

COUNTY OF OTSEGO  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

FINANCIAL STATEMENTS

Year Ended December 31, 2024

COUNTY OF OTSEGO  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
County of Otsego Industrial Development Agency  
189 Main Street, Suite 500  
Oneonta, New York

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the County of Otsego Industrial Development Agency (A component Unit of Otsego County, New York) (COIDA), and its blended component unit, Oneonta Rail Yards Local Development Corporation (ORYLDC), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the COIDA'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 respective financial position of the COIDA as of December 31, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of COIDA 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 these 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 COIDA'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.

### ***Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 COIDA'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; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about COIDA'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***

Accounting principles generally accepted in the United States of America require that the Management's Discussion & Analysis on Pages 4 – 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise COIDA's financial statements. The accompanying combining statements are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of outstanding sale and lease agreements and the schedule of full-time equivalent (FTE) jobs created and retained in the financial statements are presented for purposes of additional analysis and are not a required part of the financial statements, but it is supplementary information required by the Office of the New York State Comptroller. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and the other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025; on our consideration of COIDA'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 solely 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 the effectiveness of COIDA's 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 COIDA's internal control over financial reporting and compliance.

### **Other Reporting Required by New York State Public Authorities law**

In accordance with New York State Public Authorities Law, we have also issued our report dated March 27, 2025, on our consideration of COIDA's compliance with Section 2925 of New York State Public Authorities Law. The purpose of that report is to determine whether COIDA obtained and managed its investments in compliance with its own policies and relevant sections of the New York State Public Authorities Law.

*Mostert, Manzanero & Scott, LLP*

Oneonta, New York  
March 27, 2025

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

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As the financial management of the County of Otsego Industrial Development Agency ("COIDA"), we offer readers of these financial statements this narrative overview and analysis of the financial activities for COIDA for the fiscal year ended December 31, 2024. 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. COIDA encourages its readers to consider the information presented here in conjunction with the financial statements taken as a whole.

Budget

COIDA budgets its operating income and expenses each year. COIDA's primary source of income is generated through grants, lease payments on buildings it owns at 18 Stadium Circle and in the Oneonta Business Park, interest income on loans and fees for services including sale/leaseback agreements.

Expenses for COIDA comprise mostly of general agency operations including development of the Richfield Springs Business Park, development of and maintenance for the Oneonta Business Park, professional service fees, staff and leased office space.

Overview of the Financial Statements

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

Financial Statements

COIDA's financial statements provide readers with a comprehensive reporting of COIDA's 2024 transactions and balances. The difference between the assets and liabilities are reported as net position. Increases or decreases in net position are an indicator of strengthened or weakened financial position.

Notes to the Financial Statements

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

Financial Analysis

Net operating income for COIDA was \$763,720 for fiscal year 2024, compared to a net operating income of \$403,702 for the fiscal year 2023. This represents an increase in operating revenues of \$360,018 and a decrease in operating expenses of \$77,500.

The increase in operating revenues was mostly attributable to:

- Increase in grant income \$761,177;
- Increase in rental income of \$16,731;
- Decrease in fee revenue of \$351,223;
- Decrease in economic development support of \$75,000; and
- Increase in bad debt recoveries of \$8,333.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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The decrease in operating expenses was mostly attributable to:

- Increase in insurance of \$3,778;
- Decrease in computer expense of \$4,656;
- Increase in rental expense of \$214;
- Decrease in professional fees of \$76,513;
- Decrease in marketing expense of \$22,030;
- Decrease in travel, seminar and training of \$2,654;
- Decrease in depreciation and amortization expenses of \$898;
- Increase in membership dues and subscriptions of \$21,281;
- Increase in payroll and payroll related expenses of \$12,982;
- Increase in repairs and maintenance of \$6,978; and
- Decrease in other expenses of \$15,982.

At the close of fiscal year 2024, COIDA had net position of \$6,291,495, an increase of \$790,768 from the prior year. The term “net position” refers to the difference between assets and liabilities.

COIDA's primary objective is to provide assistance to existing businesses, expansions and business startups with professional assistance, tax incentives, educational programs and access to capital for the purposes of creating jobs and economic development activity within Otsego County. The loan funds are comprised of investments dedicated to this purpose and matching funds from COIDA's accumulated working capital. The revolving loan fund is not reflected in COIDA's statement of net position as an allowance for uncollectible loans which has been created for all outstanding loans.

COIDA's current major capital assets are the former Wright National Soccer Campus property, the Oneonta Business Park in Oneonta, the Oneonta Railyard Business Park, and property in Richfield Springs for a future industrial park. These projects are concurrent with COIDA's objectives of encouraging economic development in Otsego County.

### **OPERATIONS AND ACCOMPLISHMENTS**

#### *Activities and Major Projects*

##### **Board and Compliance**

COIDA's Board, Audit and Finance Committee, and Project Committee all continued to meet monthly to address COIDA's governance and projects, its financials and loan portfolio. Staff prepared and submitted COIDA's Procurement, Investment and Annual Report on time to the ABO, and prepared and submitted its 2025 budget to the ABO in October 2024. Staff continued to meet individually with COIDA loan clients, particularly those with delinquent loans and were successful in obtaining payments from clients who had not serviced their loans for several years. COIDA's loan portfolio has become healthier as a result.

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MANAGEMENT’S DISCUSSION AND ANALYSIS

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**Real Property**

COIDA’s 40-plus “shovel-ready”, developable acres in the Oneonta Business Park continues to be marketed aggressively by staff. The IDA is now in discussion with a manufacturing company to purchase one or more lots in the Park. In 2024, the IDA contracted with Birchwood Archaeological Services, Inc. to prepare a Phase 3 Remediation report that was sent to the NYS Historical Preservation Office which ultimately accepted the Plan Remediation Report. In addition, COIDA’s vacant spec building, also in the Oneonta Business Park, which was occupied by Siemens Medical for 20 years, was leased in early 2017 by Hale Transportation. During 2020, Hale Transportation, due to decline in ridership due to COVID-19, decided not to renew its lease. Staff have been working on marketing the facility to several other potential tenants and in 2021 Burr Trucking leased the facility. Burr Trucking decided to close its operations mainly due to staffing issues. COIDA negotiated with Apple Converting to lease the facility in 2023 for their expanded manufacturing operations. IOXUS renewed their lease from the IDA the building which formerly housed the Soccer Hall of Fame, and the IDA finalized a new five-year use agreement with the Oneonta Soccer Club to provide limitless access to the high-quality soccer fields on the property, for their use for training, tournaments and events. In addition, the IDA subleased part of its office space at 189 Main Street to Southern Tier 8 (a regional planning agency) and the Center for Agriculture, Development and Entrepreneurship (CADE) and in 2023 rented space to the International Food & Policy Research Institute.

