589,352	-
Increase (decrease) in					
Accounts payable	(567,635)	(264,347)	98,584	(733,398)	945,901
Due to others	-	-	(381,621)	(381,621)	-
Accrued liabilities	(460,890)	230,254	(147,695)	(378,331)	1,465,073
Claims payable	301,628	-	-	301,628	(592,097)
Compensated absences	1,097	-	-	1,097	-
Due to employees' retirement system	(12,648)	-	(54,373)	(67,021)	-
Net pension liability	(4,007,105)	-	(10,889,067)	(14,896,172)	-
Unearned revenue	-	2,163,393	-	2,163,393	-
Deferred charges, pensions	3,915,467	-	12,647,178	16,562,645	-
Deferred charges, other postemployment benefits	10,422,072	-	26,100,882	36,522,954	-
Net cash provided (used) by operating activities	<u>\$ 2,285,275</u>	<u>\$ 2,284,771</u>	<u>\$ (4,390,829)</u>	<u>\$ 179,217</u>	<u>\$ 385,904</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Fiduciary Net Position - Fiduciary Fund

	December 31, 2021
	Custodial Fund
ASSETS	
Cash and cash equivalents, restricted	\$ 2,440,523
Due from other funds	240,679
Total assets	<u>2,681,202</u>
LIABILITIES	
Due to other funds	<u>43,342</u>
NET POSITION	
Restricted	
Bail deposits	145,730
Court and trust	2,072,659
Miscellaneous	419,471
	<u><u>\$ 2,637,860</u></u>

County of Albany, New York

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

	Year Ended December 31, 2021
	Custodial Fund
ADDITIONS	
Bail deposits	\$ 170,725
Court and trust	2,224,762
Miscellaneous	296,602
Total additions	<u>2,692,089</u>
DEDUCTIONS	
Bail deposits	117,970
Court and trust	646,651
Miscellaneous	145,047
Total deductions	<u>909,668</u>
CHANGE IN FIDUCIARY NET POSITION	1,782,421
FIDUCIARY NET POSTION, <i>beginning of year</i>	<u>855,439</u>
FIDUCIARY NET POSTION, <i>end of year</i>	<u>\$ 2,637,860</u>

County of Albany, New York

Notes to Financial Statements December 31, 2021

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 enterprise recreation 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, 2021

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, 2021

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.
- Miscellaneous Special Revenue Fund - This fund is used to account for the accumulation of financial resources provided to the County under the American Rescue Plan Act of 2021 (ARPA).
- 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.
- Enterprise Recreation Civic Center - The Enterprise Recreation Civic Center accounts for all activity related to the entertainment performances scheduled at the Enterprise Recreation Civic 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.

County of Albany, New York

Notes to Financial Statements December 31, 2021

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

a. Reporting Entity - Continued

Fund Financial Statements - Continued

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.

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.

County of Albany, New York

Notes to Financial Statements December 31, 2021

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

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.
- 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, 2021	\$ 174,947,151
Outstanding encumbrances	<u>(10,963,813)</u>
Budgetary basis, fund balances, December 31, 2021	<u>\$ 163,983,338</u>

c. 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.

County of Albany, New York

Notes to Financial Statements December 31, 2021

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

c. *Credit Risk - Continued*

- 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.

d. *Cash and Investments*

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

e. *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.

f. *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.

g. *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.

County of Albany, New York

Notes to Financial Statements December 31, 2021

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

g. Capital Assets - Continued

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

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, 2021.

h. 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.

County of Albany, New York

Notes to Financial Statements December 31, 2021

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

i. 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.

j. 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 \$38,126,769 at December 31, 2021 represent property tax revenue that was not considered available. Deferred inflows of resources in the Miscellaneous Special Revenue Fund of \$29,670,480 represent ARPA grant funding that is 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, 2021. Unearned revenues in the Enterprise Recreation Civic Center represent cash receipts for which the underlying service has not been performed as of December 31, 2021.

k. 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.

l. 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.

County of Albany, New York

Notes to Financial Statements December 31, 2021

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

m. 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.

n. Pensions

Substantially 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 8).

o. 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.

p. 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."

County of Albany, New York

Notes to Financial Statements December 31, 2021

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

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

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.

