

CITY OF RENNELAER
INDUSTRIAL DEVELOPMENT AGENCY,
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of
City of Rensselaer Industrial Development Agency
Rensselaer, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of **City of Rensselaer Industrial Development Agency**, which comprise of the balance sheet as of December 31, 2020 and 2019, and the related statements of revenues, expenses and changes in fund equity and cash flows for the years 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. 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.

City of Rensselaer Industrial Development Agency

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 City of Rensselaer Industrial Development Agency as of December 31, 2020 and 2019, and the results of its fund equity and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 2, 2021, on our consideration of the City of Rensselaer Industrial Development Agency's internal controls 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 provide an opinion on internal controls over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Rensselaer Industrial Development Agency's internal control over financial reporting and compliance.

Maikels & Trainor, CPA's

March 2, 2021

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY,
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash	\$ 622,224	\$ 394,974
Accounts receivable	<u>35,590</u>	<u>21,117</u>
TOTAL ASSETS	<u>\$ 657,814</u>	<u>\$ 416,091</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 5,800	\$ 2,900
Pilots payable	<u>278,910</u>	<u>39,117</u>
TOTAL LIABILITIES	<u>\$ 284,710</u>	<u>\$ 42,017</u>
NET POSITION – UNRESTRICTED	<u>\$ 373,104</u>	<u>\$ 374,074</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 657,814</u>	<u>\$ 416,091</u>

See accompanying notes to financial statements.

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY,
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Fee income	\$ -0-	\$ 44,100
Pilots received	<u>-0-</u>	<u>491,861</u>
Total operating revenues	<u>\$ -0-</u>	<u>\$ 535,961</u>
OPERATING EXPENSES:		
Administration – Pilot disbursed	\$ -0-	\$ 491,861
Administration expenses	<u>2,900</u>	<u>22,865</u>
Total operating expenses	<u>\$ 2,900</u>	<u>\$ 514,726</u>
OPERATING INCOME	<u>\$ (2,900)</u>	<u>\$ 21,235</u>
NON-OPERATING REVENUES		
Interest and earnings	<u>\$ 1,930</u>	<u>\$ 4,511</u>
Total non-operating revenues	<u>\$ 1,930</u>	<u>\$ 4,511</u>
NET INCOME (LOSS)	<u>\$ (970)</u>	<u>\$ 25,746</u>
NET POSITION AT BEGINNING OF YEAR	<u>\$ 374,074</u>	<u>\$ 348,328</u>
NET POSITION AT END OF YEAR	<u>\$ 373,104</u>	<u>\$ 374,074</u>

See accompanying notes to financial statements.

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY,
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash payments for services	\$ -0-	\$ 44,100
(Increase) decrease in accounts receivable	(14,473)	(21,117)
Increase (decrease) in liabilities	242,693	(177,990)
Cash payments for contractual expenses	<u>(2,900)</u>	<u>(25,115)</u>
Net cash provided (used) by operating activities	<u>\$ 225,320</u>	<u>\$ (180,122)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>\$ 1,930</u>	<u>\$ 4,511</u>
Net cash provided by investing activities	<u>\$ 1,930</u>	<u>\$ 4,511</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 227,250	\$(175,611)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	394,974	570,585
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 622,224</u>	<u>\$ 394,974</u>
RECONCILIATION OF NET INCOME (LOSS) NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES		
Operating income	<u>\$ (970)</u>	<u>\$ 25,746</u>
Adjustments to reconcile net income to net cash Provided by operations:		
(Increase) decrease in assets	\$ (14,473)	\$ (21,117)
Increase (decrease) in liabilities	<u>242,693</u>	<u>(179,990)</u>
Net cash provided by operations	<u>\$ 227,250</u>	<u>\$(175,611)</u>
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	<u>\$ 227,250</u>	<u>\$(175,611)</u>

See accompanying notes to financial statements.

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY,
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTES 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Rensselaer Industrial Development Agency (Agency) have been prepared in conformity with generally accepted accounting principles (GAAP). Significant accounting policies are:

Organization and Purpose

The Agency was created under the provisions of the laws of New York State for the purpose of encouraging economic growth in the City of Rensselaer and limits its activity to projects in the City of Rensselaer. The Agency is exempt from federal, state and local income taxes. The Agency, although established by the Common Council of the City of Rensselaer is a separate entity and operated independently of the City of Rensselaer.

Basis of Accounting

The accounts of the Agency are maintained on the accrual basis of accounting. Revenue is recognized when earned and liabilities are recognized when incurred.

Cash and Cash Equivalents

The Agency maintains cash balances at one bank. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and the excess is uninsured. For the purpose of the Statement of Cash Flows, the Company considers all liquid securities purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2020 and 2019.

Investments

The Agency's investment policies are governed by State statutes, which specify limited permissible types of investments. Permissible investments include obligations of U.S. agencies and of New York State and political subdivisions thereof.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY,
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Industrial Revenue Bond and Note Transactions

The bonds and notes are not obligations of the Agency or the state. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

NOTE 2 - NET POSITION

Governmental Accounting Standards Board No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," defines certain categories of fund balances. The Agency has similarly classified net position as follows:

Assigned net position includes amounts that are constrained by the Agency's intent to be used for specific purposes, but are neither restricted nor committed. There was no assigned net position at December 31, 2020 and 2019.

Unassigned net position represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the fund.

NOTE 3 - SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions for any potential material impact on operations for the year ended December 31, 2020 or financial position as of December 31, 2019 occurring through December 23, 2020, the date the financial statements were available to be issued. No such events or transactions were identified.

**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***

The Board of Directors
City of Rensselaer Industrial Development Agency
Rensselaer, New York

Independent Auditors' Report

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 the City of Rensselaer Industrial Development Agency, (the Organization), which comprise the statement of financial position as of December 31, 2020, 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 2, 2021

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 weakness 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 Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of law, 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 matter 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rensselaer, New York
March 2, 2021