#5

By Alderperson : Council As A Whole

Seconded by Alderperson :

A RESOLUTION ACCEPTING 2016/2017 AUDIT - OFFICE OF THE COMPTROLLER

WHEREAS, BST & Co. CPAs, LLP have conducted an Audit of the City of Rensselaer for Fiscal Year 2016/2017, and

WHEREAS, the Common Council of the City of Rensselaer has reviewed such Audit, a copy of which is attached hereto, and good cause appearing therefore,

NOW, THEREFORE BE IT RESOLVED, that the City of Rensselaer hereby accepts the findings contained in such Audit and thanks BST & Co.CPAs, LLP for its service to the City of Rensselaer.

James Van Vorst	☑ Aye	☐ No	☐ Abstain	☐ Absent
Dave Gardner	☑ Aye	☐ No	☐ Abstain	☐ Absent
Bryan Leahey	☑ Aye	☐ No	☐ Abstain	☐ Absent
James Casey	☑ Aye	☐ No	☐ Abstain	☐ Absent
Eric Endres	☑ Aye	☐ No	☐ Abstain	☐ Absent
Margaret Van Dyke	☑ Aye	☐ No	☐ Abstain	☐ Absent
John DeFrancesco	☑ Aye	☐ No	☐ Abstain	☐ Absent
Vote Totals	7 Aye	0 No	Abstain	Absent
Result	PASSED			

Approved as to form and sufficiency this 4th day of SEPTEMBER, 2020

Corporation Counsel

Mayor

BST
ACCOUNTING / TAX / ADVISORY

June 29, 2020

Mayor and City Common Council Members
City of Rensselaer, New York
62 Washington Street
Rensselaer, New York 12144

Dear Mayor and City Common Council Members:

We are pleased to present this report related to our audit of the financial statements of the City of Rensselaer, New York (City) as of and for the year ended July 31, 2017. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

This report is intended solely for the information and use of the Mayor, City Common Council Members, and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to the City.

Very truly yours,

BST & Co. CPAs, LLP

Brendan K. Kennedy

Brendan K. Kennedy, Partner

BKK/hmk

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
		PBC - Steve Corrections								
					3,353,379.00	3,353,379.00	10,082,995.00	(67,006.00)		
13	7/31/2017	Accounts Payable	H0600		434,897.00					
13	7/31/2017	Casale Construction Services	H7210.0105.5112			434,897.00				
		Correct overstatement of AP from PY								
					434,897.00	434,897.00	10,517,892.00	434,897.00		
14	7/31/2017	Accounts Receivable	H0380			262,571.00				
14	7/31/2017	Accounts Receivable	H0380			188,177.00				
14	7/31/2017	Accounts Receivable	H0380		58,028.00					
14	7/31/2017	Accounts Receivable	H0380		9,595.00					
14	7/31/2017	Accounts Receivable	H0380			10,252.00				
14	7/31/2017	Accounts Receivable	H0380		10,137.00					
14	7/31/2017	Accounts Payable	H0600			10,137.00				
14	7/31/2017	B.A.N. Is Payable	H0626		2,069,779.00					
14	7/31/2017	B.A.N. Is Payable	H0626		911.00					
14	7/31/2017	Deferr Revenues	H0691		10,252.00					
14	7/31/2017	Interest Earnings	H2401			911.00				
14	7/31/2017	Third Avenue Bridge	H3132		262,571.00					
14	7/31/2017	Killians Landing	H3136		1,822.00					
14	7/31/2017	Transportation Capital Grants Federa	H4597			45,725.00				
14	7/31/2017	Transportation Capital Grants Federa	H4597			134,001.00				
14	7/31/2017	Transportation Capital Grants Federa	H4597			5,413.00				
14	7/31/2017	B.A.N. REDEEMED FROM APPR..	H5731			545,500.00				
14	7/31/2017	Installment Purchase Debt - Proceed	H5785			1,524,279.00				
14	7/31/2017	Cash NYSERDA Deposits	H0200.H052		11,000.00					
14	7/31/2017	Cash NYSERDA Deposits	H0200.H052			59,850.00				
14	7/31/2017	Accounts Receivable EFC Financing	H0380.0002		188,177.00					
14	7/31/2017	Accounts Receivable EFC Financing	H0380.0002		141,217.00					
14	7/31/2017	State Aid Additional Quakenderry Cr	H3089.0005			9,595.00				
14	7/31/2017	State Aid Additional Rt 20 Bike Impr	H3089.0017		134,001.00					
14	7/31/2017	State Aid Additional Rt 20 Bike Impr	H3089.0017		5,413.00					
14	7/31/2017	State Aid Additional DOT Reimburse	H3089.0036			11,000.00				
14	7/31/2017	State Aid Additional DOT East Street	H3089.0040		45,725.00					
14	7/31/2017	Drinking/Clean Water/EPA Clean Wa	H3097.0001			141,217.00				
14	7/31/2017	Drinking/Clean Water/EPA Green Inf	H3097.0003			10,252.00				