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.

q. 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.

County of Albany, New York

Notes to Financial Statements December 31, 2021

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

r. Prior Period Restatement

The financial position of the County's Shaker Place Rehabilitation & Nursing Center and Business-Type Activities as of December 31, 2020 contained certain misstatements requiring prior period restatements as a result of errors in Inter-Governmental Transfer Program revenue. As a result of the prior period restatements, the County has restated net position at December 31, 2020 as follows:

	As Previously Stated	Increase/ (Decrease)	As Restated
<i>Shaker Place Rehabilitation & Nursing Center</i>			
Receivables	\$ 2,098,412	\$ 1,939,394	\$ 4,037,806
Net deficit	(61,559,333)	(1,939,394)	(59,619,939)
<i>Business-Type Activities</i>			
Receivables	8,968,082	1,939,394	10,907,476
Net deficit	(32,149,221)	(1,939,394)	(30,209,827)

s. Subsequent Events

During June 2022, the County issued Series A 2022 Serial Bonds totaling \$23,230,000. The Series A 2022 Serial Bonds were issued to finance various projects within the County and bear interest at rates varying between 4.00% - 5.00%. The Series A 2022 Serial Bonds mature in June 2036.

The County has evaluated subsequent events for potential recognition or disclosure through September 29, 2022, the date the financial statements were available to be issued.

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, 2021

Note 2 - Cash and Investments - Continued

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

	December 31, 2021
Cash in banks	\$ 159,452,422
Restricted cash in banks	76,698,066
Total	<u>\$ 236,150,488</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, 2021.

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 \$12,639,973 at December 31, 2021. 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 \$38,126,769 at December 31, 2021.

Taxes receivable are reported net of an allowance for uncollectible amounts of \$7,812,370 at December 31, 2021.

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 \$27,968,385,854.

County of Albany, New York

Notes to Financial Statements December 31, 2021

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 \$35,588,604 at December 31, 2021 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	\$ 23,687,338	\$ 36,829,563
Miscellaneous Special Revenue	29,670,480	-
Capital Projects	5,509	36,503
Other Governmental	418,679	7,784,174
Sewer	33,267	667,507
Enterprise Recreation Civic Center	4,103,183	131,555
Shaker Place Rehabilitation & Nursing Center	216,031	17,555,554
Self Insurance	4,673,032	-
Custodial	240,679	43,342
	\$ 63,048,198	\$ 63,048,198

The County made the following operating transfers:

	Transfers-Out				Total
	General	Other Governmental	Sewer	Times Union Center	
Transfers-In					
General Fund	\$ -	\$ -	\$ 599,855	\$ -	\$ 599,855
Other Governmental	29,208,629	7,393,082	91,518	131,555	36,824,784
Internal Service	1,117,718	600,000	-	-	1,717,718
Enterprise Recreation Civic Center	7,623,448	-	-	-	7,623,448
Shaker Place Nursing & Rehabilitation Center	1,453,866	-	-	-	1,453,866
Total	\$ 39,403,661	\$ 7,993,082	\$ 691,373	\$ 131,555	\$ 48,219,671

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, 2021

Note 5 - Receivables

Other revenues accrued by the County consist of the following:

Fund	
General, chargebacks and miscellaneous	\$ 12,145,954
Other Governmental, hotel occupancy tax	589,371
Other Governmental, miscellaneous	67,995
Enterprise Recreation Civic Center, customers, tenants, promoters, and commissions	1,224,649
Sewer Fund, municipal charges	4,033,465
Shaker Place Rehabilitation & Nursing Center, resident charges	4,701,415
Internal Service, insurance charges	<u>8,243</u>
Total	<u>\$ 22,771,092</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	\$ 24,959,081
Sales tax	35,588,604
Grants and aid, various programs	<u>15,715,598</u>
	76,263,283
Other Governmental	
County Road, Consolidated Highway Improvement Program	2,502,575
County Road, Automobile Use Tax	<u>109,658</u>
Total	<u>\$ 78,875,516</u>

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	\$ 1,740,504
Other Governmental, miscellaneous	<u>80,384</u>
Total	<u>\$ 1,820,888</u>

