

**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION**

**Financial Statements and Required Reports  
Under the Uniform Guidance as of  
December 31, 2017  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

March 27, 2018

To the Board of Directors of  
Albany County Business Development Corporation:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Albany County Business Development Corporation (a New York not-for-profit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Albany County Business Development Corporation as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### Report of Summarized Comparative Information

The 2016 summarized comparative information has been derived from the financial statements of Albany County Business Development Corporation as of December 31, 2016 which were audited by other auditors whose reported dated March 16, 2017, expressed an unmodified opinion on those statements.

### Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 27, 2018 on our consideration of Albany County Business Development Corporation's internal control over financial reporting and on our tests of 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 Albany County Business Development Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Albany County Business Development Corporation's internal control over financial reporting and compliance.

Bonadio & Co., LLP

# ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(With Comparative Totals for 2016)

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Operating cash	\$ 7,145	\$ 7,543
Restricted cash	6,296,555	5,599,908
Accrued interest receivable	33,936	46,724
Current portion of loans receivable, net	<u>5,034,726</u>	<u>1,437,892</u>
Total current assets	<u>11,372,362</u>	<u>7,092,067</u>
LONG-TERM PORTION OF LOANS RECEIVABLE, net	<u>7,245,295</u>	<u>11,200,334</u>
	<u>\$ 18,617,657</u>	<u>\$ 18,292,401</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Due to The Chamber	\$ 52,368	\$ 60,426
Accounts payable and accrued expenses	<u>7,850</u>	<u>7,500</u>
Total current liabilities	<u>60,218</u>	<u>67,926</u>
NET ASSETS:		
Unrestricted	5,536	5,536
Temporarily restricted	<u>18,551,903</u>	<u>18,218,939</u>
Total net assets	<u>18,557,439</u>	<u>18,224,475</u>
	<u>\$ 18,617,657</u>	<u>\$ 18,292,401</u>

The accompanying notes are an integral part of these statements.

**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**  
(With Comparative Totals for 2016)

	2017			2016
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>				
Loan interest earned	\$ -	\$ 345,445	\$ 345,445	\$ 324,928
Loan loss recoveries	-	206,657	206,657	10,000
Application fees	-	4,500	4,500	9,800
Recovered legal and late fees	-	4,430	4,430	180
Bank interest	-	2,964	2,964	3,512
Net assets released from restrictions	<u>231,032</u>	<u>(231,032)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>231,032</u>	<u>332,964</u>	<u>563,996</u>	<u>348,420</u>
<b>EXPENSES:</b>				
Agency fees	186,333	-	186,333	213,520
Bad debt expense	30,528	-	30,528	213,950
Professional fees	8,027	-	8,027	8,314
Application fees	3,600	-	3,600	7,200
Insurance	1,794	-	1,794	1,794
Filing fees	750	-	750	750
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>659</u>
Total expenses	<u>231,032</u>	<u>-</u>	<u>231,032</u>	<u>446,187</u>
CHANGE IN NET ASSETS	-	332,964	332,964	(97,767)
NET ASSETS - beginning of year	<u>5,536</u>	<u>18,218,939</u>	<u>18,224,475</u>	<u>18,322,242</u>
NET ASSETS - end of year	<u>\$ 5,536</u>	<u>\$ 18,551,903</u>	<u>\$ 18,557,439</u>	<u>\$ 18,224,475</u>

The accompanying notes are an integral part of these statements.

# ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017 (With Comparative Totals for 2016)

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	<u>2017</u>	<u>2016</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 332,964	\$ (97,767)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	-	659
Loan loss recoveries	(206,657)	(10,000)
Bad debt expense	30,528	213,950
Changes in:		
Accrued interest	12,788	(12,002)
Due to The Chamber	(8,058)	8,249
Accounts payable and accrued expenses	<u>350</u>	<u>(4,801)</u>
Net cash flow from operating activities	<u>161,915</u>	<u>98,288</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Principal collected on loans receivable	2,796,134	1,741,385
Disbursements of loans receivable	<u>(2,261,800)</u>	<u>(3,610,300)</u>
Net cash flow from investing activities	<u>534,334</u>	<u>(1,868,915)</u>
CHANGE IN CASH	696,249	(1,770,627)
CASH - beginning of year	<u>5,607,451</u>	<u>7,378,078</u>
CASH - end of year	<u>\$ 6,303,700</u>	<u>\$ 5,607,451</u>

The accompanying notes are an integral part of these statements.

# ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

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### 1. THE ORGANIZATION

The Albany County Business Development Corporation (ACBDC), (the Corporation) was incorporated under the New York State Not-For-Profit Corporation Law on September 16, 1994. The Corporation was organized to promote economic growth and business retention in Albany County by offering financing through the AI Tech Revolving Loan Fund to small and medium sized businesses (and in special circumstances, to larger businesses) which demonstrate strong possibilities for growth, real property improvement, increased employment and retention of employment in the community.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### **Comparative Financial Information**

The financial statements include prior-year summarized information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

#### **Cash**

Cash includes bank demand deposit accounts. The Corporation's cash balances may at times exceed federally insured limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash.

#### **Restricted Cash**

Restricted cash consists of amounts restricted to provide financing through the AI Tech Revolving Loan Fund.

#### **Loans Receivable**

Loans receivable consist of interest bearing loans payable in monthly installments over the life of the loan. Loans receivable are periodically reviewed for collectability based on past history and current economic conditions. A loan is considered impaired when contractual obligations are greater than 30 days past due and it is probable that the Corporation will be unable to collect the scheduled principal payments. After all collection efforts are exhausted, any amounts deemed uncollectible based upon an assessment of the debtor's financial condition are written off. The allowance for uncollectible loans was \$218,950 and \$425,607 as of December 31, 2017 and 2016, respectively. There were recoveries of \$206,657 and \$10,000 during the years ended December 31, 2017 and 2016, respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial Reporting

The Corporation reports its activities and the related net assets using three net asset categories: unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets include resources that are available for the support of the Corporation's operating activities.

Temporarily restricted net assets include resources that have been granted for the purpose of providing financing to small and medium sized businesses (see Note 1). Temporarily restricted net assets are released and reclassified to unrestricted net assets, as the Corporation's administration and overhead costs are expensed.

Permanently restricted net assets include resources that have been restricted by donors to be maintained by the Corporation in perpetuity. Generally, the Corporation is permitted to use all income and dividends from these assets. The Corporation did not have any permanently restricted net assets at December 31, 2017 and 2016.

### Taxes

The Corporation is a not-for-profit organization exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code.

## 3. LOANS RECEIVABLE

Loans receivable consist of interest bearing notes and are payable in monthly installments over the life of the loan. The loans receivable balance is comprised of 77 and 81 loans at December 31, 2017 and 2016, respectively, and consists of the following:

	<u>2017</u>	<u>2016</u>
Loans receivable	\$ 12,498,971	\$ 13,063,833
Less: Allowance for uncollectible loans	<u>218,950</u>	<u>425,607</u>
	<u>\$ 12,280,021</u>	<u>\$ 12,638,226</u>

Maturities of loans receivable as of December 31 are due as follows:

2018	\$ 5,034,726
2019	3,517,532
2020	2,003,195
2021	1,155,834
2022	321,264
Thereafter	<u>466,420</u>
	<u>\$ 12,498,971</u>

The unpaid principal balance of impaired loans totaled \$44,766 at December 31, 2017 and was 100% allowed for.



### 3. LOANS RECEIVABLE (Continued)

The performance and credit quality of the loans receivable portfolio is also monitored by analyzing the age of the loans receivable as determined by the length of time recorded payment is past due. The following table presents the loans receivable portfolio summarized by the past due status at December 31, 2017:

<u>30-59 days past due</u>	<u>60-89 days past due</u>	<u>Greater than 90 days past due</u>	<u>Total Past Due</u>	<u>Current</u>	<u>Total Gross Loans Receivable</u>
<u>\$ 5,572</u>	<u>\$ 2,751</u>	<u>\$ 36,443</u>	<u>\$ 44,766</u>	<u>\$ 12,454,205</u>	<u>\$ 12,498,971</u>

### 4. CONTRACTED SERVICES - CAPITAL REGION CHAMBER OF COMMERCE, INC.

In order to accomplish the Corporation's purpose of furthering economic development in the County of Albany (the County), the Corporation works closely with the County and the Capital Region Chamber of Commerce, Inc. (the Chamber). The Chamber in return provides staff to the Corporation to fulfill its mission. The Corporation reimbursed the Chamber for administrative costs of \$186,333 and \$213,520 for the years ended December 31, 2017 and 2016, respectively. Additionally, at December 31, 2017 and 2016, the Corporation owed the Chamber \$53,636 and \$60,426, respectively.