Year End: July 31, 2017
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BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
14	7/31/2017	Drinking/Clean Water/EPA Green Inf	H3097.0003		10,252.00					
		PBC - Steve Correcting Entries								
					2,958,880.00	2,958,880.00	12,486,001.00	1,968,109.00		
15	7/31/2017	A BST Plug	ABST			38,409.00				
15	7/31/2017	Cash General Fund Operating	A0200.A000		38,409.00					
		To correct the cash in the General Fund								
					38,409.00	38,409.00	12,486,001.00	0.00		
16	7/31/2017	Interest Earnings	L2401			100.00				
16	7/31/2017	Othr.Unclassified Revenue	L2770		100.00					
		Reclass negative interest income								
					100.00	100.00	12,486,001.00	0.00		
17	7/31/2017	A BST Plug	ABST		22,978.00					
17	7/31/2017	BST Sewer Plug	GBST		67,369.00					
17	7/31/2017	Accounts Payable	A0600			64,828.00				
17	7/31/2017	BST CL Plug	CLBST		2,891.00					
17	7/31/2017	Interfund Transfers	G2801			67,369.00				
17	7/31/2017	Accounts Payable	H0600			75,247.00				
17	7/31/2017	Brownfield Opportunity Grant	H3133		7,878.00					
17	7/31/2017	Accounts Payable	CL0600			9,908.00				
17	7/31/2017	Unrecorded State grants revenues	A3089.0200			76,973.00				
17	7/31/2017	Bond Anticipated Notes	A7601.9730		115,500.00					
17	7/31/2017	Bond Payments	A7602.9730			79,498.00				
17	7/31/2017	Bond Payments	A7602.9730			115,000.00				
17	7/31/2017	Transfer to Capital	A9905.9900		197,821.00					
17	7/31/2017	Transfer To	H9901.9900		67,369.00					
17	7/31/2017	Public Safey Operations	CL7130.8160		7,017.00					
		Increase transfer to capital projects for unrecorded grant revenue recorded in capital projects fund.								
					488,823.00	488,823.00	12,282,023.00	(203,978.00)		

Year End: July 31, 2017
Trial balance
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BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
18	7/31/2017	Due from Other Funds	A0391			7,500.00				
18	7/31/2017	Due from Other Funds	A0391		23,000.00					
18	7/31/2017	Due to Other Funds	A0630		11,500.00					
18	7/31/2017	Due to Other Funds	A0630			23,000.00				
18	7/31/2017	Transfer To	A9901.9900			4,000.00				
		Correct remaining interfund items (Library and General)								
					34,500.00	34,500.00	12,286,023.00	4,000.00		
19	7/31/2017	Due from Other Funds	T0391		14,797.00					
19	7/31/2017	Fund Balance	T0909			14,797.00				
		Reclass TA Fund payables to balance interfund loans								
					14,797.00	14,797.00	12,286,023.00	0.00		
20	7/31/2017	Installment Purchase Debt - Proceed	H5785			746,000.00				
20	7/31/2017	EFC Debt Proceeds	H5786			495,000.00				
20	7/31/2017	B.A.N. Payable	H0621.0100			120,000.00				
20	7/31/2017	Capital Outlay	H7210.5110		866,000.00					
20	7/31/2017	Capital Outlay Clean Water Infrastru	H7210.0044.5112		495,000.00					
		Capital Projects Fund								
					1,361,000.00	1,361,000.00	11,671,023.00	(615,000.00)		
21	7/31/2017	Cash	G0200			190,000.00				
21	7/31/2017	Cash	FX0200		190,000.00					
21	7/31/2017	Principal Payment on EFC Debt	G97906		190,000.00					
21	7/31/2017	Bond Payments	FX7602.9730			190,000.00				
		Record Sewer Principal Payment								
					380,000.00	380,000.00	11,861,023.00	190,000.00		
22	7/31/2017	Cash	A0200		61,700.00					
22	7/31/2017	Cash	A0200			25,127.00				
22	7/31/2017	Cash	G0200			61,700.00				
22	7/31/2017	Cash	FX0200		25,127.00					
22	7/31/2017	Unrecorded State grants revenues	A3089.0200		25,127.00					

Year End: July 31, 2017
Trial balance
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BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
22	7/31/2017	Interest On Bans/ Bonds	A7701.9730			61,700.00				
22	7/31/2017	Interest On Bans/ Bonds	G7701.9730		61,700.00					
22	7/31/2017	Bond Payments	FX7602.9730		9,000.00					
22	7/31/2017	Interest On Bans/ Bonds	FX7701.9730		29,353.00					
22	7/31/2017	Interest On Bonds	FX7702.9730			9,000.00				
22	7/31/2017	Interest On Bonds	FX7702.9730			29,353.00				
22	7/31/2017	Interest On Bonds	FX7702.9730			25,127.00				
		Fix Interest Expense								
					212,007.00	212,007.00	11,886,150.00	25,127.00		
23	7/31/2017	Taxes Receivable	A0250		599,835.00					
23	7/31/2017	Real Estate Taxes	A1001			599,835.00				
		Tax Corrections - PBC								
					599,835.00	599,835.00	12,485,985.00	599,835.00		
24	7/31/2017	Land	K0101	K-4001	640,126.00					
24	7/31/2017	Buildings	K0102	K-4001	11,937,437.00					
24	7/31/2017	Improvements Other than Buildings	K0103	K-4001	140,150.00					
24	7/31/2017	Machinery & Equipme	K0104	K-4001	965,988.00					
24	7/31/2017	Machinery & Equipme	K0104	K-4001	4,682,090.00					
24	7/31/2017	Construction Work In Progress	K0105	K-4001	6,220,602.00					
24	7/31/2017	Infrastructure	K0106	K-4001	89,475,473.00					
24	7/31/2017	Buildings, Accumlated Depr	K0112	K-4001		3,958,150.00				
24	7/31/2017	Site Improvements, Accumulated De	K0113	K-4001		35,249.00				
24	7/31/2017	Machinery and Equipment	K0114	K-4001		512,831.00				
24	7/31/2017	Machinery and Equipment	K0114	K-4001		2,962,030.00				
24	7/31/2017	Infrastructure, Accumulated Depr	K0116	K-4001		52,199,005.00				
24	7/31/2017	Investment Other	K0953	K-4001		54,394,601.00				
		Record fixed assets								
					114,061,866.00	114,061,866.00	64,684,990.00	52,199,005.00		
25	7/31/2017	A BST Plug	ABST		15,430.00					
25	7/31/2017	Due To Emp. Retirement System	A0637			15,430.00				
		A Fund corrections								

