Village of Green Island
Industrial Development Agency

Financial Statements

December 31, 2022 and 2021

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C O N T E N T S

Independent Auditor's Report

Chair and Members of the Board
Village of Green Island Industrial Development Agency
Green Island, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Village of Green Island Industrial Development Agency (Agency), as of and for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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*, 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. 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.

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

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of American require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2023, 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

Latham, New York
March 1, 2023

Village of Green Island Industrial Development Agency

Statements of Net Position

	December 31,	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	$ 823,844	$ 537,325
NONCURRENT ASSETS		
Property held for redevelopment	675,321	812,210
	$ 1,499,165	**$ 1,349,535**
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Due to other governments - Village	$ 7,019	$ 7,019
NET POSITION		
Unrestricted	1,492,146	1,342,516
	$ 1,499,165	**$ 1,349,535**

See accompanying Notes to Financial Statements.

Village of Green Island Industrial Development Agency

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2022	**2021**
OPERATING REVENUE		
Charges for services	86,696	80,750
Gain on sale of property held for redevelopment	138,111	-
	224,807	80,750
OPERATING EXPENSES		
Salary and benefits	51,845	70,240
Insurance	1,169	1,074
Professional fees	10,395	9,244
Utilities	11,649	10,816
Other	1,895	2,238
	76,953	93,612
Operating income (loss)	**147,854**	**(12,862)**
NON OPERATING REVENUES		
Interest income	1,776	1,592
Change in net position	**149,630**	**(11,270)**
NET POSITION, *beginning of year*	1,342,516	1,353,786
NET POSITION, *end of year*	**$ 1,492,146**	**$ 1,342,516**

See accompanying Notes to Financial Statements.

Village of Green Island Industrial Development Agency

Statements of Cash Flows

	Years Ended December 31, 2022	Years Ended December 31, 2021
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Receipts from customers	$ 86,696	$ 80,750
Payments to vendors	(25,108)	(23,372)
Payments for personal services and benefits	(51,845)	(70,240)
Cash received from sale of property held for redevelopment	275,000	-
	284,743	**(12,862)**
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income	**1,776**	**1,592**
Net (decrease) increase in cash	**286,519**	**(11,270)**
CASH, ***beginning of year***	537,325	548,595
CASH, ***end of year***	**$ 823,844**	**$ 537,325**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ 147,854	$ (12,862)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Gain on sale of property held for redevelopment	138,111	-
(Increase) decrease in		
Property held for redevelopment	(1,222)	-
	$ 284,743	**$ (12,862)**

See accompanying Notes to Financial Statements.

Note 1 - Organization And Summary Of Significant Accounting Policies

a. Organization and Purpose

The Village of Green Island Industrial Development Agency (Agency) was created during 1979 by the Board of Trustees of the Village of Green Island (Village) under the provisions of Article 18-A of the General Municipal Law of the State of New York and Chapter 63 of the Laws of 1979 of the State of New York for the purpose of encouraging economic growth in the Village. The Agency, although established by the Board of Trustees of the Village, is a separate entity and operates independently of the Village.

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 business financing transactions, if any; and administrative fees, if any, related to assisting businesses in acquiring or constructing facilities.

b. Basis of Accounting and Financial Statement Presentation

The Agency's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental 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 and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operations are included on the statements of net position. Net position consists of unrestricted assets and liabilities.

Revenues are recognized when earned, and expenses are recognized when 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

In preparing financial statements in conformity with U.S. GAAP, management is required 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Tax Status

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

Note 1 - Organization And Summary Of Significant Accounting Policies - Continued

e. Cash Deposits and Investments

The Agency's investment policies are governed by New York State statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited at Federal Deposit Insurance Corporation insured commercial banks or trust companies located within the State. The Agency is authorized to use demand accounts, money market 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 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, its municipalities, and school districts. The Agency's deposits were fully insured or collateralized at December 31, 2022 and 2021.

f. Property Held for Redevelopment

At December 31, 2022 and 2021, the Agency's property held for redevelopment consists of approximately 44 and 55 acres of land, respectively, which are available for sale and development. The Agency is actively seeking buyers for the remaining land consistent with the Agency's purpose of encouraging economic growth in the Village. Property held for redevelopment is valued at the lower of cost or net realizable value.