County of Albany, New York

Notes to Financial Statements December 31, 2021

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			Ending Balance
	Beginning Balance	Additions	Deletions	
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 8,097,715	\$ -	\$ -	\$ 8,097,715
Construction in progress	20,018,020	9,975,778	-	29,993,798
Total capital assets not being depreciated	<u>28,115,735</u>	<u>9,975,778</u>	<u>-</u>	<u>38,091,513</u>
Capital assets, being depreciated				
Buildings and building improvements	248,419,444	-	-	248,419,444
Infrastructure	250,477,078	-	-	250,477,078
Equipment	28,713,243	3,124,793	1,134,208	30,703,828
Total capital assets being depreciated	<u>527,609,765</u>	<u>3,124,793</u>	<u>1,134,208</u>	<u>529,600,350</u>
Less accumulated depreciation for				
Buildings and building improvements	102,951,343	7,567,977	-	110,519,320
Infrastructure	188,795,031	8,805,413	-	197,600,444
Equipment	18,507,079	2,379,675	1,134,208	19,752,546
Total accumulated depreciation	<u>310,253,453</u>	<u>18,753,065</u>	<u>1,134,208</u>	<u>327,872,310</u>
Governmental activities capital assets, net	<u>\$ 245,472,047</u>	<u>\$ (5,652,494)</u>	<u>\$ -</u>	<u>\$ 239,819,553</u>

Depreciation expense for 2021 was charged to functions of the primary government as follows:

Governmental activities	
General government support	\$ 5,489,150
Public safety	3,473,553
Health	23,941
Transportation	9,457,717
Economic assistance and opportunity	178,205
Culture and recreation	130,499
	<u>\$ 18,753,065</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	\$ 3,533,810	\$ -	\$ -	\$ 3,533,810
Construction in progress	29,822,315	3,692,546	3,097,349	30,417,512
Total capital assets not being depreciated	<u>33,356,125</u>	<u>3,692,546</u>	<u>3,097,349</u>	<u>33,951,322</u>
Capital assets, being depreciated				
Buildings and improvements	297,382,740	2,163,183	-	299,545,923
Equipment	14,960,595	736,331	4,211,488	11,485,438
Accumulated depreciation	312,343,335	2,899,514	4,211,488	311,031,361
Total capital assets being depreciated	<u>181,974,043</u>	<u>8,724,659</u>	<u>3,867,901</u>	<u>186,830,801</u>
Business-type activities capital assets, net	<u>\$ 163,725,417</u>	<u>\$ (2,132,599)</u>	<u>\$ 3,440,936</u>	<u>\$ 158,151,882</u>

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 7 - 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, 2020	Accretion, Issuances and Refunding	Amortization/ Payments/ Refunding/ Transfers	Balance December 31, 2021
Governmental Funds							
General Fund							
2012 qualified energy conservation bond	2012/2021	2.500/3.100	205,000	\$ 24,345	\$ -	\$ 24,345	\$ -
2013 general obligation	2013/2028	2.000/4.000	33,897,320	2,196,307	-	2,196,307	-
2014 general obligation refunding	2014/2027	2.000/5.000	25,663,369	17,500,978	-	2,229,162	15,271,816
2016 general obligation refunding	2016/2026	1.000/5.000	25,330,000	16,550,000	-	2,455,000	14,095,000
2017 general obligation refunding	2017/2028	3.000/4.000	16,643,100	16,519,603	-	4,574	16,515,029
2018 general obligation	2018/2029	4.000/5.000	57,442,127	50,655,736	-	4,546,676	46,109,060
2019 general obligation	2019/2039	2.000/5.000	18,556,884	17,912,620	-	662,198	17,250,422
2019 general obligation refunding	2019/2025	5.000	9,450,000	8,060,000	-	1,450,000	6,610,000
2019 general obligation refunding	2019/2024	5.000	23,493,894	23,493,894	-	5,418,609	18,075,285
2020 general obligation	2020/2036	2.000/4.000	3,764,405	3,764,405	-	114,768	3,649,637
2020 general obligation refunding	2020/2028	5.000	7,200,000	7,200,000	-	740,000	6,460,000
2021 general obligation	2022/2036	2.000/5.000	22,420,189	-	22,420,189	-	22,420,189
			<u>244,066,288</u>	<u>163,877,888</u>	<u>22,420,189</u>	<u>19,841,639</u>	<u>166,456,438</u>
Unamortized Premium			-	15,498,320	3,129,592	3,984,180	14,643,732
Total governmental activities			<u>\$ 244,066,288</u>	<u>\$ 179,376,208</u>	<u>\$ 25,549,781</u>	<u>\$ 23,825,819</u>	<u>\$ 181,100,170</u>

