

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, 2011, and have issued our report thereon dated March 20, 2012. 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 20, 2012

Investment Report for Albany Port District Commission

Fiscal Year Ending: 12/31/2011

Run Date: 05/09/2012

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: 12/31/2011

Run Date: 05/09/2012

Status: CERTIFIED

Additional Comments:

SHORT TERM INVESTMENT SERVICES
 ALBANY PORT DISTRICT COMMISSION
 AS OF DECEMBER 31, 2011
 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	0.040%	01/01/12	5,216.34	100.00	5,216.34	0.04%	0.04%	0.25%
	0.040%	01/01/12	5,216.34	100.00	5,216.34	0.04%	0.04%	0.25%
<u>CERTIFICATE OF DEPOSITS</u>								
GOLDMAN SACHS BANK	0.250%	04/12/12	245,000.00	99.94	244,854.72	0.25%	0.25%	11.63%
SAFRA NATIONAL BANK	0.350%	10/05/12	245,000.00	99.84	244,614.62	0.35%	0.35%	11.62%
APPLE BANK OF SAVINGS	0.350%	10/12/12	150,000.00	99.83	149,744.85	0.35%	0.35%	7.11%
	0.312%	07/31/12	640,000.00	99.88	639,214.19	0.31%	0.31%	30.35%
<u>AGENCY DISCOUNT NOTES</u>								
FHLMC DUE 01/03/12	0.000%	01/03/12	460,000.00	100.00	460,000.00	0.09%	0.00%	21.84%
	0.000%	01/03/12	460,000.00	100.00	460,000.00	0.09%	0.00%	21.84%
<u>AGENCY NOTES</u>								
FHLMC AGENCY NOTE	2.125%	03/23/12	264,000.00	100.45	265,180.08	0.12%	0.16%	12.59%
FED FARM CREDIT BK AGY NOTE	2.125%	04/04/12	150,000.00	101.20	151,801.50	0.12%	0.22%	7.21%
FNMA AGENCY NOTE	2.125%	04/20/12	240,000.00	100.53	241,272.00	0.12%	0.12%	11.46%
GE CAPITAL CORP TGLP	1.875%	06/08/12	340,000.00	100.92	343,121.20	0.14%	0.09%	16.29%
	2.039%	04/26/12	994,000.00	100.74	1,001,374.78	0.13%	0.14%	47.55%
TOTAL	1.064%	04/30/12	2,099,216.34	100.32	2,105,805.31	0.17%	0.16%	100.00%
	0.040%	01/01/12	5,216.34	100.00	5,216.34	0.04%	0.04%	0.25%
	0.312%	07/31/12	640,000.00	99.88	639,214.19	0.31%	0.31%	30.35%
	0.000%	01/03/12	460,000.00	100.00	460,000.00	0.09%	0.00%	21.84%
	2.039%	04/26/12	994,000.00	100.74	1,001,374.78	0.13%	0.14%	47.55%

