



County of Albany, New York

Financial Report
December 31, 2023

County of Albany, New York

Financial Report
December 31, 2023

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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, 2023, 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, 2023, 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 Corporation, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 27, 2024, 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

Latham, New York
September 27, 2024



County of Albany, New York

Management's Discussion and Analysis December 31, 2023

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, 2023. Please read it in conjunction with the financial statements.

Financial Highlights

- The County's total net position increased by \$69,189,093.
- At December 31, 2023, liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources by \$141,285,365 (net position).
- Governmental activities revenues increased by approximately 4.6%, primarily as a result of investment earnings and operating grants. Revenues from business-type activities increased by 18.9%, primarily as a result of increases in charges for services and investment earnings.
- Governmental activities expenses increased 8.9% in comparison to the previous year. Business-type activities expenses increased 11.6% primarily as a result of increased employee benefit costs.
- Unassigned fund balance for the General Fund was \$122,513,207 at December 31, 2023. The unreserved fund balance was approximately 17.4% 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.
 - 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.
 - 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.
 - 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.

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.

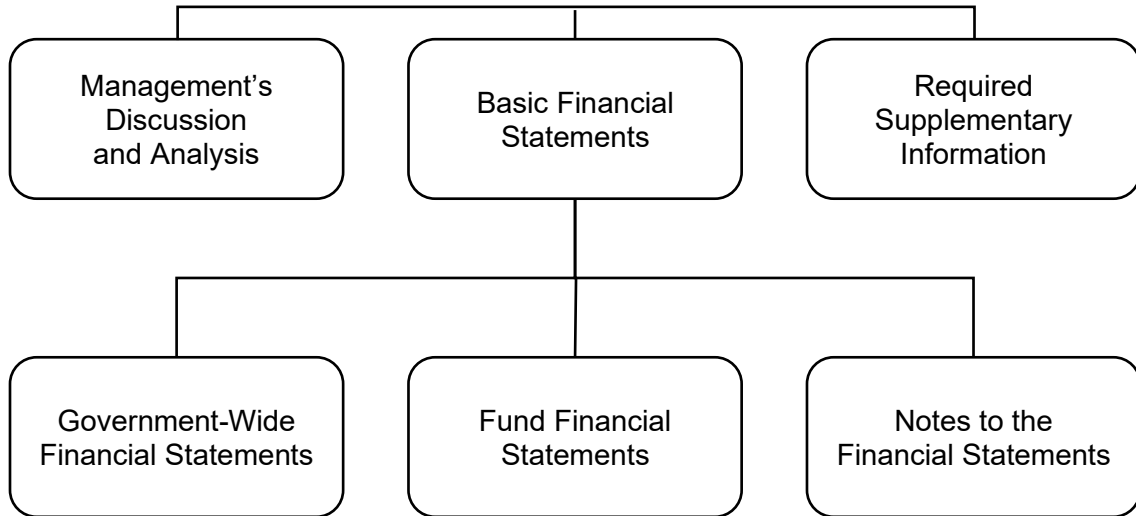
County of Albany, New York

Management's Discussion and Analysis
December 31, 2023

Overview of the Financial Statements (Continued)

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, 2023

Overview of the Financial Statements (Continued)

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 (Deficit) • 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 (Deficit) • Statement of Revenues, Expenses, and Changes in Net Position (Deficit) • Statement of Cash Flows 	<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; no 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, 2023

Overview of the Financial Statements (Continued)

Government-Wide Financial 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 non-financial 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's three component units, the Albany County Airport Authority, the Albany County Industrial Development Agency, and the Albany County Land Bank Corporation, 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.

County of Albany, New York

Management's Discussion and Analysis
December 31, 2023

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

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 (deficit):

- 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
- Allocate net position balances as follows:
 - Net investment in capital assets: Net position invested in capital assets, net of related debt;
 - Restricted net position: 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: 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 types 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 be readily 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 major governmental funds consist of the General Fund, Debt Service Fund, Miscellaneous Special Revenue Fund, and Capital Project Funds. The nonmajor governmental funds consist of the Special Grant Fund, County Road Fund and County Machinery Funds. Required statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances.

County of Albany, New York

Management's Discussion and Analysis
December 31, 2023

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

- 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, which is used to account for the County's risk management activities. Required statements are the statement of net position (deficit), the statement of revenues, expenses, and changes in net position (deficit), 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. 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, 2023

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 (deficit):

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

	Governmental Activities		Business-Type Activities		Total		Total Percent Change
	2023	2022	2023	2022	2023	2022	
Current assets	\$ 524.4	\$ 503.0	\$ 56.2	\$ 53.6	\$ 580.6	\$ 556.6	4 %
Noncurrent assets	257.0	277.7	151.4	162.3	408.4	440.0	(7)%
Total assets	<u>781.4</u>	<u>780.7</u>	<u>207.6</u>	<u>215.9</u>	<u>989.0</u>	<u>996.6</u>	(1)%
Deferred outflows of resources	<u>127.7</u>	<u>147.3</u>	<u>23.7</u>	<u>22.5</u>	<u>151.4</u>	<u>169.8</u>	(11)%
Current liabilities	268.5	261.1	29.7	29.8	298.2	290.9	3 %
Long-term liabilities	<u>542.4</u>	<u>470.8</u>	<u>172.6</u>	<u>167.0</u>	<u>715.0</u>	<u>637.8</u>	12 %
Total liabilities	<u>810.9</u>	<u>731.9</u>	<u>202.3</u>	<u>196.8</u>	<u>1,013.2</u>	<u>928.7</u>	9 %
Deferred inflows of resources	<u>218.1</u>	<u>376.3</u>	<u>50.4</u>	<u>71.9</u>	<u>268.5</u>	<u>448</u>	100 %
Net position (deficit)							
Net investment in capital assets	69.8	70.7	31.3	28.3	101.1	99.0	2 %
Restricted	50.1	84.2	8.1	7.8	58.2	92.0	(37)%
Unrestricted	<u>(239.8)</u>	<u>(335.1)</u>	<u>(60.8)</u>	<u>(66.4)</u>	<u>(300.6)</u>	<u>(401.5)</u>	(25)%
Total net position (deficit)	<u>\$ (119.9)</u>	<u>\$ (180.2)</u>	<u>\$ (21.4)</u>	<u>\$ (30.3)</u>	<u>\$ (141.3)</u>	<u>\$ (210.5)</u>	

County of Albany, New York

Management's Discussion and Analysis
December 31, 2023

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position (Deficit)

The County's 2023 revenues totaled \$662.7 million (see Table A-4). This excludes the \$143.5 million of sales tax revenue that is received and passed through to other localities but is required to be recorded as revenue in the statement of activities. Taxes and operating grants accounted for most of the County's revenue by contributing 59.5% and 21.3%, 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 \$593.6 million for the year ended December 31, 2023. This also excludes the \$143.5 million of sales tax revenue distributed to other localities but is required to be recorded as an expenditure in the statement of activities.

Net position (deficit) increased by \$69.1 million during 2023.

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

	Year Ended December 31, 2023		
	Governmental	Business-Type	Total
	Activities	Activities	
REVENUES			
Program revenues			
Charges for services	\$ 47.3	\$ 61.5	\$ 108.8
Operating grants	171.8	0.0	171.8
General revenues			
Property taxes	98.9	0.0	98.9
Other taxes	380.9	0.0	380.9
Investment earnings	16.4	0.9	17.3
Other	19.1	9.4	28.5
Total revenues	<u>734.4</u>	<u>71.8</u>	<u>806.2</u>
EXPENSES			
General government support	225.0	0.0	225.0
Education	36.1	0.0	36.1
Public safety	111.6	0.0	111.6
Health	45.7	0.0	45.7
Transportation	36.3	0.0	36.3
Economic assistance and opportunity	198.3	0.0	198.3
Culture and recreation	0.7	0.0	0.7
Home and community service	5.1	0.0	5.1
Interest and fiscal changes on debt	6.0	0.0	6.0
Business-type activities			
Shaker Place Rehabilitation & Nursing Center	0.0	45.1	45.1
Enterprise Recreation Civic Center	0.0	11.9	11.9
Sewer District	0.0	15.3	15.3
Total expenses	<u>664.8</u>	<u>72.3</u>	<u>737.1</u>
TRANSFERS	<u>(9.3)</u>	<u>9.3</u>	<u>0.0</u>
Change in net position (deficit)	<u>\$ 60.3</u>	<u>\$ 8.8</u>	<u>\$ 69.1</u>

County of Albany, New York

Management's Discussion and Analysis
December 31, 2023

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position (Deficit) (Continued)

Table A-5: Sources of Revenues for the Year 2023

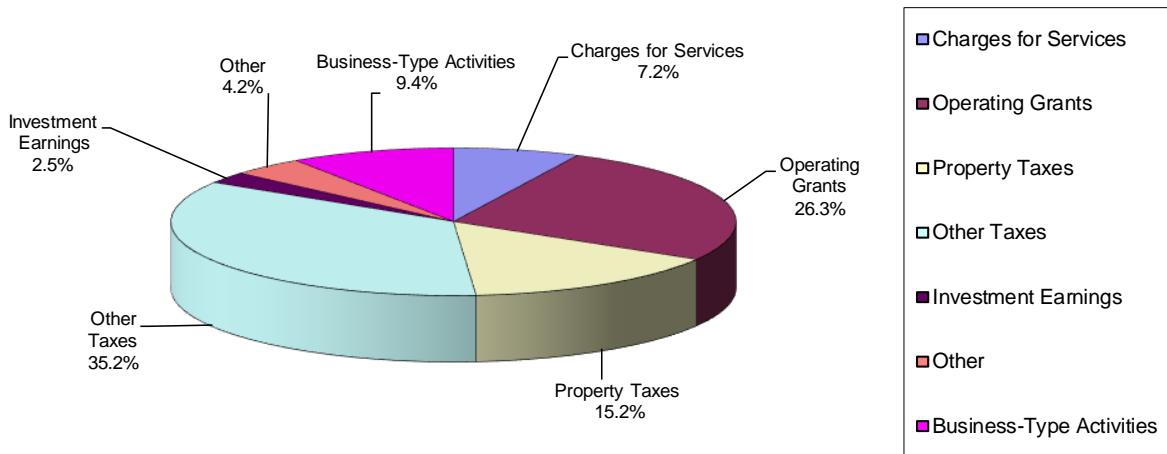
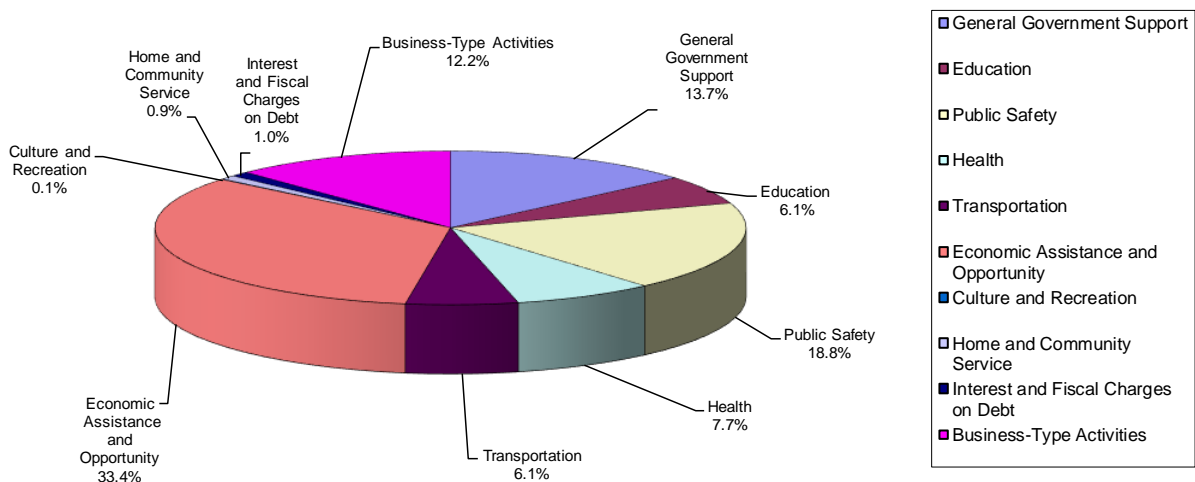


