

**CAPITAL DISTRICT REGIONAL
PLANNING COMMISSION
FINANCIAL REPORT
DECEMBER 31, 2018**

CAPITAL DISTRICT REGIONAL PLANNING COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Capital District Regional Planning Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Capital District Regional Planning Commission's (CDRPC or the Commission), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 respective financial position of the governmental activities of the Commission as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, schedule of proportionate share of the net pension liability (asset), and the schedule of entity contributions on pages 31 - 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2019, on our consideration of Capital District Regional Planning Commission'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 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 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 Capital District Regional Planning Commission's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY
July 11, 2019

CAPITAL DISTRICT REGIONAL PLANNING COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

Our discussion and analysis of Capital District Regional Planning Commission's (CDRPC or Commission) financial performance provides an overview of the financial activities for the year ended December 31, 2018. This document should be read in conjunction with CDRPC's financial statements which begin on page 7.

USING THIS ANNUAL REPORT

This annual report consists of a set of financial statements. The Statement of Net Position and the Statement of Activities and Changes in Net Position (on pages 7 and 8) provide information about the activities of CDRPC and present a longer-term view of CDRPC's finances. Fund financial statements begin on page 9. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report CDRPC's operations in more detail than the government-wide statements by comparing budget totals to actual. The accompanying notes are also an integral part of these statements. The financial statement notes are presented to further assist in the understanding of CDRPC's operations.

Our analysis of CDRPC begins below. One of the most important questions asked about CDRPC's finances is, "Is CDRPC better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities and Changes in Net Position report information about the CDRPC and about its activities in a manner that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report CDRPC's net position and changes in them. You can think of CDRPC's net position – the residual amount of assets plus deferred outflows less liabilities and deferred inflows – as one way to measure CDRPC's financial health, or financial position. Over time, increases or decreases in CDRPC's net position is one indicator of whether its financial health is improving or deteriorating.

The CDRPC's net assets increased from \$324,900 in 2017 to \$398,200 in 2018. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the CDRPC's governmental activities. As noted in Table 1, the most significant changes from prior year balances were in the current assets and current liabilities line items. Current assets increased from \$505,800 to \$538,000 primarily due to more revenue from state and federal contracts. Current liabilities decreased from \$145,300 to \$109,300 primarily due to decreased payables owed for consultant services and subcontractors.

As noted in Table 2, the Operating Grants increased due to additional revenue from the NYSERDA grant, the Capital District Youth Center, and the DEC 604b Water Quality Program. Program Expenses increased salaries line with the onboarding of new staff for the NYSERDA program, and additional travel associated with the NYSERDA grant program outreach activities.

CAPITAL DISTRICT REGIONAL PLANNING COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

Table 1
Net Position (Rounded)
Governmental Activity

	2018	2017
Current Assets	\$ 538,000	\$ 505,800
Capital Assets, Net	2,600	3,500
Total Assets	<u>\$ 540,600</u>	<u>\$ 509,300</u>
Total Deferred Outflows	<u>\$ 248,700</u>	<u>\$ 163,200</u>
Current Liabilities	\$ 109,300	\$ 145,300
Long-term Liabilities	74,900	169,700
Total Liabilities	<u>\$ 184,200</u>	<u>\$ 315,000</u>
Total Deferred Inflows	<u>\$ 206,800</u>	<u>\$ 32,400</u>
Net Position:		
Net Invested in Capital Assets	\$ 2,600	\$ 3,500
Unrestricted	395,600	321,400
Total Net Position	<u>\$ 398,200</u>	<u>\$ 324,900</u>

Table 2
Change in Net Position (Rounded)
Governmental Activity

	2018	2017
Program Revenue:		
Charges for Services	\$ 310,500	\$ 300,000
Operating Grants	584,100	484,400
General Revenue:		
County Contributions	205,400	205,400
Total Revenue	<u>\$ 1,100,000</u>	<u>\$ 989,800</u>
Program Expenses		
Socio-Economic and Environmental Planning	<u>\$ 1,026,900</u>	<u>\$ 1,088,700</u>
Change in Net Position:	<u>\$ 73,200</u>	<u>\$ (98,900)</u>

CAPITAL DISTRICT REGIONAL PLANNING COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018

Table 3 presents the cost of CDRPC's governmental function of socio-economic and environmental planning, as well as the function's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the participating counties by this function. The difference between the total cost and net cost of socio-economic and environmental planning services shows the leverage the counties achieved with their contributions.