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Year End: July 31, 2017
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Date: 8/1/2016 To 7/31/2017

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JBG 5/8/2018		
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BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
					15,430.00	15,430.00	64,684,990.00	0.00		
26	7/31/2017	B.A.N. Is Payable	H0626		1,568,000.00					
26	7/31/2017	EFC Debt Proceeds	H5786			1,568,000.00				
		Adjust BAN financed L/T through EFC Debt subsequent to year-end								
					1,568,000.00	1,568,000.00	64,684,990.00	0.00		
27	7/31/2017	PROV.-FUT.BDGT.CAP.INDBT...	W0125	W17-5000		290,000.00				
27	7/31/2017	Serial Bonds Payable	W0628	W17-5000	290,000.00					
		reduce LT bonds payable								
					290,000.00	290,000.00	64,684,990.00	0.00		
28	7/31/2017	Taxes Receivable	A0250		105,155.00					
28	7/31/2017	Taxes Receivable	A0250			47,997.00				
28	7/31/2017	City School Taxes	A0290			188,566.00				
28	7/31/2017	Tax Payment Plan Program	A0301		2,537.00					
28	7/31/2017	Delinquent Tax Program	A0320		217,152.00					
28	7/31/2017	School Tax Sale Certificates	A0325			136,278.00				
28	7/31/2017	Due from Other Funds	A0391			60,000.00				
28	7/31/2017	Deferr Revenues	A0691			79,344.00				
28	7/31/2017	Deferred Tax Revenue	A0694		79,344.00					
28	7/31/2017	Deferred Tax Revenue	A0694		8,146.00					
28	7/31/2017	Real Estate Taxes	A1001		47,997.00					
28	7/31/2017	Real Estate Taxes	A1001			8,146.00				
28	7/31/2017	Othr.Unclassified Revenue	A2770		8,154.00					
28	7/31/2017	Taxes Receivable	G0250		95,344.00					
28	7/31/2017	Deferr Revenues	G0691			147,061.00				
28	7/31/2017	Sewer Call Outs	G2132			95,344.00				
28	7/31/2017	Sewer Call Outs	G2132		147,061.00					
28	7/31/2017	Solid Waste Receivable	CL0370		33,399.00					
28	7/31/2017	Due to Other Funds	CL0630		60,000.00					
28	7/31/2017	Deferred Tax Revenue	CL0694			93,399.00				
28	7/31/2017	Deferred Tax Revenue	CL0694			46,212.00				
28	7/31/2017	Accounts Receivable	FX0380			509.00				
28	7/31/2017	Accounts Receivable	FX0380		5,894.00					
28	7/31/2017	Deferr Revenues	FX0691		82,469.00					

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

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JBG 5/8/2018		
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BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
28	7/31/2017	Metered Water Sales	FX2140		16,089.00					
28	7/31/2017	Metered Water Sales	FX2140			5,894.00				
28	7/31/2017	Metered Water Sales	FX2140			82,469.00				
28	7/31/2017	Unrecorded State grants revenues	A3089.0200		51,846.00					
28	7/31/2017	Charges City Charges	CL2130.0001		46,212.00					
28	7/31/2017	Water Rents Receivables Relevy Fe	FX0350.0001			16,089.00				
28	7/31/2017	Accounts Receivable Accounts Rece	FX0380.0001		1,054.00					
28	7/31/2017	Accounts Receivable Accounts Rece	FX0380.0003			545.00				
		Adjust water, sewer and refuse relevies, deliquent tax receivables, deferred inflows.								
					1,007,853.00	1,007,853.00	64,611,330.00	(73,660.00)		
29	7/31/2017	Water Rents Receivables	FX0350	2000FX-6 & 2		287,848.00				
29	7/31/2017	Due From Other Govts	FX0440	2000FX-6 & 2		13,944.00				
29	7/31/2017	Accounts Payable	FX0600	2000FX-6 & 2	183,729.00					
29	7/31/2017	Accounts Payable	FX0600	2000FX-6 & 2		457,828.00				
29	7/31/2017	Due To Other Govts	FX0631	2000FX-6 & 2	530,333.00					
29	7/31/2017	Due To Emp. Retirement System	FX0637	2000FX-6 & 2		1,990.00				
29	7/31/2017	Fund Balance	FX0909	2000FX-6 & 2		256,211.00				
29	7/31/2017	Metered Water Sales	FX2140	2000FX-6 & 2		33,455.00				
29	7/31/2017	Service Charges	FX2144	2000FX-6 & 2		3,554.00				
29	7/31/2017	BST FX Plug	FXPLUG	2000FX-6 & 2	454,440.00					
29	7/31/2017	B.A.N. Payable	FX0621.0100	2000FX-6 & 2		2,729.00				
29	7/31/2017	Other Water Sales North Greenbush	FX2142.0007	2000FX-6 & 2		127,780.00				
29	7/31/2017	Other Water Sales Bloomingrove	FX2142.0009	2000FX-6 & 2		112.00				
29	7/31/2017	Service Charges Fire Service Charge	FX2144.0002	2000FX-6 & 2	20.00					
29	7/31/2017	Other Water Serv Reimbursement fr	FX2378.0002	2000FX-6 & 2	138,970.00					
29	7/31/2017	Purchase Of Water For Resale	FX7449.8320	2000FX-6 & 2		124,770.00				
29	7/31/2017	Bond Anticipated Notes	FX7601.9730	2000FX-6 & 2						
29	7/31/2017	Interest On Bans/ Bonds	FX7701.9730	2000FX-6 & 2	2,729.00					
		Fix Purchases of water from Troy Correct Water fund revenues based on billings								
					1,310,221.00	1,310,221.00	64,304,842.00	(306,488.00)		
30	7/31/2017	BST Sewer Plug	GBST	2000FX-6	56,529.00					
30	7/31/2017	Due To Emp. Retirement System	G0637	2000FX-6		395.00				
30	7/31/2017	Fund Balance	G0909	2000FX-6						

