

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

TABLE OF CONTENTS

	<u>Page</u>
Management’s Discussion and Analysis.....	1
Independent auditors’ report.....	2-4
Financial Statements	
Statements of Net Position.....	5
Statements of Revenues, Expenses and Changes in fund equity.....	6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-9
Supplementary Financial Information	
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.....	10-11

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY,
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023 AND 2022

Change in Net Position

The Agency's net position as of the end of 2023 decreased from the levels at the end of 2022 as follows:

	<u>2023</u>	<u>2022</u>
Net Position as of the Beginning of Year	\$ 303,358	\$ 346,564
Revenue	407,089	392,936
Expenses	<u>(449,624)</u>	<u>(436,142)</u>
Net Position as of End of Year	<u>\$ 260,823</u>	<u>\$ 303,358</u>

Interest Income

Interest earnings for 2023 amounted to \$9,643, which was \$6,606 more than the 2022 earnings of \$3,037. The increase in interest income reflected an increase in the balance of the account and the rate of return on the investment.

PILOTS Collected

In 2023 The Agency collected \$389,946 of PILOT payments from the projects that had PILOT agreements. These funds were disbursed to the appropriate tax authority in the course of 2023.

Summary of Conduit Bonds

The following table presents a summary of outstanding conduit bond issuances, which are more Fully described within the footnotes to the financial statements:

Project	<u>Balance</u> <u>12/31/22</u>	<u>Issued In</u> <u>2023</u>	<u>Paid In</u> <u>2023</u>	<u>Balance</u> <u>12/31/23</u>
Conductors Court	\$ 9,346,205	\$ -0-	\$ 176,167	\$ 9,170,038
North River Meadows	<u>9,495,745</u>	<u>-0-</u>	<u>178,987</u>	<u>9,316,758</u>
Total	<u>\$18,841,950</u>	<u>\$ -0-</u>	<u>\$ 355,154</u>	<u>\$18,486,796</u>

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Agency's finances for those having an interest, and should be considered along with the Annual Financial Statements, including the related footnotes. Questions concerning any of the information provided in this report may be addressed to Jack Bonesteel, Chief Executive Officer, at 62 Washington Street, Rensselaer, NY 12144.

MAIKELS & TRAINOR, CPA'S

Certified Public Accountants, LLP

21 Everett Road Ext
Albany, NY 12205
518-487-4679
518-487-4683 Fax

Allen F Maikels, CPA

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of **City of Rensselaer Industrial Development Agency**, which comprise of the Statement of financial position as of December 31, 2022 and 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statements date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and access the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 consist of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 March 21, 2023, 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

Maikels & Trainor, CPA's

March 21, 2024

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY,
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 262,323	\$ 306,358
Accounts receivable	<u>1,500</u>	<u>-0-</u>
TOTAL ASSETS	<u>\$ 263,823</u>	<u>\$ 306,358</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 3,000</u>	<u>\$ 3,000</u>
TOTAL LIABILITIES	<u>\$ 3,000</u>	<u>\$ 3,000</u>
NET POSITION – UNRESTRICTED	<u>\$ 260,823</u>	<u>\$ 303,358</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 263,823</u>	<u>\$ 306,358</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:		
Fee income	\$ 7,500	\$ 6,000
Pilots received	<u>389,946</u>	<u>383,899</u>
Total operating revenues	<u>\$ 397,446</u>	<u>\$ 389,899</u>
OPERATING EXPENSES:		
Administration – Pilot disbursed	\$ 389,946	\$ 383,899
Administration expenses	<u>59,678</u>	<u>52,243</u>
Total operating expenses	<u>\$ 449,624</u>	<u>\$ 436,142</u>
OPERATING INCOME	<u>\$ (52,178)</u>	<u>\$ (46,243)</u>
NON-OPERATING REVENUES		
Interest and earnings	<u>\$ 9,643</u>	<u>\$ 3,037</u>
Total non-operating revenues	<u>\$ 9,643</u>	<u>\$ 3,037</u>
NET INCOME (LOSS)	<u>\$ (42,535)</u>	<u>\$ (43,206)</u>
NET POSITION AT BEGINNING OF YEAR	<u>\$ 303,358</u>	<u>\$ 346,564</u>
NET POSITION AT END OF YEAR	<u>\$ 260,823</u>	<u>\$ 303,358</u>

See accompanying notes to financial statements.

CITY OF RENSSELAER
INDUSTRIAL DEVELOPMENT AGENCY,
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash payments for services	\$ 7,500	\$ 6,000
(Increase) decrease in Pilots receivable	-0-	3,572
(Increase) decrease in Accounts receivable	(1,500)	-0-
Increase (decrease) in liabilities	-0-	(6,198)
Cash payments for contractual expenses	<u>(59,678)</u>	<u>(52,243)</u>
Net cash provided (used) by operating activities	<u>\$ (53,678)</u>	<u>\$ (48,869)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	<u>\$ 9,643</u>	<u>\$ 3,037</u>
Net cash provided by investing activities	<u>\$ 9,643</u>	<u>\$ 3,037</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (44,035)	\$ (45,832)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>306,358</u>	<u>352,190</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 262,323</u>	<u>\$ 306,358</u>
RECONCILIATION OF NET INCOME (LOSS) NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES		
Operating income	<u>\$ (42,535)</u>	<u>\$ (43,206)</u>
Adjustments to reconcile net income to net cash Provided by operations:		
(Increase) decrease in assets	\$ (1,500)	\$ 3,572
Increase (decrease) in liabilities	<u>-0-</u>	<u>(6,198)</u>
Net cash provided by(used by) operations	<u>\$ (44,035)</u>	<u>\$ (45,832)</u>
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	<u>\$ (44,035)</u>	<u>\$ (45,832)</u>

See accompanying notes to financial statements.

CITY OF RENNELAER
INDUSTRIAL DEVELOPMENT AGENCY,
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022.

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, 2023 AND 2022

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 – PILOT PAYMENTS

The Agency collects PILOT (payment in lieu of taxes) payments for the projects that it has approved. For 2023 PILOT payments totaling \$389,946 were received and these payments were paid out to the local tax districts in the course of 2023.

NOTE 3 - 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, 2023 and 2022.

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 4 – SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions for any potential material impact on operations for the year ended December 31, 2023 or financial position as of December 31, 2022 occurring through March 21, 2023, the date the financial statements were available to be issued. No such events or transactions were identified.

NOTE 5 – UNCERTAINTY

The United States is presently in the midst of a national health emergency related to a virus commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Agency and its future financial position and results of operations is not presently determinable.

MAIKELS & TRAINOR, CPA'S

Certified Public Accountants, LLP

21 Everett Road Ext
Albany, NY 12205
518-487-4679
518-487-4683 Fax

Allen F Maikels, CPA

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, 2023, 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 21, 2024.

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.

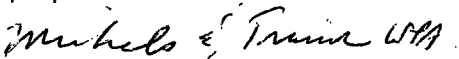
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit, we did not identify 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.



Maikels & Trainor, CPA's
March 21, 2024