Table 3
Governmental Activity (Rounded)

	<u>2018</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Socio-economic and environmental planning	\$ <u>1,026,900</u>	\$ <u>132,200</u>
	<u>2017</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Socio-economic and environmental planning	\$ <u>1,088,700</u>	\$ <u>304,300</u>

Budgeted revenue was projected to be \$1,125,000 and actual revenue was \$1,100,000, 98% of final budget. Total expenditures were budgeted at \$1,123,000 and actual expenditures were \$1,031,900, 93% of the final budget. A number of expenditure line items exceeded the budgeted amounts by more than 10% in 2018: Conference Registrations, Agency Memberships, Travel and Postage.

The final approved budget anticipated that the general fund balance would have a modest increase in 2018, with \$1,693 difference between the anticipated revenue and expenditures. As certain revenue lines were over the projected and certain expense lines were under projected amounts, the final net gain at year-end exceeded projections and totaled \$68,240.

The Fund Balance at the end of the year is \$428,600. Since we do not bill the counties in advance and most of our contractual work is on a quarterly reimbursement basis, CDRPC should maintain a Fund Balance of at least 25% of the budget to assure an adequate cash flow throughout the year. With a 2018 budgeted expenses of \$1,123,275, CDRPC is achieving that objective.

CAPITAL ASSETS

Capital assets are reported at actual cost for acquisitions subsequent to January 1, 2004. For assets acquired prior to January 1, 2004, estimated historical costs were used. Capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,500. CDRPC uses the straight-line method to depreciate capital assets, and estimated useful lives are 5 years.

CAPITAL DISTRICT REGIONAL PLANNING COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

CONTACTING CDRPC'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of CDRPC's finances and to show CDRPC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact CDRPC's Office at One Park Place, Albany, NY 12205.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets	
Cash	\$ 250,762
Accounts Receivable, Net of Allowance	245,382
Due From Other Governments	32,764
Prepaid Expenditures	9,049
Total Current Assets	537,957
Noncurrent Assets	
Capital Assets, net	2,654
Total Assets	540,611
Deferred Outflows of Resources	
Pensions	248,702
Total Assets and Deferred Outflows of Resources	\$ 789,313

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current Liabilities	
Accounts Payable	\$ 109,327
Total Current Liabilities	109,327
Long-Term Liabilities	
Compensated Absences	11,912
Net Pension Liability, Proportionate Share	63,044
Total Long-Term Liabilities	74,956
Deferred Inflows of Resources	
Pensions	206,773
Total Liabilities and Deferred Inflows of Resources	\$ 391,056

NET POSITION

Net Investment in Capital Assets	2,654
Unrestricted	395,603
Total Net Position	398,257
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 789,313

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018**

		Program Revenues		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
FUNCTIONS/PROGRAMS				
Socio-economic and environmental planning	\$ <u>1,026,908</u>	\$ <u>310,580</u>	\$ <u>584,127</u>	\$ <u>(132,201)</u>
GENERAL REVENUES				
County Contributions				<u>205,466</u>
Change in Net Position				73,265
Total Net Position - Beginning of Year				<u>324,992</u>
Total Net Position - End of Year				\$ <u>398,257</u>

