



COLONIE

IDA-LDC

**Town of Colonie
Industrial Development Agency**

Financial Report

December 31, 2021 and 2020

**Town of Colonie
Industrial Development Agency**

Financial Report

December 31, 2021 and 2020

CONTENTS

	Page
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Financial Statements	
Statements of Net Position	9
Statements of Revenues, Expenses, and Changes in Net Position.....	10
Statements of Cash Flows	11
Notes to Financial Statements	12-14
Supplementary Information	
Schedule of Indebtedness	15
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	16-17



Independent Auditor's Report

Chairman and Agency Board
Town of Colonie Industrial Development Agency
Latham, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Town of Colonie Industrial Development Agency (Agency), as of and for the years ended December 31, 2021 and 2020, 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 referred to above present fairly, in all material respects, the financial position of the Agency, as of December 31, 2021 and 2020, and the changes in its financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

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 *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 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 management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The schedule of indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements.



Supplementary Information - Continued

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 indebtedness 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 8, 2022 on our consideration of the 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 the 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 Agency's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Albany, New York
March 8, 2022



Town of Colonie Industrial Development Agency

Management's Discussion and Analysis December 31, 2021 and 2020

The following Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the Town of Colonie Industrial Development Agency (Agency) for the fiscal years ended December 31, 2021 and 2020. The MD&A is intended to serve as an introduction to the Agency's basic financial statements. The MD&A is designed to assist the reader in focusing on significant matters and provide an overview of the Agency's financial activities. The following presentation is summarized. In order to gain a thorough understanding of the Agency's financial condition, the following financial statements and notes should be reviewed in their entirety.

Overview of Financial Statements

The Agency's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) promulgated by the Governmental Accounting Standards Board (GASB). The Agency is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and are depreciated over their useful lives. See the *Notes to the Financial Statements* for a summary of the Agency's significant accounting policies.

The *Statements of Net Position* present information on the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Agency's financial position.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing how the Agency's net position changed during the most recent years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future periods.

The *Statements of Cash Flows* relate to the flows of cash and cash equivalents. Consequently, only transactions that affect the Agency's cash and cash equivalent accounts are recorded in these statements. A reconciliation is provided at the bottom of the statements of cash flows to assist in the understanding of the difference between cash flows from operating activities and operating income (loss).

In addition to the financial statements and accompanying notes, this report also presents the *Supplemental Schedule of Indebtedness*, which is required under New York State law, not by U.S. GAAP.

Financial Highlights

- The Agency's net position decreased \$148,903 at December 31, 2021 from 2020, as compared to a decrease of \$36,954 at December 31, 2020 from 2019. In part this fluctuation was the result of \$62,000 in Agency's COVID-19 preparedness grants, that did not occur in 2020. Along with increased management fees but decreased operating revenue. Operating revenue fluctuated as a direct result of the timing of projects applying for Agency assistance between 2020 and 2021. One project applied for in 2019 that closed in 2020 and one applied and closed in 2020. Four projects applied in 2021, two of which closed in 2021 and two expected to close in 2022.

Town of Colonie Industrial Development Agency

Management's Discussion and Analysis December 31, 2021 and 2020

Financial Highlights - Continued

- The fees of the two projects that closed in 2021 were related to construction/reconstruction of warehouse/office buildings for Lincoln Avenue Development, LLC (\$55,350) and BLK Property Ventures, LLC (\$9,350). In 2020, the \$102,575 in fees was generated by the construction of a warehouse/office building for Chris's Coffee Services/Trixie Girl, LLC (\$31,075) and Improvements to the Desmond Hotel (\$71,500).
- The Agency was awarded a \$266,400 grant from the New York State Department of State in 2015, and executed the contract in 2019, for the Lincoln Avenue Brownfield Opportunity Area (BOA) study. The Lincoln Avenue BOA study encompasses about a 350 acre area, which holds three designated brownfields, and will examine the potential for redevelopment of these sites in conjunction with identifying future uses of the area abutting the pre-existing residential area within the BOA study area. Through December 31, 2020, the Agency has been advanced \$259,950 under the terms of the grant and has incurred BOA study related costs of \$284,417. As a result of the timing of payments an accrued expense of \$6,935 had been recognized at December 31, 2020. The grant had been closed and the project completed as of December 31, 2020.
- In 2020, in response to the COVID-19 Pandemic, the Agency committed to approximately \$70,000 in grants to small business for reimbursement of personal protective equipment and similar items to allow them to address COVID-19 concerns. Of those grants, two were completed and at total of \$3,651 was paid in 2020. In 2021, the balance of the grant program was completed and \$65,278 was disbursed to eight applicants.
- During 2021, the Agency also concentrated on redevelopment of its website, retained a marketing firm, and retained an economic development strategist, which increased professional fees by \$27,680. The Agency also had a renewed effort in attracting business to Colonie which resulted in additional travel related costs for staff to attend national conferences and events, resulting in \$5,500 more in training and travel costs.