**Oneonta Rail Yards**

During 2019, the final generic environmental impact statement was accepted by the City of Oneonta. During the past year, the IDA in conjunction with the City of Oneonta and the County Highway Department re-surfaced Roundhouse Road – the entranceway into the new industrial park site. In 2020, the IDA hired the MRB Group to prepare a new master plan and subdivision plot of the property. In 2022, the IDA had a 3 acre parcel cleared of trees and vegetation. Also in 2022, the IDA had Ramboll Engineers do a feasibility study of having a geo-thermal community heating and cooling system installed around the Park. This study was completed in 2024.

**Workforce Development**

In 2020, the Workforce Development Center (the “Center”) continued its focus to conduct training programs being carried out by the NYS Small Business Development Center, the Otsego County Chamber of Commerce, SUNY Broome, the NYS Department of Labor and the Center for Agriculture, Development and Entrepreneurship (CADE) using the IDA’s facilities and the IDA computers and other equipment. In 2024, the IDA, using an Appalachian Regional Commission grant of \$150,000 continued its innovation/acceleration center at their offices.

**Marketing Efforts**

During 2020, COIDA initiated a new digital marketing campaign to downstate residents and businesses. Several new landing pages were developed along with videos of Otsego County. This effort will continue through 2024. Also, a marketing campaign for the IDA’s new innovation/acceleration center was developed. In 2024, COIDA also hired Pyramid Brokerage to market sites in the Oneonta Business Park.



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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Grants**

The COIDA is administering the following grants:

- \$500,000 in capital grants to continue to move the Oneonta Rail Yards project forward.
- \$750,000 Community Development Block Grant (CDBG) to the Town of Oneonta for the expansion of Systematic Power Manufacturing (Ioxus) which will retain 21 jobs and create 32 jobs.
- \$150,000 Appalachian Regional Commission grant to begin the IDA's Innovation/Acceleration Center.
- \$325,000 NYS Empire State Development Grant, a \$1.2 million federal EDA grant, and a \$500,000 ARC grant to extend water and sewer to a new industrial park in the Town of Richfield.
- \$300,000 Micro-Enterprise Grant for the County of Otsego.

**Corning**

In 2021, the IDA approved financial assistance to Corning for a \$14.7 million expansion. Construction was completed in 2024.

**One Stop Business Center**

After several years, the Otsego County Chamber of Commerce moved its operations out of COIDA offices. Southern Tier 8 Regional Planning Agency and the Center for Agriculture, Development and Entrepreneurism (CADE) continue to rent space at COIDA offices. This cooperative venture would allow COIDA, and NYS Small Business Development Center, CADE and Southern Tier 8 to function as a cohesive unit enhancing the services provided to businesses of all sectors.

Economic Factors

In 2024 it continued to be a difficult economic environment, on the global, national and local level. Businesses continued to deal with the aftermath of the Corona Virus pandemic and many were forced to close for much of 2021. The tourism industry as well as support services were particularly hit hard. Even manufacturing was 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 even more challenging. Furthermore, with an average unemployment rate of 5.8%, existing businesses in all industries are having a difficult time filling job vacancies in Otsego County. The unemployment rate reached a high of 12.1% in April of 2020. Commercial lending continued to lag, hampering the access to capital many businesses need for growth and stability. Another factor in New York State is the lack of available natural gas supply and electricity.

However, throughout the year, COIDA continued to reach out to existing businesses for growth opportunities and to identify business retention cases. Agribusiness and growth in the downtown Oneonta, Richfield Springs and Cooperstown areas continue to be of significant focus for economic activity during the year, as do redevelopment of the Oneonta Rail Yards and the Market Street area of Oneonta in general. Further, Otsego County hopes to take advantage, in the coming years, of the nanotechnology sectors growing rapidly to our east in Albany and to our west in Utica/Rome as well as the battery manufacturing sector in Binghamton.

At the close of 2024, our goals remain in conjunction with the Governor Regional Economic Development Councils and the commitment to develop and participate in regional strategic plans, to work to attract private investment and well-paying jobs, and to build a pipeline for targeted economic development initiatives.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a summary of COIDA's financial position at December 31, 2024 and 2023:

| NET POSITION                     | <u>2024</u>         | <u>Increase/<br/>Decrease<br/>Prior Year</u> | <u>Restated<br/>2023</u> |
|----------------------------------|---------------------|--|--------------------------|
| Current assets                   | \$ 1,470,235        | \$ (225,282)                                 | \$ 1,695,517             |
| Non-current assets               | <u>4,998,213</u>    | <u>1,163,136</u>                             | <u>3,835,077</u>         |
| Total assets                     | <u>6,468,448</u>    | <u>937,854</u>                               | <u>5,530,594</u>         |
| Current liabilities              | 173,709             | 148,931                                      | 24,778                   |
| Non-current liabilities          | <u>3,244</u>        | <u>(1,845)</u>                               | <u>5,089</u>             |
| Total liabilities                | <u>176,953</u>      | <u>147,086</u>                               | <u>29,867</u>            |
| Invested in capital assets:      |                     |  |                          |
| Net of related debt              | 4,820,466           | 922,251                                      | 3,828,215                |
| Unrestricted                     | <u>1,471,029</u>    | <u>(201,483)</u>                             | <u>1,672,512</u>         |
| Total net position               | <u>\$ 6,291,495</u> | <u>\$ 790,768</u>                            | <u>\$ 5,500,727</u>      |
| CHANGES IN NET POSITION          |                     |  |                          |
| Operating revenues               | \$ 1,263,148        | \$ 282,518                                   | \$ 980,630               |
| Operating expenses               | <u>499,428</u>      | <u>77,500</u>                                | <u>576,928</u>           |
| Operating income                 | 763,720             | 360,018                                      | 403,702                  |
| Non-operating income             | <u>27,048</u>       | <u>9,247</u>                                 | <u>17,801</u>            |
| Change in net position           | 790,768             | 369,265                                      | 421,503                  |
| Net position – Beginning of year | <u>5,500,727</u>    | <u>421,503</u>                               | <u>5,079,224</u>         |
| Net position – End of year       | <u>\$ 6,291,495</u> | <u>\$ 790,768</u>                            | <u>\$ 5,500,727</u>      |