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

		<u>General Fund</u>
Assets		
Cash	\$	250,762
Accounts Receivable, Net of Allowance		245,382
Due From Other Governments		32,764
Prepaid Expenditures		<u>9,049</u>
 Total Assets	 \$	 <u><u>537,957</u></u>
Liabilities		
Accounts Payable	\$	<u>109,327</u>
 Total Liabilities		 <u>109,327</u>
Fund Equity		
Fund Equity:		
Non-spendable		9,049
Unassigned		<u>419,581</u>
 Total Fund Equity		 <u>428,630</u>
 Total Liabilities and Fund Equity	 \$	 <u><u>537,957</u></u>

Amounts reported for governmental activities in the statement of net position are different due to the following:

Fund equity of the governmental funds	\$	428,630
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		2,654
Deferred outflows of resources related to net pension liability are not reported in the funds		248,702
Deferred inflows of resources related to net pension liability are not reported in the funds		(206,773)
Net pension liability		(63,044)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds		<u>(11,912)</u>
Net Position of Governmental Activities	\$	<u><u>398,257</u></u>

See accompanying notes to financial statements.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General Fund
Revenues	
Municipality Contributions	\$ 205,466
Federal Aid	244,184
State Aid	339,943
Other Revenue	310,580
Total Revenues	1,100,173
Expenditures	
Personal Services	604,664
Contractual	192,356
Employee Benefits	234,913
Total Expenditures	1,031,933
Excess (Deficiency) of Revenues Over Expenditures	68,240
Fund Equity, Beginning of Year	360,390
Fund Equity, End of Year	\$ 428,630

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net changes in fund balance - total governmental funds	\$	68,240
<p>Capital outlays for the purchase of capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities and changes in net position.</p>		
	Depreciation expense \$	(884)
	Capital outlays	(884)
		-
<p>Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		17,492
Changes in expenses related to net pension liability.		(11,583)
Change in net position - governmental activities	\$	73,265

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 — THE ORGANIZATION

CDRPC was created during 1967 as a joint municipal cooperative activity of Albany, Rensselaer, Saratoga, and Schenectady counties. CDRPC's activities consist of performing planning work, surveys, planning studies, and technical services in the geographic area covered by the counties. CDRPC provides leadership on developing coordinative, comprehensive plans for development of the entire area that it services.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Capital District Regional Planning Commission (CDRPC or Commission) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. 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 Commission's accounting policies are described below.

For the year ended December 31, 2018, the Fund adopted:

- GASB Statement No. 75 – “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” This Statement, issued in June 2015, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for fiscal years beginning after June 15, 2017, which is the fiscal year beginning January 1, 2018 for CDRPC. This statement had no material effect on the financial statements of CDRPC.
- GASB Statement No. 85 – “Omnibus 2017.” This Statement addresses practice issues that have been identified during implementation and application of certain GASB statements including blending component units, goodwill, fair value measurement and application. The provisions of these statements are effective for financial statements reporting period beginning after June 15, 2017, which is fiscal year beginning January 1, 2018 for CDRPC. This statement had no material effect on the financial statements of CDRPC.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

- GASB Statement No. 86 – “Certain Debt Extinguishment Issues.” The objective is to improve consistency for in-substance defeasance of debt when cash and other monetary assets acquired with only existing resources (resources other than proceeds) are placed in an irrevocable trust for the sole purpose of debt extinguishment. Also improves reporting related to prepaid insurance on debt that is extinguished and notes to the financial statements for the in-substance defeased debt. The provisions of this statement is effective for financial statements reporting period beginning after June 15, 2017, which is fiscal year beginning January 1, 2018 for CDRPC. This statement had no material effect on the financial statements of CDRPC.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities present financial information about CDRPC’s governmental activities. These statements include the financial activities of the overall government in its entirety.

The statement of activities presents a comparison between direct expenses and program revenue for each function of CDRPC’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue is presented as general revenue.

Fund Financial Statements

The fund statements provide information about CDRPC’s funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounts of CDRPC are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. The fund types used by CDRPC are as follows:

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Fund Financial Statements

General Fund – The general fund is the principal fund of CDRPC and includes all operations not required to be recorded in other funds.

Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

The modified accrual basis of accounting is followed by the governmental funds. Under this basis of accounting, revenue is recorded when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Material revenue sources considered susceptible to accrual include state aid and federal aid. For those types of revenue sources, such as grants, where expenditures are the prime factor for determining eligibility, revenue is recognized when the expenditure is made.

Expenditures are recorded when the fund liability is incurred, except that:

- A. Expenditures for prepaid pension expenses are recognized at the time of the disbursements.
- B. CDRPC recognizes a liability for vacation leave as the benefit is earned by employees, based on the rendering of past service and the probability that the employees will be compensated for the benefits through pay of some other means. This includes vacation leave that was earned but not used during the current or prior periods and for which employees can receive compensation in a future period. Amounts do not include leave that is expected to lapse.

Budgets and Budgetary Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting practices. CDRPC follows these procedures in establishing the budgetary data for the general fund reflected in the financial statements.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Accounting

- A. During the month of July, CDRPC prepares a general fund preliminary operating budget for the following year. The general fund operating budget includes proposed expenditures and the means of financing them. CDRPC submits its request for county contributions to each county executive according to the adopted preliminary budget. -
- B. The governing body of each participating county approves the general fund budget.
- C. All revisions that alter appropriations must be approved by the Commissioners of CDRPC.
- D. Formal budgetary integration is employed as a management control device during the year for the general fund.
- E. Unexpended appropriations lapse at the end of each year.

Use of Estimates

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

Estimates and assumptions are made in a variety of areas, including computation of, compensated absences, potential contingent liabilities, net pension liability, deferred outflows/inflows and useful lives of long-lived assets.

Compensated Absences

The liability for compensated absences (vacation pay) is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds in as much as it will be funded from current financial resources and the government-wide financial statements for amounts to be paid from future financial resources.

Fund Balance

As of these financial statements, the Commission has adopted GASB Statement No. 54, which defines how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

- Non-spendable: This classification includes 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. The Commission has classified Prepaid Items as being Non-spendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year. At December 31, 2018, \$9,049 is classified as non-spendable fund balance.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Commission did not have any restricted resources as of December 31, 2018.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of the Commission. These amounts cannot be used for any other purpose unless the Commission Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Commission did not have any committed resources as of December 31, 2018.
- Assigned: This classification includes amounts that are constrained by the Commission's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of the Commission or through its Board or the Commission's Board delegating this responsibility to the Executive Director through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Commission did not have any assigned resources as of December 31, 2018.
- Unassigned: This classification includes the residual fund balance for the General Fund.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commission would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Post-Retirement Benefits

CDRPC provides pension benefits, including survivor benefits, to its retired employees through the New York State and Local Employees' Retirement System. CDRPC presently does not offer health insurance coverage for its retired employees and their survivors.

Accounts Receivable

Accounts receivable consist of uncollateralized customer obligations for services performed. Accounts receivable are shown net of an allowance for doubtful accounts. At December 31, 2018, CDRPC had no allowance for doubtful accounts.

Unearned Revenue

CDRPC reports unearned revenue when applicable. Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period at the fund level. Unearned revenue also arises on the statement of net position when resources are received by CDRPC before it has a legal claim to them, as when grant monies are received prior to the incurring of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met or when CDRPC has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to January 1, 2004. For assets acquired prior to January 1, 2004, estimated historical costs were used. Capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,500. CDRPC uses the straight-line method to depreciate capital assets, and estimated useful lives are 5 years.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Equity Classifications

Government-wide Statements:

In the Government-wide statements, there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations if applicable from the acquisition, construction, or improvement of those assets.

Restricted – reports net position when constraints placed on the position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the CDRPC.

