RENSSELAER COUNTY
WATER AND SEWER AUTHORITY

Financial Statements

December 31, 2024 and 2023

RENSSELAER COUNTY WATER AND SEWER AUTHORITY

Financial Statements

December 31, 2024 and 2023

Financial Statements

Independent Auditor's Report 1
Statements of Net Position 4
Statements of Revenues, Expenses and Change in Net Position 5
Statements of Cash Flows 6
Notes to Financial Statements 7

Compliance Report

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 11
Schedule of Findings and Responses 13

WOJESKI & COMPANY CPAs, P.C.
159 Wolf Road, Albany, New York 12205 | Phone 518-477-1102 | Fax 518-477-1302 | www.wojeskico.com

INDEPENDENT AUDITOR'S REPORT

To the Board of
Rensselaer County Water and Sewer Authority
Troy, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Rensselaer County Water and Sewer Authority (the "Authority"), a component unit of the County of Rensselaer, New York, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2024 and 2023, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Authority, 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 opinions.

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 Authority'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 opinions. 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.

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 Authority'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 Authority'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 the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards* Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Annual Report of the Authority as defined by Section 2800 of the New York State Public Authorities Law, *Annual Reports by Authorities*, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, as we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025, on our consideration of Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Authority's internal control over financial reporting and compliance.

Wojeski & Company, CPAs, P.C.

Albany, New York
March 18, 2025

RENSSELAER COUNTY WATER AND SEWER AUTHORITY

Statements of Net Position

	December 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash	$ 79,588	$ 40,286
Accounts receivable	2,850	2,850
TOTAL CURRENT ASSETS	82,438	43,136
NONCURRENT ASSETS		
Capital assets, net	139,657	151,350
TOTAL ASSETS	222,095	194,486
CURRENT LIABILITIES		
Unearned service and connection fees	7,600	4,850
NET POSITION		
Net investment in capital assets	139,657	151,350
Unrestricted	74,838	38,286
TOTAL NET POSITION	$ 214,495	$ 189,636

See accompanying notes to financial statements.

RENSSELAER COUNTY WATER AND SEWER AUTHORITY

Statements of Revenues, Expenses and Change in Net Position

	For the Year Ended December 31, 2024	2023
OPERATING REVENUES		
Service and connection fees	$ 75,510	$ 16,165
OPERATING EXPENSES		
Repairs and maintenance	28,648	9,545
Depreciation	11,693	11,691
Professional fees	8,649	10,593
Other operating expenses	1,661	1,594
TOTAL OPERATING EXPENSES	50,651	33,423
CHANGE IN NET POSITION	24,859	(17,258)
NET POSITION, beginning of year	189,636	206,894
NET POSITION, end of year	$ 214,495	$ 189,636

See accompanying notes to financial statements.

RENSSELAER COUNTY WATER AND SEWER AUTHORITY

Statements of Cash Flows

	For the Year Ended December 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from service and connection fees	$ 78,260	$ 11,415
Payments for operating expenses	(38,958)	(21,732)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	39,302	(10,317)
NET INCREASE (DECREASE) IN CASH	39,302	(10,317)
Cash at beginning of year	40,286	50,603
CASH AT END OF YEAR	$ 79,588	$ 40,286
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Change in net position	$ 24,859	$ (17,258)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	11,693	11,691
Changes in operating assets and liabilities:		
Accounts receivable	-	(950)
Unearned service and connection fees	2,750	(3,800)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 39,302	$ (10,317)

See accompanying notes to financial statements.

RENSSELAER COUNTY WATER AND SEWER AUTHORITY

Notes to Financial Statements

December 31, 2024 and 2023

NOTE A--AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Rensselaer County Water and Sewer Authority (the "Authority") was created on July 30, 1986 by a special act of the New York State Legislature. The purpose of the Authority is to produce, develop, distribute and sell water and sewer services within the County of Rensselaer, New York. Members of the Authority are appointed by the County Executive, which exercises no oversight responsibility.

Basis of Accounting and Financial Statement Presentation

The Authority's financial statements are prepared using the accrual basis in accordance 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. In accordance with the provisions promulgated by GASB, the Authority has elected not to apply Financial Accounting Standards Board (FASB) pronouncements and interpretations issued after November 30, 1989.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statement of net position with revenues recorded when earned and expenses recorded when incurred. Net position is classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets: consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any related debt obligations and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather that portion of the debt is included in restricted net position.

Restricted net position: represents external restrictions on net position imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position: represents net position that does not meet the definition of "restricted" or "net investment in capital assets" and is available for general use.

NOTE A--AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Basis of Accounting and Financial Statement Preparation--Continued
When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal on-going operations. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash
The Authority considers as cash all demand deposits and all highly liquid investments which are readily convertible to known amounts of cash.

Accounts Receivable
Accounts receivable are non-interest bearing short-term customer obligations and are carried at their estimated collectible amounts. Accounts receivable are periodically evaluated for collectability based on a review of outstanding receivables, historical collection information and current economic conditions. Management considers accounts receivable to be fully collectible, accordingly, no allowance for doubtful accounts has been recorded.

Capital Assets
Acquisitions of property and equipment and expenditures which materially change the capacities or extend the useful lives are capitalized and recorded at historical cost. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred. When an asset is sold, or retired, the cost and accumulated depreciation are removed from their respective accounts and the resulting gain or loss is included in the change in net position. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the related assets, ranging from 30 to 40 years.

