

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS, INCLUDING COMPLIANCE WITH INVESTMENT GUIDELINES, BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Commissioners
Albany Port District Commission

We have audited the financial statements of the Albany Port District Commission (the "Commission") as of and for the year ended December 31, 2010, and have issued our report thereon dated March 25, 2011. 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; and Investment Guidelines for Public Authorities issued by the Office of the State Comptroller, State of New York.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

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.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters, including Investment Guidelines for Public Authorities and the Commission's Investment Guidelines, 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*.

This report is intended solely for the information and use of the Commissioners and management of the Albany Port District Commission, others within the entity, federal awarding agencies, pass-through entities and New York State departments and agencies, and is not intended to be and should not be used by anyone other than these specified parties.

UHY LLP

Albany, New York
March 25, 2011

Investment Report for Albany Port District Commission
Fiscal Year Ending 12/31/2010

Run Date: 03/30/2011
Status: CERTIFIED

Investment Information:

Question	Response	URL (if applicable)	Attachments
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925(6) of PAL?	Yes	www.portofalbany.us	Attachment Included
2. Are the Authority's investment guidelines reviewed and approved annually?	Yes		
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	Yes	www.portofalbany.us	Attachment Included
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	Yes	www.portofalbany.us	Attachment Included
5. Attach any other communications required or allowed by professional audit standards that were issued by the Authority's independent auditor in connection with its annual audit of investments.			
6. Did the independent audit of investments conform to the criteria in 2NYCRR Part 201.3(b)?	Yes		
7. Did investments include repurchase agreements? a. If Yes, did the repurchase agreements include a master repurchase agreement?	No		
8. Did investments include reverse repurchase agreements?	No		
9. Did the Authority engage in securities lending transactions?	No		
10. Were all deposits of money insured and/or collateralized? a. If No, were uninsured/uncollateralized deposits allowed by the Authority's investment guidelines and an adopted resolution by the Authority's governing board?	Yes		

Investment Report for Albany Port District Commission
Fiscal Year Ending 12/31/2010

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Additional Comments:

SHORT TERM INVESTMENT SERVICES
 ALBANY PORT DISTRICT COMMISSION
 AS OF DECEMBER 31, 2010
 PORTFOLIO



ISSUE DESCRIPTION	COUPON	MATURITY	PAR AMOUNT	MARKET PRICE	MARKET VALUE	PURCHASE YIELD	MARKET YIELD	% OF PORTFOLIO
<u>MONEY MARKET</u>								
BANK OF AMERICA MM	0.100%	01/01/11	1,580.46	100.00	1,580.46	0.10%	0.10%	0.07%
	0.100%	01/01/11	1,580.46	100.00	1,580.46	0.10%	0.10%	0.07%
<u>AGENCY DISCOUNT NOTES</u>								
FHLB DUE 01/05/11	0.000%	01/05/11	500,000.00	100.00	500,000.00	0.26%	0.02%	23.69%
FNMA DUE 03/23/11	0.000%	03/23/11	460,000.00	99.98	459,898.80	0.19%	0.11%	21.79%
FNMA DUE 05/06/11	0.000%	05/06/11	250,000.00	99.96	249,890.00	0.52%	0.13%	11.84%
FHLB DUE 05/11/11	0.000%	05/11/11	400,000.00	99.95	399,816.00	0.19%	0.13%	18.94%
FNMA DUE 06/07/11	0.000%	06/07/11	500,000.00	99.93	499,655.00	0.15%	0.15%	23.67%
	0.000%	04/06/11	2,110,000.00	99.96	2,109,259.80	0.24%	0.10%	99.93%
TOTAL	0.000%	04/06/11	2,111,580.46	99.96	2,110,840.26	0.24%	0.10%	100.00%

TOTAL FEES PAID IN 2010 TO HUGH JOHNSON ADVISORS, LLC FOR
 INVESTMENT MANAGEMENT SERVICES = \$5,000.00