TOTAL FEES PAID IN 2011 TO HUGH JOHNSON ADVISORS, LLC FOR INVESTMENT MANAGEMENT SERVICES = \$5,000

SHORT TERM INVESTMENT SERVICES
ALBANY PORT DISTRICT COMMISSION
TRANSACTIONS DETAIL

TYPE	BROKER	TRADE DATE	SETTLEMENT DATE	DETAIL	COUPON	MATURITY DATE	PRICE	PAR AMOUNT	PRINCIPAL	INTEREST	NET PROCEEDS	INTEREST
DIVIDEND		01/03/11		BANK OF AMERICA MONEY MARKET								0.04
BUY	BARCLAYS	01/04/11	01/05/11	FNMA DUE 06/22/11	0.000%	06/22/11	99.907	500,000.00	499,533.33	-	499,533.33	0.04
MATURITY		01/05/11		FHLLB DUE 01/05/11	0.000%	01/05/11	100.000	500,000.00	500,000.00	-	500,000.00	653.61
DIVIDEND		02/01/11		BANK OF AMERICA MONEY MARKET								0.08
FEES		02/14/11		BANK OF AMERICA FEES								(587.27)
DIVIDEND		03/01/11		BANK OF AMERICA MONEY MARKET								0.06
MATURITY		03/23/11		FNMA DUE 03/23/11	0.000%	03/23/11	100.000	460,000.00	460,000.00	-	460,000.00	393.30
BUY	BARCLAYS	03/30/11	03/31/11	FHLLB DUE 04/27/11	0.000%	04/27/11	99.996	460,000.00	459,981.03	-	459,981.03	5.11
DIVIDEND		04/01/11		BANK OF AMERICA MONEY MARKET								18.97
BUY	BARCLAYS	04/26/11	04/27/11	FHLLC DUE 07/11/11	0.000%	07/11/11	99.985	460,000.00	459,932.92	-	459,932.92	0.06
MATURITY		04/27/11		FHLLB DUE 04/27/11	0.000%	04/27/11	100.000	460,000.00	460,000.00	-	460,000.00	1,267.92
DIVIDEND		05/02/11		BANK OF AMERICA MONEY MARKET								0.06
MATURITY		05/06/11		FNMA DUE 05/06/11	0.000%	05/06/11	100.000	250,000.00	250,000.00	-	250,000.00	354.67
MATURITY		05/11/11		FHLLB DUE 05/11/11	0.000%	05/11/11	100.000	400,000.00	400,000.00	-	400,000.00	(567.50)
BUY	BARCLAYS	05/11/11	05/11/11	FHLLC DUE 09/09/11	0.000%	09/09/11	99.980	650,000.00	649,868.92	-	649,868.92	1.75
FEES		05/13/11		BANK OF AMERICA FEES								333.33
DIVIDEND		06/01/11		BANK OF AMERICA MONEY MARKET								466.67
MATURITY		06/07/11		FNMA DUE 06/07/11	0.000%	06/07/11	100.000	500,000.00	500,000.00	-	500,000.00	1.42
BUY	BARCLAYS	06/09/11	06/09/11	FNMA DUE 12/07/11	0.000%	12/07/11	99.937	500,000.00	499,685.76	-	499,685.76	67.08
MATURITY		06/22/11		FNMA DUE 06/22/11	0.000%	06/22/11	100.000	500,000.00	500,000.00	-	500,000.00	1.32
BUY	BARCLAYS	06/21/11	06/22/11	FNMA DUE 10/24/11	0.000%	10/24/11	99.969	500,000.00	499,845.00	-	499,845.00	0.04
DIVIDEND		07/01/11		BANK OF AMERICA MONEY MARKET								19.63
MATURITY		07/11/11		FHLLC DUE 07/11/11	0.000%	07/11/11	100.000	460,000.00	460,000.00	-	460,000.00	(607.52)
BUY	BARCLAYS	07/12/11	07/13/11	FHLLC DUE 1/3/12	0.000%	01/03/12	99.957	460,000.00	459,799.90	-	459,799.90	0.04
DIVIDEND		08/01/11		BANK OF AMERICA FEES								155.00
FEES		08/12/11		BANK OF AMERICA FEES								19.63
DIVIDEND		09/01/11		BANK OF AMERICA MONEY MARKET								1.32
MATURITY		09/09/11		FHLLC DUE 09/09/11	0.000%	09/09/11	100.000	650,000.00	650,000.00	-	650,000.00	0.04
DIVIDEND		10/01/11		BANK OF AMERICA MONEY MARKET								19.63
BUY	WSAX	10/06/11	10/12/11	CD; GOLDMAN SACHS BANK	0.250%	04/12/12	100.000	245,000.00	245,000.00	-	245,000.00	155.00
BUY	WSAX	10/06/11	10/12/11	CD; SAFRA NATIONAL BANK	0.350%	10/05/12	99.780	245,000.00	244,461.00	11.75	244,472.75	1.32
BUY	WSAX	10/06/11	10/12/11	CD; APPLE BANK OF SAVINGS	0.350%	10/12/12	100.000	150,000.00	150,000.00	-	150,000.00	0.04
MATURITY		10/24/11		FNMA DISCOUNT NOTE	0.000%	10/24/11	100.000	500,000.00	500,000.00	-	500,000.00	19.63
BUY	GXCLARKE	10/24/11	10/25/11	FHLLC AGENCY NOTE	2.125%	03/23/12	100.823	264,000.00	266,172.72	498.67	266,671.39	155.00
BUY	GXCLARKE	10/24/11	10/25/11	FNMA AGENCY NOTE	1.875%	04/20/12	100.852	240,000.00	242,044.80	62.50	242,107.30	10.73
DIVIDEND		11/01/11		BANK OF AMERICA MONEY MARKET								(627.60)
FEES		11/15/11		BANK OF AMERICA FEES								0.10
DIVIDEND		12/01/11		BANK OF AMERICA MONEY MARKET								314.24
MATURITY		12/07/11		FNMA DUE 12/07/11	0.000%	12/07/11	100.000	500,000.00	500,000.00	-	500,000.00	0.10
BUY	GXCLARKE	12/20/11	12/21/11	FEDERAL FARM CREDIT BANK	4.875%	04/04/12	101.359	150,000.00	152,038.50	1,564.06	153,602.56	0.10
BUY	GXCLARKE	12/20/11	12/21/11	GE CAPITAL CORP TGLP	2.200%	06/08/12	100.954	340,000.00	343,243.60	270.11	343,513.71	0.10