Table A-6: Expenses for the Year 2023



Governmental Activities

Revenues for the County's governmental activities totaled \$734.4 million, while total expenses equaled \$664.8 million. During the year 2023, the County's net transfer from governmental activities to support its business-type activities amounted to \$9.3 million. Therefore, the increase in net position for governmental activities was \$60.3 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.

County of Albany, New York

Management's Discussion and Analysis
December 31, 2023

Financial Analysis of the County as a Whole (Continued)

Governmental Activities (Continued)

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 2023	Net Cost (Surplus) 2023
General government support	\$ 225.0	\$ 195.7
Education	36.1	23.4
Public safety	111.6	76.2
Health	45.7	15.1
Transportation	36.3	27.3
Economic assistance and opportunity	198.3	98.1
Culture and recreation	0.7	(0.4)
Home and community service	5.1	4.3
Interest and fiscal charges on debt	6.0	6.0
Total	\$ 664.8	\$ 445.7

- The cost of all governmental activities this year was \$664.8 million (includes the distribution of sales tax);
- The users of the County's programs (\$47.3 million) financed some of the cost;
- Federal and state governments subsidized certain programs with grants and contributions (\$171.8 million); and
- Most of the County's net costs (\$445.7 million) were financed by taxes and other miscellaneous revenue (includes the distribution of sales tax).

Business-Type Activities

Revenues for the County's business-type activities totaled approximately \$71.8 million, while total expenses equaled \$72.3 million. During the year 2023, the County's net transfer from governmental activities to support its business-type activities amounted to approximately \$9.3 million. Therefore, there was an increase of \$8.8 million in net position (deficit) for business-type activities in 2023.

County of Albany, New York

Management's Discussion and Analysis
December 31, 2023

Financial Analysis of the County as a Whole (Continued)

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 2023	Net Cost 2023
Shaker Place Rehabilitation & Nursing Center	\$ 45.1	\$ 7.3
Enterprise Recreation Civic Center	11.9	3.2
Sewer District	15.3	0.2
Total	\$ 72.3	\$ 10.7

- The cost of all business-type activities this year was \$72.3 million;
- The users of the County's programs (\$61.5 million) financed a majority of the cost; and
- The County's net cost was \$10.7 million.

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.

Capital Assets

At December 31, 2023, the County had invested \$408.0 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 2023.

County of Albany, New York

Management's Discussion and Analysis
December 31, 2023

Budgetary Highlights (Continued)

Debt Administration

At year-end, the County had \$280.6 million in general obligation and other long-term debt outstanding. More detailed information about the County's long-term liabilities is presented in Note 7 to the financial statements.

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

	Governmental Activities	Business-Type Activities	Total
Bonds payable	\$ 159.2	\$ 121.4	\$ 280.6
Compensated absences	14.1	0.3	14.4
Lease liability	0.8	0.0	0.8
Subscription-based IT arrangement liabilities	0.5	0.0	0.5
Net pension liability	97.8	15.2	113.0
OPEB liability	297.1	47.8	344.9
Total	\$ 569.5	\$ 184.7	\$ 754.2

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 New York State-run Medical Assistance Program has caused significant local cost increases in recent years. The County has little control over 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)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	December 31, 2023			
	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
CURRENT ASSETS				
Cash and cash equivalents	\$ 98,715,333	\$ 21,422,544	\$ 120,137,877	\$ 50,861,130
Cash and cash equivalents, restricted	28,835,132	3,176,369	32,011,501	28,451,775
Investments	73,348,593	3,140,131	76,488,724	-
Investments, restricted	97,894,597	17,963,089	115,857,686	-
Custodial accounts	-	432,931	432,931	-
Taxes receivable, net	90,013,499	-	90,013,499	-
Other receivables	20,933,208	12,282,747	33,215,955	4,652,597
Other receivables, restricted	-	-	-	10,679,485
State and federal receivables	97,874,911	6,681,417	104,556,328	-
Internal balances	11,365,866	(11,365,866)	-	-
Due from Custodial Fund	44,532	-	44,532	-
Due from other governments	2,132,830	-	2,132,830	-
Inventory	167,394	157,342	324,736	-
Prepaid and other	3,091,843	1,038,665	4,130,508	1,039,395
Lease receivable	-	828,736	828,736	2,722,345
Workers' compensation reserve	-	515,715	515,715	-
Total current assets	524,417,738	56,273,820	580,691,558	98,406,727
NONCURRENT ASSETS				
Prepaid expenses	-	-	-	178,797
Property held for resale	-	-	-	1,590,788
Lease receivable	-	325,212	325,212	16,969,066
Capital assets, net	257,074,314	150,952,413	408,026,727	275,882,269
Total noncurrent assets	257,074,314	151,277,625	408,351,939	294,620,920
Total assets	781,492,052	207,551,445	989,043,497	393,027,647
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	70,810,410	10,981,944	81,792,354	1,063,610
OPEB	54,701,712	12,771,415	67,473,127	906,998
Deferred loss on refunding	2,257,473	-	2,257,473	638,650
Total deferred outflows of resources	127,769,595	23,753,359	151,522,954	2,609,258

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, 2023			
	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
CURRENT LIABILITIES				
Accounts payable	\$ 67,040,296	\$ 5,433,785	\$ 72,474,081	\$ 4,482,688
Accrued liabilities	33,512,704	3,788,512	37,301,216	12,925,402
Claims payable	232,165	331,293	563,458	-
Custodial accounts	-	312,764	312,764	-
Payable from restricted assets	-	-	-	16,275,794
Due to other governments	66,846,258	-	66,846,258	-
Deposits	8,576,455	-	8,576,455	-
Due to others, net	-	623,233	623,233	-
Current maturities of bonds payable	25,128,667	12,067,551	37,196,218	-
Current portion of compensated absences	1,412,865	31,294	1,444,159	-
Current portion of subscription-based IT arrangement liabilities	440,954	-	440,954	-
Current portion of lease liability	145,899	-	145,899	165,078
Unearned revenue	63,399,997	7,123,652	70,523,649	-
Accrued interest	1,789,707	-	1,789,707	-
Total current liabilities	268,525,967	29,712,084	298,238,051	33,848,962
NONCURRENT LIABILITIES				
Bonds payable, less current maturities	134,068,268	109,382,731	243,450,999	51,326,412
Compensated absences, less current portion	12,715,789	281,644	12,997,433	-
Net pension liability, proportionate share	97,843,721	15,174,523	113,018,244	1,026,081
OPEB liability	297,100,092	47,750,949	344,851,041	6,386,068
Subscription-based IT arrangement liabilities, less current portion	59,057	-	59,057	-
Lease liability, less current portion	657,717	-	657,717	-
Total noncurrent liabilities	542,444,644	172,589,847	715,034,491	58,738,561
Total liabilities	810,970,611	202,301,931	1,013,272,542	92,587,523
DEFERRED INFLOWS OF RESOURCES				
Pensions	7,845,017	1,216,678	9,061,695	75,313
OPEB	210,298,629	47,866,072	258,164,701	766,596
Leases	-	1,352,878	1,352,878	18,721,114
Other	-	-	-	1,784,303
Concession Improvement Trust funds	-	-	-	906,386
Total deferred inflows of resources	218,143,646	50,435,628	268,579,274	22,253,712
NET POSITION (DEFICIT)				
Net investment in capital assets	69,754,563	31,323,295	101,077,858	208,844,436
Restricted	50,148,224	8,092,192	58,240,416	38,318,628
Unrestricted	(239,755,397)	(60,848,242)	(300,603,639)	33,632,606
Total net position (deficit)	\$ (119,852,610)	\$ (21,432,755)	\$ (141,285,365)	\$ 280,795,670

See accompanying Notes to Financial Statements.