Deferred Outflows and Inflows of Resources

In the Statement of Net Position, in addition to assets, CDRPC will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CDRPC has two items that qualify for reporting in this category. The first item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in CDRPC's proportion of the collective net pension asset or liability and difference during the measurement period between CDRPC's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is CDRPC contributions to the New York State and Local Employee's Retirement System (the System) subsequent to the March 31 measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources represent the net effect of the change in the CDRPC's proportion of the collective net

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deferred Outflows and Inflows of Resources

pension liability related to its participation in the System and differences between the CDRPC's contributions and its proportionate share of total contributions to the System not included in pension expense.

NOTE 3 — EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities compared with the current financial resources focus of the governmental funds.

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of CDRPC's governmental funds differs from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of four broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered "available", whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 — EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

Accrued Compensated Absences Differences

Employees earn vacation and sick leave as they provide service. They may accumulate (subject to certain limitations) unused time earned and, upon retirement, termination or death, may be compensated for such accumulated time. The cost of vacation pay and sick time are recognized in the statement of revenues, expenditures, and changes in fund balance when the expenditures are paid. The cost of vacation and sick time earned within the reporting period, including that which is not expected to be paid with expendable available financial resources, is reported in the government-wide financial statements as a liability and expensed in the statement of activities.

Pension Differences

Pension differences occur as a result of changes in CDRPC's proportion of the collective net pension asset/liability and differences between CDRPC's contributions and its proportionate share of the total contributions to the pension systems.

NOTE 4 — CASH

Custodial credit risk is the risk that, in the event of a bank failure, CDRPC's deposits may not be returned to it. Generally accepted accounting principles directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 — CASH

Insured by Federal Depository Insurance Corporation	\$	300,321
Collateralized with securities held by pledging financial institution in CDRPC's name		-
Uncollateralized		216,508

CDRPC does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

CDRPC does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

NOTE 5 — DUE FROM OTHER GOVERNMENTS

Due from other governments consists of receivables for reimbursements of expenditures under various federal and state programs and grants. All amounts are expected to be collected within the next year.

NOTE 6 — CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2018 is as follows:

	Balance Beginning of <u>Year</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>End of Year</u>
Furniture and Equipment	\$ 65,710	\$ -	\$ -	\$ 65,710
Less: accumulated depreciation	<u>62,172</u>	<u>884</u>	<u>-</u>	<u>63,056</u>
Net capital Assets	<u>\$ 3,538</u>	<u>\$ 884</u>	<u>-</u>	<u>\$ 2,654</u>

Depreciation expense was \$884 for the year ended December 31, 2018.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 — LONG-TERM DEBT

A summary of changes in long-term debt for the year ended December 31, 2018 is as follows:

	Balance Beginning of Year	<u>Decrease</u>	Balance End of Year
Compensated absences	\$ <u>29,402</u>	\$ <u>(17,490)</u>	\$ <u>11,912</u>

Due to the nature of the compensated absences, annual requirements to amortize such obligations are not determinable and have not been presented.

NOTE 8 — RETIREMENT SYSTEM

Pension Plan

Plan Descriptions and Benefits Provided

CDRPC participates in the New York State and Local Employees' Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (NYSCRF), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the NYSCRF and is the administrative head of the System. Benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. CDRPC also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/inex.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12207.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 — RETIREMENT SYSTEM

Pension Plan

Plan Descriptions and Benefits Provided

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 and before April 1, 2012 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. For employees joining on or after April 1, 2012, employee contribution rates under System tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2018	\$	86,807
2017		59,011
2016		37,050

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

At December 31, 2018, CDRPC reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. CDRPC's proportionate share of the net pension liability was based on a projection of CDRPC's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to CDRPC.

