

**RENSELAER COUNTY
WATER AND SEWER AUTHORITY**

Report to the Board of Directors

For the Year Ended December 31, 2023



March 27, 2024

To the Board of
Rensselaer County Water and Sewer Authority

We have audited the financial statements of Rensselaer County Water and Sewer Authority (the "Authority") for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government 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 January 11, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note A to the financial statements. As described in Note A to the financial statements, the Authority adopted the following Governmental Accounting Standards Board (GASB) statements in 2023:

- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94): The Standard was adopted on a retrospective basis as of the beginning of the earliest period presented. The adoption did not result in any reclassifications or restatements of changes in net position or net position.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* (SBITA) (GASB 96): The Standard was adopted on a retrospective basis as of the beginning of the earliest period presented. The adoption did not result in any reclassifications or restatements of changes in net position or net position.
- Portions of GASB No. 99 – *Omnibus 2022* (GASB 99) – The requirements of the standard that were effective upon issuance and the requirements that were effective for all fiscal years beginning after June 15, 2022 were adopted in the current year. These portions of the standards were adopted on a retrospective basis as of the beginning of the earliest period presented. The adoption did not result in any reclassifications or restatements of changes in net position or net position.

We noted no transactions entered into by the Authority 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. The most sensitive estimates affecting the Authority's financial statements were:

- Management's estimate of the historical cost of the sewer facilities is based on the Authority's consulting engineer's estimate of historical cost.
- Management's estimate of the useful lives of capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management.

- An adjustment to record current year cash activity.
- An adjustment to record current year depreciation expense.
- An adjustment to accounts receivable and unearned service fees to bring revenue to the proper balance on the accrual basis.
- An adjustment to record a prior period adjustment to the beginning balance of net position.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 March 27, 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 Authority'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 Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considered it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

We were not engaged to report on the Agency's Annual report that is defined by Section 2800 of the New York State Public Authorities Law, *Annual Reports by Authorities*. Our responsibility under professional standards is to consider whether a material inconsistency exists between the annual report and the audited financial statements that includes our report thereon. The annual report has not been subjected to the auditing procedures applied to the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Wojeski & Company, CPAs, P.C.