### 5. FUNCTIONAL EXPENSES

The Corporation provides services to support local businesses. Expenses related to providing these services consisted of the following for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Program activities	\$ 184,738	\$ 403,274
General and administrative	<u>46,294</u>	<u>42,913</u>
	<u>\$ 231,032</u>	<u>\$ 446,187</u>

### 6. COMMITMENTS AND CONTINGENCIES

The Corporation has approved and committed loans to be funded by the Revolving Loan Fund for \$3,899,000 at December 31, 2017.

Expenditures are subject to audit by the funding agency by their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Management believes that such disallowances, if any, will be immaterial.

Commencing in 2007, the Corporation's excess loan policy was changed from 25% to 15% by the Department of Commerce. The Department requires that at all times at least 85% of the revolving loan fund capital is loaned or committed. The Department granted a temporary reduction of the required utilization percentage to 80% for a period of one year ending in September of 2015, and a reduction to 75% for a two year period ending March 30, 2018.

## **7. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 27, 2018, which is the date the financial statements were available to be issued.

**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
Department of Commerce/ Economic Development Administration/ Economic Adjustment Assistance	11.307	<u>\$ 19,029,967</u>
<b>Total Department of Commerce</b>		<u>19,029,967</u>
<b>Total Expenditures of Federal Awards</b>		<u>\$ 19,029,967</u>

The accompanying notes are an integral part of this schedule.

# ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS DECEMBER 31, 2017

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### 1. GENERAL

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Albany County Business Development Corporation (the Corporation) for the year ended December 31, 2017. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

### 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting used by the Corporation to report to the federal government.

The amount of federal expenditures is computed as defined in the Department of Commerce Economic Development Revolving Loan Fund (RLF) Guidelines. The guidelines define current year expenditures, as the grantee's fiscal year ending balance of outstanding loans, plus cash and investment balances, the amount of RLF income earned, and the amount expended on eligible administrative costs during the fiscal year.

### 3. FEDERAL LOANS AND LOAN GUARANTEES

The Corporation had no federal loans or loan guarantees outstanding as of December 31, 2017.

### 4. INSURANCE

The Corporation did not participate in any federal insurance programs for the year ended December 31, 2017.

### 5. DE MINIMIS COST RATE

The Corporation did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

March 27, 2018

To the Board of Directors of  
Albany County Business Development Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Albany County Business Development Corporation (the Corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

(Continued)

**Internal Control over Financial Reporting (Continued)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bonadio & Co., LLP*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

March 27, 2018

To the Board of Directors of  
Albany County Business Development Corporation:

**Report on Compliance for Each Major Federal Program**

We have audited Albany County Business Development Corporation's (the Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Corporation's major federal programs for the year ended December 31, 2017. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal programs. However, our audit does not provide a legal determination of the Corporation's compliance.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

(Continued)

***Opinion on Major Federal Program***

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

**Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Bonadio & Co., LLP*



**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2017**

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**SECTION 1 - SUMMARY OF AUDITOR'S RESULTS**

*Financial statements:*

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

*Federal Awards:*

Internal control over the major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  None reported

Type of auditor's report issued on compliance for the major programs: Unmodified

Any audit findings that are required to be reported in accordance with the Uniform Guidance  Yes  No

Identification of the major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
11.307	Economic Adjustment Assistance

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee:  Yes  No

**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**DECEMBER 31, 2017**

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**Section 2 – Financial Statement Findings**

There were no financial statement findings for the year ended December 31, 2017.

**Section 3 – Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs for the year ended December 31, 2017.

**ALBANY COUNTY BUSINESS DEVELOPMENT CORPORATION**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2017**

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There were no findings identified during the audit performed for the year ended December 31, 2016.