A summary of dispositions of Agency property held for redevelopment is as follows:

	Years Ended December 31, 2022	Years Ended December 31, 2021
Gross proceeds	$ 275,000	$ -
Carrying value	136,889	-
Net gains on sales of property held for redevelopment	$ 138,111	$ -

g. Adoption of New Accounting Standard

Effective January 1, 2022, the Agency implemented the provisions of GASB Statement No. 91, *Conduit Debt Obligations.* The implementation of this GASB Statement did not have a material effect on the Agency's financial statements.

h. Subsequent Events

The Agency has evaluated subsequent events for potential recognition or disclosure through March 1, 2023, the date the financial statements were available to be issued.

Note 2 - Transactions with the Village

In accordance with an informal agreement between the Agency and the Village, the Agency reimburses the Village for employee salaries, benefits, sick and vacation time, and grant writing services. During the years ended December 31, 2022 and 2021, the Agency was billed $51,845 and $70,240, respectively, for these employee related costs and services. As of both December 31, 2022 and 2021, the Agency was indebted to the Village for $7,019 for these costs and services.

Village of Green Island Industrial Development Agency

Notes to Financial Statements
December 31, 2022 and 2021

Note 3 - Contingencies

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Agency expect such compliance to have, any material effect upon the capital expenditures or financial condition of the Agency. Management believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

Note 4 - Revenue Bond Transactions

During the year ended December 31, 2017, the Agency issued Series 2017A and Series 2017B Housing Revenue Bonds ("Revenue Bonds"), totaling $13,367,385, and $2,632,615, respectively. The Revenue Bonds issued by the Agency are secured by loan agreements from independent, third-party organizations that utilized the proceeds for various projects and to construct apartment buildings. The repayment terms of the loan agreements match the repayment terms of the Revenue Bonds issued by the Agency. The Agency is obligated to maintain its tax-exempt status; however, the Revenue Bonds are considered conduit debt and therefore are not obligations of the Agency. As such, the Agency does not record the Revenue Bonds as liabilities and does not record the related assets that resulted from the various projects and the construction of the apartment buildings. The Agency's primary function is to arrange the financing between the borrowing companies and the bond holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. The Revenue Bonds outstanding at December 31, 2022 and 2021 were as follows:

	Year Ended December 31, 2022						
Project Description	Original Issue Date	Current Interest Rate	Outstanding January 1, 2022	Issued During 2022	Principal Payments 2022	Outstanding December 31, 2022	Final Maturity Date
Rivers Edge Apartment Project - 2017A	12/17	1.90%	$ 12,384,501	$ -	$ 276,372	$ 12,108,129	1/1/2028
Rivers Edge Apartment Project - 2017B	12/17	2.35%	2,467,406	-	55,716	2,411,690	1/1/2048
			$ 14,851,907	$ -	$ 332,088	$ 14,519,819	

Note 5 - Accounting Pronouncement Issued But Not Yet Implemented

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such an infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

Note 5 - Accounting Pronouncement Issued But Not Yet Implemented - Continued

This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 99, *Omnibus 2022.* This statement addresses a variety of topics. The requirements of this statement related to the extension of the use of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* as amended, and terminology updates related to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* were effective upon issuance of the statement in April 2022. The requirements of this statement related to leases, PPPs and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections.* The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for (1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific

Note 5 - Accounting Pronouncement Issued But Not Yet Implemented - Continued

transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

The Agency's management is not yet able to estimate the extent of the potential impact of these statements on the Agency's financial statements.

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*

Chair and Members
Village of Green Island Industrial Development Agency
Green Island, 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 Village of Green Island Industrial Development Agency (Agency), as of and for the year ended December 31, 2022, 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 1, 2023.

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

Latham, New York
March 1, 2023