County of Albany, New York

Government-Wide Financial Statements Statement of Activities

Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position (Deficit)			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
Governmental activities								
General government support	\$ 225,013,437	\$ 18,082,128	\$ 11,220,317	\$ -	\$ (195,710,992)	\$ -	\$ (195,710,992)	\$ -
Education	36,100,684	2,576,978	10,141,271	-	(23,382,435)	-	(23,382,435)	-
Public safety	111,624,251	15,065,408	20,335,473	-	(76,223,370)	-	(76,223,370)	-
Health	45,687,544	4,804,095	25,774,673	-	(15,108,776)	-	(15,108,776)	-
Transportation	36,276,987	2,447,377	6,537,757	-	(27,291,853)	-	(27,291,853)	-
Economic assistance and opportunity	198,314,451	3,091,839	97,070,943	-	(98,151,669)	-	(98,151,669)	-
Culture and recreation	670,039	513,608	637,970	-	481,539	-	481,539	-
Home and community service	5,050,189	670,721	59,972	-	(4,319,496)	-	(4,319,496)	-
Interest and fiscal charges on debt	6,030,480	-	-	-	(6,030,480)	-	(6,030,480)	-
Total governmental activities	<u>664,768,062</u>	<u>47,252,154</u>	<u>171,778,376</u>	<u>-</u>	<u>(445,737,532)</u>	<u>-</u>	<u>(445,737,532)</u>	<u>-</u>
Business-type activities								
Sewer District	15,288,631	15,134,053	-	-	-	(154,578)	(154,578)	-
Enterprise Recreation Civic Center	11,881,047	8,630,637	-	-	-	(3,250,410)	(3,250,410)	-
Shaker Place Rehabilitation & Nursing Center	45,064,131	37,756,469	-	-	-	(7,307,662)	(7,307,662)	-
Total business-type activities	<u>72,233,809</u>	<u>61,521,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,712,650)</u>	<u>(10,712,650)</u>	<u>-</u>
Total primary government	<u>\$ 737,001,871</u>	<u>\$ 108,773,313</u>	<u>\$ 171,778,376</u>	<u>\$ -</u>	<u>(445,737,532)</u>	<u>(10,712,650)</u>	<u>(456,450,182)</u>	<u>-</u>
COMPONENT UNITS								
Albany County Industrial Development Agency	\$ 2,482,369	\$ 819,303	\$ -	\$ -	-	-	-	(1,663,066)
Albany County Airport Authority	65,317,809	53,230,207	-	22,162,212	-	-	-	10,074,610
Albany County Land Bank Corporation	3,870,605	2,272,977	-	-	-	-	-	(1,597,628)
Total component units	<u>\$ 71,670,783</u>	<u>\$ 56,322,487</u>	<u>\$ -</u>	<u>\$ 22,162,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,813,916</u>
GENERAL REVENUES AND TRANSFERS								
Real property taxes					98,913,240	-	98,913,240	-
Real property tax items					7,920,811	-	7,920,811	-
Non-property tax items					372,982,759	-	372,982,759	-
Intergovernmental charges					3,615,423	9,241,177	12,856,600	-
Use of money and property					16,405,924	919,703	17,325,627	2,458,598
Sale of property and compensation for loss					7,144,701	-	7,144,701	-
Donation of property for sale					-	-	-	660,100
Miscellaneous					8,431,551	63,986	8,495,537	6,402,717
Net interfund transfers					(9,323,461)	9,323,461	-	-
Total general revenues and transfers					<u>506,090,948</u>	<u>19,548,327</u>	<u>525,639,275</u>	<u>9,521,415</u>
Change in net position (deficit)					60,353,416	8,835,677	69,189,093	16,335,331
NET POSITION (DEFICIT), beginning of year					<u>(180,206,026)</u>	<u>(30,268,432)</u>	<u>(210,474,458)</u>	<u>264,460,339</u>
NET POSITION (DEFICIT), end of year					<u>\$ (119,852,610)</u>	<u>\$ (21,432,755)</u>	<u>\$ (141,285,365)</u>	<u>\$ 280,795,670</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Balance Sheet - Governmental Funds

December 31, 2023

	Major Funds			
	General	Miscellaneous	Other Governmental	Total
		Special Revenue		
ASSETS				
Cash and cash equivalents	\$ 82,359,447	\$ -	\$ 15,757,876	\$ 98,117,323
Cash and cash equivalents, restricted	5,141,591	-	11,332,442	16,474,033
Investments	73,348,593	-	-	73,348,593
Investments, restricted	-	62,490,274	35,404,323	97,894,597
Taxes receivable, net	90,013,499	-	-	90,013,499
Other receivables	20,070,958	-	843,733	20,914,691
State and federal receivables	92,899,316	-	4,975,595	97,874,911
Due from other funds	34,497,552	-	275,235	34,772,787
Due from other governments	2,129,108	-	-	2,129,108
Inventory	167,394	-	-	167,394
Prepaid expenses	3,809,974	-	135,683	3,945,657
Total assets	\$ 404,437,432	\$ 62,490,274	\$ 68,724,887	\$ 535,652,593
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 60,605,747	\$ 418,332	\$ 4,364,875	\$ 65,388,954
Accrued liabilities	24,318,693	-	1,426,038	25,744,731
Due to other funds	-	3,701,151	19,661,238	23,362,389
Due to other governments	66,843,901	-	2,358	66,846,259
Unearned revenue	5,029,206	-	-	5,029,206
Deposits payable	8,576,455	-	-	8,576,455
Total liabilities	165,374,002	4,119,483	25,454,509	194,947,994
DEFERRED INFLOWS OF RESOURCES				
Other unavailable resources	-	58,370,791	-	58,370,791
Tax revenues, unavailable	44,275,888	-	-	44,275,888
Total deferred inflows of resources	44,275,888	58,370,791	-	102,646,679
FUND BALANCES				
Nonspendable	26,708,826	-	135,683	26,844,509
Restricted	5,755,961	-	39,799,137	45,555,098
Assigned	39,809,548	-	3,335,558	43,145,106
Unassigned	122,513,207	-	-	122,513,207
Total fund balances	194,787,542	-	43,270,378	238,057,920
Total liabilities, deferred inflows of resources, and fund balances	\$ 404,437,432	\$ 62,490,274	\$ 68,724,887	\$ 535,652,593

See accompanying Notes to Financial Statements.

County of Albany, New York

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

		December 31, 2023
Total governmental fund balances	\$	238,057,920
Amounts reported for governmental activities in the statement of net position are different because:		
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 (deficit).		257,074,314
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 (deficit):		
Deferred charges, pensions	\$ 70,810,410	
Deferred charges, OPEB	54,701,712	
Deferred loss on refunding	2,257,473	127,769,595
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 (deficit):		
Deferred charges, pensions	(7,845,017)	
Deferred charges, OPEB	(210,298,629)	(218,143,646)
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.		(853,813)
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.		44,275,888
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 (deficit).		3,010,241
The following long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable	(158,877,308)	
Compensated absences	(14,128,654)	
Lease liability	(803,616)	
Subscription-based IT arrangement liabilities	(500,011)	
OPEB liability	(297,100,092)	
Net pension liability	(97,843,721)	(569,253,402)
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 (deficit).		(1,789,707)
Total net position (deficit)	\$	(119,852,610)

See accompanying Notes to Financial Statements.

County of Albany, New York

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

	Year Ended December 31, 2023			
	Major Funds			
		Miscellaneous		
	General	Special Revenue	Other Governmental	Total
REVENUES				
Real property taxes	\$ 93,392,927	\$ -	\$ -	\$ 93,392,927
Real property tax items	7,920,811	-	-	7,920,811
Non-property tax items	369,942,333	-	3,084,345	373,026,678
Departmental income	30,984,075	-	-	30,984,075
Intergovernmental charges	14,725,486	-	1,266,318	15,991,804
Use of money and property	12,131,581	-	3,945,515	16,077,096
Fines and forfeitures	232,356	-	-	232,356
Sale of property and compensation for loss	4,437,848	-	1,850,419	6,288,267
Miscellaneous local sources	5,660,040	-	123,453	5,783,493
Interfund revenues	-	-	1,511,296	1,511,296
State aid	93,577,821	-	5,132,632	98,710,453
Federal aid	72,854,966	755,565	2,068,730	75,679,261
Total revenues	<u>705,860,244</u>	<u>755,565</u>	<u>18,982,708</u>	<u>725,598,517</u>
EXPENDITURES				
Current operations				
General government support	195,830,430	-	-	195,830,430
Education	36,100,684	-	-	36,100,684
Public safety	74,996,100	-	-	74,996,100
Transportation	1,415,632	-	15,810,310	17,225,942
Health	38,510,819	-	-	38,510,819
Economic assistance and opportunity	185,950,051	-	-	185,950,051
Culture and recreation	407,283	-	-	407,283
Home and community service	5,979,009	-	-	5,979,009
Employee benefits	67,011,671	-	3,610,944	70,622,615
Capital outlay, general government support	2,488,884	755,565	12,961,953	16,206,402
Capital outlay, public safety	4,034,135	-	2,055,370	6,089,505
Capital outlay, health	504,822	-	-	504,822
Capital outlay, transportation	-	-	21,364,533	21,364,533
Capital outlay, economic assistance and opportunity	369,840	-	-	369,840
Capital outlay, home and community service	79,856	-	-	79,856
Debt service				
Principal	1,047,288	-	23,798,921	24,846,209
Interest	39,641	-	8,504,925	8,544,566
Total expenditures	<u>614,766,145</u>	<u>755,565</u>	<u>88,106,956</u>	<u>703,628,666</u>
Excess (deficiency) of revenues over (under) expenditures	91,094,099	-	(69,124,248)	21,969,851
OTHER FINANCING SOURCES (USES)				
Proceeds from subscription-based IT arrangement asset	1,240,864	-	-	1,240,864
Transfers from other funds	2,392,044	-	41,261,223	43,653,267
Transfers to other funds	(50,377,442)	-	(9,141,511)	(59,518,953)
Total other financing sources (uses)	<u>(46,744,534)</u>	<u>-</u>	<u>32,119,712</u>	<u>(14,624,822)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	44,349,565	-	(37,004,536)	7,345,029
FUND BALANCES, beginning of year	<u>150,437,977</u>	<u>-</u>	<u>80,274,914</u>	<u>230,712,891</u>
FUND BALANCES, end of year	<u>\$ 194,787,542</u>	<u>\$ -</u>	<u>\$ 43,270,378</u>	<u>\$ 238,057,920</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

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

		Year Ended December 31, 2023
Net change in fund balances - total governmental funds	\$	7,345,029
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlays	\$	41,641,823
Disposals		(86,909)
Depreciation expense		(25,506,276)
		16,048,638
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.		
Amortization of gain on refundings		(907,957)
Property tax revenues and certain social service revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		5,518,133
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These include:		
Compensated absences		(2,269,175)
OPEB liability		(878,219)
Change in deferred outflows of resources, OPEB liability		(15,227,619)
Change in deferred inflows of resources, OPEB liability		36,290,919
		17,915,906
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.		
		1,073,580
Revenues and expenditures of the Internal Service Fund are not included in business-type activities but are included in governmental activities in the statement of activities.		
		2,562,172
Repayment and refunding of bond principal and other long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position (deficit).		
		23,801,101
Repayment of lease and subscription-based IT arrangement liabilities are an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position (deficit).		
Leases		306,435
Subscription-based IT arrangements		740,853
		1,047,288
Proceeds from subscription-based IT arrangement assets are included in the statement of revenues, expenditures, and changes in fund balances as an other financing source but included in the statement of net position (deficit) as a liability.		
		(1,240,864)
In the statement of activities, bond premiums are amortized against interest expense over the life of the bond.		
		3,106,855
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.		
		330,536
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:		
Change in net pension liability		(134,540,871)
Change in deferred outflows of resources		(3,577,956)
Change in deferred inflows of resources		121,871,826
		(16,247,001)
Change in net position (deficit) of governmental activities	\$	60,353,416

See accompanying Notes to Financial Statements.