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

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2024 MARKETING INITIATIVES

- Continued to build relationships among New York State agencies and individuals, the site-selector community nationally, and key industry groups in order to attract new private investment to Otsego County;
- Developed property fact sheets for direct marketing campaigns and website viewing and downloading;
- Develop a digital marketing campaign to downstate businesses and residents;
- Continued to develop a comprehensive inventory of available sites and buildings for lease or purchase; and
- Continued to publicize Otsego Now activities and successes through a combination of social media, press releases, relationship-building with local and regional press, website marketing and events.

2025 GOALS

- Continue to work redeveloping Oneonta Rail Yards with partners including Norfolk Southern and the City of Oneonta;
- Continue to conduct annual business retention and site visits to existing companies in Otsego County;
- Aggressively market shovel – ready sites at Oneonta Business Park and prepare for the Remediation of Archeological Artifacts at the site;
- Continue a digital marketing campaign to downstate businesses and residents;
- Utilize the completed comprehensive plans for Richfield Springs, Cooperstown, and Oneonta for business attraction and retention;
- Work to move forward significantly WiFi and Broadband development;
- Conduct annual business retention and site visits to existing companies in Otsego County;
- Form relationships with strategic partners across the Region and State in order to promote job-creation and economic development throughout Otsego County;
- Work with Hartwick College, Ioxus, custom Electronics, SUNY Oneonta and the Binghamton Small Business Development Center to create a new innovation/acceleration center;
- Continue to assist in new housing projects such as Springbrook's Ford Block Housing in Oneonta and Chestnut Crossings in Cooperstown; and
- Complete construction of a \$2.4 million infrastructure extension to a new industrial park in the Town of Richfield.

Requests for Information

Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Jody Zakrevsky, Chief Operating Officer, County of Otsego Industrial Development Agency, 189 Main Street, Suite 500, Oneonta, New York 13820.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

COMBINED STATEMENT OF NET POSITION

December 31, 2024

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ASSETS

Current assets:

|                           |                  |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 292,698       |
| Certificate of deposit    | 400,000          |
| Rents receivable          | 6,563            |
| Due from OCCRC            | 3,385            |
| Grants receivable         | 762,203          |
| Prepaid expenses          | 5,386            |
| Total current assets      | <u>1,470,235</u> |

|                     |                  |
|---------------------|------------------|
| Capital assets, net | <u>4,998,213</u> |
|---------------------|------------------|

|              |                  |
|--------------|------------------|
| Total assets | <u>6,468,448</u> |
|--------------|------------------|

LIABILITIES AND NET POSITION

Current liabilities:

|                           |                |
|---------------------------|----------------|
| Accounts payable          | 151,659        |
| Accrued expense           | 5,170          |
| Lease liability - Current | 1,845          |
| Security deposits         | 15,035         |
| Total current liabilities | <u>173,709</u> |

Long term liabilities:

|                             |              |
|-----------------------------|--------------|
| Lease liability - Long term | <u>3,244</u> |
| Total long term liabilities | <u>3,244</u> |

|                   |                |
|-------------------|----------------|
| Total liabilities | <u>176,953</u> |
|-------------------|----------------|

Net position:

|  |                  |
|--|------------------|
| Investment in unrestricted capital assets, net of debt | 4,820,466        |
| Unrestricted net assets                                | <u>1,471,029</u> |

|                    |                     |
|--------------------|---------------------|
| Total net position | <u>\$ 6,291,495</u> |
|--------------------|---------------------|

See accompanying notes.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
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COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN NET POSITION

Year Ended December 31, 2024

|   |                     |
|---|---------------------|
| Operating revenues:                                   |                     |
| Program support                                       | \$ 200,000          |
| Rental of real property                               | 160,689             |
| Administrative, PILOT, bond and loan application fees | 135,959             |
| Grants - projects                                     | 746,500             |
| Bad debt recovery                                     | 20,000              |
| Total operating revenues                              | <u>1,263,148</u>    |
| Operating expenses:                                   |                     |
| Payroll taxes   | 16,051              |
| Accounting fees                                       | 9,015               |
| Professional fees - Economic development              | 56,458              |
| Professional fees - Other                             | 1,953               |
| Marketing and promotion                               | 6,542               |
| Salaries and wages                                    | 195,271             |
| Membership dues and subscriptions                     | 26,767              |
| Office expenses                                       | 8,786               |
| Computer and equipment expenses                       | 8,063               |
| Telephone   | 540                 |
| Office rent   | 49,400              |
| Travel, seminars and training                         | 1,844               |
| Rental expenses                                       | 1,501               |
| Insurance   | 37,992              |
| Utilities   | 6,008               |
| Repairs and maintenance - Business park               | 12,710              |
| Economic development                                  | 1,000               |
| Depreciation expense                                  | 57,664              |
| Amortization expense                                  | 1,773               |
| Other expenses  | 90                  |
| Total operating expenses                              | <u>499,428</u>      |
| Net operating income                                  | <u>763,720</u>      |
| Non-operating revenues (expenses):                    |                     |
| Other interest income                                 | 27,048              |
| Grant income - passthrough                            | 107,237             |
| Grants expended - passthrough                         | (107,237)           |
| Total non-operating revenues                          | <u>27,048</u>       |
| Net income  | 790,768             |
| Net position - Beginning of year, as restated         | <u>5,500,727</u>    |
| NET POSITION - END OF YEAR                            | <u>\$ 6,291,495</u> |