Financial Analysis of the Agency

The table below presents condensed financial information derived from the Agency's financial statements as of December 31, 2021, 2020, and 2019.

Condensed Statement of Net Position

	2021	2020	2019	Increase (Decrease) 2021-2020	Increase (Decrease) 2020-2019
ASSETS					
Current assets	\$ 1,301,142	\$ 1,370,088	\$ 1,506,074	\$ (68,946)	\$ (135,986)
Noncurrent assets	28,734	29,323	27,702	(589)	1,621
Total assets	<u>\$ 1,329,876</u>	<u>\$ 1,399,411</u>	<u>\$ 1,533,776</u>	<u>\$ (69,535)</u>	<u>\$ (134,365)</u>
LIABILITIES	<u>\$ 96,032</u>	<u>\$ 16,664</u>	<u>\$ 114,075</u>	<u>\$ 79,368</u>	<u>\$ (97,411)</u>
NET POSITION					
Investment in capital assets	1,032	1,621	-	(589)	1,621
Unrestricted	1,232,812	1,381,126	1,419,701	(148,314)	(38,575)
Total net position	<u>1,233,844</u>	<u>1,382,747</u>	<u>1,419,701</u>	<u>(148,903)</u>	<u>(36,954)</u>
Total liabilities and net position	<u>\$ 1,329,876</u>	<u>\$ 1,399,411</u>	<u>\$ 1,533,776</u>	<u>\$ (69,535)</u>	<u>\$ (134,365)</u>

Town of Colonie Industrial Development Agency

Management's Discussion and Analysis December 31, 2021 and 2020

Financial Analysis of the Agency - Continued

Changes in net position from the end of 2018 to 2021 are the result of the project activity that generated administrative fees during 2019 through 2021. Administrative fees are used to support the Agency's operating costs and mission of supporting economic development within the Town of Colonie.

Current assets decreased by approximately \$69,000 at December 31, 2021, compared to a decrease of approximately \$136,000 at December 31, 2020, while non-current assets decreased \$589 at December 31, 2021, compared to an increase of \$1,621 at December 31, 2020.

The 2021 and 2020 fluctuations in current assets results from the net operating loss generated by the Agency and the grant receivable related to the BOA project between 2019 and 2020.

Current liabilities increased approximately \$79,000 at December 31, 2021, and after declining approximately \$97,000 from 2019 to 2020, due to the timing of the payments of certain operating and BOA study costs incurred for 2019 and 2020, and the payment of the management fee for 2021 in January of 2022.

The table below presents condensed financial information derived from the financial statements of the Agency for the years ended December 31, 2021, 2020, and 2019.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2021	2020	2019	Increase (Decrease) 2021-2020	Increase (Decrease) 2020-2019
REVENUES					
Administrative fees	\$ 64,700	\$ 102,575	\$ 118,000	\$ (37,875)	\$ (15,425)
Application income	1,000	1,250	750	(250)	500
New York State Grant	-	14,580	58,563	(14,580)	(43,983)
Other	2,441	-	-	2,441	-
Interest income	130	547	2,987	(417)	(2,440)
	<u>68,271</u>	<u>118,952</u>	<u>180,300</u>	<u>(50,681)</u>	<u>(61,348)</u>
EXPENSES					
Administrative expenses	23,778	20,116	17,970	3,662	2,146
COVID-19 preparedness grants	65,278	3,651	-	61,627	3,651
Depreciation	589	147	-	442	147
Administrative and management fees	80,000	50,000	50,537	30,000	(537)
Professional fees	47,529	53,838	37,323	(6,309)	16,515
Public benefit projects	-	28,154	65,380	(28,154)	(37,226)
Total expenses	<u>217,174</u>	<u>155,906</u>	<u>171,210</u>	<u>61,268</u>	<u>(15,304)</u>
Change in net position	<u>\$ (148,903)</u>	<u>\$ (36,954)</u>	<u>\$ 9,090</u>	<u>\$ (111,949)</u>	<u>\$ (46,044)</u>

Activities for the Years Ended 2021 to 2019

The Agency's annual fees for services are tied to the size and timing of economic activity projects. The Agency was presented with one project in 2017 which did not close until early 2019. One project applied during late 2019 and closed in 2020. Four projects applied during 2020, one closed in 2020, two closed in 2021 and one application was rescinded. Three projects applied during 2021 and are expected to close in 2022.

