

***TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY***

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY

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DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Town of North Greenbush
Industrial Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities of the Town of North Greenbush Industrial Development Agency (the "Agency") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Town of North Greenbush Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Agency as of December 31, 2023 and 2022, and the respective changes in its financial position, and, where applicable, cash flows thereof 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*, 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 Town of North Greenbush Industrial Development 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.

Emphasis of Matter

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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 Town of North Greenbush Industrial Development Agency's ability to continue as a going concern for twelve months beyond the financial statement 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 GAAS and *Government Auditing 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 judgment made by reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 Town of North Greenbush Industrial Development 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 Town of North Greenbush Industrial Development 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of North Greenbush Industrial Development Agency's basic financial statements. The supplementary information on page 10 is presented for purposes of additional analysis and is 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 supplementary information on page 10 is 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 14, 2024 on our consideration of the Town of North Greenbush 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 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 the Town of North Greenbush Industrial Development Agency's 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 North Greenbush Industrial Development Agency's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
March 14, 2024

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

	<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Assets:			
Cash		\$ 494,149	\$ 475,211
Notes Receivable, Net of Allowance		<u>13,294</u>	<u>32,812</u>
Total Assets		<u>\$ 507,443</u>	<u>\$ 508,023</u>
	<u>LIABILITIES AND NET POSITION</u>		
Accrued Expenses		\$ -	\$ 600
Net Position:			
Unrestricted		<u>507,443</u>	<u>507,423</u>
Total Liabilities and Net Position		<u>\$ 507,443</u>	<u>\$ 508,023</u>

TOWN OF NORTH GREENBUSH
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:		
Interest Income	\$ 1,353	\$ 2,163
Operating Expenses:		
Professional Fees	7,350	7,200
Other Expenses	<u>637</u>	<u>583</u>
Total Operating Expenses	<u>7,987</u>	<u>7,783</u>
Operating Loss	(6,634)	(5,620)
Non-Operating Revenues (Expenses):		
Interest Earned on Investments	8,856	214
Bad Debt Recovery (Expense)	<u>(2,202)</u>	<u>25,058</u>
Total Non-Operating Revenues (Expenses)	<u>6,654</u>	<u>25,272</u>
Change in Net Position	20	19,652
Net Position at Beginning of Year	<u>507,423</u>	<u>487,771</u>
Net Position at End of Year	<u>\$ 507,443</u>	<u>\$ 507,423</u>

TOWN OF NORTH GREENBUSH
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:		
Interest Payments Received on Notes Receivable	\$ 1,353	\$ 2,163
Cash Payments for General and Administrative Expenses	<u>(8,587)</u>	<u>(7,783)</u>
Net Cash Used in Operating Activities	<u>(7,234)</u>	<u>(5,620)</u>
Cash Flows from Investing Activities:		
Payments Received on Notes Receivable	17,316	13,974
Interest Earned on Investments	<u>8,856</u>	<u>214</u>
Net Cash Provided by Investing Activities	<u>26,172</u>	<u>14,188</u>
Net Change in Cash	18,938	8,568
Cash at Beginning of Year	<u>475,211</u>	<u>466,643</u>
Cash at End of Year	<u>\$ 494,149</u>	<u>\$ 475,211</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating Loss	\$ (6,634)	\$ (5,620)
Changes in Operating Assets and Liabilities:		
Change in Accrued Expenses	<u>(600)</u>	<u>-</u>
Net Cash Used in Operating Activities	<u>\$ (7,234)</u>	<u>\$ (5,620)</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Town of North Greenbush Industrial Development Agency (the Agency) was created on July 15, 1981 by a special act of the New York State Legislature. The purpose of the Agency is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial manufacturing warehousing, commercial and research facilities, including industrial pollution control facilities and recreation facilities, within the Town of North Greenbush. Members of the Agency are appointed by the Town Board, which exercises no oversight responsibility.

The Agency's function is to authorize the issuance of industrial revenue bonds for industrial development projects and to assist businesses in acquiring or constructing various facilities in order to provide job opportunities and increase economic welfare. In return for its efforts, the Agency receives application and closing fees related to this business financing.

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

Accounting Method

The Agency's financial statements are prepared using the accrual basis of accounting with accounting principles generally accepted in the United States of America (GAAP) for public authorities. The Government Accounting Standards Board (GASB) is the accepted standard- setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to the Agency is determined by its measurement focus. The transactions of the Agency are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included in the statement of net position.

Revenues are recognized when earned and expenses are recognized when incurred.

Estimates

In preparing financial statements in accordance with GAAP, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

The Agency's investment policy and statutes authorize the Agency to maintain deposits with FDIC-insured commercial banks located within the state. The Agency is authorized to use demand accounts, money market accounts and certificates of deposit. Collateral is required for all deposits not covered by federal deposit insurance. As of December 31, 2023, all of the Agency's deposits were fully insured or collateralized.