Date	<u>3/31/18</u>
Net pension liability	\$ 63,044
CDRPC's proportion of Plan's net pension liability	0.0019534%

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 — RETIREMENT SYSTEM

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

At December 31, 2018 CDRPC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 22,486	\$ 18,581
Change in assumptions	41,803	-
Net difference between projected and actual earnings on pension plan investments	91,566	180,743
Changes in proportion and differences between CDRPC's contributions and proportionate share of contributions	39,754	7,449
CDRPC's contributions subsequent to the measurement date	<u>53,093</u>	<u>-</u>
Total	<u>\$ 248,702</u>	<u>\$ 206,773</u>

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 — RETIREMENT SYSTEM

CDRPC contributions subsequent to the March 31 measurement date will be recognized as a reduction of the net pension liability in the subsequent year. 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 ended	
2019	\$ 23,654
2020	15,820
2021	(36,417)
2022	(14,221)
2023	-

Actuarial Assumptions

The total pension liability as of the March 31 measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2018
Actuarial valuation date	April 1, 2017
Investment return	7.0%
Salary scale	3.8% Average
Decrement tables	April 1, 2010 – March 31, 2015
Inflation rate	2.5%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2014.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 — RETIREMENT SYSTEM

The long-term expected 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 the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Actuarial Assumptions

Measurement date	<u>Target Allocation</u> <u>2018</u>	Long-term <u>Expected Real Rate of Return</u> <u>2018</u>
Asset type:		
Domestic equity	36%	4.55%
International equity	14%	6.35%
Real Estate	10%	7.75%
Private equity	10%	5.55%
Absolute return strategies (1)	2%	3.75%
Opportunistic portfolio	3%	5.68%
Real assets	3%	5.29%
Bonds and mortgages	17%	1.31%
Cash	1%	(0.25)%
Inflation – indexed bonds	<u>4%</u>	1.25%
Total	100%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 — RETIREMENT SYSTEM

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System’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.

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

The following presents CDRPC’s proportionate share of the net pension liability calculated using the discount rate of 7.0% for 2018, as well as what CDRPC’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease <u>(6.0%)</u>	Current Assumption <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
December 31, 2018			
Employer’s proportionate share of the net pension asset (liability)	\$ (477,007)	\$ (63,044)	\$ 287,152

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 — RETIREMENT SYSTEM

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings of pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for 2018 is \$86,375.

Contributions to the Pension Plan

Employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Retirement contributions as of December 31, 2018 represent the projected employer contribution for the period of April 1, 2018 through March 31, 2019 based on paid System wages multiplied by the employer’s contribution rate, by tier. These amounts have been recorded as deferred outflows of resources in the accompanying financial statements.

NOTE 9 — LEASES

CDRPC leases office space in Colonie, New York as well as a copier. The office lease commenced June 1, 2014, and expired on May 31, 2019. The office lease renewed on June 1st, 2019 and expires on May 31, 2024. Effective June 1st, 2019, the monthly rent for office space is \$5,119 plus utilities. The lease also provides for an escalation clause of not more than 5% annually if real estate taxes and/or building operating expenses increase over the base year (2014). The monthly rent for the copier is \$194.45 and expires November 30, 2022.

Future minimum lease payments under noncancelable operating leases as of December 31, 2018 are as follows:

Year Ending December 31	Amount
2019	\$ 62,212
2020	63,763
2021	63,763
2022	63,763
2023	<u>61,430</u>
Total	<u>\$ 314,931</u>

CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 — LEASES

Total office and copier rent expense for the year ended December 31, 2018 amounted to \$61,954.

NOTE 10 — ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

- GASB Statement No. 83 – “Certain Asset Retirement Obligations.” This Statement, issued in November 2016, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The provisions of this Statement are effective for financial statements for fiscal years beginning after June 15, 2018, which is the fiscal year beginning January 1, 2019 for CDRPC.
- GASB Statement No. 84 – “Fiduciary Activities.” This Statement issued in January 2017, is to provide guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this Statement are effective for financial statements for fiscal years beginning after December 15, 2018, which is the fiscal year beginning January 1, 2019 for CDRPC.
- GASB Statement No. 87 – “Leases.” This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflow of resources or outflows of resources based on the payment provisions of the contract. The provisions of this statement is effective for financial statements reporting period beginning after December 15, 2019, which is fiscal year beginning January 1, 2020 for CDRPC.
- GASB Statement No. 88 – “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.” The objective is to improve the information that is disclosed in the footnotes to the financial statements related to debt including direct borrowings and direct placement. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this statement is effective for financial statements reporting period beginning after June 15, 2018, which is fiscal year beginning January 1, 2019 for CDRPC.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 — ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