SHORT TERM INVESTMENT SERVICES
ALBANY PORT DISTRICT COMMISSION
AS OF DECEMBER 31, 2011
INTEREST ACCRUALS

ISSUE DESCRIPTION	PAR AMOUNT	PURCHASE COST	NOV BOOK VALUE	DEC BOOK VALUE	AMORT CHANGE	REALIZED GAIN/(LOSS)	BEGINNING ACCRUAL	NEW ACCRUAL	INTEREST RECEIVED	ENDING ACCRUAL
MONEY MARKET										
BANK OF AMERICA MM	5,216.34	5,216.34	2,332.51	5,216.34	0.00	0.00	0.00	0.10	0.10	0.00
CERTIFICATE OF DEPOSITS										
GOLDMAN SACHS BANK	245,000.00	245,000.00	245,000.00	245,000.00	0.00	0.00	82.23	52.02	0.00	134.25
SAFRA NATIONAL BANK	245,000.00	244,461.00	244,534.57	244,581.11	46.54	0.00	126.86	72.83	0.00	199.69
APPLE BANK OF SAVINGS	150,000.00	150,000.00	150,000.00	150,000.00	0.00	0.00	70.48	44.59	0.00	115.07
							279.57	169.44	0.00	449.01
AGENCY DISCOUNT NOTES										
FHLMC DUE 01/03/12	460,000.00	459,799.90	459,799.90	459,799.90	0.00	0.00	161.00	35.65	0.00	196.65
							161.00	35.65	0.00	196.65
AGENCY NOTES										
FHLMC AGENCY NOTE	264,000.00	266,172.72	265,651.27	265,202.24	(449.03)	0.00	1,044.08	503.09	0.00	1,547.17
FED FARM CREDIT BK AGY NOTE	150,000.00	152,038.50	0.00	151,844.36	(194.14)	0.00	0.00	1,767.19	0.00	1,767.19
FNMA AGENCY NOTE	240,000.00	242,044.80	241,631.24	241,275.13	(356.11)	0.00	500.00	387.50	0.00	887.50
GE CAPITAL CORP TGLP	340,000.00	343,243.60	0.00	343,052.80	(190.80)	0.00	0.00	477.89	0.00	477.89
							1,544.08	3,135.67	0.00	4,679.75
TOTAL	2,099,216.34	2,107,976.86	1,608,949.49	2,105,971.88	(1,143.54)	0.00	1,984.65	3,340.86	0.10	5,325.41
SALES & MATURITIES										
FNMA DUE 12/07/11	500,000.00	499,685.76	499,685.76	499,685.76	0.00	0.00	302.08	12.16	314.24	0.00
TOTAL			2,108,635.25	(1,143.54)	0.00	0.00	2,286.73	3,353.02	314.34	5,325.41