During 2021, while reviewing the liability insurance policies, it was determined that the Agency had excess coverage for a period of time and a refund of \$2,441 was initiated by the insurance company.

The table below presents a summary of the administrative fee revenue for the years ended December 31, 2017, through 2021.

Town of Colonie Industrial Development Agency

Management's Discussion and Analysis December 31, 2021 and 2020

Activities for the Years Ended 2021 to 2019 - Continued

Project	2021	2020	2019	2018	2017
Afrim Realty, LLC	\$ -	\$ -	\$ -	\$ 50,000	\$ -
The AYCO Company, LP	-	-	118,000	-	-
BLK Property Ventures, LLC	9,350	-	-	-	-
Chris's Coffee Service/Trixi Girl, LLC	-	31,075	-	-	-
First Colonie Company/Desmond	-	71,500	-	-	-
Linclon Avenue Development, LLC	55,350	-	-	-	-
One Mustang Drive II, LLC	-	-	-	-	12,962
Starlite Associates, LLC	-	-	-	179,400	-
Total	\$ 64,700	\$ 102,575	\$ 118,000	\$ 229,400	\$ 12,962

Interest earnings decreased in 2020 by approximately \$2,400 because this income was principally generated by income from the Small Business Entrepreneurial Loan Program through loan repayments in each year. The outstanding loans in the Program were sold to the Albany-Colonie Regional Chamber of Commerce in October 2019. The remaining interest income, earned on cash and cash equivalents, declined in each of 2020 and 2021 as a result of decreased rates of return offered by financial institutions as a result of the impacts from the COVID-19 Pandemic.

Administrative expenses and depreciation expense remained relatively stable during 2020 with an increase of \$2,293. In 2020 professional fees increased by approximately \$16,500 with the largest increase being legal fees at \$15,000. The Agency created the COVID-19 grant program in 2020 which resulted in significant legal fees to assist in its administration. Of the approximately \$70,000 in grants approved during 2020 and 2021, two were completed and paid at a total of \$3,651, and eight were completed and paid at a total of \$65,278, respectively.

During 2021, professional fees decreased by \$6,309 through reduced reliance on general counsel with the use of Agency staff. This \$34,000 in savings was offset by \$5,800 in additional website design costs related to the redevelopment of the Agency's website, and \$22,000 in costs related to retaining a marketing firm and economic development strategist.

In 2015, the Agency was awarded a \$266,400 grant from the New York State Department of State, with a formally executed contract in 2018, for the Lincoln Avenue Brownfield Opportunity Area (BOA) study. The Town's goal through the Agency is to redevelop the BOA's vacant and underutilized industrial sites in the Lincoln Avenue corridor. Costs associated with the study were \$28,154 and \$65,380 for the years ended December 31, 2020 and 2019, respectively. A total of \$186,508 had been incurred between 2017 and 2018. This project was completed and closed as of December 31, 2019.

Management fees are paid to the Town of Colonie annually under a management agreement. This amount was unchanged between 2019 and 2020 but increased by \$30,000 in 2021 related to the addition of a Town staff member to facilitate Agency activities. In 2019 and prior the Agency also paid the Albany-Colonie Chamber of Commerce, under service agreements, to administer the Small Business Entrepreneurial Loan Program. This fee amounted to \$537 in 2019 when the Agency closed the program.