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 7 - 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, 2020	Accretion, Issuances and Refunding	Payments/ Refunding/ Transfers	Balance December 31, 2021
Business-Type Activities							
Sewer							
2003 general obligation	2003/2022	1.003/4.710	\$ 1,418,149	\$ 170,000	\$ -	\$ 85,000	\$ 85,000
2006 clean water	2006/2026	3.601/4.769	4,052,176	1,315,000	-	210,000	1,105,000
2013 general obligation	2013/2028	2.000/4.000	1,370,000	88,365	-	88,365	-
2015 EFC revenue bond	2015/2035	0.200/3.942	3,644,853	2,795,000	-	165,000	2,630,000
2017 general obligation refunding	2017/2028	3.000/4.000	674,199	669,207	-	185	669,022
2018 general obligation	2018/2029	4.000/5.000	4,131,856	3,615,154	-	327,049	3,288,105
Shaker Place Rehabilitation & Nursing Center							
2013 general obligation	2013/2028	2.000/4.000	350,000	193,540	-	22,622	170,918
2018 general obligation	2018/2029	4.000/5.000	34,620,637	29,922,153	-	2,706,942	27,215,211
2019 general obligation	2019/2039	2.000/5.000	-	45,147,966	-	1,669,038	43,478,928
2020 general obligation	2020/2036	2.000/4.000	335,595	335,595	-	10,228	325,367
Enterprise Recreation Civic Center							
2012 qualified energy conservation bond	2012/2021	2.500/3.100	1,395,000	165,655	-	165,655	-
2013 general obligation	2013/2028	2.000/4.000	1,437,000	82,753	-	82,753	-
2014 general obligation refunding	2014/2027	2.000/5.000	8,701,631	5,934,022	-	755,838	5,178,184
2017 general obligation refunding	2017/2028	3.000/4.000	745,461	38,291	-	12,799	25,492
2018 general obligation	2018/2029	4.000/5.000	44,545,920	39,648,888	-	3,526,140	36,122,748
2019 general obligation	2019/2039	2.000/5.000	7,111,305	6,864,413	-	253,765	6,610,648
2019 general obligation refunding	2019/2024	5.000	136,106	136,106	-	31,391	104,715
2021 general obligation	2022/2036	2.000/5.000	549,811	-	549,811	-	549,811
			<u>115,219,699</u>	<u>137,122,108</u>	<u>549,811</u>	<u>10,112,770</u>	<u>127,559,149</u>
Unamortized Premium			-	3,150,182	76,747	455,874	2,771,055
Total business-type activities			<u>\$ 115,219,699</u>	<u>\$ 140,272,290</u>	<u>\$ 626,558</u>	<u>\$ 10,568,644</u>	<u>\$ 130,330,204</u>

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 7 - 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,					
2022	\$ 21,784,618	\$ 6,711,718	\$ 10,445,286	\$ 4,718,757	\$ 43,660,379
2023	22,867,243	5,663,381	10,865,862	4,209,338	43,605,824
2024	23,939,922	4,619,078	11,386,296	3,696,765	43,642,061
2025	18,373,755	3,535,285	11,890,470	3,157,762	36,957,272
2026	17,300,171	2,726,643	12,462,226	2,592,497	35,081,537
2027 through 2031	42,699,990	5,439,479	44,103,489	5,760,861	98,003,819
2032 through 2036	15,691,278	1,429,345	16,418,722	2,291,540	35,830,885
2037 through 2039	3,799,461	171,994	9,986,798	499,418	14,457,671
Total	<u>\$ 166,456,438</u>	<u>\$ 30,296,923</u>	<u>\$ 127,559,149</u>	<u>\$ 26,926,938</u>	<u>\$ 351,239,448</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, 2020	Increases/ Additions	Decreases/ Payments	Balance December 31, 2021
Bonds payable	\$ 179,376,208	\$ 25,549,781	\$ 23,825,819	\$ 181,100,170
Due to employee retirement system	8,974,691	-	3,008,461	5,966,230
Compensated absences	13,074,606	2,317,909	1,307,461	14,085,054
Net pension liability	123,688,902	-	123,249,802	439,100
Other postemployment benefits liability	578,720,116	19,368,757	160,184,396	437,904,477
	<u>\$ 903,834,523</u>	<u>\$ 47,236,447</u>	<u>\$ 311,575,939</u>	<u>\$ 639,495,031</u>

