

TROY LOCAL DEVELOPMENT CORPORATION

Report to the Board

For the Year Ended December 31, 2020



March 26, 2021

To the Board of
Troy Local Development Corporation

We have audited the financial statements of Troy Local Development Corporation (the "Corporation") for the year ended December 31, 2020. 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 20, 2021. 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 Corporation are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Corporation 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 Corporation's financial statements were:

Management's estimate of the allowance for uncollectible loans is based on management's evaluation of the collectability of the outstanding receivables, including historical loss experience and economic conditions.

Management's estimate of the depreciable lives and estimated residual value of capital assets is based on the estimated useful length of individual assets and is estimated on a straight-line basis.

Management's estimate of the value for contributed property is based on the assessment from the City of Troy's Assessor.

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.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements was:

The disclosure of the carrying value of land held for development in Note E to the financial statements is sensitive because it is possible that the value of the land may not be recoverable by the Corporation.

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. The attached Schedule I includes material misstatements detected as a result of audit procedures that were corrected by management. The attached Schedule II summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For the 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 26, 2021.

Management Consultation 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 Corporation'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 Corporation'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 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 opinion on the basic financial statements is not affected by this missing information.

Restriction on Use

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

Wojeski & Company, CPAs, P.C.

**Troy Local Development Corporation
Schedule I - Proposed Adjusting Journal Entries Report
December 31, 2020**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To accrue the final bill on Franklin alley .			
6790.60	Franklin Aley Expense	35,202.00	
600	Accounts Pavable		35,202.00
Total		<u>35,202.00</u>	<u>35,202.00</u>
Adjusting Journal Entries JE # 2			
To record the transfer of the Federal Street property from the City of Troy.			
101.6	Federal Street	59,000.00	
6789.40	Gifts and Donations		59,000.00
Total		<u>59,000.00</u>	<u>59,000.00</u>

**Troy Local Development Corporation
Schedule II - Passed Adjusting Journal Entries Report
December 31, 2020**

Account	Description	Debit	Credit
Passed Journal Entries JE # 12			
To record the difference between calculated amount due from the National Grid grant and the amount booked. The full amount of the grant was booked, but estimated revenue is expected to be less.			
2760	Grant Funds	15,300.00	
380	Accounts Receivable		15,300.00
Total		<u>15,300.00</u>	<u>15,300.00</u>