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

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Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
30	7/31/2017	Sewer Call Outs	G2132	2000FX-6		33,185.00				
30	7/31/2017	Service Charges	G2144	2000FX-6		22,949.00				
		Adjust sewer revenues								
					56,529.00	56,529.00	64,304,447.00	(395.00)		
31	7/31/2017	BST CL Plug	CLBST	2000S-4	266,710.00					
31	7/31/2017	Taxes Receivable Other	G0260	2000S-4	49,624.00					
31	7/31/2017	Sewer Call Outs	G2132	2000S-4		49,624.00				
31	7/31/2017	Encumbrance Control	H0521	2000S-4		2.00				
31	7/31/2017	Solid Waste Receivable	CL0370	2000S-4	43,745.00					
31	7/31/2017	Solid Waste Receivable	CL0370	2000S-4		18,277.00				
31	7/31/2017	Solid Waste Receivable	CL0370	2000S-4		56,123.00				
31	7/31/2017	Accounts Receivable	CL0380	2000S-4	56,123.00					
31	7/31/2017	Accounts Receivable	CL0380	2000S-4		1,887.00				
31	7/31/2017	Due To Emp. Retirement System	CL0637	2000S-4		1,114.00				
31	7/31/2017	Fund Balance	CL0909	2000S-4		176,931.00				
31	7/31/2017	Other Equipment	H7250.1620	2000S-4	2.00					
31	7/31/2017	Accounts Receivable Accounts Rece	CL0380.0001	2000S-4	1,887.00					
31	7/31/2017	Charges City Charges	CL2130.0001	2000S-4		132,410.00				
31	7/31/2017	Charges City Charges	CL2130.0001	2000S-4	18,277.00					
		adjust revenue and receivable in solid waste								
					436,368.00	436,368.00	64,201,492.00	(102,955.00)		
32	7/31/2017	Fund Balance	CL0909		176,931.00					
32	7/31/2017	Fund Balance	FX0909		256,211.00					
32	7/31/2017	Metered Water Sales	FX2140			256,211.00				
32	7/31/2017	Charges City Charges	CL2130.0001			176,931.00				
		Opening fund equity								
					433,142.00	433,142.00	64,634,634.00	433,142.00		
33	7/31/2017	Other Funds	T0685		34.00					
33	7/31/2017	P/Y Fund Equity Adjustment	T0909-1			34.00				
					34.00	34.00	64,634,634.00	0.00		

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Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
34	7/31/2017	Due From Other Govts	A0440	2001A1-12	25,324.00					
34	7/31/2017	County Sales Tax	A1120	2001A1-12		25,324.00				
		To adjust sales tax receivable								
					25,324.00	25,324.00	64,659,958.00	25,324.00		
35	7/31/2017	Prepaid Expenses	H0445			16,691.00				
35	7/31/2017	Capital Outlay NYS 43 Bridge Projec	H7210.0008.8020		16,691.00					
		Adjust deposit held with Amtrack								
					16,691.00	16,691.00	64,643,267.00	(16,691.00)		
					178,396,724.00	178,396,724.00	64,643,267.00	53,960,617.00		

ACCOUNTING / TAX / ADVISORY

City of Rensselaer, New York

Communication With Those Charged With Governance
Year Ended July 31, 2017

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under 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 have been described to you in our arrangement letter dated January 30, 2018. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. The following is a description of a new accounting standard that was adopted by the City for the purposes of complying with accounting principles generally accepted in the United State of American (U.S. GAAP):

Accounting Policies and Practices - Continued

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This statement established financial reporting standards for other postemployment benefits (OPEB) plans for state and local governments. This standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended. This statement establishes standards for recognizing and measuring liabilities, deferred inflows of resources, deferred outflows of resources, and expense/expenditures, as well as identifying the methods and assumptions required to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Additionally, this statement establishes requirements for additional note disclosures and required supplementary information.

The adoption of this statement is applied retroactively. As a result of the adoption of this statement, the City's July 31, 2016 governmental activities net position was restated to a deficit balance of $16,471,372.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Exhibit A, Summary of Significant Accounting Estimates.

Audit Adjustments

Audit adjustments proposed by us and recorded by the City are shown on the attached Exhibit B, Summary of Recorded Audit Adjustments.

Uncorrected Misstatements

There were no uncorrected misstatements in the financial statements.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

City of Rensselaer, New York

Communication With Those Charged With Governance
Year Ended July 31, 2017

Consultations with Other Accountants

We were informed by management that the City consulted with the following accounts to provide consultation and recording keeping services during the year ended July 31, 2017:

- Stark & Basila Certified Public Accountants, P.C.
- Claude Manna, Cusack and Company, CPAs, LLC
- Mike Slawson

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed with or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting

We have separately communicated the significant deficiencies and material weaknesses identified during our audit of the financial statements.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the City, including the representation letter provided to us by management, are attached as Exhibit D.