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 7 - Noncurrent and Debt Related Liabilities - Continued

b. Non-Current and Debt Related Liabilities - Continued

- Summary of Changes - Continued

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

	Balance December 31, 2020	Increases/ Additions	Decreases/ Payments	Balance December 31, 2021
Bonds payable	\$ 140,272,290	\$ 626,558	\$ 10,568,644	\$ 130,330,204
Due to employee retirement system	1,301,686	-	461,400	840,286
Compensated absences	355,379	35,540	34,443	356,476
Net pension liability	14,953,041	-	14,896,172	56,869
Other postemployment benefits liability	105,228,013	3,336,993	43,501,413	65,063,593
	\$ 262,110,409	\$ 3,999,091	\$ 69,462,072	\$ 196,647,428

Note 8 - 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:

2021	\$ 20,712,547
2020	18,521,615
2019	18,473,962

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, 2021

Note 8 - 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 \$6,806,516, of which \$840,286 is reported in the proprietary funds and \$5,966,230 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,			
2022	\$ 3,025,552	\$ 224,975	\$ 3,250,527
2023	2,232,842	125,351	2,358,193
2024	1,188,187	49,190	1,237,377
2025	359,935	11,554	371,489
	\$ 6,806,516	\$ 411,070	\$ 7,217,586

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 8 - Retirement Plans - Continued

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

At December 31, 2021, the County reported a liability of \$495,969 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability was determined by an actuarial valuation as of April 1, 2020. 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, 2021 measurement date, the County's proportionate share was 0.4980909%.

For the year ended December 31, 2021, the County recognized pension expense of \$9,673,327. At December 31, 2021, 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	\$ 6,057,124	\$ -
Changes of assumptions	91,192,689	1,719,921
Net differences between projected and actual investment earnings on pension plan investments	-	142,471,483
Changes in proportion and differences between employer contributions and proportionate share of contributions	786,478	5,716,235
County contributions subsequent to the measurement date	14,588,298	-
Total	\$ 112,624,589	\$ 149,907,639

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. 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,	
2022	\$ (10,135,189)
2023	(4,336,780)
2024	(8,987,414)
2025	(28,411,965)
Total	\$ (51,871,348)

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 8 - Retirement Plans - Continued

d. Actuarial Assumptions

The actuarial assumptions used in the April 1, 2020 valuation, with updated procedures used to roll forward the total pension liability to March 31, 2021, 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	2.70%
Salary Scale	4.20%, indexed by service
Investment rate of return, including inflation	5.90% compounded annually, net of expenses
Decrement	Based on FY 2015-2020 experience
Mortality improvement	Society of Actuaries' Scale MP-2020
Cost of living adjustment	1.40%

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	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic/absolute return strategy	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	1.00%	0.50%
	<u>100.00%</u>	

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 8 - 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 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
County's proportionate share of the net pension liability (asset)	\$ 137,661,790	\$ 495,969	\$ (126,003,020)

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, 2021 were as follows (amounts in thousands):

Employer's total pension liability	\$ 220,680,157
Plan net position	<u>(220,580,583)</u>
Employer's net pension liability	<u>\$ 99,574</u>
Ratio of plan net position to the employers' total pension liability	<u>99.95%</u>

Note 9 - 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, 2021

Note 9 - 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, 2021 the County contributed \$15,363,953 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 valuation date is as follows:

Actives	2,084
Retirees	1,821
Total	3,905

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

At December 31, 2021, the County reported a liability of \$502,968,070 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, 2021, the County recognized OPEB expense of \$22,705,750. At December 31, 2021, 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	\$ 99,474,457	\$ 166,799,358