Notes Receivable

Notes receivable are stated at the principal amount outstanding. Interest is calculated daily based on the principal amount outstanding.

Notes receivable are generally placed on nonaccrual when a note is specifically determined to be impaired or when principal or interest is delinquent for 90 days or more. Any unpaid interest previously accrued on those loans is reversed from income. Interest income generally is not recognized on specific impaired loans unless the likelihood of further loss is remote. Interest payments received on such loans are applied as a reduction of the loan principal balance. Interest income on other nonaccrual loans is recognized only to the extent of interest payments received.

Allowance for Notes Receivable

The allowance for notes receivable is maintained at a level which, in management's judgment, is adequate to absorb credit losses inherent in the loan portfolio. The amount of the allowance is based on management's evaluation of the collectibility of the loan portfolio, including the nature of the portfolio, credit concentrations, trends in historical loss experience, specific impaired loans and economic conditions. Allowances for impaired loans are generally determined based on collateral values or the present value of estimated cash flows. Because of uncertainties associated with the regional economic conditions, collateral values and future cash flows on impaired loans, it is reasonably possible that management's estimate of credit losses inherent in the loan portfolio and the related allowance may change materially in the near term. The allowance is increased by a provision for loan losses, which is charged to expense and reduced by charge-offs, net of recoveries.

TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Industrial Revenue Bonds and Note Transactions

Certain industrial development revenue bonds and notes issued by the Agency are collateralized by property which is leased to companies and is retired by these payments. The bonds and notes are not obligations of the Agency, the Town, or New York State. The Agency does not record the assets or liabilities resulting from 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. Industrial bonds issued and outstanding at December 31, 2023 were \$605,690.

Tax Status

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

Subsequent Events

In preparing the financial statements and notes thereto, the Agency considered subsequent events as to any potential material impact on operations or financial position occurring through March 14, 2024, the date the financial statements were available to be issued. No such events or transactions were identified.

2. NOTES RECEIVABLE

Notes receivable include 3 performing loans to local businesses.

	<u>2023</u>	<u>2022</u>
Notes Receivable	\$ 168,575	\$ 184,094
Allowance for Uncollectible Notes	<u>(155,281)</u>	<u>(151,282)</u>
Notes Receivable, Net	<u>\$ 13,294</u>	<u>\$ 32,812</u>

3. CONTINGENCY

The New York State Authorities Budget Office (“ABO”) has issued Policy Guidance No. 15- 01, which states that an industrial development agency may not award grants or make loans of its own monies. The Agency was a past recipient of federal grant funds which required that program income (principal and interest paid on the loans) be reinvested in the program. It is management’s belief that these funds are not subject to ABO Policy Guidance No. 15- 01.

SUPPLEMENTARY INFORMATION

TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDEBTEDNESS
 FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Project Description</u>	<u>Issuance Date</u>	<u>Interest Rate at Issuance</u>	<u>Outstanding Beginning of Year</u>	<u>Issued During Year</u>	<u>Paid During Year</u>	<u>Outstanding End of Year</u>	<u>Final Maturity Date</u>
Industrial Development Revenue Bonds:							
Robert C. Parker School 4254 Route 43 Wynantskill, NY 12198	12/2006	4.84%	\$ 642,163	\$ -	\$ 36,473	\$ 605,690	12/2031
Woodland Hills Montessori School 100 Montessori Place Rensselaer, NY 12144	12/2001	3.74%	<u>4,560</u>	<u>-</u>	<u>4,560</u>	<u>-</u>	1/2023
			<u>\$ 646,723</u>	<u>\$ -</u>	<u>\$ 41,033</u>	<u>\$ 605,690</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***

Board of Directors
Town of North Greenbush
Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Town of North Greenbush Industrial Development 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 North Greenbush Industrial Development Agency’s basic financial statements, and have issued our report thereon dated March 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of North Greenbush 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 Town of North Greenbush Industrial Development Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of North Greenbush Industrial Development 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. 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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of North Greenbush Industrial Development 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*.

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



CUSACK & COMPANY, CPA'S LLC

Latham, New York
March 14, 2024

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS RELATED TO INVESTMENT
GUIDELINES FOR PUBLIC AUTHORITIES**

Board of Directors
Town of North Greenbush
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, the governmental activities of the Town of North Greenbush Industrial Development Agency (the "Agency", a New York State public benefit corporation), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 14, 2024.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the Agency's own investment policies as well as applicable laws, regulations, and the State Comptroller's Investment Guidelines. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the above referenced requirements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of management of the Agency, the Board of Directors, and New York State Comptroller and is not intended to be and should not be used by anyone other than those specified parties.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
March 14, 2024