

**CITY OF RENSSELAER**  
**INDUSTRIAL DEVELOPMENT AGENCY,**  
**A COMPONENT UNIT OF THE CITY OF RENSSELAER**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

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## INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of  
City of Rensselaer Industrial Development Agency  
A Component Unit of The City of Rensselaer  
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, 2017 and 2016, 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  
A Component Unit of The City of Rensselaer**

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, 2016 and 2015, 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 24, 2018, 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 LLP

March 24, 2018

CITY OF RENSSELAER  
INDUSTRIAL DEVELOPMENT AGENCY,  
A COMPONENT OF THE CITY OF RENSSELAER  
BALANCE SHEETS  
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 200,307	\$ 124,665
Accounts Receivable	<u>0</u>	<u>90,000</u>
<b>TOTAL ASSETS</b>	<u>\$ 200,307</u>	<u>\$ 214,665</u>

LIABILITIES AND FUND EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 5,150</u>	<u>\$ 14,550</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,150</u>	<u>\$ 14,550</u>
<b>FUND EQUITY: Retained earnings</b>	<u>\$ 195,157</u>	<u>\$ 200,115</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 200,307</u>	<u>\$ 214,665</u>

See accompanying notes to financial statements.

**CITY OF RENSSELAER**  
**INDUSTRIAL DEVELOPMENT AGENCY,**  
**A COMPONENT OF THE CITY OF RENSSELAER**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES:</b>		
Fee income	\$ 4,932	\$ 108,880
Pilots received	<u>18,000</u>	<u>12,000</u>
Total operating revenues	<u>\$ 22,932</u>	<u>\$ 120,880</u>
<b>OPERATING EXPENSES:</b>		
Administration - Pilot disbursed	\$ 18,000	\$ 12,000
Administration expenses	<u>9,892</u>	<u>23,294</u>
Total operating expenses	<u>\$ 27,892</u>	<u>\$ 35,294</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (4,960)</u>	<u>\$ 85,586</u>
<b>NON-OPERATING REVENUES</b>		
Interest and earnings	<u>\$ 2</u>	<u>\$ 1</u>
Total non-operating revenues	<u>\$ 2</u>	<u>\$ 1</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (4,958)</u>	<u>\$ 85,587</u>
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>200,115</u>	<u>114,528</u>
<b>FUND EQUITY AT END OF YEAR</b>	<u><u>\$ 195,157</u></u>	<u><u>\$ 200,115</u></u>

See accompanying notes to financial statements.

**CITY OF RENSSELAER**  
**INDUSTRIAL DEVELOPMENT AGENCY,**  
**A COMPONENT UNIT OF THE CITY OF RENSSELAER**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash payments for services	\$ 4,932	\$ 108,880
(Increase) decrease in assets	90,000	(90,000)
Increase (decrease) in assets	(9,400)	0
Cash payments for contractual expenses	<u>(9,892)</u>	<u>(23,294)</u>
Net cash provided (used) by operating activities	<u>\$ 75,640</u>	<u>\$ (4,414)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	<u>\$ 2</u>	<u>\$ 1</u>
Net cash provided by investing activities	<u>\$ 2</u>	<u>\$ 1</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 75,642</b>	<b>\$ (4,413)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<u>124,665</u>	<u>129,078</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 200,307</u></u>	<u><u>\$ 124,665</u></u>
<b>RECONCILIATION OF NET INCOME TO NET INCREASE (DECREASE) IN CASH</b>		
Net income (loss)	<u>\$ (4,958)</u>	<u>\$ 85,587</u>
Adjustments to reconcile net income to net cash provided by operations:		
(Increase) decrease in assets	\$ 90,000	\$ (90,000)
Increase (decrease) in liabilities	<u>(9,400)</u>	<u>0</u>
Net cash provided by operations	<u>\$ 80,600</u>	<u>\$ (90,000)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u><u>\$ 75,642</u></u>	<u><u>\$ (4,413)</u></u>

See accompanying notes to financial statements.

**CITY OF RENSSELAER**  
**INDUSTRIAL DEVELOPMENT AGENCY,**  
**A COMPONENT UNIT OF THE CITY OF RENSSELAER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**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 is considered to be a component unit of the City of Rensselaer because the Rensselaer Commission Council appoints the Agency's Board of Directors.

**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, 2017 and 2016.

**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**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 2 - 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.

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**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  
A Component Unit of The City of Rensselaer  
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, a Component Unit of The City of Rensselaer (the Organization), which comprise the statement of financial position as of December 31, 2017, 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 24, 2018

### ***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 24, 2018