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,	
2022	\$ (4,692,541)
2023	(4,692,541)
2024	(4,692,541)
2025	(4,692,541)
2026	(4,692,541)
Thereafter	(43,862,196)
Total	\$ (67,324,901)

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 9 - Postemployment Benefits Other Than Pensions - Continued

Actuarial Assumptions. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Assumptions	Factor
Discount rate	2.05%
Valuation date	January 1, 2021
Salary scale	3.00%
Mortality	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.
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, 2023): 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 2.05%, 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, 2021	<u>\$ 683,948,129</u>
Changes for the year	
Service cost	8,842,294
Interest cost	13,863,456
Benefit payments	(15,363,953)
Change of assumptions	<u>(188,321,856)</u>
Net changes for the year	<u>(180,980,059)</u>
December 31, 2021	<u><u>\$ 502,968,070</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, 2021 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:

	1% Decrease	Current Rates	1% Increase
Other postemployment benefits liability	\$ 407,122,014	\$ 502,968,070	\$ 636,766,845

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 9 - 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, 2021 using the current discount rate of 2.05%, 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 1.05%	Current Rate 2.05%	1% Increase 3.05%
Other postemployment benefits liability	\$ 631,810,491	\$ 502,968,070	\$ 410,850,257

Note 10 - 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	Capital Projects	Other Governmental
Nonspendable			
Prepays and inventory	\$ 5,282,356	\$ -	\$ 202,424
Long-term interfund loans	16,080,554	-	-
	21,362,910	-	202,424
Restricted for			
Debt service	-	-	29,547,266
Capital reserve	-	45,497,721	-
Tax stabilization	1,850,155	-	-
EMS ambulance reserve	424,992	-	-
911 reserve	1,047,214	-	-
	3,322,361	45,497,721	29,547,266
Assigned for			
Appropriations	10,963,813	-	-
Special revenue purposes	-	-	1,261,707
	10,963,813	-	1,261,707
Unassigned	62,788,949	-	-
Total fund balance	\$ 98,438,033	\$ 45,497,721	\$ 31,011,397

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 11 - Risk Financing Activities

- a. 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.
- 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 \$9,391,539 reported in the fund at December 31, 2021, 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 2021 were:

Balance January 1	Current Year Claims and Changes in Estimates	Claim Payments	Balance December 31
\$ 7,926,466	\$ 6,901,952	\$ 5,436,879	\$ 9,391,539

Note 12 - 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 probable, with the potential damages estimated to total \$672,903. Accordingly, the County has reported a liability of \$672,903 in the Self Insurance Fund at December 31, 2021.

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 12 - Commitments and Contingencies

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.

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, 2022 to December 31, 2023.

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

Under the terms of the agreement between the Enterprise Recreation Civic Center, the operator, and the County, net surpluses earned by the Enterprise Recreation Civic 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 Enterprise Recreation Civic Center. During the year ended December 31, 2021, the Enterprise Recreation Civic Center transferred \$131,555 to the County.

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 13- 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, 2021.

Note 14 - 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

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 14 - Accounting Standards Issued But Not Yet Implemented - Continued

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 were 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

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

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 14 - Accounting Standards Issued But Not Yet Implemented - Continued

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 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.

GASB Statement No. 99, Omnibus 2022. This statement addresses a variety of topics. The requirements of this statement related to the extension of the use of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, and terminology updates related to GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments (GASB 53), and GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, were effective upon issuance of the statement in April 2022. The requirements of this statement related to leases, PPPs and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, Accounting Changes and Error Corrections. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for (1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning

County of Albany, New York

Notes to Financial Statements December 31, 2021

Note 14 - Accounting Standards Issued But Not Yet Implemented - Continued

balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles.