County of Albany, New York

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

December 31, 2023

	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS					
Cash and cash equivalents	\$ 11,098,042	\$ 8,234,347	\$ 2,090,155	\$ 21,422,544	\$ 598,010
Cash and cash equivalents, restricted	1,847,669	1,328,700	-	3,176,369	12,361,099
Investments	-	-	3,140,131	3,140,131	-
Investments, restricted	-	16,141,925	1,821,164	17,963,089	-
Custodial accounts	-	-	432,931	432,931	-
Receivables	7,952,034	1,239,161	3,091,552	12,282,747	18,517
State and federal receivables	-	-	6,681,417	6,681,417	3,722
Inventory	-	-	157,342	157,342	-
Prepaid expenses	111,036	148,040	779,589	1,038,665	-
Lease receivable	-	828,736	-	828,736	-
Workers' compensation reserve	-	-	515,715	515,715	-
Total current assets	21,008,781	27,920,909	18,709,996	67,639,686	12,981,348
NONCURRENT ASSETS					
Lease receivable	-	325,212	-	325,212	-
Capital assets, net	25,500,534	52,898,253	72,553,626	150,952,413	-
Total noncurrent assets	25,500,534	53,223,465	72,553,626	151,277,625	-
Total assets	46,509,315	81,144,374	91,263,622	218,917,311	12,981,348
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges, pensions	2,305,004	-	8,676,940	10,981,944	-
Deferred charges, OPEB	2,761,985	-	10,009,430	12,771,415	-
Total deferred outflows of resources	5,066,989	-	18,686,370	23,753,359	-

See accompanying Notes to Financial Statements.

County of Albany, New York

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

	December 31, 2023				
	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)					
CURRENT LIABILITIES					
Accounts payable	\$ 1,247,693	\$ 1,790,059	\$ 2,396,033	\$ 5,433,785	\$ 1,651,342
Accrued liabilities	190,638	1,817,469	1,780,405	3,788,512	7,767,973
Claims payable	331,293	-	-	331,293	232,165
Due to others, net	-	-	623,233	623,233	-
Due to other funds	513,837	2,039,830	8,812,199	11,365,866	-
Current portion of compensated absences	31,294	-	-	31,294	-
Unearned revenue	-	7,123,652	-	7,123,652	-
Current maturities of bonds payable	866,401	5,861,585	5,339,565	12,067,551	47,010
Custodial accounts	-	-	312,764	312,764	-
Total current liabilities	3,181,156	18,632,595	19,264,199	41,077,950	9,698,490
NONCURRENT LIABILITIES					
Bonds payable, less current maturities	5,289,268	42,770,123	61,323,340	109,382,731	272,617
Compensated absences, less current portion	281,644	-	-	281,644	-
Net pension liability, proportionate share	3,184,986	-	11,989,537	15,174,523	-
OPEB liability	11,198,527	-	36,552,422	47,750,949	-
Total noncurrent liabilities	19,954,425	42,770,123	109,865,299	172,589,847	272,617
Total liabilities	23,135,581	61,402,718	129,129,498	213,667,797	9,971,107

See accompanying Notes to Financial Statements.

County of Albany, New York

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

	December 31, 2023				Internal Service Fund
	Enterprise Funds			Total	Self Insurance
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT) (CONTINUED)					
DEFERRED INFLOWS OF RESOURCES					
Pensions	\$ 255,369	\$ -	\$ 961,309	\$ 1,216,678	\$ -
Leases	-	1,352,878	-	1,352,878	-
OPEB	13,040,583	-	34,825,489	47,866,072	-
Total deferred inflows of resources	13,295,952	1,352,878	35,786,798	50,435,628	-
NET POSITION (DEFICIT)					
Net investment in capital assets	19,344,865	4,266,545	7,711,885	31,323,295	-
Restricted for					
Capital projects	-	1,328,700	-	1,328,700	-
Debt service	1,126,249	-	-	1,126,249	-
Other purposes	5,637,243	-	-	5,637,243	4,593,126
Unrestricted	(10,963,586)	12,793,533	(62,678,189)	(60,848,242)	(1,582,885)
Total net position (deficit)	\$ 15,144,771	\$ 18,388,778	\$ (54,966,304)	\$ (21,432,755)	\$ 3,010,241

See accompanying Notes to Financial Statements.

County of Albany, New York

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

	Year Ended December 31, 2023				Internal Service Fund
	Enterprise Funds				
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
OPERATING REVENUES					
Charges for services, net	\$ 14,363,312	\$ 8,630,637	\$ 33,777,039	\$ 56,770,988	\$ 2,104,127
Other operating revenues	770,741	-	3,979,430	4,750,171	893,154
Total operating revenues	<u>15,134,053</u>	<u>8,630,637</u>	<u>37,756,469</u>	<u>61,521,159</u>	<u>2,997,281</u>
OPERATING EXPENSES					
Health care services	-	-	23,410,383	23,410,383	-
Administrative and general services	3,792,039	-	3,228,827	7,020,866	-
Employee benefits	3,013,796	-	7,339,419	10,353,215	5,624,651
Depreciation	2,226,263	3,275,789	4,797,503	10,299,555	-
Contractual expenses	6,083,131	6,720,413	-	12,803,544	1,666,163
New York State assessment	-	-	1,966,066	1,966,066	-
County cost allocations	-	-	2,124,755	2,124,755	-
Total operating expenses	<u>15,115,229</u>	<u>9,996,202</u>	<u>42,866,953</u>	<u>67,978,384</u>	<u>7,290,814</u>
Operating income (loss)	<u>18,824</u>	<u>(1,365,565)</u>	<u>(5,110,484)</u>	<u>(6,457,225)</u>	<u>(4,293,533)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest earnings	462,298	42,922	414,483	919,703	328,828
Interest on debt	(173,402)	(1,884,845)	(2,197,178)	(4,255,425)	(15,348)
Intergovernmental transfer	-	-	9,241,177	9,241,177	-
Other	25,000	-	38,986	63,986	-
Total nonoperating revenues (expenses)	<u>313,896</u>	<u>(1,841,923)</u>	<u>7,497,468</u>	<u>5,969,441</u>	<u>313,480</u>
Income (loss) before transfers	<u>332,720</u>	<u>(3,207,488)</u>	<u>2,386,984</u>	<u>(487,784)</u>	<u>(3,980,053)</u>
TRANSFERS					
Transfers from other funds	-	7,716,754	8,376,458	16,093,212	6,542,225
Transfers to other funds	(696,912)	(6,072,839)	-	(6,769,751)	-
	<u>(696,912)</u>	<u>1,643,915</u>	<u>8,376,458</u>	<u>9,323,461</u>	<u>6,542,225</u>
Change in net position (deficit)	<u>(364,192)</u>	<u>(1,563,573)</u>	<u>10,763,442</u>	<u>8,835,677</u>	<u>2,562,172</u>
NET POSITION (DEFICIT), beginning of year	<u>15,508,963</u>	<u>19,952,351</u>	<u>(65,729,746)</u>	<u>(30,268,432)</u>	<u>448,069</u>
NET POSITION (DEFICIT), end of year	<u>\$ 15,144,771</u>	<u>\$ 18,388,778</u>	<u>\$ (54,966,304)</u>	<u>\$ (21,432,755)</u>	<u>\$ 3,010,241</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds

Year Ended December 31, 2023

	Enterprise Funds				Internal Service Fund
	Sewer District	Enterprise Recreation Civic Center	Shaker Place Rehabilitation & Nursing Center	Total	Self Insurance
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES					
Cash received for services provided	\$ 10,684,243	\$ 8,578,457	\$ 31,395,766	\$ 50,658,466	\$ 2,989,732
Cash received from grants and others	770,741	-	3,979,430	4,750,171	-
Cash payments to suppliers for goods and services	(10,267,382)	(6,462,478)	(13,979,513)	(30,709,373)	(8,046,155)
Cash payments to employees for services	(2,902,469)	-	(20,211,025)	(23,113,494)	-
	(1,714,867)	2,115,979	1,184,658	1,585,770	(5,056,423)
CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES					
Cash received from others	25,000	-	9,241,177	9,266,177	-
Other nonoperating revenues (expenses)	-	-	(76,022)	(76,022)	-
Transfers in (out)	(774,849)	5,408,694	(2,835,841)	1,798,004	6,542,225
	(749,849)	5,408,694	6,329,314	10,988,159	6,542,225
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of property and equipment	-	(1,178,833)	(3,605,683)	(4,784,516)	-
Payments of long-term debt	(852,434)	(5,736,058)	(4,991,045)	(11,579,537)	(44,722)
Interest paid	(173,402)	(1,884,845)	(2,474,397)	(4,532,644)	(15,348)
	(1,025,836)	(8,799,736)	(11,071,125)	(20,896,697)	(60,070)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES					
Interest received	462,298	42,922	414,483	919,703	328,828
Purchases of investments	-	(971,648)	-	(971,648)	-
Proceeds from sale of investments	-	-	2,949,927	2,949,927	-
	462,298	(928,726)	3,364,410	2,897,982	328,828
Net increase (decrease) in cash and cash equivalents	(3,028,254)	(2,203,789)	(192,743)	(5,424,786)	1,754,560
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	15,973,965	11,766,836	2,282,898	30,023,699	11,204,549
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 12,945,711	\$ 9,563,047	\$ 2,090,155	\$ 24,598,913	\$ 12,959,109

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, 2023

	Enterprise Funds				Internal Service Fund
	Sewer District	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)	\$ 18,824	\$ (1,365,565)	\$ (5,110,484)	\$ (6,457,225)	\$ (4,293,533)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	2,226,263	3,275,789	4,797,503	10,299,555	-
OPEB accrual	207,896	-	2,693,802	2,901,698	-
Bad debt	-	-	877,020	877,020	-
Portion due to employees' retirement system to be amortized	(20,577)	-	(57,245)	(77,822)	-
(Increase) decrease in					
Receivables	(3,679,069)	(31,426)	(3,258,293)	(6,968,788)	(3,827)
Due from other governments	-	-	-	-	(3,722)
Workers' compensation reserve	-	-	3,837,623	3,837,623	-
Prepaid expenses and other assets	36,647	(65,699)	(106,593)	(135,645)	-
Lease receivable	-	705,253	-	705,253	-
Deferred outflows of resources, pensions	(19,243)	-	(1,215,127)	(1,234,370)	-
Deferred outflows of resources, OPEB	538,394	-	(594,640)	(56,246)	-
Increase (decrease) in					
Accounts payable	(162,052)	203,553	(309,925)	(268,424)	1,577,406
Due to others	-	-	181,607	181,607	-
Accrued liabilities	(252,116)	120,081	(320,617)	(452,652)	(1,086,449)
Claims payable	(3,123)	-	-	(3,123)	(1,246,298)
Compensated absences	17,419	-	-	17,419	-
Due to employees' retirement system	(14,691)	-	(39,115)	(53,806)	-
Net pension liability	4,314,179	-	15,613,108	19,927,287	-
Unearned revenue	-	58,182	-	58,182	-
Deferred inflows of resources, leases	-	(784,189)	-	(784,189)	-
Deferred inflows of resources, pensions	(3,736,096)	-	(11,847,266)	(15,583,362)	-
Deferred inflows of resources, OPEB	(1,187,522)	-	(3,956,700)	(5,144,222)	-
Net cash provided (used) by operating activities	\$ (1,714,867)	\$ 2,115,979	\$ 1,184,658	\$ 1,585,770	\$ (5,056,423)

See accompanying Notes to Financial Statements.