See accompanying notes.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

COMBINED STATEMENT OF CASH FLOWS

Year Ended December 31, 2024

|   |                          |
|---|--------------------------|
| Cash flows from operating activities:   |                          |
| Receipts from program support   | \$ 200,000               |
| Receipts from rents   | 160,376                  |
| Receipts from fees  | 135,959                  |
| Net grants received   | 10,432                   |
| Payments to employees   | (212,152)                |
| Payments to suppliers and services  | (167,094)                |
| NET CASH PROVIDED BY OPERATING ACTIVITIES   | <u>127,521</u>           |
| Cash flows from financing activities:   |                          |
| Principal payments received on notes receivable   | 20,000                   |
| Purchase of capital assets  | (1,085,140)              |
| NET CASH USED IN FINANCING ACTIVITIES   | <u>(1,065,140)</u>       |
| Cash flows from investing activities:   |                          |
| Interest and earnings   | 31,099                   |
| Maturities of certificate of deposits   | 204,659                  |
| NET CASH PROVIDED BY INVESTING ACTIVITIES   | <u>235,758</u>           |
| NET DECREASE IN CASH  | (701,861)                |
| Cash - Beginning of year  | <u>994,559</u>           |
| Cash - End of year  | <u><u>\$ 292,698</u></u> |
| Reconciliation of net operating income to net cash<br>provided by (used in) operation activities: |                          |
| Net operating income  | \$ 763,720               |
| Adjustments to reconcile net income to net cash provided by<br>(used in) operating activities:    |                          |
| Depreciation  | 57,664                   |
| Amortization  | 1,773                    |
| (Increase) decrease in grants receivable  | (644,848)                |
| (Increase) decrease in due from ORYLDC and OCCRC  | (176,043)                |
| (Increase) decrease in rents receivable   | (313)                    |
| (Increase) decrease in prepaid expenses   | (3,291)                  |
| Increase (decrease) in allowance for bad debt   | (20,000)                 |
| Increase (decrease) in accounts payable and commitments   | 148,859                  |
| NET CASH PROVIDED BY OPERATING ACTIVITIES   | <u><u>\$ 127,521</u></u> |

See accompanying notes.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

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NOTE 1    ORGANIZATION

The County of Otsego Industrial Development Agency (COIDA) was organized May 1, 1973 by the Otsego County Legislature under the authority of General Municipal Law, Section 856.1A of the State of New York. COIDA is a component unit of Otsego County, New York, based on the criteria set forth in Governmental Accounting Standards Board (GASB) Statements No. 14 and 39 and as amended by GASB Statement No. 61. COIDA was established to provide professional assistance, educational programs and loans for existing business expansions, business startups in Otsego County to encourage plant modernization, to create job opportunities and promote commerce and industry.

The accompanying combined financial statements include assets, liabilities and net position, and the financial activities of COIDA, a component unit of Otsego County, and its component unit, Oneonta Rail Yards Local Development Corporation.

The financial reporting entity includes organizations, functions, and activities over which appointed officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing agency, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The financial reporting entity consists of (a) the primary entity which is COIDA, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary entity is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14 as amended by GASB Statement No. 39. The decision to include a potential unit in COIDA's reporting entity is based on several criteria set forth in GASB Statement Nos. 14 and 39, as amended by GASB Statement No. 61, including legal standing, fiscal dependency, and financial accountability.

In order to retain the ability to issue tax exempt revenue bonds to fund projects for nonprofit organizations, Otsego County formed the Otsego County Capital Resource Corporation (OCCRC) in 2008. OCCRC is a New York State Corporation organized under NYS Not-for-Profit Corporation Law and Otsego County is the sole member of the corporation. OCCRC is a separate legal entity, its governing board is made up of COIDA's officers and directors and the two entities share common management and staff. However, it does not meet the requirements of GASB to be considered a component unit of COIDA.

In 2017, the County of Otsego formed the Oneonta Rail Yards Local Development Corporation (ORYLDC) to induce investment and industry in Otsego County. ORYLDC is a Not-for Profit Local Development Corporation formed under Sections 402 and 1411 of the Not-for Profit Corporation Law of the State of New York. COIDA is the sole member of the corporation. While ORYLDC is a separate legal entity, its governing board is made up of the COIDA's officers and directors and the two entities share common management and staff. As such, ORYLDC is presented as a component unit of COIDA in the accompanying financial statements.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

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NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of COIDA have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing COIDA's accounting and financial reporting principles. Significant accounting policies are:

Combined Financial Statement Presentation

The combined financial statements include the accounts of COIDA and ORYLDC. All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. These combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Measurement Focus and Basis of Accounting

The financial statements of COIDA are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which COIDA gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. COIDA is engaged only in business-type activities as defined in GASB Statement No. 34. COIDA applies all applicable GASB pronouncements, as well, as Financial Accounting Standards Board's (FASB) Accounting Standards Codification unless these standards conflict with or contradict GASB pronouncements.

Accounts Receivable

Accounts receivable is reported at their net realizable value. Generally accepted accounting principles require the establishment of an allowance for doubtful accounts. No allowance for uncollectible accounts receivable has been provided since management believes that such an allowance is not necessary.

Notes Receivable

Notes receivable are shown net of the allowance for uncollectible accounts in accordance with U.S. GAAP. Receivables for loans and mortgages are reviewed periodically by management to update the allowance for uncollectible amounts. These provisions are estimated based on an analysis of the aging of the receivable and any other factors known by management.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments, purchased with a maturity of three months or less.



COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

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NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Capital Assets

COIDA uses the accounting policy of capitalizing all capital assets at cost in excess of \$2,000 with an estimated useful life in excess of one year. Depreciation of buildings and improvements are provided for over the estimated useful life, ranging from ten to forty years of the respective assets, on a straight-line basis.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

Revenues and Expenses Classifications

COIDA distinguishes operating revenues and expenses from non-operating items in its financial statements. Operating revenues and expenses generally result from providing services in connection with COIDA's principal on-going operations. COIDA's operating expenses include project program costs and related administration expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Unearned Revenues

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are available by COIDA before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenses. In subsequent periods, when both recognition criteria are met, or when COIDA has legal claim to resources, the liability for unearned revenue is removed and revenues are recognized.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Income Taxes

COIDA is a quasi-governmental organization. COIDA is not subject to federal or state income taxes, nor is it required to file federal and state income tax returns, therefore, no provisions for income taxes are reflected in these financial statements.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

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NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Net Position

Equity is classified as net position and displayed in three components:

- a. Invested in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted – Consists of net assets with constraints on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Unrestricted – All other net assets that do not meet the definition of “invested in capital assets” or “restricted.”

Statement of Cash Flows

For purposes of the combined statement of cash flows, COIDA considers cash to be all unrestricted and restricted cash accounts including demand accounts and certificate of deposit with an original maturity of generally three months or less.

Accounting Pronouncements

COIDA has evaluated GASB Statement No. 100, *Accounting Changes and Error Corrections*; GASB Statement No. 101, *Compensated Absences*, and have determined that there is no significant impact for the year ended December 31, 2024 related to these Statements.

The following are GASB Statements that have been issued recently and are currently being evaluated by COIDA for their potential impact in the future years:

- Statement No. 102, *Certain Risk Disclosures*, which will be effective for the year ending December 31, 2025;
- Statement No. 103, *Financial Reporting Model Improvements*, which will be effective for the year ending December 31, 2026; and
- Statement No. 104, *Disclosure and Classification of Certain Capital Assets*, which will be effective for the year ending December 31, 2026.

Deferred Inflows/Outflows of Resources

In addition to assets, the combined statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Deferred Inflows/Outflows of Resources (Cont'd.)

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

Events Occurring After Reporting Date

COIDA has evaluated subsequent events through March 27, 2025, which is the date the financial statements were available to be issued.

NOTE 3    CERTIFICATE OF DEPOSIT

At December 31, 2024, COIDA had one certificate of deposit totaling \$400,000. Interest is at a rate of 4.35% and matures on March 19, 2026.

NOTE 4    BUSINESS PARKS

COIDA is the owner of the Oneonta Business Park (approximately 70 acres) located in the Town and City of Oneonta. COIDA owns one 19,000 square foot building that was first available for lease in 2016. All the other buildings located in the park are privately owned. During 2024 and 2023, there were no privately owned vacant buildings in the Oneonta Business Park. COIDA owns approximately 59 acres of land in Richfield Springs, New York. This land was purchased as a site for a business park.

NOTE 5    CAPITAL ASSETS

COIDA's capital assets are comprised of the following at December 31:

|  | <u>Cost</u>         | <u>Accumulated<br/>Depreciation</u> | <u>Book Value</u>   |
|--|---------------------|-------------------------------------|---------------------|
| Buildings                                  | \$ 2,188,316        | \$ 863,195                          | \$ 1,325,121        |
| Improvements                               | 222,518             | 222,518                             | -                   |
| Office equipment                           | 149,805             | 149,362                             | 443                 |
| Intangible right to use asset              | <u>9,528</u>        | <u>4,439</u>                        | <u>5,089</u>        |
| Total depreciated/amortized capital assets | 2,570,167           | 1,239,514                           | 1,330,653           |
| Land                                       | 1,229,912           | -                                   | 1,229,912           |
| Land improvements                          | 2,011,675           | -                                   | 2,011,675           |
| ORYLDC – Round House Road                  | <u>425,973</u>      | <u>-</u>                            | <u>425,973</u>      |
| Capital assets, net                        | <u>\$ 6,237,727</u> | <u>\$ 1,239,514</u>                 | <u>\$ 4,998,213</u> |

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

NOTE 5    CAPITAL ASSETS (Cont'd.)

Depreciation and amortization expense amounted to \$59,437 for the year ended December 31, 2024.

ORYLDC's capital assets consisted of 79.41 acres of land and land improvements on Round House Road with a cost of \$425,973 as of December 31, 2024.

NOTE 6    WRIGHT NATIONAL SOCCER CAMPUS (CAMPUS)

COIDA acquired the Campus property in 2014 and has the following recorded as part of capital assets:

|                                    |                     |
|------------------------------------|---------------------|
| Land – Ioxus, Inc. – 14.07 acres   | \$ 239,190          |
| Building – Ioxus, Inc.             | <u>1,560,810</u>    |
| Total                              | <u>1,800,000</u>    |
| Land – Soccer fields – 33.74 acres | 442,000             |
| Building – Concession stand        | <u>78,000</u>       |
| Total                              | <u>520,000</u>      |
| Total land and building            | <u>\$ 2,320,000</u> |

COIDA was a lessor in an annual operating lease agreement for the building and land associated with the former National Soccer Hall of Fame. The monthly rent was \$6,563 for 2024 for a total of \$77,813 for the year ended December 31, 2024. The lease has been renewed for 2025.

COIDA holds a five-year use agreement with Oneonta Youth Soccer Association (OYSA) for the use of the soccer fields through December 31, 2025. COIDA paid \$-0- during the year ended December 31, 2024 for facility maintenance. Future plans for this property are undecided. COIDA is looking for opportunities to make this property more of a year-round venue.

NOTE 7    NOTES RECEIVABLE

Notes receivable consisted of the following at December 31:

| <u>Borrower</u>               | <u>Interest Rate</u> | <u>Monthly Payment</u> | <u>Maturity</u> | <u>12/31/24 Principal</u> |
|-------------------------------|----------------------|------------------------|-----------------|---------------------------|
| Oneonta Theater               | 4.0%                 | \$ 1,012               | 08-2020         | \$ 85,979                 |
| Foothills PAC                 | 0.0%                 | 1,667                  | 06-2019         | <u>68,333</u>             |
| Subtotal                      |                      |                        |                 | 154,312                   |
| Less: Allowance for bad debts |                      |                        |                 | <u>(154,312)</u>          |
| Total                         |                      |                        |                 | <u>\$ -</u>               |

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

NOTE 8    SHORT-TERM LEASES

Lessor

COIDA is a lessor in a 12-month operating lease agreement for the premises located at 139 Commerce Road in the City of Oneonta, New York. The lease expires on August 31, 2025. The monthly rent is \$5,250. COIDA received rental income under this lease in the amount of \$66,000 for the year ended December 31, 2024.

