



BUSINESS
ADVISORS
AND CPAS

March 18, 2024

Town of Guilderland Industrial Development Agency
P.O. Box 339
Guilderland, NY 12084

Dear Board of Directors:

We have audited the financial statements of the Town of Guilderland Industrial Development Agency (the Agency) as of and for the year ended December 31, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our responsibilities in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 15, 2024, our responsibility as described by professional standards, is to form and express an opinion(s) about whether the financial statements have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and *Government Auditing Standards*. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies noted during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* dated March 18, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Safeguards in place to eliminate or reduce threats to independence to an acceptable level include a skilled, knowledgeable and experienced CFO and CEO who review draft financial statements prior to issuance and accepts responsibility for them.

Significant Risks Identified

Professional auditing standards require that we identify and assess risks and design and perform our audit procedures to assess those risks. The identification of a risk does not mean that it has occurred, but rather it has the potential to impact the financial statements. We have identified the following significant risks:

Management override, as there is the potential for unusual or fraudulent journal entries to be posted by management, and for employees to feel pressure from management to act in a dishonest manner.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgement and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Agency's financial statements relate to the industrial revenue bond note.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No such transactions were identified as a result of our audit procedures and brought to the attention of management.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected misstatements identified during the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. These adjustments could, in our judgement, either individually or in the aggregate, have a significant effect on the Agency's financial reporting process. The attached list summarizes entries we proposed that were corrected and recorded by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested and received certain representations from management, which are included in the separate management representation letter dated March 18, 2024.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatements. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basis financial statements. We did not audit the RSI and did not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the information and use of the Board of Directors and management of the Town of Guilderland Industrial Development Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Mengel, Metzger, Barr & Co. LLP

MENGEL, METZGER, BARR & CO. LLP

Town of Guilderland Industrial Development Agency
Listing of Corrected Misstatements
December 31, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To record prior year proposed journal entries not recorded by the Agency			
2401	Interest Earnings	233.00	
305	Insurance	4,269.00	
306	Meetings Broadcasts	229.00	
803	Workmans Comp	140.00	
3200	Retained Earnings		4,871.00
Total		4,871.00	4,871.00
Adjusting Journal Entries JE # 2			
To record interest earned			
A203	IDA Savings Pioneer	2,184.00	
A205	CD B 6 Month 1st National	225.00	
2401	Interest Earnings		2,409.00
Total		2,409.00	2,409.00
Adjusting Journal Entries JE # 3			
to adjust prepaid expenses			
1100	Prepaid expenses	217.00	
803	Workmans Comp	33.00	
306	Meetings Broadcasts		250.00
Total		250.00	250.00
Adjusting Journal Entries JE # 4			
to get fix reconciliation discrepancies and retained earnings			
2409	Transfers	5,765.00	
3200	Retained Earnings	23,123.00	
3200	Retained Earnings		5,765.00
66900	Reconciliation Discrepancies		23,123.00
Total		28,888.00	28,888.00
Adjusting Journal Entries JE # 5			
to move transfers balance to interest earnings			
2409	Transfers	235.00	
2401	Interest Earnings		235.00
Total		235.00	235.00
Adjusting Journal Entries JE # 6			
to move Costco Advance to Deferred Revenue			
1002	Project Fees	51,750.00	
2500	Deferred Revenue		51,750.00
Total		51,750.00	51,750.00

**TOWN OF GUILDERLAND
INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL REPORT
DECEMBER 31, 2023**

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

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BUSINESS
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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Town of Guilderland Industrial Development Agency
Guilderland, NY 12084

Opinion

We have audited the financial statements of the Town of Guilderland Industrial Development Agency (the Agency), (a public benefit corporation), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town of Guilderland Industrial Development Agency, as of December 31, 2023 and 2022 and the changes in financial position, and where applicable 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS) 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Canandaigua + Elmira + Latham + Queensbury + Rochester

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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 GAAS and GAS 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 judgment, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 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 consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Guilderland Industrial Development Agency's basic financial statements. The accompanying supplemental schedules of revenues, expenses, and changes in net position - budget and actual and bond indebtedness on pages 14 and 15, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses, and changes in net position - budget and actual and schedule of bond indebtedness are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the Town of Guilderland Industrial Development Agency's internal control 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guilderland Industrial Development Agency's internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Latham, NY
March 18, 2024

Management's Discussion and Analysis (MD&A)

The Chairman, Board of Directors, and management of the Town of Guilderland Industrial Development Agency (the Agency) offer readers of the Agency's financial statements this narrative overview and analysis of their financial activities for the year ended December 31, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Agency's financial statements, which follow this narrative.