County of Albany, New York

Fund Financial Statements Statement of Fiduciary Net Position - Fiduciary Fund

	December 31, 2023
	Custodial Fund
ASSETS	
Cash and cash equivalents, restricted	\$ 5,849,502
LIABILITIES	
Due to other funds	44,532
NET POSITION	
Restricted	
Bail deposits	565,583
Court and trust	4,832,448
Miscellaneous	406,939
	\$ 5,804,970

County of Albany, New York

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

	Year Ended December 31, 2023
	Custodial Fund
ADDITIONS	
Bail deposits	\$ 170,075
Court and trust	243,143
Miscellaneous	167,938
Total additions	<u>581,156</u>
DEDUCTIONS	
Bail deposits	97,732
Court and trust	217,484
Miscellaneous	98,505
Total deductions	<u>413,721</u>
Change in fiduciary net position	167,435
FIDUCIARY NET POSITION, <i>beginning of year</i>	<u>5,637,535</u>
FIDUCIARY NET POSITION, <i>end of year</i>	<u>\$ 5,804,970</u>

See accompanying Notes to Financial Statements.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

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 primarily comprise 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, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

a. Reporting Entity (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 whereby the County granted, and the Authority accepted, sole possession, use, occupancy, and management of the Albany County Airport (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 on 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 focus 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 on July 1, 2014 for the purpose of rehabilitating decrepit and abandoned or seized properties in the County. 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 (the statement of net position (deficit) and the statement of activities) report information on all of the non-fiduciary activities of the County. Interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental 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*.

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.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

a. Reporting Entity (Continued)

Governmental funds: 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).

Proprietary funds: Proprietary funds are used to account for operations: (a) that 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating 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.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

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

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

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

c. Budgets and Budgetary Accounting

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

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

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 (the General Fund and non-major funds) computed on a U.S. GAAP basis and a budgetary basis:

U.S. GAAP basis, fund balances, December 31, 2023	\$ 238,057,920
Outstanding encumbrances	<u>(39,809,548)</u>
Budgetary basis, fund balances, December 31, 2023	<u>\$ 198,248,372</u>

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

d. Credit Risk

In compliance with New York State law, County investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State of New York, time deposit accounts, and certificates of deposit issued by a bank or trust company located and authorized to do business in New York State, and certain joint or cooperative investment programs.

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

Custodial credit risk: For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the fair value of purchased securities in repurchase transactions must be maintained, and the securities must be held by a third party in the County's name.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Collateral is required for deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Banks can satisfy collateral requirements by furnishing a letter of credit, a surety bond, or by pledging eligible securities as specified in Section 10 of New York State General Municipal Law.

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

e. Cash and Investments

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

f. Inventory

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

g. Lease Receivable

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term, discounted by the explicit or implicit interest rate in the agreement or the County's incremental borrowing rate at lease inception. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

h. Restricted Assets

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

i. Capital Assets

Capital assets, which include property, buildings and building improvements, equipment, leased assets, subscription-based information technology (IT) arrangement assets, 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 other than leased or subscription-based IT arrangement 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 the estimated historical cost if purchased or constructed in instances where such records and information are not available. Donated capital assets are recorded at the estimated fair value at the date of donation.

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

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

Capital assets of the County other than leased or subscription-based IT arrangement assets are depreciated using the straight-line method over the following estimated useful lives:

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

The County records a lease asset at the commencement of the lease. The lease asset is initially measured at the amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the asset, ranging from one to 18 years.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

i. Capital Assets (Continued)

The County records a subscription-based IT arrangement asset at the subscription commencement date. The subscription-based IT arrangement asset is initially measured at the amount of the subscription-based IT arrangement liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus any applicable capitalizable implementation costs. The subscription-based IT arrangement asset is amortized on a straight-line basis over the shorter of the subscription period or the useful life of the subscription-based IT arrangement asset, ranging from one to four years.

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, 2023.

j. 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.

k. Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net assets 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 (OPEB).

l. Deferred Inflows of Resources and Unearned Revenues

Deferred inflows of resources represent an acquisition of net assets that applies to future periods. 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 \$44,275,888 at December 31, 2023 represent property tax revenue that was not considered available. Deferred inflows of resources in the Miscellaneous Special Revenue Fund of \$61,485,964 represent ARPA grant funding that is not considered available. The Enterprise Recreation Civic Center reports deferred inflows of resources in relation to lease agreements in which the Enterprise Recreation Civic Center acts as a lessor. In addition, deferred inflows of resources in the proprietary funds and governmental activities represent amounts related to the change in the net pension liability and OPEB, if any.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

l. Deferred Inflows of Resources and Unearned Revenues (Continued)

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. Unearned revenues in the General Fund and the Enterprise Recreation Civic Center of \$5,029,206 and \$7,877,465, respectively, represent cash receipts for which the underlying service has not been performed as of December 31, 2023.

m. Compensated Absences

Under the 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.

n. 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.

o. 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.

The final determination of amounts due to the Rehabilitation and Nursing Center under these cost reimbursement programs is 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.

p. 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).

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

q. *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 and the benefiting funds.

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

In the government-wide and 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 (BAN), which are attributable to the acquisition, construction, or improvement of capital assets, reduce the balance in the category.
- Restricted net position: This category presents net position with constraints placed on use either by: (1) external groups, such as creditors, grantors, contributors, or laws and regulations of the County or other governments; or (2) laws through constitutional provisions or enabling legislation that are legally enforceable. Liabilities to be extinguished from restricted assets reduce the balance in this category.
- Unrestricted net position (deficit): This category presents all other net position (deficit) that does not meet the definition of "restricted net position" or "net investment in capital assets."

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

- Nonspendable: Amounts that cannot be spent because they are either: (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.
- Restricted: Amounts that have restraints that are either: (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation that are legally enforceable.
- Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.
- Assigned: Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.
- Unassigned: The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

r. Fund Balance/Net Position (Deficit) (Continued)

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

s. 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, and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements and during the reported period. Actual results could differ from those estimates.

t. Adoption of New Accounting Standard

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to provide guidance on the reporting and disclosure of subscription-based IT arrangements. This statement (1) defines a subscription-based IT arrangement; (2) establishes that a subscription-based IT arrangement 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 subscription-based IT arrangement; and (4) requires note disclosures.

The County adopted this statement on January 1, 2023, which included the recording of the following, which had no effect on the beginning balance or fund balance of the County's governmental funds:

Governmental Activities

Capital assets, subscription-based IT arrangement assets	\$ 1,240,864
Subscription-based IT arrangement liabilities	1,240,864

u. Subsequent Events

The County has evaluated subsequent events for potential recognition or disclosure through September 27, 2024, the date the financial statements were available to be issued.

Note 2. Cash and Investments

The County's investment policies are governed by New York 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 of New York. Permissible investments include obligations of the U.S. Treasury and U.S. 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, 2023

Note 2. Cash and Investments (Continued)

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, 2023.

As of December 31, 2023, the County has \$188,846,410 invested with the New York Cooperative Liquid Assets Securities System (NYCLASS), which is a short-term highly liquid investment fund. NYCLASS is subject to the Municipal Cooperative Agreement Amended and Restated as of March 14, 2014 (the Agreement) and is structured in accordance with New York State General Municipal Law (GML), Article 3-A and Article 5-G, Sections 119-n and -o, and Chapter 623 of the Laws of 1998. All NYCLASS investment and custodial policies are in accordance with GML, Sections 10 and 11 (as amended by Chapter 708 of the Laws of 1992). NYCLASS is rated "AAA" by S&P Global Ratings. Participants are allowed to conduct transactions (deposits, withdrawals, or transfers) on a normal business day. There are no limits on the dollar amount or number of daily transactions, except that the total daily withdrawals may not exceed the total balance on the deposit.

As of December 31, 2023, the County has investments in U.S. Treasury securities totaling \$3,500,000.

The County reports certain assets at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The framework for measuring fair value includes a three-level valuation hierarchy of fair value measurements. This valuation hierarchy is based on observable inputs and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions and other inputs subject to management's judgment.

These inputs are incorporated in the following fair value hierarchy:

Level 1: Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs are other prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority.

The County considers its investments in U.S. Treasury securities to be Level 1 investments.

The County's investment in NYCLASS is reported at fair value using quoted prices for identical items that are not actively traded. The County considers its NYCLASS investments to be Level 2 within the hierarchy of fair value measurements.

The methods described above may produce fair values that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the County believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

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 \$23,516,523 at December 31, 2023. 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 \$44,275,888 at December 31, 2023.

Taxes receivable are reported net of an allowance for uncollectible amounts of \$8,635,813 at December 31, 2023.

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 \$30,140,016,511.