City of Rensselaer, New York

Summary of Significant Accounting Estimates
Year Ended July 31, 2017

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's July 31, 2016 financial statements:

Estimate	Accounting Policy	Estimation Process
Other Postemployment Benefits (OPEB)	An accrual is made in the financial statements for benefits earned primarily by employer funded health insurance that will be paid subsequent to the qualifying employees' service with the City.	The estimate is developed with the assistance of an actuarial firm using assumptions applied to census and plan information provided by the City.
Allowance for Uncollectible Receivables	Receivables are reduced to their net realizable value. An allowance for uncollectible receivables is recorded as a contra asset and a corresponding expense.	Management will perform a calculation to determine what portion of the outstanding receivable balances may be uncollectible.
Compensated Absences	The City recognizes the estimated liability for unused vacation and compensated time.	Unused vacation and compensated time is aggregated, and current employee rates are applied to generate the extended liability.
Claims Payable	An accrual for claims payable is recorded when the contingent obligation is determined to be both probable and estimable.	Management reviews responses from the City's legal counsel to determine cases that are both probable and possible. These cases are the basis for determining the claims payable estimate along with the footnote disclosure.

BST
ACCOUNTING / TAX / ADVISORY

City of Rensselaer, New York

Summary of Significant Accounting Estimates
Year Ended July 31, 2017

Estimate	Accounting Policy	Estimation Process
Net Pension Liability	The City recognizes its proportionate share of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System net pension liabilities and the related deferred inflows and outflows of resources.	The City's net pension liabilities are estimated by the New York State Office of the State Comptroller using census data supplied by participating employers and various actuarial assumptions, including but not limited to, rate of return, mortality, and inflation. The City's proportionate percentage of the liabilities is determined on an annual basis.

We have evaluated management's significant accounting estimates noted above as part of our audit, and concluded that management's estimates and the estimation process appear reasonable in the context of the financial statements taken as a whole.

Exhibit B

City of Rensselaer, New York

Summary of Recorded Audit Adjustments
Year Ended July 31, 2017

See next 12 pages

BST ACCOUNTING / TAX / ADVISORY

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

0805

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
		Net Income (Loss) Before Adjustments					10,682,650.00			
1	7/31/2017	Accrued Liabilities	A0607			149,609.00				
1	7/31/2017	Accrued Liabilities	G0607			2,001.00				
1	7/31/2017	Accrued Liabilities	L0601			2,329.00				
1	7/31/2017	Accrued Liabilities	CL0601		6,059.00					
1	7/31/2017	Accrued Payroll	FX0601.01			5,729.00				
1	7/31/2017	Executive	A7100.1010		30,999.00					
1	7/31/2017	Executive	A7100.3120		86,227.00					
1	7/31/2017	Executive	A7100.7310		7,776.00					
1	7/31/2017	Supervisory	A7110.5010		18,473.00					
1	7/31/2017	Supervisory	A7110.8120		6,134.00					
1	7/31/2017	Public Safey Operations	G7130.8120		2,001.00					
1	7/31/2017	Clerical	L7150.7410		2,329.00					
1	7/31/2017	Public Safey Operations	CL7130.8160			6,059.00				
1	7/31/2017	Accrued Liabilities Accrued Payroll	FX0601.0100			5,512.00				
1	7/31/2017	Public Safey Operations	FX7130.8340		11,241.00					
		to adjust for accrued payroll							Recurring	
					171,239.00	171,239.00	10,529,041.00	(153,609.00)		
2	7/31/2017	Trust Saving	T0202			3.00				
2	7/31/2017	Due from Other Funds	T0391							
2	7/31/2017	Due from Other Funds	T0391		316,467.00					
2	7/31/2017	Due from Other Funds	FX0391							
2	7/31/2017	Metered Water Sales	FX2140							
2	7/31/2017	Cash Trust Fund Main	T0200.T000			316,464.00				
		Fix cash in TA fund								
					316,467.00	316,467.00	10,845,505.00	316,464.00		
4	7/31/2017	PROV.-FUT.BDGT.CAP.INDBT...	W0125		42,400,660.00					
4	7/31/2017	PROV.-FUT.BDGT.CAP.INDBT...	W0125		1,797,714.00					
4	7/31/2017	Due To Emp. Retirement System	W0637		122,565.00					
4	7/31/2017	Statutory Installment Bonds	W0685			2,270,279.00				
4	7/31/2017	Other Post Emplooyment Benefits	W0692			42,400,660.00				
4	7/31/2017	Loans/Bans Payable EFC Ban Payat	W0619.0001		118,000.00					
4	7/31/2017	Loans/Bans Payable CW-Keybank	W0619.0002		232,000.00					

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
		Adjust W-Fund								
					44,670,939.00	44,670,939.00	10,727,505.00	(118,000.00)		
5	7/31/2017	PROV.-FUT.BDGT.CAP.INDBT...	W0125	W-5000	2,105,000.00					
5	7/31/2017	Loans/Bans Payable EFC Loan Paya	W0619.0003	W-5000		2,105,000.00				
		adjust EFC bonds based on confirm								
					2,105,000.00	2,105,000.00	10,727,505.00	0.00		
6	7/31/2017	CD Plug	CDBST	2000CD-1						
6	7/31/2017	All Uncollected Accounts	CD0253	2000CD-1						
6	7/31/2017	Accounts Receivable	CD0380	2000CD-1	11,824.00					
6	7/31/2017	Deferr Revenues	CD0691	2000CD-1						
6	7/31/2017	Deferr Revenues	CD0691	2000CD-1	103,390.00					
6	7/31/2017	Fund Balance	CD0909	2000CD-1	376.00					
6	7/31/2017	Community Development Income	CD2170	2000CD-1		10,058.00				
6	7/31/2017	Fort Crailo Revenue	CDBST1	2000CD-1		10,881.00				
6	7/31/2017	Economic Development Revenue	CDBST2	2000CD-1		15,041.00				
6	7/31/2017	Loans Receivable Loans Receivable	CD0390.0001	2000CD-1		79,610.00				
		To adjust CD fund								
					115,590.00	115,590.00	10,753,427.00	25,922.00		
7	7/31/2017	PROV.-FUT.BDGT.CAP.INDBT...	W0125	W2010.13		996,925.00				
7	7/31/2017	Net Pension Liability	W0688	W2010.13	996,925.00					
		Record Net Pension Liability								
					996,925.00	996,925.00	9,756,502.00	(996,925.00)		
8	7/31/2017	Interest Earnings	H2401			373.00				
8	7/31/2017	BKK Revenue	H4000		373.00					
		remove debit balance in interest revenue								
					373.00	373.00	9,756,502.00	0.00		
9	7/31/2017	A BST Plug	ABST	7902	1.00					