The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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

	2021	2020	2019	2018
Beginning of the year	\$ 683,948,129	\$ 656,140,407	\$ 525,971,830	\$ 520,083,996
Changes for the year				
Service cost	8,842,294	12,498,119	7,004,888	5,651,486
Interest cost	13,863,456	13,023,732	18,539,318	19,399,100
Benefit payments	(15,363,953)	(22,802,356)	(17,381,223)	(19,162,752)
Change of assumptions	(188,321,856)	25,088,227	122,005,594	-
Net changes for the year	(180,980,059)	27,807,722	130,168,577	5,887,834
End of the year	\$ 502,968,070	\$ 683,948,129	\$ 656,140,407	\$ 525,971,830
Covered payroll	\$ 121,545,085	\$ 118,004,937	\$ 114,567,900	\$ 111,230,971
OPEB liability as a percentage of covered payroll	414%	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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability	0.4980909%	0.5235608%	0.5149016%	0.4936194%	0.5034731%	0.4940550%	0.5056861%
County's proportionate share of the net pension liability	\$ 495,969	\$ 138,641,943	\$ 36,482,342	\$ 15,931,295	\$ 47,307,460	\$ 79,297,203	\$ 17,083,314
County's covered-employee payroll	\$ 121,749,440	\$ 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	0.41%	113.48%	29.59%	12.86%	39.71%	66.76%	15.24%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 20,712,547	\$ 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	20,712,547	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	121,749,440	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	17%	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

Required Supplementary Information - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	Year Ended December 31, 2021			Variance with Modified Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Adopted	Modified		
REVENUES				
Real property taxes	\$ 94,682,487	\$ 94,682,487	\$ 93,642,319	\$ (1,040,168)
Real property tax items	8,612,500	8,612,500	8,038,417	(574,083)
Non-property tax items	284,408,505	304,346,648	329,426,255	25,079,607
Department income	33,317,769	33,333,419	31,717,984	(1,615,435)
Intergovernmental charges	12,322,654	13,622,654	11,951,611	(1,671,043)
Use of money and property	2,389,490	2,389,490	1,872,598	(516,892)
Fines and forfeitures	648,750	648,750	196,636	(452,114)
Sale of property and compensation for loss	11,950	11,950	4,568,850	4,556,900
Miscellaneous local sources	5,544,499	5,544,499	1,499,688	(4,044,811)
Interfund revenues	23,810	41,362	-	(41,362)
State aid	92,345,960	99,525,178	74,996,876	(24,528,302)
Federal aid	71,151,346	82,917,438	72,578,617	(10,338,821)
Total revenues	605,459,720	645,676,375	630,489,851	(15,186,524)
EXPENDITURES				
General government support	161,817,601	183,822,246	173,134,252	10,687,994
Public safety	65,654,419	73,172,068	65,592,498	7,579,570
Transportation	1,245,437	1,245,437	1,128,754	116,683
Health	37,791,349	42,800,978	35,276,259	7,524,719
Economic assistance and opportunity	200,905,839	202,976,988	168,396,453	34,580,535
Culture and recreation	1,263,440	1,380,692	395,099	985,593
Education	32,773,000	34,348,400	31,414,269	2,934,131
Home and community service	2,864,934	3,301,798	3,717,463	(415,665)
Employee benefits	68,638,945	73,736,909	70,157,199	3,579,710
Debt service	-	271,667	271,667	-
Total expenditures	572,954,964	617,057,183	549,483,913	67,573,270
OTHER FINANCING SOURCES (USES)				
Interfund transfers-in	468,300	586,300	599,855	13,555
Interfund transfers-out	(35,973,056)	(37,857,090)	(39,403,661)	(1,546,571)
Total other financing sources (uses)	(35,504,756)	(37,270,790)	(38,803,806)	(1,533,016)
Net change in fund balance	\$ (3,000,000)	\$ (8,651,598)	42,202,132	\$ 50,853,730
FUND BALANCE, beginning of year			56,235,901	
FUND BALANCE, end of year			\$ 98,438,033	

County of Albany, New York

Required Supplementary Information - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