Financial Highlights

- The Agency's net position decreased by \$44,269 (or 4.31%) to \$982,260 as compared to the previous year when net position increased by \$79,253 (or 8.37%) to \$1,026,529.
- Total operating expenses of the Agency were \$69,934 during the year ended December 31, 2023 in addition to other expenses of \$21,158 relating to PILOT monies passed through the Agency. This is compared to the previous year when total operating expenses of the Agency were \$115,684 and \$12,004 of PILOT monies passed through the Agency.

Overview of the Financial Statements

The Agency's basic financial statements consist of three components: (1) the MD&A, (2) fund financial statements, and (3) notes to the financial statements. Because the Agency is a public benefit corporation engaged in business-type activities only, the financial statements are presented in accordance with GASB Statement 62. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Agency. In addition to the management's discussion and analysis, management has prepared the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows, following the MD&A.

Overview of the Agency

The Agency's primary mission is to encourage economic growth and expansion through financial incentives, thus advancing job opportunities, health, general prosperity, and economic welfare of the people of the Town of Guilderland and the State of New York. The Agency's operations are funded entirely through fees for services and investment income.

Projects in 2023

There were no new Agency projects in 2023.

Fund Financial Statements

The financial statements are presented on the fund basis. The fund financial statements provide a more detailed look at the Agency's activities by focusing on the individual activities of the Fund. The Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Notes to the Financial Statements

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. After the notes, the supplemental schedules provide details about the Agency's revenues, expenses, and changes in net position budget and actual and bond indebtedness.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information required by the New York State Office of the State Comptroller.

The Agency's Net Position

Figure 1

	<u>2023</u>	<u>2022</u>
Current Position	<u>\$1,034,010</u>	<u>\$1,026,529</u>
Total Assets	<u>\$1,034,010</u>	<u>\$1,026,259</u>
Total Liabilities	<u>\$51,750</u>	<u>\$0</u>
Net Position, unrestricted	<u>\$982,260</u>	<u>\$1,026,529</u>
Total Liabilities and Net Position	<u>\$1,034,010</u>	<u>\$1,026,259</u>

Net position may serve over time as one useful indicator of a government’s financial condition, the assets of the Agency exceeded liabilities by \$982,260 as of December 31, 2023. The Agency’s net position decreased by \$44,269 as of December 31, 2023. The Agency’s net position increased by \$79,253 for the year ended December 31, 2022. The largest portion of the net position reflects the Agency’s cash and cash equivalents as of December 31, 2023.

Change in Net Position

	<u>2023</u>	<u>2022</u>
Total Income	\$25,665*	\$194,937*
Total Expenses	<u>\$ 69,934</u>	<u>\$115,684</u> *
Change in Net Position	<u>\$ (44,269)</u>	<u>\$ 79,253</u>

* Excludes the \$21,158 and \$12,004 of PILOT monies previously discussed that passed through the Agency during the years ended in December 31, 2023 and 2022, respectively.

Proprietary Fund Budgetary Highlights

During the year, appropriations remained the same from the original budget. The 2023 budgetary appropriations increased by a net \$3,505 from the previous year due to \$900 of Professional Contracts, \$1,605 of Salaries and Other Employee Benefits and \$1,000 of Other Operating Expenditures. The amounts will remain the same for the 2024 fiscal year. In 2023, the actual revenues were greater than the budgetary estimates by \$75,073. The actual expenditures were less than the budgetary estimates by \$39,848.

FACTORS BEARING ON THE GUILDERLAND IDA’S FUTURE

During the coming year, the Guilderland IDA may receive as many as two applications for assistance on a variety of local projects.