See Note 6 for lease agreement for Ioxus building that is located on the NSHOF property.

Leasee

COIDA has a lease agreement for office space that expired on December 31, 2024. Monthly payments were \$4,117 for 2024. This monthly amount consisted of \$3,667 for COIDA's rent and portions of the sub-lease rent collected as indicated below. Total rent for 2024 was \$49,400.

Sublease of Office Space

COIDA has the following sublease agreement for office space during 2023:

| <u>Term</u>                                    | <u>Monthly<br/>Payment</u> | <u>Number<br/>of Months</u> | <u>Total Rents<br/>Received<br/>in 2023</u> |
|--|----------------------------|-----------------------------|---|
| 06/01/18 – To Prime Lease Expiration Date      | 200                        | 12                          | \$ 2,400                                    |
| 08/01/18 – To Prime Lease Expiration Date    * | 1,100                      | 12                          | 13,200                                      |
| 03/01/24 – 02/28/2025                          | 50                         | 10                          | 500   |

\*     \$400 of this amount is being paid to lessor.

NOTE 9    LEASE LIABILITY

In 2022, the IDA implemented GASB No. 87 – *Leases* and accordingly reports a lease liability. In 2022, the IDA entered into a 5-year agreement to lease office equipment. The unpaid balance at December 31, 2024 was \$5,089.

The following is a schedule of future minimum lease payments for leased assets, together with the net present value of the minimum lease payments as of December 31, 2024:

| <u>Year Ending</u>                     | <u>Principal</u> | <u>Interest</u> |
|--|------------------|-----------------|
| 2025                                   | \$ 1,845         | \$ 170          |
| 2026                                   | 1,920            | 95              |
| 2027                                   | <u>1,324</u>     | <u>20</u>       |
| Minimum lease payments – Leased assets | 5,089            | <u>\$ 285</u>   |
| Less: Lease liability current          | <u>(1,845)</u>   |                 |
| Lease liability – long-term            | <u>\$ 3,244</u>  |                 |

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

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NOTE 10 OUTSTANDING CIVIC FACILITY REVENUE BONDS

Structured similar to industrial revenue bonds, civic facility bonds are tax-exempt bonds issued for projects undertaken by not-for-profit “civic facilities” owned or occupied by not-for-profit corporations organized and existing under the laws of or authorized to conduct activities in New York State. COIDA is no longer able to provide civic facility revenue bond financing since Section 854 of the NYS General Municipal Law expired. OCCRC will now facilitate for issuance of civil facility revenue bonds for eligible organizations throughout Otsego County.

NOTE 11 OUTSTANDING INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by COIDA are secured by property that is leased to companies and is retired by lease payments. The bonds and notes are not obligations of COIDA or the State of New York. COIDA does not record the assets or liabilities resulting from completed bonds and notes issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, COIDA receives bond administration fees from the borrowing companies. This administrative fee income is recognized immediately upon issuance of bonds and notes. Since its inception, COIDA has issued various bonds and notes under these and similar arrangements.

NOTE 12 FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK

Cash and Cash Equivalents

State statutes govern COIDA’s investment policies. In addition, COIDA has its own written investment policy. COIDA monies must be deposited in FDIC insured commercial banks or trust companies located within New York State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and New York State or its localities.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations to the United States and its agencies and obligations of New York State and its municipalities and school districts.

COIDA had no uncollateralized cash as of December 31, 2024.

Notes Receivable

Notes receivable consists of numerous notes with businesses in Otsego County. COIDA has collateralized its interest in these notes by retaining the reversionary rights to the property or by acquiring additional liens and mortgages on the property.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2024

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NOTE 13 RELATED PARTY TRANSACTIONS

COIDA has related party relationships with OCCRC and ORYLDC, with the same personnel manager at all three entities.

In 2024, OCCRC paid administrative fees to COIDA in the amount of \$42,905.

NOTE 14 PRIOR PERIOD ADJUSTMENT

The COIDA restated beginning of year net position in the amount of \$62,823 to record prior year accounts receivable and revenues associated with the Richfield Springs Business Park Development Project.

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COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

COMBINING STATEMENT OF NET POSITION

Year Ended December 31, 2024

| <u>ASSETS</u>  | <u>COIDA</u>        | <u>ORYLDC</u>     | <u>Total</u>        |
|--|---------------------|-------------------|---------------------|
| Current assets:  |                     |                   |                     |
| Cash and cash equivalents                              | \$ 292,698          | \$ -              | \$ 292,698          |
| Certificate of deposits                                | 400,000             | -                 | 400,000             |
| Rents receivable                                       | 6,563               | -                 | 6,563               |
| Due from ORYLDC  | 172,658             | -                 | 172,658             |
| Due from OCCRC   | 3,385               | -                 | 3,385               |
| Grants receivable                                      | 762,203             | -                 | 762,203             |
| Prepaid expenses                                       | 5,386               | -                 | 5,386               |
| Total current assets                                   | <u>1,642,893</u>    | <u>-</u>          | <u>1,642,893</u>    |
| Capital assets, net                                    | <u>4,572,240</u>    | <u>425,973</u>    | <u>4,998,213</u>    |
| Total assets   | <u>6,215,133</u>    | <u>425,973</u>    | <u>6,641,106</u>    |
| <br><u>LIABILITIES AND NET POSITION</u>                |                     |                   |                     |
| Current liabilities:                                   |                     |                   |                     |
| Accounts payable                                       | 151,659             | -                 | 151,659             |
| Due to IDA   | -                   | 172,658           | 172,658             |
| Accrued expense  | 5,170               | -                 | 5,170               |
| Lease liability - Current                              | 1,845               | -                 | 1,845               |
| Security deposits                                      | 15,035              | -                 | 15,035              |
| Total current liabilities                              | <u>173,709</u>      | <u>172,658</u>    | <u>346,367</u>      |
| Long term liabilities:                                 |                     |                   |                     |
| Lease liability - Long term                            | <u>3,244</u>        | <u>-</u>          | <u>3,244</u>        |
| Total long term liabilities                            | <u>3,244</u>        | <u>-</u>          | <u>3,244</u>        |
| Total liabilities                                      | <u>176,953</u>      | <u>172,658</u>    | <u>349,611</u>      |
| Net position:  |                     |                   |                     |
| Investment in unrestricted capital assets, net of debt | 4,567,151           | 253,315           | 4,820,466           |
| Unrestricted net assets                                | <u>1,471,029</u>    | <u>-</u>          | <u>1,471,029</u>    |
| Total net position                                     | <u>\$ 6,038,180</u> | <u>\$ 253,315</u> | <u>\$ 6,291,495</u> |

See accompanying notes.



COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN NET POSITION

Year Ended December 31, 2024

|   | COIDA                      | ORYLDC                   | Total                      |
|---|----------------------------|--------------------------|----------------------------|
| Operating revenues:                                   |                            |                          |                            |
| Program support                                       | \$ 200,000                 | \$ -                     | \$ 200,000                 |
| Rental of real property                               | 160,689                    | -                        | 160,689                    |
| Administrative, PILOT, bond and loan application fees | 135,959                    | -                        | 135,959                    |
| Grants - projects                                     | 746,500                    | -                        | 746,500                    |
| Bad debt recovery                                     | 20,000                     | -                        | 20,000                     |
| Total operating revenues                              | <u>1,263,148</u>           | <u>-</u>                 | <u>1,263,148</u>           |
| Operating expenses:                                   |                            |                          |                            |
| Payroll taxes   | 16,051                     | -                        | 16,051                     |
| Accounting fees                                       | 9,015                      | -                        | 9,015                      |
| Professional fees - Economic development              | 56,458                     | -                        | 56,458                     |
| Professional fees - Other                             | 1,953                      | -                        | 1,953                      |
| Marketing and promotion                               | 6,542                      | -                        | 6,542                      |
| Salaries and wages                                    | 195,271                    | -                        | 195,271                    |
| Membership dues and subscriptions                     | 26,767                     | -                        | 26,767                     |
| Office expenses                                       | 8,786                      | -                        | 8,786                      |
| Computer and equipment expenses                       | 8,063                      | -                        | 8,063                      |
| Telephone   | 540                        | -                        | 540                        |
| Office rent   | 49,400                     | -                        | 49,400                     |
| Travel, seminars and training                         | 1,844                      | -                        | 1,844                      |
| Rental expenses                                       | 1,501                      | -                        | 1,501                      |
| Insurance   | 37,992                     | -                        | 37,992                     |
| Utilities   | 6,008                      | -                        | 6,008                      |
| Repairs and maintenance - Business park               | 12,710                     | -                        | 12,710                     |
| Economic development                                  | 1,000                      | -                        | 1,000                      |
| Depreciation expense                                  | 57,664                     | -                        | 57,664                     |
| Amortization expense                                  | 1,773                      | -                        | 1,773                      |
| Other expenses  | 90                         | -                        | 90                         |
| Total operating expenses                              | <u>499,428</u>             | <u>-</u>                 | <u>499,428</u>             |
| Net operating income                                  | <u>763,720</u>             | <u>-</u>                 | <u>763,720</u>             |
| Non-operating revenues (expenses):                    |                            |                          |                            |
| Other interest income                                 | 27,048                     | -                        | 27,048                     |
| Grant income - passthrough                            | 107,237                    | -                        | 107,237                    |
| Grants expended - passthrough                         | (107,237)                  | -                        | (107,237)                  |
| Total non-operating revenues                          | <u>27,048</u>              | <u>-</u>                 | <u>27,048</u>              |
| Net income  | 790,768                    | -                        | 790,768                    |
| Net position - Beginning of year, as restated         | <u>5,247,412</u>           | <u>253,315</u>           | <u>5,500,727</u>           |
| NET POSITION - END OF YEAR                            | <u><u>\$ 6,038,180</u></u> | <u><u>\$ 253,315</u></u> | <u><u>\$ 6,291,495</u></u> |

See accompanying notes.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
SCHEDULE OF OUTSTANDING SALE AND LEASE AGREEMENTS

Year Ended December 31, 2024

| Project Owner<br>Project Owner Address                                     | Purpose  | Issue Date | Due Date   | Sales Tax Exemptions |                  |
|--|--|------------|------------|----------------------|------------------|
|  |  |            |            | State                | Local            |
| Brewery Ommegang<br>County Hwy 33<br>Cooperstown, NY 13326                 | Acquisition and<br>Construction of<br>Warehouse Building(only) | 2/25/2011  | 1/25/2026  | \$ -                 | \$ -             |
| Klugo Oneonta<br>11849 East Corning Road<br>Corning, NY 14830              | Acquisition, Demo<br>and Renovation of<br>Building             | 2/1/2013   | 12/31/2028 | -                    | -                |
| Hillside Commons Oneonta<br>300 Plaza Drive<br>Vestal, NY 13851            | Construction of<br>Student Housing                             | 10/1/2014  | 10/1/2030  | -                    | -                |
| Focus Ventures<br>84 Route 59, Suite 102<br>Suffern, NY 10901              | Acquisition and<br>Renovation of<br>Nursing Home               | 9/1/2014   | 12/31/2040 | -                    | -                |
| Northern Eagle, LLC<br>7 Railroad Avenue<br>Oneonta, NY 13820              | Construction of<br>Warehouse and Office<br>Building            | 12/18/2015 | 12/31/2026 | -                    | -                |
| Corning Property Management Co.<br>1 Riverfront Plaza<br>Corning, NY 14831 | Phase One<br>Expansion Project                                 | 12/20/2018 | 3/20/2035  | -                    | -                |
| Corning Property Management Co.<br>1 Riverfront Plaza<br>Corning, NY 14831 | Phase Two<br>Expansion Project                                 | 8/1/2021   | 12/31/2038 | -                    | -                |
| Springbrook Ford Block Building<br>Main Street<br>Portlandville, NY 13834  | Acquisition and<br>Renovation for<br>Market Rate Housing       | 6/1/2022   | 12/31/2048 | 13,790               | 13,790           |
| ZAED Properties<br>6106 State Highway 28<br>Fly Creek, NY 13337            | Acquisition and<br>Renovation for<br>Market Rate Housing       | 11/1/2022  | 12/31/2038 | -                    | -                |
| Centrome d/b/a Advanced Biotech<br>10 Taft Road<br>Towtowa, New Jersey     | Acquisition and<br>Renovation of<br>Manufacturing Plant        | 9/1/2021   | 12/31/2038 | -                    | -                |
| Skyline Hospitality<br>4882 State Highway 28<br>Hartwick, NY 13326         | Acquisition and<br>Construction of<br>Hotel                    | 12/1/2023  | 12/31/2035 | 72,039               | 72,039           |
|  |  |            |            | <u>\$ 85,829</u>     | <u>\$ 85,829</u> |