The primary non-property tax item is sales tax, which is accrued as revenue based on the date the taxes are remitted to the State of New York. Sales tax receivable was \$40,052,145 at December 31, 2023 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	\$ 34,497,552	\$ -
Other governmental	275,235	19,661,238
Shaker Place Rehabilitation & Nursing Center	-	8,812,199
Enterprise Recreation Civic Center	-	2,039,830
Miscellaneous Special Revenue	-	3,701,151
Sewer District	-	513,837
Custodial	-	44,532
	\$ 34,772,787	\$ 34,772,787

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 4. Interfund Receivables, Payables, and Transfers (Continued)

The County made the following operating transfers:

	Transfers Out				Total
	General	Other Governmental	Sewer District	Enterprise Rec. Civic Center	
Transfers In					
General	\$ -	\$ 2,392,044	\$ -	\$ -	\$ 2,392,044
Other governmental	34,491,472	-	696,912	6,072,839	41,261,223
Internal Service	-	6,542,225	-	-	6,542,225
Enterprise Recreation Civic Center	7,509,512	207,242	-	-	7,716,754
Shaker Place Nursing & Rehabilitation Center	8,376,458	-	-	-	8,376,458
 Total	 <u>\$ 50,377,442</u>	 <u>\$ 9,141,511</u>	 <u>\$ 696,912</u>	 <u>\$ 6,072,839</u>	 <u>\$ 66,288,704</u>

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

Note 5. Receivables

Other receivables accrued by the County consist of the following:

Fund	
General, chargebacks and miscellaneous	\$ 20,070,958
Other governmental, hotel occupancy tax	738,321
Other governmental, miscellaneous	105,412
Enterprise Recreation Civic Center, customers, tenants, promoters, and commissions	1,239,161
Sewer District, municipal charges	7,952,034
Shaker Place Rehabilitation & Nursing Center, resident charges	3,091,552
Internal Service, insurance charges	18,517
 Total	 <u>\$ 33,215,955</u>

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 5. Receivables (Continued)

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:

Fund	
Shaker Place Rehabilitation & Nursing Center, grants and aid, various programs	\$ 6,681,417
Other governmental, miscellaneous	3,722
General, social service programs	34,654,931
General, sales tax	40,052,145
General, grants and aid, various programs	<u>18,192,240</u>
	99,584,455
Other governmental	
Capital Projects, Consolidated Highway Improvement Program	354,564
County Road, Consolidated Highway Improvement Program	1,249,413
County Road, Pave-New York Program	2,595,399
County Road, automobile use tax	<u>776,219</u>
Total	<u>\$ 104,560,050</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	<u>\$ 2,129,108</u>

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 6. Capital Assets, Net

a. Governmental Activities Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 8,097,715	\$ -	\$ -	\$ 8,097,715
Construction in progress	30,259,753	35,805,985	33,416,531	32,649,207
Total capital assets not being depreciated	<u>38,357,468</u>	<u>35,805,985</u>	<u>33,416,531</u>	<u>40,746,922</u>
Capital assets being depreciated				
Buildings and building improvements	265,900,284	10,448,873	-	276,349,157
Infrastructure	252,499,243	23,018,868	-	275,518,111
Lease assets	1,430,104	-	86,909	1,343,195
Subscription-based IT arrangement assets	-	1,240,864	-	1,240,864
Equipment	30,761,346	4,543,764	243,362	35,061,748
Total capital assets being depreciated	<u>550,590,977</u>	<u>39,252,369</u>	<u>330,271</u>	<u>589,513,075</u>
Less accumulated depreciation/amortization for				
Buildings and building improvements	118,786,547	9,116,007	-	127,902,554
Infrastructure	206,556,390	12,521,510	-	219,077,900
Lease assets	331,577	233,739	-	565,316
Subscription-based IT arrangement assets	-	566,185	-	566,185
Equipment	22,248,255	3,068,835	243,362	25,073,728
Total accumulated depreciation/amortization	<u>347,922,769</u>	<u>25,506,276</u>	<u>243,362</u>	<u>373,185,683</u>
Governmental activities capital assets, net	<u>\$ 241,025,676</u>	<u>\$ 49,552,078</u>	<u>\$ 33,503,440</u>	<u>\$ 257,074,314</u>

Depreciation expense for 2023 was charged to functions of the primary government as follows:

Governmental activities	
General government support	\$ 6,550,681
Public safety	5,300,361
Health	64,027
Transportation	13,243,552
Economic assistance and opportunity	197,791
Culture and recreation	149,864
	<u>\$ 25,506,276</u>

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 6. Capital Assets, Net (Continued)

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	14,266,331	4,636,320	9,084,618	9,818,033
Total capital assets not being depreciated	<u>17,800,141</u>	<u>4,636,320</u>	<u>9,084,618</u>	<u>13,351,843</u>
Capital assets being depreciated				
Buildings and improvements	320,236,885	9,084,618	-	329,321,503
Equipment	15,126,210	148,196	-	15,274,406
	<u>335,363,095</u>	<u>9,232,814</u>	<u>-</u>	<u>344,595,909</u>
Accumulated depreciation	196,695,784	10,299,555	-	206,995,339
Total capital assets being depreciated	<u>138,667,311</u>	<u>(1,066,741)</u>	<u>-</u>	<u>137,600,570</u>
Business-type activities capital assets, net	<u>\$ 156,467,452</u>	<u>\$ 3,569,579</u>	<u>\$ 9,084,618</u>	<u>\$ 150,952,413</u>

County of Albany, New York

Notes to Financial Statements
December 31, 2023

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:

Description	Year Issue/ Maturity	Interest Rate	Original Issue Amount	Balance December 31, 2022	Accretion, Issuances and Refunding	Amortization/ Payments/ Refunding/ Transfers	Balance December 31, 2023
Governmental Activities							
General Fund							
2014 general obligation refunding	2014/2027	2.000%/5.000%	\$ 25,663,369	\$ 12,930,635	\$ -	\$ 2,460,666	\$ 10,469,969
2016 general obligation refunding	2016/2026	1.000%/5.000%	25,330,000	11,510,000	-	2,715,000	8,795,000
2017 general obligation refunding	2017/2028	3.000%/4.000%	16,643,100	14,433,857	-	2,168,078	12,265,779
2018 general obligation	2018/2029	4.000%/5.000%	57,442,127	41,329,743	-	5,061,094	36,268,649
2019 general obligation	2019/2039	2.000%/5.000%	18,556,884	16,556,204	-	728,801	15,827,403
2019 general obligation refunding	2019/2025	5.000%	9,450,000	5,080,000	-	1,605,000	3,475,000
2019 general obligation refunding	2019/2024	5.000%	23,493,894	12,363,376	-	6,025,095	6,338,281
2020 general obligation	2020/2036	2.000%/4.000%	3,764,405	3,466,008	-	192,811	3,273,197
2020 general obligation refunding	2020/2028	5.000%	7,200,000	5,675,000	-	830,000	4,845,000
2021 general obligation	2022/2036	2.000%/5.000%	22,420,189	21,326,997	-	1,117,593	20,209,404
2022 general obligation	2023/2036	4.000%/5.000%	10,768,920	10,768,920	-	324,505	10,444,415
2022 revenue bond	2023/2038	5.000%	16,120,000	16,120,000	-	615,000	15,505,000
			236,852,888	171,560,740	-	23,843,643	147,717,097
Unamortized premium			-	14,586,693	-	3,106,855	11,479,838
			\$ 236,852,888	\$ 186,147,433	\$ -	\$ 26,950,498	\$ 159,196,935

County of Albany, New York

Notes to Financial Statements December 31, 2023

Note 7. Noncurrent and Debt-Related Liabilities (Continued)

a. Bond Indebtedness (Continued)

Description	Year Issue/ Maturity	Interest Rate	Original Issue Amount	Balance December 31, 2022	Accretion, Issuances and Refunding	Payments/ Refunding/ Transfers	Balance December 31, 2023
Business-Type Activities							
Sewer District							
2006 clean water	2006/2026	3.601%/4.769%	\$ 4,052,176	\$ 890,000	\$ -	\$ 215,000	\$ 675,000
2015 EFC revenue bond	2015/2035	0.200%/3.942%	3,644,853	2,460,000	-	170,000	2,290,000
2017 general obligation refunding	2017/2028	3.000%/4.000%	674,199	584,909	-	87,625	497,284
2018 general obligation	2018/2029	4.000%/5.000%	4,131,856	2,944,322	-	361,398	2,582,924
Shaker Place Rehabilitation & Nursing Center							
2013 general obligation	2013/2028	2.000%/4.000%	350,000	149,293	-	22,388	126,905
2018 general obligation	2018/2029	4.000%/5.000%	34,620,637	24,369,764	-	2,991,242	21,378,522
2019 general obligation	2019/2039	2.000%/5.000%	45,147,966	41,729,182	-	1,836,910	39,892,272
2020 general obligation	2020/2036	2.000%/4.000%	335,595	308,996	-	17,189	291,807
2022 general obligation	2023/2036	4.000%/5.000%	4,092,328	4,092,328	-	123,316	3,969,012
Enterprise Recreation Civic Center							
2014 general obligation refunding	2014/2027	2.000%/5.000%	8,701,631	4,384,365	-	834,334	3,550,031
2018 general obligation	2018/2029	4.000%/5.000%	44,545,920	32,352,346	-	3,988,175	28,364,171
2019 general obligation	2019/2039	2.000%/5.000%	7,111,305	6,344,612	-	279,289	6,065,323
2019 general obligation refunding	2019/2024	5.000%	136,106	71,624	-	34,905	36,719
2021 general obligation	2022/2036	2.000%/5.000%	549,811	523,003	-	27,407	495,596
2022 general obligation	2023/2036	4.000%/5.000%	8,368,752	8,368,752	-	252,179	8,116,573
			166,463,135	129,573,496	-	11,241,357	118,332,139
Unamortized premium			-	3,733,542	-	615,399	3,118,143
Total business-type activities			\$ 166,463,135	\$ 133,307,038	\$ -	\$ 11,856,756	\$ 121,450,282

County of Albany, New York

Notes to Financial Statements
December 31, 2023

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:

Year ending December 31,	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 25,128,667	\$ 6,462,977	\$ 12,067,551	\$ 4,238,766	\$ 47,897,961
2025	19,622,631	5,348,994	12,606,594	3,664,828	41,243,047
2026	18,611,499	4,507,097	13,215,628	3,062,819	39,397,043
2027	16,288,029	3,773,738	13,616,911	2,428,628	36,107,306
2028	14,190,740	3,100,667	13,287,130	1,810,143	32,388,680
2029-2033	29,800,819	10,769,096	30,123,803	4,737,199	75,430,917
2034-2038	20,291,643	7,770,681	20,008,357	1,797,884	49,868,565
2039-2040	3,783,069	2,749,363	3,406,165	85,262	10,023,859
Total	<u>\$ 147,717,097</u>	<u>\$ 44,482,613</u>	<u>\$ 118,332,139</u>	<u>\$ 21,825,529</u>	<u>\$ 332,357,378</u>

b. Noncurrent and Debt-Related Liabilities

Bond anticipation notes: Liabilities for 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 1m, 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 the future timing of payment. The annual budgets of the operating funds provide for such as amounts become payable.

Lease liability: At lease commencement, the County records a lease liability at the present value of payments expected to be made during the lease term.

