

## **2023 OCCRC OPERATIONS AND ACCOMPLISHMENTS**

Otsego County Capital Resource Corporation (“OCCRC”) was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”). Pursuant to the provisions of the Enabling Act, Revenue Ruling 57-187 and Private Letter Ruling 200936012, the Board of Representatives of Otsego County, New York (the “County”) adopted a resolution on October 1, 2008 (the “Sponsor Resolution”) (A) authorizing the incorporation of the Issuer under the Enabling Act, and (B) appointing the initial members of the board of directors of the Issuer. On October 15, 2008, a certificate of incorporation was filed with the New York Secretary of State’s Office (the “Certificate of Incorporation”) creating the Issuer as a public instrumentality of the County.

OCCRC is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, to better maintain job opportunities, lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions.

To accomplish its stated purposes, OCCRC is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted.

As the financial management of OCCRC we offer readers of these financial statements this narrative overview and analysis of the financial activities for OCCRC for the fiscal year ended December 31, 2023. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. OCCRC encourages its readers to consider the information presented here in conjunction with the financial statements taken as a whole.

### Budget

OCCRC budgets its operating income and expenses each year. OCCRC’s primary source of income is generated through fees for services related to Tax Exempt Bond Financing.

Expenses for OCCRC comprise mostly of general corporation operations including corporate insurance policies and notifications related to various bond issuances, and project and site-development related expenses. OCCRC does not have direct employees. Administrative and clerical support is provided by the staff of the County of Otsego Industrial Development Agency (“COIDA”).

OCCRC strictly adheres to financial procedures and requirements of New York State General Municipal Law, Article 18A, and its own bylaws.

### Overview of the Financial Statements

This discussion and analysis accompanies OCCRC’s financial statements, including notes to the financial statements and the reports on compliance and internal control to help the reader better understand the financials.

### Financial Statements

OCCRC's financial statements provide readers with a comprehensive reporting of OCCRC's 2023 and 2022 transactions and balances. The difference between the assets and liabilities are reported as net position. Increases or decreases in net position are indicators of a strengthened or weakened financial position.

### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### Financial Analysis

Operating revenues for fiscal years 2023 and 2022 consisted entirely of bond administration and application fees. Operating expenses produced a decrease in net position of (\$5,467). At the close of fiscal year 2023, OCCRC had a net position of \$624,109, a decrease of 0.87% over the prior year, which was attributable to administration fees.

### Accomplishments

The principal activities of OCCRC during 2023 involved regular New York State compliance. The OCCRC began meetings with representatives of the Clark Estates regarding building housing for the Bassett Medical Center in Cooperstown. This may include bond financing with the Templeton Foundation.

### Economic Factors

2023 continued to be a difficult economic environment on the global, national and at the local level. Businesses were faced with dealing with the Corona Virus pandemic. Manufacturing continued to be affected due to supply chain issues. Locally, most businesses are not growing, whether by circumstance or by choice and the population is stagnant or declining, making growth all the more challenging. Furthermore, with an average unemployment rate of 3.9%, existing businesses in all industries are having a difficult time filling job vacancies in Otsego County. Commercial lending continued to lag, hampering the access to capital many businesses need for growth and stability. The following is a 2023-2021 comparative summary of OCCRC financial statements, showing the change in net position:

<u>NET POSITION</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current assets	<u>\$629,577</u>	<u>\$ 632,804</u>	<u>\$ 636,379</u>
Current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net position	<u>\$629,577</u>	<u>\$ 632,804</u>	<u>\$ 636,379</u>
 <u>CHANGES IN NET POSITION</u>	 <u>2023</u>	 <u>2022</u>	 <u>2021</u>
Operating revenues	\$ 43,523	\$ 44,655	\$ 42,905
Operating expenses	<u>\$ (48,990)</u>	<u>(48,530)</u>	<u>(47,869)</u>
Operating loss	\$ (5,467)	(3,875)	(4,964)

Non-Operating revenue	<u>3,227</u>	<u>300</u>	<u>64</u>
Change in net position	( 8,694)	(3,575 )	(4,900 )
Net position – Beginning of year	<u>632,804</u>	<u>636,379</u>	<u>641,279</u>
Net position – End of year	<u>\$ 624,110</u>	<u>\$ 632,804</u>	<u>\$ 636,379</u>

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jody Zakrevsky, Otsego County Capital Resource Corporation, 189 Main Street, Suite 500, Oneonta, New York 13820.