Town of Colonie Industrial Development Agency

Management's Discussion and Analysis
December 31, 2021 and 2020

Contacting the Agency's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the funds it receives. If you have any questions about this report or need additional financial information, please contact:

Town of Colonie Comptroller's Office
Colonie Town Hall
534 Loudon Road, Latham,
New York 12110

Town of Colonie Industrial Development Agency

Statements of Net Position

		December 31,	
		2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 1,289,547	\$ 1,364,720
Accounts receivable		6,000	-
Prepaid expenses		5,595	5,368
Total current assets		1,301,142	1,370,088
NON-CURRENT ASSETS			
Property held for sale		27,702	27,702
Capital assets, net		1,032	1,621
Total non-current assets		28,734	29,323
		\$ 1,329,876	\$ 1,399,411
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable		\$ 7,500	\$ 7,988
Accrued expenses		88,532	8,676
Total current liabilities		96,032	16,664
NET POSITION			
Investment in capital assets		1,032	1,621
Unrestricted		1,232,812	1,381,126
Total net position		1,233,844	1,382,747
		\$ 1,329,876	\$ 1,399,411

Town of Colonie Industrial Development Agency

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2021	2020
OPERATING REVENUES		
Administrative fees	\$ 64,700	\$ 102,575
Application income	1,000	1,250
New York State Grant	-	14,580
Other	2,441	-
	68,141	118,405
OPERATING EXPENSES		
Management fees	80,000	50,000
Professional fees		
Audit fees	8,500	8,500
Legal fees	7,859	41,848
Website design & maintenance	9,245	3,490
Other professional fees	21,925	-
Administrative expenses		
Association dues	8,846	8,671
Insurance	3,732	4,882
Land related costs	68	44
Postage, office supplies, and other	307	648
Subscriptions	819	444
Training and travel	10,006	4,481
Transcription fees	-	946
Depreciation	589	147
COVID-19 preparedness grants	65,278	3,651
Public benefit projects	-	28,154
	217,174	155,906
Operating loss	(149,033)	(37,501)
OTHER INCOME		
Interest income	130	547
Change in net position	(148,903)	(36,954)
NET POSITION, <i>beginning of year</i>	1,382,747	1,419,701
NET POSITION, <i>end of year</i>	\$ 1,233,844	\$ 1,382,747

See accompanying Notes to Financial Statements.

Town of Colonie Industrial Development Agency

Statements of Cash Flows

	Years Ended December 31,	
	2021	2020
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Receipts from customers	\$ 65,700	\$ 103,825
Payments to vendors	(141,003)	(251,847)
Receipts from operating grants	-	130,544
	(75,303)	(17,478)
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	-	(1,768)
	-	(1,768)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income earned	130	547
	130	547
Net decrease in cash and cash equivalents	(75,173)	(18,699)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	1,364,720	1,383,419
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 1,289,547	\$ 1,364,720
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	\$ (149,033)	\$ (37,501)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	589	147
(Increase) decrease in		
Accounts receivable	(6,000)	115,964
Prepaid expenses	(227)	1,323
Increase (decrease) in		
Accounts payable	(488)	7,988
Accrued expenses	79,856	(105,399)
	\$ (75,303)	\$ (17,478)

See accompanying Notes to Financial Statements.

Town of Colonie Industrial Development Agency

Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies

a. *Organization and Purpose*

The Town of Colonie Industrial Development Agency (Agency) was created in 1977 by the Town of Colonie, New York (Town) under the provisions of Chapter 232 of the 1977 Laws of New York State for the purpose of encouraging growth in the Town. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Town, is a separate entity and operates independently of the Town. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. Neither the Town, the Agency, nor any political subdivision thereof, is obligated in any manner for repayment of bonds issued by the Agency. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

b. *Basis of Accounting and Financial Statement Presentation*

The accounts of the Agency are maintained in a single proprietary fund on the economic resource's measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for government entities. The Governmental Accounting Standards Board (GASB) is the primary standard-setting body for establishing governmental accounting and financial reporting principles. With this measurement focus, all assets and liabilities associated with operations are included on the statement of net position.

Net position is presented in the following categories:

- Investment in capital assets - Consists of capital assets, net of accumulated depreciation.
- Unrestricted - Consists of all other net position that does not meet the definition of "invested in capital assets".

Revenues are recognized when earned, and expenses are recognized when incurred. Administrative fee revenue earned from economic activity projects is recognized upon close of the project. Administrative fee revenue earned from arranging industrial revenue bond and note transactions is recognized upon issuance of the bonds and notes. Grant revenue is recognized as related grant expenses are incurred. The Agency distinguishes operating revenues and expenses from nonoperating items. Operating revenues are determined based on the services provided by the Agency. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

c. *Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

d. *Cash and Cash Equivalents*

The Agency's cash and cash equivalents are defined as short-term, highly liquid investments that mature within 90 days from the date of purchase.