Unearned Service and Connection Fees
Unearned service and connection fees represent amount received in advance. Amounts received will be recognized as revenue in the period that the services are provided.

NOTE A--AUTHORITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position sometimes reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Authority did not report any deferred outflows of resources as of December 31, 2024 and 2023.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority did not report any deferred inflows of resources as of December 31, 2024 and 2023.

Income Taxes

The Authority is exempt from Federal, State and Local income taxes.

Subsequent Events

The Authority evaluates transactions that occur subsequent to year end for potential recognition or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were available to be issued on March 18, 2025.

NOTE B--CASH

The Authority's investment policies are governed by New York State Statutes. In addition, the Authority has its own written investment policy. The Authority is authorized to use demand deposit accounts, money market accounts, certificates of deposits, and other savings or interest bearing deposit accounts. Permissible investments include obligations of the U.S. Treasury and those of New York State and its municipalities and school districts.

All cash of the Authority is maintained in accounts covered by the Federal Deposit Insurance Corporation (FDIC). In accordance with state law, collateral is required for demand deposits and certificate of deposit not covered by FDIC insurance. During the years ended December 31, 2024 and 2023, all of the Authority's deposits were covered by FDIC insurance.

NOTE C--CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Subtractions	Ending Balance
Sewer facilities	$ 467,712	$ -	$ -	$ 467,712
Accumulated depreciation	(316,362)	(11,693)	-	(328,055)
Capital assets, net	$ 151,350	$ (11,693)	$ -	$ 139,657

Capital assets activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Subtractions	Ending Balance
Sewer facilities	$ 467,712	$ -	$ -	$ 467,712
Accumulated depreciation	(304,671)	(11,691)	-	(316,362)
Capital assets, net	$ 163,041	$ (11,691)	$ -	$ 151,350

NOTE D--RELATED PARTY TRANSACTIONS

The County of Rensselaer and the Rensselaer County Industrial Development Agency provide staff support and office space to the Authority without compensation.

COMPLIANCE REPORT

WOJESKI & COMPANY CPAs, P.C.
159 Wolf Road, Albany, New York 12205 | Phone 518-477-1102 | Fax 518-477-1302 | www.wojeskico.com

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
Rensselaer County Water and Sewer Authority
Troy, New York

We have audited, in accordance with the 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 Rensselaer County Water and Sewer Authority (the "Authority"), which comprise the statement of net position as of December 31, 2024 and the related statements of revenues, expenses and change 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 March 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 and therefore, material weaknesses or significant deficiencies in internal control may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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*.

Rensselaer County Water and Sewer Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Wojeski & Company, CPAs, P.C.

Albany, New York
March 18, 2025

RENSSELAER COUNTY WATER AND SEWER AUTHORITY

Schedule of Findings and Responses

For the Year Ended December 31, 2024

Finding 2024-001 – Preparation of Financial Statements – Significant Deficiency

Condition: During the year ended December 31, 2024, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the Authority in order to properly produce financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). In addition, a draft of the financial statements was prepared by the auditors.

Criteria: AU-C Section 265, *Communicating Internal Control Related Matters in an Audit*, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

Cause: The Authority does not have any employees or contract with an outside consultant to maintain its books in accordance with GAAP.

Effect: Without assistance, the Authority's financial statements may not conform to GAAP.

Recommendation: We recommend that the Authority consider the cost and benefits of hiring a consultant to maintain the books and records of the Authority in accordance with GAAP.

View of Responsible Officials: The Authority does not retain its own permanent staff and relies on staff from the Office of Economic Development and Planning and outside consultants to perform the management and administrative functions of the Authority, which includes the maintenance of books and records on a cash basis throughout the year. As a result, the Authority seeks and relies upon the expertise of our external auditors to assist staff and to assure that the Authority's financial statements are in conformity with GAAP. Considering the nature of the Authority and its operating revenues, we believe this is the most cost-effective approach.

Management and the Board of the Authority carefully review and understand the results of the audit, the financial statements and related footnote disclosures and accept full ownership and responsibility for the expertise provided by our external auditors to ensure that the financial statements of the Authority are in conformity with GAAP.

RENSSELAER COUNTY WATER AND SEWER AUTHORITY

Schedule of Findings and Responses

For the Year Ended December 31, 2024

Finding 2024-002 – General Ledger – Significant Deficiency

Condition: The Authority currently relies on the use of a manual spreadsheet to track its financial activities.

Criteria: Use of a general ledger software package has numerous benefits to the user organization and is considered to be a best practice.

Cause: The Authority has not previously purchased a general ledger software and does not currently have access to one.

Effect: The use of a manual spreadsheet creates the opportunity for possible data entry and formula errors and does not provide a sufficient audit trail. A formal general ledger would assist the Authority in detecting and correcting errors and assist in the Authority's financial reporting. A formal general ledger software program would also provide additional useful reports, such as budget to actual reports, with little or no effort.

Recommendation: We recommend that the Authority obtain and implement to use of general ledger software package (such as QuickBooks).

View of Responsible Officials: The Authority concurs with the finding and the Authority Board has approved the purchase of QuickBooks and will implement its use during the 2025 fiscal year.