	December 31, 2021			
	Industrial Development Agency	Airport Authority	Albany County Land Bank	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,807,902	\$ 22,357,372	\$ 5,043,875	\$ 30,209,149
Cash and cash equivalents, restricted	-	28,690,684	-	28,690,684
Other receivables	-	3,330,780	250,000	3,580,780
Other receivables, restricted	-	4,239,124	-	4,239,124
Prepaid and other	1,958	3,352,872	13,396	3,368,226
Total current assets	2,809,860	61,970,832	5,307,271	70,087,963
NONCURRENT ASSETS				
Prepaid expenses	-	209,668	-	209,668
Property held for resale	-	-	5,082,196	5,082,196
Lease receivable	-	20,212,167	-	20,212,167
Capital assets, net	-	276,300,611	-	276,300,611
Total noncurrent assets	-	296,722,446	5,082,196	301,804,642
Total assets	2,809,860	358,693,278	10,389,467	371,892,605
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges, pensions	-	1,136,675	-	1,136,675
Deferred charges, OPEB	-	391,588	-	391,588
Deferred loss on refunding	-	1,344,958	-	1,344,958
Total deferred outflows	-	2,873,221	-	2,873,221
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	-	352,688	664,331	1,017,019
Accrued liabilities	-	6,458,850	-	6,458,850
Payable from restricted assets	-	8,288,244	-	8,288,244
Unearned revenue	-	-	7,169	7,169
Total current liabilities	-	15,099,782	671,500	15,771,282
NONCURRENT LIABILITIES				
Bonds payable	-	68,233,170	-	68,233,170
Other postemployment benefits liability	-	5,692,141	-	5,692,141
Net pension liability, proportionate share	-	3,491	-	3,491
Total noncurrent liabilities	-	73,928,802	-	73,928,802
Total liabilities	-	89,028,584	671,500	89,700,084
DEFERRED INFLOWS OF RESOURCES				
Deferred charges, pensions	-	1,093,887	-	1,093,887
Deferred charges, OPEB	-	1,156,601	-	1,156,601
Leases	-	22,400,114	-	22,400,114
Concession Improvement Trust funds	-	705,686	-	705,686
Total deferred inflows	-	25,356,288	-	25,356,288
NET POSITION				
Net investment in capital assets	-	209,491,889	-	209,491,889
Restricted for				
Bond reserve funds	-	7,298,461	-	7,298,461
Passenger facility charges	-	8,825,350	-	8,825,350
Capital projects	-	7,085,564	-	7,085,564
Other restricted funds	-	653,487	-	653,487
Unrestricted	2,809,860	13,826,876	9,717,967	26,354,703
Total net position	\$ 2,809,860	\$ 247,181,627	\$ 9,717,967	\$ 259,709,454

See Independent Auditor's Report.

County of Albany, New York

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

	Year Ended December 31, 2021			
	Industrial Development Agency	Airport Authority	Albany County Land Bank	Total
OPERATING REVENUES				
Charges for services, net	\$ 61,382	\$ 36,454,413	\$ 1,221,936	\$ 37,737,731
Other operating revenues	-	4,321,044	47,904	4,368,948
Operating grants and contributions	-	-	986,940	986,940
Total operating revenues	61,382	40,775,457	2,256,780	43,093,619
OPERATING EXPENSES				
Cost of services	100,535	32,124,899	4,820,718	37,046,152
General and administrative	26,517	1,641,707	-	1,668,224
Depreciation	-	18,387,208	923	18,388,131
Total operating expenses	127,052	52,153,814	4,821,641	57,102,507
Operating loss	(65,670)	(11,378,357)	(2,564,861)	(14,008,888)
NONOPERATING REVENUE (EXPENSE)				
Other nonoperating revenues	-	4,501,814	200,242	4,702,056
Other nonoperating grants	-	4,810,756	-	4,810,756
Interest earnings	5,805	263,747	1,049	270,601
Interest on debt	-	(2,575,159)	-	(2,575,159)
Total nonoperating revenue	5,805	7,001,158	201,291	7,208,254
Loss before special items	(59,865)	(4,377,199)	(2,363,570)	(6,800,634)
Capital contributions	-	11,276,697	-	11,276,697
Donation of property for sale	-	-	1,606,250	1,606,250
Total special items	-	11,276,697	1,606,250	12,882,947
Change in net position	(59,865)	6,899,498	(757,320)	6,082,313
NET POSITION, beginning of year	2,869,725	240,282,129	10,475,287	253,627,141
NET POSITION, end of year	\$ 2,809,860	\$ 247,181,627	\$ 9,717,967	\$ 259,709,454