Town of Colonie Industrial Development Agency

Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

e. Accounts Receivable

Management considers the need for an allowance on accounts at least annually based on a review of the outstanding balances, their collection history and known facts and circumstances. Management considers accounts receivable at December 31, 2021 to be fully collectible, and as such, no allowance has been established.

f. Property Held for Sale

During 2017, the Agency demolished the building and improvements that were on the land owned by the Agency in preparation for its potential sale. These costs were capitalized as part of property held for sale. The Agency is actively seeking buyers for the land consistent with its purpose of encouraging economic growth in the Town. Property held for sale is held at the lower of cost or net realizable value.

g. Capital Assets

Capital assets acquired by the Agency are stated at cost, including interest capitalized during construction when applicable. Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets as follows:

Description	Estimated Life
Building and improvements	5-30 years
Furniture and equipment	3-10 years
Intangible assets	3 years

h. Subsequent Events

The Agency has evaluated subsequent events for potential recognition or disclosure through March 8, 2022, the date the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consist of:

	December 31,	
	2021	2020
Cash in checking accounts	\$ 3,968	\$ 615
Cash and cash equivalents in money market account	1,285,579	1,364,105
Total cash and cash equivalents	\$ 1,289,547	\$ 1,364,720

Town of Colonie Industrial Development Agency

Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Cash and Cash Equivalents - Continued

The Agency's investment policies are governed by state statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of New York State or its localities, and Certificates of Participation.

In accordance with the provisions of Section 10 of the General Municipal Law of New York State, all Agency deposits, including certificates of deposit and special time deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, must be collateralized by a pledge of eligible securities, letters of credit, or surety bonds. The collateral was sufficient to secure the Agency's deposits in excess of FDIC insurance as of December 31, 2021, and 2020.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government.

All investment obligations must be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, must be payable or redeemable at the option of the Agency within two years of the date of purchase. The Agency did not have any investments for the years ended December 31, 2021, and 2020.

Note 3 - Capital Assets, Net

Capital assets, net are as follows:

	December 31,			2021
	2020	Additions	Disposal	
Furniture and equipment	1,768		-	1,768
Less accumulated depreciation	(147)	(589)	-	(736)
Capital assets, net	\$ 1,621	\$ (589)	\$ -	\$ 1,032

Note 4 - Related Party Transactions

The Town of Colonie Comptroller's Office, Purchasing Department and the Department of Planning and Economic Development provide staff support and office space to the Agency. Under the terms of an annual agreement, the Agency paid the Town \$80,000 and \$50,000 for support services during the years ended December 31, 2021, and 2020, respectively.

Note 5 - Industrial Revenue Bond and Note Transactions

Industrial development revenue bonds issued by the Agency are secured by property which is leased to companies and is retired by these payments. The bonds are not obligations of the Agency or the Town. The Agency does not record the assets or liabilities resulting from bonds issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bonds, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives administrative fees from the borrowing companies. Such administrative fee income is recognized upon issuance of bonds. There were no new issuances of industrial revenue bonds during 2021 and 2020. The Agency had industrial revenue bonds outstanding totaling \$4,260,000 at December 31, 2020. In August 2021, the issuer paid off these bonds prior to the final maturity date of September 1, 2030.

**Town of Colonie
Industrial Development Agency**

Supplementary Information - Schedule of Indebtedness

<u>Project Description</u>	<u>Original Issue Amount</u>	<u>Original Issue Date</u>	<u>Current Interest Rate</u>	<u>Outstanding January 1, 2021</u>	<u>Issued During 2021</u>	<u>Principal Payments 2021</u>	<u>Outstanding December 31, 2021</u>	<u>Final Maturity Date</u>
One Mustang Drive II, LLC	\$ 5,185,000	11/17	2.16%	<u>\$ 4,260,000</u>	<u>\$ -</u>	<u>\$ 4,260,000</u>	<u>\$ -</u>	9/1/2030



**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***

Chairman and Agency Board
Town of Colonie Industrial Development Agency
Latham, New York

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 financial statements of the Town of Colonie Industrial Development Agency (Agency), as of and for the year ended December 31, 2021, 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 8, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 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 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.

BST + Co. CPAs, LLP

Albany, New York
March 8, 2022