Applicants may be eligible for two levels of assistance on qualifying projects:

- 1) Sales and mortgage recording tax abatement only. This is what the Guilderland IDA has historically provided.
- 2) Certain projects may also be eligible for PILOT agreement in accordance with IDA policy, which allows for a 10-year ramp-up to full property tax assessment. Request for PILOT agreements are evaluated by the IDA Board on a case by case basis. Factors considered in the evaluation include a) the number and salary level of jobs created by the project; b) provision of goods and services not otherwise available in Guilderland; c) project development of underutilized or blighted site; and d) community amenities provided in connection with the project.

REQUEST FOR INFORMATION

This Annual Financial Report is designed to provide detailed information on the Agency's operations and to the Agency's Board, management, investors, creditors, customers and all others with an interest in the Agency's financial affairs and to demonstrate the Agency's accountability for the assets it controls and the funds it receives and expends. Questions concerning any of the information provided in this report or any request for additional information should be addressed to the Chief Financial Officer by e-mail: wcadams02@gmail.com or in writing to,

William C. Adams,
Chief Finance Officer
3041 Evelyn Drive
Schenectady, N.Y. 12303

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 878,113	\$ 870,177
Investments - certificates of deposits	152,060	151,715
Accounts receivable	-	-
Prepaid expenses	<u>3,837</u>	<u>4,637</u>
 Total Assets	 <u>\$ 1,034,010</u>	 <u>\$ 1,026,529</u>

LIABILITIES AND NET POSITION

Accrued payroll taxes	\$ -	\$ -
Deferred revenue	<u>51,750</u>	<u>-</u>
 Net position, unrestricted	 <u>982,260</u>	 <u>1,026,529</u>
 Total Liabilities and Net Position	 <u>\$ 1,034,010</u>	 <u>\$ 1,026,529</u>

See accompanying notes to financial statements.

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Fees	\$ 10,061	\$ 193,776
Operating Expenses		
Administration	34,100	80,584
Personal services	31,380	29,835
Other	4,454	5,265
Total Operating Expenses	<u>69,934</u>	<u>115,684</u>
Operating Income	<u>(59,873)</u>	<u>78,092</u>
Other Revenues		
Interest income	15,604	1,161
Pilot moneys	21,158	12,004
Total Other Revenues	<u>36,762</u>	<u>13,165</u>
Other Expenses		
Pilot moneys	<u>(21,158)</u>	<u>(12,004)</u>
Change in Net Position	(44,269)	79,253
Net Position - Beginning of Year	<u>1,026,529</u>	<u>947,276</u>
Net Position - End of Year	<u>\$ 982,260</u>	<u>\$ 1,026,529</u>

See accompanying notes to financial statements.

TOWN OF GUILDERLAND 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		
Receipts from fees	\$ 10,061	\$ 547,703
Payments for administrative expenses	(37,754)	(88,578)
Payments for personal services	(31,380)	(29,835)
Receipts from unearned revenues	51,750	-
Net Cash (Used) Provided by Operating Activities	<u>(7,323)</u>	<u>429,290</u>
Cash Flows From Investing Activities		
Redemption of Certificate of Deposit	-	152,794
Interest received	15,259	688
Net Cash Provided by Investing Activities	<u>15,259</u>	<u>153,482</u>
Net (Decrease) Increase in Cash	7,936	582,772
Cash - Beginning of Year	<u>870,177</u>	<u>287,405</u>
Cash - End of Year	<u>\$ 878,113</u>	<u>\$ 870,177</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (59,873)	\$ 78,092
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Increase in accounts receivable	-	353,927
(Increase) decrease in prepaid expenses	800	(2,729)
Decrease (increase) in accrued payroll taxes	-	-
Decrease (increase) in deferred revenue	51,750	-
Net Cash (Used) Provided by Operating Activities	<u>\$ (7,323)</u>	<u>\$ 429,290</u>
Supplemental Disclosure of Cash Flows Information		
Noncash Transactions		
Interest accrued on certificates of deposits	<u>\$ 345</u>	<u>\$ 293</u>

See accompanying notes to financial statements.