Subscription-based IT arrangement liability: At subscription commencement, the County records a subscription-based IT arrangement liability at the present value of payments expected to be made during the subscription period.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 7. Noncurrent and Debt Related Liabilities (Continued)

b. Noncurrent and Debt-Related Liabilities (Continued)

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

	Balance December 31, 2022	Increases/ Additions	Decreases/ Payments	Balance December 31, 2023
Governmental Activities				
Bonds payable	\$ 186,147,433	\$ -	\$ 26,950,498	\$ 159,196,935
Due to employees' retirement system	1,073,580	-	1,073,580	-
Compensated absences	11,859,479	3,455,123	1,185,948	14,128,654
Net pension liability	-	97,843,721	-	97,843,721
Lease liabilities	1,110,051	-	306,435	803,616
Subscription-based IT arrangement liabilities	-	1,240,864	740,853	500,011
OPEB liability	296,221,873	16,343,295	15,465,076	297,100,092
	<u>\$ 496,412,416</u>	<u>\$ 118,883,003</u>	<u>\$ 45,722,390</u>	<u>\$ 569,573,029</u>
Business-Type Activities				
Bonds payable	\$ 133,307,038	\$ -	\$ 11,856,756	\$ 121,450,282
Due to employees' retirement system	131,628	-	131,628	-
Compensated absences	295,519	20,371	2,952	312,938
Net pension liability	-	15,174,523	-	15,174,523
OPEB liability	44,849,252	5,751,033	2,849,336	47,750,949
	<u>\$ 178,583,437</u>	<u>\$ 20,945,927</u>	<u>\$ 14,840,672</u>	<u>\$ 184,688,692</u>

Note 8. Retirement Plan

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 governs 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.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 8. Retirement Plan (Continued)

b. Contributions

Employees in ERS Tiers I through IV are non-contributory, 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 the two preceding years were as follows:

Year ended December 31,	
2023	\$ 17,894,293
2022	21,684,259
2021	20,712,547

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

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 New York 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 New York State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in ERS's average rate and the previous graded rate.
- For subsequent New York State fiscal years, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in ERS's average rate and the previous graded rate.
- For subsequent New York State fiscal years in which 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 ERS's fiscal years when the local employer opts to participate in the program. The County fully repaid the liability due to ERS during the year ended December 31, 2023.

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

At December 31, 2023, the County reported a liability of \$113,018,244 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability was determined by an actuarial valuation as of April 1, 2022. 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, 2023 measurement date, the County's proportionate share was 0.5270382%.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 8. Retirement Plan (Continued)

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

For the year ended December 31, 2023, the County recognized pension expense of \$37,934,972. At December 31, 2023, 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	\$ 12,037,327	\$ 3,173,979
Changes in assumptions	54,888,949	606,626
Net differences between projected and actual investment earnings on pension plan investments	-	663,977
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,477,454	4,617,113
County contributions subsequent to the measurement date	13,388,624	-
Total	\$ 81,792,354	\$ 9,061,695

County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. 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,	
2024	\$ 13,268,042
2025	(7,299,294)
2026	22,710,633
2027	30,662,654
Total	\$ 59,342,035

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 8. Retirement Plan (Continued)

d. Actuarial Assumptions

The actuarial assumptions used in the April 1, 2022 valuation, with updated procedures used to roll forward the total pension liability to March 31, 2023, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are as follows:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.90%
Salary Scale	4.40%, indexed by service
Investment Rate of Return, Including Inflation	5.90% compounded annually, net of expenses
Decrement	Based on FY 2016-2020 experience
Mortality Improvement	Society of Actuaries' Scale MP-2020
Cost-of-Living Adjustment	1.50%

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 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%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/absolute return strategy	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
	100.00%	

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 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.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 8. Retirement Plan (Continued)

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)	\$ 273,116,621	\$ 113,018,244	\$ (20,762,575)

h. Pension Plan Fiduciary Net Position

The components of the current-year net pension asset of ERS as of March 31, 2023 were as follows (dollars in thousands):

Employer's total pension liability	\$ 232,627,259
Plan net position	(211,183,223)
Employer's net pension liability	\$ 21,444,036

Ratio of plan net position to the employer's total pension liability	90.78%
--	--------

Note 9. Postemployment Benefits Other Than Pensions

a. 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.

b. Funding Policy

Contribution requirements are also negotiated between the County and union representatives. The County contributes a percentage 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 or around the same time and amount as benefits and expenses become due. For the year ended December 31, 2023, the County contributed \$18,314,412 to the Plan. Plan members receiving benefits contribute a percentage of their premium costs.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 9. Postemployment Benefits Other Than Pensions (Continued)

b. Funding Policy (Continued)

A summary of the participants of the Plan as of the January 1, 2023 valuation date is as follows:

Actives	1,783
Retirees	<u>1,831</u>
Total	<u><u>3,614</u></u>

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

At December 31, 2023, the County reported a liability of \$344,851,041 for its OPEB liability. The OPEB liability was measured as of January 1, 2023 by an actuarial valuation as of that date. For the year ended December 31, 2023, the County recognized OPEB expense of \$22,094,328. At December 31, 2023, 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 in assumptions	\$ 67,473,127	\$ 258,164,701

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,	
2024	\$ (24,385,213)
2025	(24,385,213)
2026	(24,385,213)
2027	(28,014,669)
2028	(39,090,999)
Thereafter	<u>(50,430,267)</u>
Total	<u><u>\$ (190,691,574)</u></u>

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 9. Postemployment Benefits Other Than Pensions (Continued)

d. Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation date was determined using the following actuarial assumptions:

Discount Rate	3.88%
Valuation Date	January 1, 2023
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	100% elect dependent coverage
Actuarial Cost Method	Entry Age Normal as a Level Percentage of Payroll
Health Care Cost Trends	Year 1 (January 1, 2025): 7.00% Ultimate Trend (January 1, 2035 and later): 4.50% Grading per year: 0.25%

The discount rate used to measure the liability was 3.88%, based on the average of the Bond Buyer 20-Year General Obligation Bond Index, S&P Municipal Bond 20-Year High Grade Rate Index and Fidelity GO AA 20-Year Bond Index.

e. Schedule of Changes in Net OPEB Liability

The changes in the net OPEB liability are as follows:

January 1, 2023	<u>\$ 341,071,125</u>
Changes for the year	
Service cost	7,337,512
Interest cost	12,878,260
Benefit payments	(18,314,412)
Changes in assumptions	<u>1,878,556</u>
Net changes for the year	<u>3,779,916</u>
December 31, 2023	<u>\$ 344,851,041</u>

f. 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, 2023 using the current health care cost trend rate as well as what the OPEB liability would be if it were calculated using a health care cost trend rate that is 1% higher or lower than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
OPEB liability	\$ 299,520,655	\$ 344,851,041	\$ 402,950,455

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 9. Postemployment Benefits Other Than Pensions (Continued)

*f. 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, 2023 using the current discount rate of 3.88%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current rate:

	1% Decrease (2.88%)	Current Rate (3.88%)	1% Increase (4.88%)
OPEB liability	\$ 397,145,939	\$ 344,851,041	\$ 303,271,269

Note 10. Leases

a. Lessee Agreements

The County has a variety of lease agreements for certain buildings, building improvements and equipment that are reported within the governmental activities. A summary of future minimum principal and interest payments is as follows:

	Principal	Interest
Year ending December 31,		
2024	\$ 145,899	\$ 10,710
2025	70,087	9,533
2026	46,694	8,465
2027	28,420	7,919
2028	29,946	7,483
2029-2033	174,657	30,020
2034-2038	222,044	15,233
2039-2040	85,869	1,167
Total	\$ 803,616	\$ 90,530

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 10. Leases (Continued)

b. Lessor Agreements

The County has a variety of lease agreements for certain facilities within the Enterprise Recreation Civic Center. A summary of future minimum rental receivables and related interest under the lease agreements is as follows:

	Principal	Interest
Year ending December 31,		
2024	\$ 828,736	\$ 15,446
2025	169,472	1,729
2026	130,552	644
2027	25,188	61
Total	\$ 1,153,948	\$ 17,880

Note 11. Subscription-Based IT Arrangements

The County has a variety of subscription-based IT arrangements. A summary of future minimum principal and interest payments is as follows:

	Principal	Interest
Year ending December 31,		
2024	\$ 440,954	\$ 13,170
2025	38,526	1,216
2026	20,531	206
Total	\$ 500,011	\$ 14,592

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 12. 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	Other Governmental
Nonspendable		
Prepays and inventory	\$ 3,977,368	\$ 135,683
Long-term interfund loans	22,731,458	-
	26,708,826	135,683
Restricted for		
Debt service	-	18,740,627
Capital reserve	-	21,058,510
Tax stabilization	1,957,719	-
EMS ambulance reserve	495,514	-
911 reserve	118,855	-
Retirement reserve	3,183,873	-
	5,755,961	39,799,137
Assigned for		
Appropriations	39,809,548	-
Special revenue purposes	-	3,335,558
	39,809,548	3,335,558
Unassigned	122,513,207	-
Total fund balance	\$ 194,787,542	\$ 43,270,378

Note 13. Risk Financing Activities

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

County 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.

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 its 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 Officers and an employer's liability limit of \$2,000,000.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 13. Risk Financing Activities (Continued)

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-year and current-year claims and to establish a reserve for unforeseen losses. The claims liability of \$7,767,973 reported in the fund at December 31, 2023, is based on claims reported prior to the issuance of the financial statements indicating 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 2023 were as follows:

Balance January 1	Current-Year Claims and Changes in Estimates	Claim Payments	Balance December 31
\$ 8,854,422	\$ 5,972,200	\$ 7,058,649	\$ 7,767,973

The Shaker Place Rehabilitation & Nursing Center maintains a workers' compensation risk-retention fund based on actuarial estimates of the amounts needed to pay prior-year and current-year claims and to establish a reserve for unforeseen losses. The funded balance maintained by the Shaker Place Rehabilitation & Nursing Center totaled \$515,715 at December 31, 2023.

Note 14. 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 \$1,470,262. Accordingly, the County has reported a liability of \$232,165 and \$1,238,097 within claims payable and accounts payable, respectively, in the Self Insurance Fund at December 31, 2023.

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 that 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, that 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 that were unperformed at year-end. The County has provided authority to fund these transactions in the subsequent year's budget.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 14. Commitments and Contingencies (Continued)

d. Labor Relations

Certain County employees are represented by 12 bargaining units, with the balance governed by County rules and regulations. Each contract has an expiration date of December 31, 2027.

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, 2023, the Enterprise Recreation Civic Center transferred \$6,072,839 to the County.

Note 15. 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 Agency for the purpose of general economic development. These agreements reduce the assessed value of the properties for all taxing agencies in the 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, 2023.