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Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
9	7/31/2017	BST Sewer Plug	GBST	7902		123,898.00				
9	7/31/2017	Fund Balance	A0909	7902		1.00				
9	7/31/2017	CD Plug	CDBST	7902		2,311.00				
9	7/31/2017	BST CL Plug	CLBST	7902	1.00					
9	7/31/2017	Fund Balance	G0909	7902	123,898.00					
9	7/31/2017	Fund Balance	CD0909	7902	2,311.00					
9	7/31/2017	Fund Balance	CL0909	7902		1.00				
		fix opening fund balance								
					126,211.00	126,211.00	9,880,399.00	123,897.00		
10	7/31/2017	A BST Plug	ABST							
10	7/31/2017	A BST Plug	ABST							
10	7/31/2017	BST Sewer Plug	GBST							
10	7/31/2017	Due to Other Funds	A0630							
10	7/31/2017	BST CL Plug	CLBST							
10	7/31/2017	BST CL Plug	CLBST			191,548.00				
10	7/31/2017	BST CL Plug	CLBST			78,054.00				
10	7/31/2017	Due from Other Funds	G0391							
10	7/31/2017	Sewer Call Outs	G2132							
10	7/31/2017	Due to Other Funds	CL0630							
10	7/31/2017	Deferred Tax Revenue	CL0694		269,602.00					
10	7/31/2017	Due to Other Funds	FX0630							
10	7/31/2017	Metered Water Sales	FX2140							
10	7/31/2017	Metered Water Sales	FX2140		454,440.00					
10	7/31/2017	BST FX PLUG	FXPLUG			454,440.00				
10	7/31/2017	Due From Other Funds Due From Ot	A0391.0001							
10	7/31/2017	Transfer To	A9901.9900							
		Reconcile interfund balances								
					724,042.00	724,042.00	10,150,001.00	269,602.00		
11	7/31/2017	CD Plug	CDBST		2,311.00					
11	7/31/2017	Deferr Revenues	CD0691		69,542.00					
11	7/31/2017	Community Development Income	CD2170			71,853.00				
		Corrected deferred inflow								
					71,853.00	71,853.00	10,150,001.00	0.00		

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss) Amount Chg	Recurrence	Misstatement
12	7/31/2017	Taxes Receivable	A0250			530,715.00			
12	7/31/2017	Due from Other Funds	A0391			665,023.00			
12	7/31/2017	Accounts Payable	A0600			154,259.00			
12	7/31/2017	Due to Other Funds	A0630		1,349,997.00				
12	7/31/2017	Due from Other Funds	G0391			415,589.00			
12	7/31/2017	Due to Other Funds	G0630		412,988.00				
12	7/31/2017	Due To Emp. Retirement System	G0637		2,601.00				
12	7/31/2017	Accounts Receivable	H0380		10,137.00				
12	7/31/2017	Accounts Receivable	H0380			58,649.00			
12	7/31/2017	Accounts Receivable	H0380			19,558.00			
12	7/31/2017	Due from Other Funds	H0391			485,726.00			
12	7/31/2017	Waterfront Esplande Design	H0513		19,618.00				
12	7/31/2017	Accounts Payable	H0600		439,458.00				
12	7/31/2017	Accounts Payable	H0600			10,137.00			
12	7/31/2017	Due to Other Funds	H0630		104,917.00				
12	7/31/2017	Due from Other Funds	L0391		729.00				
12	7/31/2017	Due to Other Funds	L0630			2,508.00			
12	7/31/2017	Cash	T0200		14,339.00				
12	7/31/2017	Due from Other Funds	T0391		17,451.00				
12	7/31/2017	Accounts Payable	T0600			462.00			
12	7/31/2017	Due to Other Funds	T0630			97,632.00			
12	7/31/2017	Foreign Fire Ins.	T0652		66,304.00				
12	7/31/2017	Accounts Receivable	CD0380		11,824.00				
12	7/31/2017	Due from Other Funds	CD0391			149,359.00			
12	7/31/2017	Accounts Payable	CD0600		33,760.00				
12	7/31/2017	Due to Other Funds	CD0630		98,800.00				
12	7/31/2017	Due from Other Funds	CL0391		1,413.00				
12	7/31/2017	Accounts Payable	CL0600			11,906.00			
12	7/31/2017	Due to Other Funds	CL0630		13,750.00				
12	7/31/2017	Due from Other Funds	FX0391			474,440.00			
12	7/31/2017	Accounts Payable	FX0600			274,099.00			
12	7/31/2017	Due to Other Funds	FX0630		390,780.00				
12	7/31/2017	Due To Other Govts	FX0631		182,790.00				
12	7/31/2017	Due To Emp. Retirement System	FX0637		10,462.00				
12	7/31/2017	Due To Other Funds Sanitary Sewer:	FX0630.G		164,507.00				
12	7/31/2017	Accounts Receivable EFC Financing	H0380.0002			60.00			
12	7/31/2017	Contractual Services	L7440.7410		1,779.00				
12	7/31/2017	Cash Fort Crailo Rev Loan	CD0200.CD13		2,795.00				
12	7/31/2017	Contractual Services	CD7440.8668		2,180.00				
12	7/31/2017	Charges City Charges	CL2130.0001			3,257.00			