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Town of Guilderland Industrial Development Agency (the Agency) was created on April 3, 1973, by the provisions of Chapter 146 of the 1973 Laws of the State of New York, Section 909-a of the General Municipal Law of New York State, for the purpose of encouraging economic growth in the Town of Guilderland. Although its members are appointed by the Board of the Town of Guilderland, the Agency is a separate public benefit corporation and operates independently of the Town of Guilderland.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Summary of Significant Accounting Policies

(a) Basis of Accounting and Use of Estimates

The Agency utilizes the accrual basis of accounting wherein revenue is recognized when earned and expenses are recognized when incurred. The accompanying financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Government Accounting Standards Board (GASB), which is the primary standard setting body for establishing governmental accounting and financial principles.

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Cash

The Agency's investment policies are governed by New York State statutes. The Agency's funds must be deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

(b) Cash

At December 31, 2023 and 2022, the carrying amount of the Agency's deposits, including cash and certificates of deposit, was \$1,029,948 and \$1,035,130, respectively. The insured and collateral status of the year end bank balances are as follows:

Status of Bank Balance:	<u>2023</u>	<u>2022</u>
Covered by federal deposit insurance	\$ <u>421,713</u>	\$ <u>622,905</u>
Collateralized	\$ <u>608,235</u>	\$ <u>412,114</u>
Uncollateralized	\$ <u>0</u>	\$ <u>111</u>

(c) Income Taxes

The Agency is exempt from federal, state, and local income taxes.

(d) Industrial Revenue Bond and Note Transactions

Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by these payments. The bonds and notes are not obligations of the Agency or New York State. The Agency does not record the assets or liabilities resulting from the completed bonds and notes issued in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond note holders, and funds arising therefrom 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.

At December 31, 2023, the original issue value of bonds issued aggregated \$41,570,000 and the outstanding balance was \$34,060,000.

(e) Accounts Receivable

Accounts receivable, if any, represent amounts earned by the Agency for earned project fees that have not been received by the Agency as of year-end.

(f) Bad Debts

Bad debts, if any, are recognized using the direct write-off method since management does not believe this method would result in a material difference from the allowance method.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

(g) Implementation of New Accounting Standards

The Agency has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. For the year ended December 31, 2023, the Agency implemented the following standards which had no significant impact on the Agency:

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the year ended December 31, 2023. This statement has no significant impact.

(h) Future Changes in Accounting Standards

GASB Statement No. 99, Omnibus 2022, effective for the year ended December 31, 2024.

GASB Statement No. 100, Accounting Changes and Error Corrections, effective for the year ended December 31, 2024.

GASB has issued Statement No. 102, Certain Risk Disclosures, effective for the year ended December 31, 2025.

The Agency will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

2. INVESTMENTS - CERTIFICATES OF DEPOSIT

As of December 31, 2023, and 2022, investments consisted of certificates of deposit with a cost basis of \$150,000 and a fair value of \$152,060 and \$151,715, respectively. The Agency's certificate of deposit is a 6-month certificate with a maturity date of June 15, 2024. During 2022, the Agency redeemed its 12-month certificate of deposit.

3. COMMITMENTS AND CONTINGENCIES

The Agency has one pending legal proceeding related to the proposed Costco Project. The Agency is defending the matter. There can be no assurances to the outcome of the litigation, and therefore no liabilities have been accrued or recorded in these financial statements.

4. SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the statement of net position date through March 18, 2024, which is the date these financial statements were available to be issued, and have determined that there are no subsequent events that require recording or disclosure.

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>(Over)Under Budget Variance</u>
Revenues			
Fees	\$ 9,500	\$ 10,061	\$ (561)
Interest income	1,500	15,604	(14,104)
Pilot Moneys	<u>12,500</u>	<u>21,158</u>	<u>(8,658)</u>
 Total Revenues	 <u>23,500</u>	 <u>46,823</u>	 <u>(23,323)</u>
 Expenses			
Salaries and wages	31,380	31,380	-
Professional contracts	17,450	17,450	-
Other expenses	16,600	18,613	(2,013)
Other employee benefits	2,410	2,491	(81)
Supplies and materials	600	-	600
Grants and donations	50,000	-	50,000
Pilot Moneys	<u>12,500</u>	<u>21,158</u>	<u>(8,658)</u>
 Total Expenses	 <u>130,940</u>	 <u>91,092</u>	 <u>39,848</u>
 Change in Net Position	 (107,440)	 (44,269)	 <u>\$ 63,171</u>
 Net Position - Beginning	 <u>1,026,529</u>	 <u>1,026,529</u>	
 Net Position - Ending	 <u>\$ 919,089</u>	 <u>\$ 982,260</u>	