- GASB Statement No. 89 – “Accounting for Interest Cost Incurred Before the End of a Construction Period” The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. The provisions of this statement is effective for financial statements reporting period beginning after the year ending December 31, 2020, which is the fiscal year beginning January 1, 2020 for CDRPC.
- GASB Statement No. 90 – “Majority Equity Interests” The objective of this of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. The provisions of this statement is effective for financial statements reporting period beginning after the year ending December 31, 2019, which is the fiscal year beginning January 1, 2019 for CDRPC.
- GASB Statement No. 91 – “Conduit Debt Obligations” The objective of this Statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. The provisions of this statement is effective for financial statements reporting period beginning after the year ending December 31, 2020, which is the fiscal year beginning January 1, 2021 for CDRPC.

The effects of this statement on the financial statements of CDRPC are not presently determinable.

NOTE 11 — RELATED PARTY TRANSACTIONS

The Capital District Youth Center, Inc. (CDYCI) pays CDRPC for administrative services provided to CDYCI. CDYCI paid fees of \$102,000 for the year ended December 31, 2018. CDYCI and CDRPC are related entities as they have certain Board members in common.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Municipality Contributions	\$ 205,466	\$ 205,466	\$ 205,466	\$ -
Federal Aid	255,000	262,000	244,184	(17,816)
State Aid	345,000	345,000	339,943	(5,057)
Other Revenue	<u>291,400</u>	<u>312,502</u>	<u>310,580</u>	<u>(1,922)</u>
Total Revenues	<u>1,096,866</u>	<u>1,124,968</u>	<u>1,100,173</u>	<u>(24,795)</u>
Expenditures				
Personal Services	631,000	631,000	604,664	26,336
Contractual	200,300	213,353	192,356	20,997
Employee Benefits	<u>273,922</u>	<u>278,922</u>	<u>234,913</u>	<u>44,009</u>
Total Expenditures	<u>1,105,222</u>	<u>1,123,275</u>	<u>1,031,933</u>	<u>91,342</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (8,356)</u>	<u>\$ 1,693</u>	<u>\$ 68,240</u>	<u>\$ 66,547</u>

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED DECEMBER 31, 2018**

ERS Pension Plan
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.0019534%	0.0014931%	0.0011934%	0.0013346%
Proportionate share of the net pension liability (asset)	\$ 63,044	\$ 140,300	\$ 191,550	\$ 45,083
Covered-employee payroll	\$ 489,572	\$ 405,274	\$ 337,295	\$ 398,615
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	13%	35%	57%	11%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%	97.90%

* The amounts presented for each fiscal year were determined as of the measurement date disclosed in the footnotes.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled this presentation will only include information for those years for which information is available.

**CAPITAL DISTRICT REGIONAL PLANNING COMMISSION
SCHEDULE OF ENTITY CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

ERS Pension Plan
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 86,807	\$ 59,011	\$ 37,050	\$ 87,499
Contributions in relation to the contractually required contribution	<u>(86,807)</u>	<u>(59,011)</u>	<u>(37,050)</u>	<u>(87,499)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 489,572	\$ 405,274	\$ 337,295	\$ 398,615
Contributions as a percentage of covered-employee payroll	17.73%	14.56%	10.98%	21.95%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available.

**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**

To the Board of Commissioners
Capital District Regional Planning Commission

We have audited, 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, the financial statements of the governmental activities of the Capital District Regional Planning Commission (CDRPC and the Commission), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated July 11, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marvin and Company, P.C.

Latham, NY
July 11, 2019