

*CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY*

*FINANCIAL STATEMENTS*

*DECEMBER 31, 2023*

*CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY*

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*DECEMBER 31, 2023*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
City of Cohoes Industrial  
Development Agency  
Cohoes, New York

***Opinion***

We have audited the accompanying financial statements of the City of Cohoes Industrial Development Agency, which comprise the statement of net position as of December 31, 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

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

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable for 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 City of Cohoes Industrial Development Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 City of Cohoes Industrial Development Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards 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, including omissions, 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 generally accepted auditing standards 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 City of Cohoes 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 City of Cohoes 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.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of indebtedness on page 12 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 January \_\_, 2024 on our consideration of the City of Cohoes 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 the City of Cohoes 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 City of Cohoes Industrial Development Agency's internal control over financial reporting and compliance.



**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
January \_\_, 2024

*CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY*  
*STATEMENT OF NET POSITION*  
*DECEMBER 31, 2023*

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**ASSETS**

Cash	\$ 316,751
Property Held for Development	<u>175,665</u>
Total Assets	<u>\$ 492,416</u>

**LIABILITIES AND NET POSITION**

Accounts Payable and Accrued Expenses	\$ -
Net Position	<u>492,416</u>
Total Liabilities and Net Position	<u>\$ 492,416</u>

*CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY*  
*STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION*  
*FOR THE YEAR ENDED DECEMBER 31, 2023*

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Revenue:	
Interest Income	\$ 4,893
Administrative Fees - Net	<u>29,750</u>
Total Revenue	<u>34,643</u>
Expenses:	
Professional Fees	44,040
Project Expenses	2,560
Insurance	6,335
Cost of Property Held for Sale	2,960
Other Expenses	<u>3,939</u>
Total Expenses	<u>59,834</u>
Deficiency of Revenue Over Expenses	25,191
Net Position, Beginning of Year	<u>517,607</u>
Net Position, End of Year	<u>\$ 492,416</u>

*CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY*

*STATEMENT OF CASH FLOWS*

*FOR THE YEAR ENDED DECEMBER 31, 2023*

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Cash Flows from Operating Activities	
Received for Administrative Fees	\$ 29,750
Paid for Suppliers and Vendors	<u>(59,834)</u>
Cash Flows Used in Operating Activities	<u>(30,084)</u>
Cash Flows from Investing Activities	
Interest Income	4,893
Expended on Property Held for Development	<u>(2,053)</u>
Net Cash Used in Investing Activities	<u>2,840</u>
Net Decrease in Cash	(27,244)
Cash, Beginning of Year	<u>343,995</u>
Cash, End of Year	<u>\$ 316,751</u>
Reconciliation of Excess of Expenses over Revenue to Net Cash Provided by Operating Activities	
Deficiency of Expenses Over Revenue	\$ (25,191)
Interest Income	<u>(4,893)</u>
Cash Flows Used in Operating Activities	<u>\$ (30,084)</u>



**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

*Business Activity*

The City of Cohoes Industrial Development Agency (the “Agency”) was created in 1972 by the State of New York under the provisions of Chapter 313 of the 1972 Laws of New York State for the purpose of encouraging economic growth in the City of Cohoes (the “City”). The City appoints the Agency’s governing board.

*Basis of Accounting*

The Agency has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretation).

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

*Contributions*

Contributions received and unconditional promises to give are measured at their fair values.

*Income Taxes*

The Agency operates as an independent entity and is exempt from Federal, State and local income taxes.

*Budget*

Although the Agency submits an annual budget to the Authorities Budget Office, it does not have a budget created by appropriation bills or ordinances which are signed into law. Therefore, budgetary comparison schedules are not required as supplemental information.

*Use of Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Subsequent Events*

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through January \_\_\_\_, 2024, the date the financial statements were available to be issued. No such events or transactions were identified.

**2. INDUSTRIAL DEVELOPMENT REVENUE BOND 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 lease payments. The bonds and notes are not obligations of the Agency, the City, 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 and 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 \$2,870,000 for one loan to American Housing Management Co. Inc.

**3. CASH AND INVESTMENTS**

The Agency's investment policies are governed by State statutes. Agency monies 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 and its localities.

The total bank balance of \$316,751 at December 31, 2023 was covered by FDIC Insurance of \$279,083 with the remainder collateralized.

The Agency had no investments or investment income for 2023, and therefore an independent auditor's report on compliance with investment guidelines for public authorities was not issued.

*CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY*  
*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*  
*DECEMBER 31, 2023*

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**4. PROPERTY HELD FOR DEVELOPMENT**

Property held for development consists of the following:

Vacant Lot – Ontario Street	\$ 100
Commercial Lot – 230 Remsen Street	2,152
Commercial Lot – 222 Remsen Street	4,480
Commercial Lot – 226 Remsen Street	8,932
Commercial Lots – 178 -182 Ontario Street	<u>160,000</u>
	<u>\$ 175,664</u>

Property held for development is evaluated for impairment on an annual basis.

The properties at 222 and 226 Remsen Street are a joint project with the Cohoes Local Development Corporation, each responsible for 50% of the costs.

**5. LINE OF CREDIT**

The Agency has a \$1,000,000 line of credit available to acquire property held for development, of which \$0 was outstanding at December 31, 2023.

**ADDITIONAL REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***

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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  
City of Cohoes Industrial  
Development Agency  
Cohoes, New York

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 City of Cohoes Industrial Development Agency, which comprise the statement of net position as of December 31, 2023, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January \_\_\_\_, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Cohoes Industrial Development Agency's internal control over financial reporting as a basis for designing our audit procedures 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 City of Cohoes Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cohoes 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 City of Cohoes Industrial Development 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cohoes 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 statement. 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 City of Cohoes Industrial Development 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 City of Cohoes Industrial Development Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York  
January \_\_\_\_, 2024

**SUPPLEMENTAL INFORMATION**

*CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY*  
*SCHEDULE OF INDEBTEDNESS*  
*DECEMBER 31, 2023*

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<u>Project</u>	<u>Issuance Date</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity Date</u>
American Housing Management Co, Inc. 427 Columbia Street Cohoes, NY 12047	1/14/2004	<u>\$ 3,090,000</u>	<u>\$ -</u>	<u>\$ 220,000</u>	<u>\$ 2,870,000</u>	2024



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January \_\_\_\_\_, 2024

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

We have audited the financial statements of the City of Cohoes Industrial Development Agency for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Cohoes Industrial Development Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected.

Management evaluates the impairment of property held for investment based on estimates of fair value provided by the City assessor.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We proposed no adjustments to the financial statements.

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January \_\_, 2024.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We noted the following:

- 1) Valuation of Donated Properties

The IDA is sometimes donated property. Generally accepted accounting principles require the donated property be recorded at the fair value at the date of gift. The IDA currently has

no policy and procedure for the valuation of donated properties. (A similar comment was made in the prior year).

We recommend that management develop and implement policies and procedures to value and record donated properties.

2) Impairment of Properties Held for Development

Generally accepted accounting principles require that properties held for development be periodically evaluated for impairment (e.g., the cost or donated value of the property exceeds its fair value). The IDA currently has no policy and procedure for the evaluation of impairment, but relies on the auditor to work with the City Assessor annually to make this evaluation. (A similar comment was made in the prior year).

We recommend that management develop and implement policies and procedures for the annual evaluation of properties held for impairment.

3) Board Meeting Minutes

The March meeting minutes were not provided to us during our audit.

We recommend management develop and implement procedure to maintain all board meeting minutes.

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

Very truly yours,



**CUSACK & COMPANY, CPA'S LLC**