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BOND INDEBTEDNESS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Name of Project</u>	<u>Principal Amount of Issue</u>	<u>Issue Date</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issues During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>
Wildwood Programs, Inc.	\$ 9,780,000	6/22/2007	\$ 2,480,000	\$ -	\$ 210,000	\$ 2,270,000
Albany Place - 2017A	30,000,000	11/21/2017	30,000,000	-	-	30,000,000
Albany Place - 2017B	<u>1,790,000</u>	11/21/2017	<u>1,790,000</u>	<u>-</u>	<u>-</u>	<u>1,790,000</u>
Total	<u>\$ 41,570,000</u>		<u>\$ 34,270,000</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ 34,060,000</u>



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**INDEPENDENT AUDITOR'S 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**

To The Board of Directors
Town of Guilderland Industrial Development Agency

We have audited, 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 (*Government Auditing Standards*), the financial statements of the Town of Guilderland Industrial Development Agency (the Agency) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Guilderland Industrial Development Agency's basic financial statements, and have issued our report thereon March 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Guilderland Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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 weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the following section, as items that we consider to be material weaknesses.

2023-001 Journal Entry Review

Criteria: Journal entries are a necessary function of recording certain types of activity and performing closing entries for any organization. Due to their nature, journal entries can be a higher risk transaction therefore review of journal entries by an individual who does not have access to make journal entries is an important aspect of the financial reporting process.

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Condition: Journal entries made by the Administrative Assistant and Chief Financial Officer are not being reviewed before being posted. The Chief Executive Officer does review the financial statements monthly.

Cause: The review of journal entries has not historically been a procedure performed due to the segregation of functions established within the Agency and the financial statement review noted above.

Effect: Unauthorized or unsupported transactions or journal entries could be processed without the proper review and approval.

Recommendation: We recommend the Chief Executive Officer review a journal entry report monthly, including agreeing entries of significance or unusualness to support. This review should be documented by the Chief Executive Officer's signoff and date of review either on a hardcopy or through some electronically developed process.

Context: As part of the audit process, we evaluate controls and procedures and identified this area as an opportunity for the Agency to improve internal controls.

Views of responsible officials and planned corrective actions: A review of journal entries will be incorporated into the monthly review package done by the C.E.O., with sign-offs of such review provided on a monthly basis.

2023-002 Audit Adjustments and Reconciliations

Criteria: To accurately present the financial position of the Agency, general ledger accounts should be reconciled and monitored throughout the year and at year end by management. The accuracy of financial data is crucial to monthly report monitoring and financial statement reporting.

Condition: Revenue, expense, retained earnings, and several other reconciliations and adjustments were not completed prior to the start of the audit.

Cause: General ledger accounts were not reconciled properly and monitored throughout the year and at year end.

Effect: Fund balance was not in agreement with prior year audited financial statements, revenues were overstated by \$49,399, expenses were understated by \$4,421, deferred revenue was understated by \$51,750, cash was understated by \$8,184, investments were understated by \$225, prepaids were understated by \$217, and retained earnings was overstated by \$12,487.

Recommendation: We recommend that management review and monitor account balances throughout the year, and at year end more closely to ensure proper recording of transactions.

Context: Cutoff audit procedures are performed to evaluate if transactions are recorded correctly and in the correct year. There were transactions that were not properly recorded during the year as well as year end accruals and other adjustments that were not properly reflected at year end.

Views of responsible officials and planned corrective actions: The Agency's staff will review existing protocols relative to periodic reconciliations and will institute updated procedures as needed to correct noted deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Agency's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the findings identified in our audit and described above. The Agency's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Barw & Co. LLP

Latham, NY
March 18, 2024