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

Prepared by 1 JBG 5/8/2018	Prepared by 2	Prepared by 3
Reviewed by 1 BKK 8/2/2018	Reviewed by 2	Reviewed by 3

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
14	7/31/2017	Drinking/Clean Water/EPA Green Inf	H3097.0003		10,252.00					
		PBC - Steve Correcting Entries								
					2,958,880.00	2,958,880.00	12,486,001.00	1,968,109.00		
15	7/31/2017	A BST Plug	ABST			38,409.00				
15	7/31/2017	Cash General Fund Operating	A0200.A000		38,409.00					
		To correct the cash in the General Fund								
					38,409.00	38,409.00	12,486,001.00	0.00		
16	7/31/2017	Interest Earnings	L2401			100.00				
16	7/31/2017	Othr.Unclassified Revenue	L2770		100.00					
		Reclass negative interest income								
					100.00	100.00	12,486,001.00	0.00		
17	7/31/2017	A BST Plug	ABST		22,978.00					
17	7/31/2017	BST Sewer Plug	GBST		67,369.00					
17	7/31/2017	Accounts Payable	A0600			64,828.00				
17	7/31/2017	BST CL Plug	CLBST		2,891.00					
17	7/31/2017	Interfund Transfers	G2801			67,369.00				
17	7/31/2017	Accounts Payable	H0600			75,247.00				
17	7/31/2017	Brownfield Opportunity Grant	H3133		7,878.00					
17	7/31/2017	Accounts Payable	CL0600			9,908.00				
17	7/31/2017	Unrecorded State grants revenues	A3089.0200			76,973.00				
17	7/31/2017	Bond Anticipated Notes	A7601.9730		115,500.00					
17	7/31/2017	Bond Payments	A7602.9730			79,498.00				
17	7/31/2017	Bond Payments	A7602.9730			115,000.00				
17	7/31/2017	Transfer to Capital	A9905.9900		197,821.00					
17	7/31/2017	Transfer To	H9901.9900		67,369.00					
17	7/31/2017	Public Safey Operations	CL7130.8160		7,017.00					
		Increase transfer to capital projects for unrecorded grant revenue recorded in capital projects fund.								
					488,823.00	488,823.00	12,282,023.00	(203,978.00)		

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
					15,430.00	15,430.00	64,684,990.00	0.00		
26	7/31/2017	B.A.N. Is Payable	H0626		1,568,000.00					
26	7/31/2017	EFC Debt Proceeds	H5786			1,568,000.00				
		Adjust BAN financed L/T through EFC Debt subsequent to year-end								
					1,568,000.00	1,568,000.00	64,684,990.00	0.00		
27	7/31/2017	PROV.-FUT.BDGT.CAP.INDBT...	W0125	W17-5000		290,000.00				
27	7/31/2017	Serial Bonds Payable	W0628	W17-5000	290,000.00					
		reduce LT bonds payable								
					290,000.00	290,000.00	64,684,990.00	0.00		
28	7/31/2017	Taxes Receivable	A0250		105,155.00					
28	7/31/2017	Taxes Receivable	A0250			47,997.00				
28	7/31/2017	City School Taxes	A0290			188,566.00				
28	7/31/2017	Tax Payment Plan Program	A0301		2,537.00					
28	7/31/2017	Delinquent Tax Program	A0320		217,152.00					
28	7/31/2017	School Tax Sale Certificates	A0325			136,278.00				
28	7/31/2017	Due from Other Funds	A0391			60,000.00				
28	7/31/2017	Deferr Revenues	A0691			79,344.00				
28	7/31/2017	Deferred Tax Revenue	A0694		79,344.00					
28	7/31/2017	Deferred Tax Revenue	A0694		8,146.00					
28	7/31/2017	Real Estate Taxes	A1001		47,997.00					
28	7/31/2017	Real Estate Taxes	A1001			8,146.00				
28	7/31/2017	Othr.Unclassified Revenue	A2770		8,154.00					
28	7/31/2017	Taxes Receivable	G0250		95,344.00					
28	7/31/2017	Deferr Revenues	G0691			147,061.00				
28	7/31/2017	Sewer Call Outs	G2132			95,344.00				
28	7/31/2017	Sewer Call Outs	G2132		147,061.00					
28	7/31/2017	Solid Waste Receivable	CL0370		33,399.00					
28	7/31/2017	Due to Other Funds	CL0630		60,000.00					
28	7/31/2017	Deferred Tax Revenue	CL0694			93,399.00				
28	7/31/2017	Deferred Tax Revenue	CL0694			46,212.00				
28	7/31/2017	Accounts Receivable	FX0380			509.00				
28	7/31/2017	Accounts Receivable	FX0380		5,894.00					
28	7/31/2017	Deferr Revenues	FX0691		82,469.00					

