

OTSEGO COUNTY CAPITAL RESOURCE CORPORATION

189 MAIN ST., SUITE 500
ONEONTA, NY 13820

March 27, 2025

Mostert, Manzanero & Scott, LLP
4 Associate Drive
Oneonta, NY 13820

This representation letter is provided in connection with your audits of the financial statements of Otsego County Capital Resource Corporation (“OCCRC”), which comprise the statements of net position as of December 31, 2024 and 2023 and the related statements of revenues, expenses and changes in net position and statements of cash flows for the years then ended, and the disclosures (collectively the “financial statements”) for the purpose of expressing opinions as to 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).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 27, 2025, the following representations made to you during your audits.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 2, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. We have approved and entered the attached adjusting journal entries.
9. We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessment that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Guarantees, whether written or oral, under which OCCRC is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, (including information obtained from outside of the general and subsidiary ledgers) documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audits;
 - c. Unrestricted access to persons within OCCRC from whom you determined it necessary to obtain audit evidence;
 - d. Minutes of the meetings of the board of directors of OCCRC or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects OCCRC and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting OCCRC's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
17. We have no knowledge of any actual or possible litigation, claims or assessments whose effects should be considered when preparing the financial statements and we have not consulted a lawyer concerning litigation, claims or assessments.
18. We have disclosed to you the names of all of OCCRC's related parties and all the related party relationships and transactions, including any side agreements.

Government – Specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
22. OCCRC has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.
23. OCCRC has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
24. OCCRC has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. Expenses have been appropriately classified in or allocated in the statements of revenues, expenses, and changes in net position.
26. Revenues are appropriately classified in the statements of revenues, expenses, and changes in net position.
27. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions.

28. We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.
29. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
30. The financial statements include all fiduciary activities required by GASB No. 84.
31. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
32. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adapting, approving and amending budgets) provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants, whose effect should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or reporting on noncompliance.
33. Components of net position (net investment in capital assets; restricted and unrestricted) are properly classified and, if applicable, approved.
34. As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved and accepted responsibility for those financial statements and disclosures.
35. OCCRC has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
36. OCCRC has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
37. Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
38. We have appropriately disclosed OCCRC's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
39. We are following our established accounting policy regarding which resources are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the net position classifications for financial reporting purposes.

40. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
41. With respect the other financial information on which an in-relation-to opinion is issued:
- a. We acknowledge our responsibility for presenting the other financial information in accordance with accounting principles generally accepted in the United States of America, and we believe the other financial information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the other financial information has not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the other financial information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
42. We acknowledge our responsibility for presenting the other financial information on Pages 14 – 15 in accordance with accounting principles generally accepted in the United States of America, and we believe the other financial information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the other financial information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the other financial information.

Jody Zakrevsky, CEO

3:35 PM

02/24/25

Accrual Basis

Otsego County Capital Resource Corporation
Adjusting Journal Entries
January 2023 through December 2024

Date	Num	Name	Memo	Account	Debit	Credit
12/31/2023	MMS2024-1		to adjust to prior year audit to adjust to prior year audit to adjust to prior year audit	Prepaid Insurance Insurance - Liability, D a... Unrestricted Net Assets	3,385.00	158.00 3,227.00
12/31/2024	MMS2024-2		to record 2024 insurance expense to record 2024 insurance expense	Insurance - Liability, D a... Prepaid Insurance	3,385.00 3,385.00	3,385.00 3,385.00
12/31/2024	MMS2024-3	COIDA	to record 2025 insurance paid by IDA in 2024, still owed to IDA at year end to record 2025 insurance paid by IDA in 2024, still owed to IDA at year end	Prepaid Insurance Accounts Payable	3,385.00 3,385.00	3,385.00 3,385.00
12/31/2024	MMS2024-4		to record 2024 interest income to record 2024 interest income to record 2024 interest income	Community Bank CD Community Bank CD#2 Interest Income Checking	3,385.00 18,812.27 1,074.38	3,385.00 19,886.65
TOTAL					19,886.65 30,041.65	19,886.65 30,041.65