Note 16. Accounting Standards Issued But Not Yet Implemented

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 non-cash 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 non-cash means. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

County of Albany, New York

Notes to Financial Statements
December 31, 2023

Note 16. Accounting Standards Issued But Not Yet Implemented (Continued)

GASB Statement No. 102, Certain Risk Disclosures: The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in the notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, Financial Reporting Model Improvements: This statement improves key components of the financial reporting model, including a reiteration of the Management's Discussion and Analysis requirements, description and presentation requirements for unusual or infrequent items, definitions of nonoperating revenues and expenses, major component unit presentation requirements, and the requirement that budgetary comparison information be presented as required supplementary information versus a statement. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

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

County of Albany, New York

Required Supplementary Information Schedule of Other Postemployment Benefits Liability

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning of year	\$ 341,071,125	\$ 502,968,070	\$ 683,948,129	\$ 656,140,407	\$ 525,971,830	\$ 520,083,996
Changes for the year						
Service cost	7,337,512	4,754,405	8,842,294	12,498,119	7,004,888	5,651,486
Interest cost	12,878,260	20,748,924	13,863,456	13,023,732	18,539,318	19,399,100
Benefit payments	(18,314,412)	(13,164,647)	(15,363,953)	(22,802,356)	(17,381,223)	(19,162,752)
Changes in assumptions	1,878,556	(174,235,627)	(188,321,856)	25,088,227	122,005,594	-
Net changes for the year	<u>3,779,916</u>	<u>(161,896,945)</u>	<u>(180,980,059)</u>	<u>27,807,722</u>	<u>130,168,577</u>	<u>5,887,834</u>
End of year	<u>\$ 344,851,041</u>	<u>\$ 341,071,125</u>	<u>\$ 502,968,070</u>	<u>\$ 683,948,129</u>	<u>\$ 656,140,407</u>	<u>\$ 525,971,830</u>
Covered payroll	\$ 115,423,942	\$ 120,341,638	\$ 121,545,085	\$ 118,004,937	\$ 114,567,900	\$ 111,230,971
OPEB liability as a percentage of covered payroll	299%	283%	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/Asset

	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.5270382%	0.5070583%	0.4980909%	0.5235608%	0.5149016%	0.4936194%	0.5034731%	0.4940550%	0.5056861%
County's proportionate share of the net pension liability (asset)	\$ 113,018,244	\$ (41,449,914)	\$ 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	\$ 130,860,432	\$ 130,080,845	\$ 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 (asset) as a percentage of its covered-employee payroll	86.37%	-31.86%	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	90.78%	103.65%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 17,894,293	\$ 21,684,259	\$ 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	\$ 17,894,293	\$ 21,684,259	\$ 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	\$ 130,860,432	\$ 130,080,845	\$ 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	14%	17%	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, 2023			Variance With Modified Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Adopted	Modified		
REVENUES				
Real property taxes	\$ 96,902,250	\$ 96,902,250	\$ 93,392,927	\$ (3,509,323)
Real property tax items	8,688,875	8,718,571	7,920,811	(797,760)
Non-property tax items	341,619,010	355,451,969	369,942,333	14,490,364
Department income	32,501,481	33,327,938	30,984,075	(2,343,863)
Intergovernmental charges	14,084,869	14,533,302	14,725,486	192,184
Use of money and property	3,738,184	3,814,400	12,131,581	8,317,181
Fines and forfeitures	440,650	440,650	232,356	(208,294)
Sale of property and compensation for loss	9,350	9,350	4,437,848	4,428,498
Miscellaneous local sources	6,172,254	6,291,500	5,660,040	(631,460)
Interfund revenues	43,964	43,964	-	(43,964)
State aid	93,125,985	102,262,875	93,577,821	(8,685,054)
Federal aid	75,096,820	77,810,395	72,854,966	(4,955,429)
Total revenues	672,423,692	699,607,164	705,860,244	6,253,080
EXPENDITURES				
General government support	194,238,981	214,798,552	198,319,314	16,479,238
Public safety	92,112,053	106,603,731	79,030,235	27,573,496
Transportation	1,121,150	1,299,022	1,415,632	(116,610)
Health	45,083,291	50,303,334	39,015,641	11,287,693
Economic assistance and opportunity	193,310,535	193,347,472	186,319,891	7,027,581
Culture and recreation	1,774,686	2,034,076	407,283	1,626,793
Education	32,212,243	34,796,092	36,100,684	(1,304,592)
Home and community service	9,795,058	10,210,114	6,058,865	4,151,249
Employee benefits	67,581,612	65,845,616	67,011,671	(1,166,055)
Debt service				
Principal	-	-	1,047,288	(1,047,288)
Interest	-	-	39,641	(39,641)
Total expenditures	637,229,609	679,238,009	614,766,145	64,471,864
OTHER FINANCING SOURCES (USES)				
Proceeds from subscription-based IT arrangements	-	-	1,240,864	1,240,864
Appropriated fund balance	8,500,000	8,500,000	-	(8,500,000)
Interfund transfers in	473,898	10,664,878	2,392,044	(8,272,834)
Interfund transfers out	(44,167,981)	(45,006,140)	(50,377,442)	(5,371,302)
Total other financing sources (uses)	(35,194,083)	(25,841,262)	(46,744,534)	(20,903,272)
Net change in fund balance	\$ -	\$ (5,472,107)	44,349,565	\$ 49,821,672
FUND BALANCE, <i>beginning of year</i>			150,437,977	
FUND BALANCE, <i>end of year</i>			\$ 194,787,542	

See Independent Auditor's Report.

County of Albany, New York

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

	Year Ended December 31, 2023			Variance With Modified Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Adopted	Modified		
REVENUES				
Federal aid	\$ 812,000	\$ 812,000	\$ 755,565	\$ (56,435)
EXPENDITURES				
General government support	812,000	812,000	755,565	56,435
Net change in fund balance	\$ -	\$ -	-	\$ -
FUND BALANCE, <i>beginning of year</i>			-	
FUND BALANCE, <i>end of year</i>			\$ -	

County of Albany, New York

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

	December 31, 2023			
	Albany County Industrial Development Agency	Albany County Airport Authority	Albany County Land Bank Corporation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,464,464	\$ 42,799,679	\$ 3,596,987	\$ 50,861,130
Cash and cash equivalents, restricted	-	28,451,775	-	28,451,775
Other receivables	-	2,109,957	2,542,640	4,652,597
Other receivables, restricted	-	10,679,485	-	10,679,485
Lease receivable	-	2,722,345	-	2,722,345
Prepaid and other	1,929	936,293	101,173	1,039,395
Total current assets	4,466,393	87,699,534	6,240,800	98,406,727
NONCURRENT ASSETS				
Prepaid expenses	-	178,797	-	178,797
Property held for resale	-	-	1,590,788	1,590,788
Lease receivable	-	16,969,066	-	16,969,066
Capital assets, net	-	275,717,191	165,078	275,882,269
Total noncurrent assets	-	292,865,054	1,755,866	294,620,920
Total assets	4,466,393	380,564,588	7,996,666	393,027,647
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges, pensions	-	1,063,610	-	1,063,610
Deferred charges, OPEB	-	906,998	-	906,998
Deferred loss on refunding	-	638,650	-	638,650
Total deferred outflows of resources	-	2,609,258	-	2,609,258

County of Albany, New York

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

	December 31, 2023			
	Albany County Industrial Development Agency	Albany County Airport Authority	Albany County Land Bank Corporation	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	\$ 7,529	\$ 4,046,593	\$ 428,566	\$ 4,482,688
Accrued liabilities	-	12,925,402	-	12,925,402
Payable from restricted assets	-	16,275,794	-	16,275,794
Lease liability	-	-	165,078	165,078
Total current liabilities	7,529	33,247,789	593,644	33,848,962
NONCURRENT LIABILITIES				
Bonds payable	-	51,326,412	-	51,326,412
OPEB liability, net	-	6,386,068	-	6,386,068
Net pension liability, proportionate share	-	1,026,081	-	1,026,081
Total noncurrent liabilities	-	58,738,561	-	58,738,561
Total liabilities	7,529	91,986,350	593,644	92,587,523
DEFERRED INFLOWS OF RESOURCES				
Deferred charges, pensions	-	75,313	-	75,313
Deferred charges, OPEB	-	766,596	-	766,596
Leases	-	18,721,114	-	18,721,114
Other	-	-	1,784,303	1,784,303
Concession Improvement Trust funds	-	906,386	-	906,386
Total deferred inflows of resources	-	20,469,409	1,784,303	22,253,712
NET POSITION				
Net investment in capital assets	-	208,844,436	-	208,844,436
Restricted	-	38,318,628	-	38,318,628
Unrestricted	4,458,864	23,555,023	5,618,719	33,632,606
Total net position	\$ 4,458,864	\$ 270,718,087	\$ 5,618,719	\$ 280,795,670

County of Albany, New York

Supplementary Information Combining Statement of Activities - Discretely Presented Component Units

	Year Ended December 31, 2023			Total
	Albany County Industrial Development Agency	Albany County Airport Authority	Albany County Land Bank Corporation	
OPERATING REVENUES				
Charges for services, net	\$ 819,303	\$ 48,753,790	\$ 682,507	\$ 50,255,600
Other operating revenues	-	4,476,417	37,726	4,514,143
Operating grants and contributions	-	-	1,552,744	1,552,744
Total operating revenues	819,303	53,230,207	2,272,977	56,322,487
OPERATING EXPENSES				
Cost of services	2,212,500	41,287,434	2,929,542	46,429,476
General and administrative	269,869	2,871,427	941,063	4,082,359
Depreciation	-	19,050,784	-	19,050,784
Total operating expenses	2,482,369	63,209,645	3,870,605	69,562,619
Operating loss	(1,663,066)	(9,979,438)	(1,597,628)	(13,240,132)
NONOPERATING REVENUES (EXPENSES)				
Other nonoperating revenues	-	6,402,717	-	6,402,717
Other nonoperating grants	-	5,232,617	-	5,232,617
Interest earnings	86,658	2,371,341	599	2,458,598
Interest on debt	-	(2,108,164)	-	(2,108,164)
Total nonoperating revenues	86,658	11,898,511	599	11,985,768
Gain (loss) before special items	(1,576,408)	1,919,073	(1,597,029)	(1,254,364)
SPECIAL ITEMS				
Capital contributions	-	16,929,595	-	16,929,595
Donation of property for sale	-	-	660,100	660,100
Total special items	-	16,929,595	660,100	17,589,695
Change in net position	(1,576,408)	18,848,668	(936,929)	16,335,331
NET POSITION, beginning of year	6,035,272	251,869,419	6,555,648	264,460,339
NET POSITION, end of year	\$ 4,458,864	\$ 270,718,087	\$ 5,618,719	\$ 280,795,670