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

Prepared by 1	Prepared by 2	Prepared by 3
JBG 5/8/2018		
Reviewed by 1	Reviewed by 2	Reviewed by 3
BKK 8/2/2018		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
28	7/31/2017	Metered Water Sales	FX2140		16,089.00					
28	7/31/2017	Metered Water Sales	FX2140			5,894.00				
28	7/31/2017	Metered Water Sales	FX2140			82,469.00				
28	7/31/2017	Unrecorded State grants revenues	A3089.0200		51,846.00					
28	7/31/2017	Charges City Charges	CL2130.0001		46,212.00					
28	7/31/2017	Water Rents Receivables Relevy Fe	FX0350.0001			16,089.00				
28	7/31/2017	Accounts Receivable Accounts Rece	FX0380.0001		1,054.00					
28	7/31/2017	Accounts Receivable Accounts Rece	FX0380.0003			545.00				
		Adjust water, sewer and refuse relevies, deliquent tax receivables, deferred inflows.								
					1,007,853.00	1,007,853.00	64,611,330.00	(73,660.00)		
29	7/31/2017	Water Rents Receivables	FX0350	2000FX-6 & 2		287,848.00				
29	7/31/2017	Due From Other Govts	FX0440	2000FX-6 & 2		13,944.00				
29	7/31/2017	Accounts Payable	FX0600	2000FX-6 & 2	183,729.00					
29	7/31/2017	Accounts Payable	FX0600	2000FX-6 & 2		457,828.00				
29	7/31/2017	Due To Other Govts	FX0631	2000FX-6 & 2	530,333.00					
29	7/31/2017	Due To Emp. Retirement System	FX0637	2000FX-6 & 2		1,990.00				
29	7/31/2017	Fund Balance	FX0909	2000FX-6 & 2		256,211.00				
29	7/31/2017	Metered Water Sales	FX2140	2000FX-6 & 2		33,455.00				
29	7/31/2017	Service Charges	FX2144	2000FX-6 & 2		3,554.00				
29	7/31/2017	BST FX Plug	FXPLUG	2000FX-6 & 2	454,440.00					
29	7/31/2017	B.A.N. Payable	FX0621.0100	2000FX-6 & 2		2,729.00				
29	7/31/2017	Other Water Sales North Greenbush	FX2142.0007	2000FX-6 & 2		127,780.00				
29	7/31/2017	Other Water Sales Bloomingrove	FX2142.0009	2000FX-6 & 2		112.00				
29	7/31/2017	Service Charges Fire Service Charge	FX2144.0002	2000FX-6 & 2	20.00					
29	7/31/2017	Other Water Serv Reimbursement fr	FX2378.0002	2000FX-6 & 2	138,970.00					
29	7/31/2017	Purchase Of Water For Resale	FX7449.8320	2000FX-6 & 2		124,770.00				
29	7/31/2017	Bond Anticipated Notes	FX7601.9730	2000FX-6 & 2						
29	7/31/2017	Interest On Bans/ Bonds	FX7701.9730	2000FX-6 & 2	2,729.00					
		Fix Purchases of water from Troy Correct Water fund revenues based on billings								
					1,310,221.00	1,310,221.00	64,304,842.00	(306,488.00)		
30	7/31/2017	BST Sewer Plug	GBST	2000FX-6	56,529.00					
30	7/31/2017	Due To Emp. Retirement System	G0637	2000FX-6		395.00				
30	7/31/2017	Fund Balance	G0909	2000FX-6						

Year End: July 31, 2017
Trial balance
Date: 8/1/2016 To 7/31/2017

Prepared by 1 JBG 5/8/2018	Prepared by 2	Prepared by 3
Reviewed by 1 BKK 8/2/2018	Reviewed by 2	Reviewed by 3

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
34	7/31/2017	Due From Other Govts	A0440	2001A1-12	25,324.00					
34	7/31/2017	County Sales Tax	A1120	2001A1-12		25,324.00				
		To adjust sales tax receivable								
					25,324.00	25,324.00	64,659,958.00	25,324.00		
35	7/31/2017	Prepaid Expenses	H0445			16,691.00				
35	7/31/2017	Capital Outlay NYS 43 Bridge Projec	H7210.0008.8020		16,691.00					
		Adjust deposit held with Amtrack								
					16,691.00	16,691.00	64,643,267.00	(16,691.00)		
					178,396,724.00	178,396,724.00	64,643,267.00	53,960,617.00		

CITY OF RENSSELAER

OFFICE OF THE MAYOR

MICHAEL STAMMEL
MAYOR

CITY HALL
62 WASHINGTON STREET
RENSSELAER, NEW YORK 12144

(518) 462-9511
Fax: (518) 462-9895

June 29, 2020

BST & Co. CPAs, LLP
26 Computer Drive West
Albany, New York 12205

This representation letter is provided in connection with your audit of the basic financial statements of the City of Rensselaer, New York as of and for the year ended July 31, 2017 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of June 29 2020:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 30, 2018, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility 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.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions, including those with a component unit for which the City is accountable, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

15. All transactions have been recorded in the accounting records and are reflected in the financial statements.

16. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

17. We have no knowledge of allegations of fraud or suspected fraud affecting the City's financial statements involving:

a. Management.

b. Employees who have significant roles in internal control.

c. Others where the fraud could have a material effect on the financial statements.

18. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.

19. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.

20. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

21. We have disclosed to you the identity of the City's related parties and all the related-party relationships and transactions of which we are aware.

22. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.

23. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

24. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

25. With respect to supplementary information presented in relation to the financial statements as a whole:

a. We acknowledge our responsibility for the presentation of such information.

b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.

c. The methods of measurement or presentation have not changed from those used in the prior period.

j. Has identified for your previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

k. Has provided views on your reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we confirm:

28. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance.

29. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.

30. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on its federal programs.

31. Management is responsible for the preparation of the schedule of expenditures of federal awards, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes has been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

32. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.

33. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

34. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.

35. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or stated that there was no such noncompliance.

36. Management believes that the auditee has complied with the direct and material compliance requirements (except for noncompliance it has disclosed to the auditor).

Very truly yours,

CITY OF RENSSELAER, NEW YORK

Michael Stammel

Michael Stammel, Mayor

Michael A. Mizener

Michael A. Mizener, Treasurer

Steven Terry

Steven Terry, Comptroller