See auditors' report.

| Tax Exemptions    |                   |                   |                     |                          |                   |                   |                   |
|-------------------|-------------------|-------------------|---------------------|--------------------------|-------------------|-------------------|-------------------|
| Real Property Tax |                   |                   | Total<br>Exemptions | Payment in Lieu of Taxes |                   |                   |                   |
| County            | Local             | School            |                     | County                   | Local             | School            | Total             |
| \$ 22,890         | \$ 20,974         | \$ 131,996        | \$ 175,860          | \$ 21,945                | \$ 20,108         | \$ 126,551        | \$ 168,604        |
| 3,313             | 11,664            | 20,265            | 35,242              | 3,313                    | 11,664            | 20,265            | 35,242            |
| 59,639            | 190,262           | 374,895           | 624,796             | 26,499                   | 77,089            | 137,315           | 240,903           |
| 49,374            | 9,347             | 233,163           | 291,884             | 14,014                   | 2,653             | 66,180            | 82,847            |
| 6,397             | 6,289             | 45,965            | 58,651              | -                        | 4,402             | 33,969            | 38,371            |
| 10,000            | 31,901            | 62,857            | 104,758             | 8,757                    | 27,937            | 57,651            | 94,345            |
| -                 | -                 | -                 | -                   | -                        | -                 | -                 | -                 |
| 7,461             | 23,802            | 46,899            | 78,162              | 3,148                    | 10,042            | 19,786            | 32,976            |
| 3,841             | 7,291             | 18,512            | 29,644              | 1,043                    | 1,981             | 5,029             | 8,053             |
| 4,270             | 3,410             | 23,049            | 30,729              | 4,270                    | 3,410             | 23,049            | 30,729            |
| -                 | -                 | -                 | -                   | -                        | -                 | -                 | -                 |
| <u>\$ 167,185</u> | <u>\$ 304,940</u> | <u>\$ 957,601</u> | <u>\$ 1,429,726</u> | <u>\$ 82,989</u>         | <u>\$ 159,286</u> | <u>\$ 489,795</u> | <u>\$ 732,070</u> |

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF FULL-TIME EQUIVALENT (FTE) JOBS CREATED AND RETAINED

Year Ended December 31, 2024

|                                 | # of FTE Employees<br>at Project Location<br>before IDA Status | Original Estimate of<br>Jobs to be Created |
|---------------------------------|--|--|
| Project Owner:                  |  |  |
| Focus Ventures                  | 132  | 25   |
| Hillside Commons                | 3  | 3  |
| Brewery Ommegang                | 28   | 10   |
| Northern Eagle                  | 35   | 4  |
| Klugo Oneonta, LLC              | -  | 2  |
| Corning Property Management Co. | 175  | -  |
| ZAED Properties                 | -  | -  |
| Ford Block, LLC                 | -  | -  |
| Centrome d/b/a Advanced Biotech | -  | 6  |
|                                 | <u>373</u>   | <u>50</u>                                  |

See auditors' report.

| <u>Original Estimate of<br/>Jobs to be Retained</u> | <u># of Current FTE<br/>Employees</u> | <u># of FTE Jobs Created<br/>During Fiscal Year</u> | <u># of FTE Jobs Retained<br/>During Fiscal Year</u> |
|---|---------------------------------------|---|--|
| 132   | 105                                   | -   | 105  |
| 3   | -                                     | -   | -  |
| 28  | 47                                    | -   | 28   |
| 35  | 12                                    | -   | 12   |
| -   | -                                     | -   | -  |
| 175   | 215                                   | 39  | 175  |
| -   | -                                     | -   | -  |
| -   | -                                     | -   | -  |
| -   | -                                     | -   | -  |
| <u>373</u>  | <u>379</u>                            | <u>39</u>   | <u>320</u>   |

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Jason L. Waite, CPA

INDEPENDENT AUDITORS' 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*

Board of Directors  
County of Otsego Industrial Development Agency  
Oneonta, 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 County of Otsego Industrial Development Agency ("COIDA") which comprise the statements of net position and the related statements of revenues, expenditures and changes in net position and cash flows as of and for the year then ended December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered COIDA'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of COIDA'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of COIDA'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control described in the accompanying schedule of findings and responses as item 2024-001.

## **Report on Compliance and Other Matters**

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

### **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 COIDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COIDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mistert, Manzanero & Scott, LLP*

Oneonta, New York  
March 27, 2025

COUNTY OF OTSEGO  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2024

|                      |   |
|----------------------|---|
| 2024 – 001           | <u>Unrecorded Grant and Project Revenues and Expenditures</u>   |
| Condition:           | During our audit we noted \$853,737 in grant and project activity had not been properly recorded in COIDA's QuickBooks files. We found that revenues and expenditures for the Richfield Springs Business Park and Micro Enterprise Grant Program, had been recorded as accounts receivable but were not reflected in COIDA's revenue or expenditure accounts.   |
| Criteria:            | All revenue and expenditure activity associated with grants and projects should be properly recorded in COIDA's accounting records to prevent misstatements of financial reports.   |
| Effect:              | With inaccurate financial reporting, management is basing its decisions on incomplete/inaccurate financial information during the year, and additional time is spent at year end preparing and auditing the financial statements.   |
| Recommendation:      | To aid in decision making and to make the financial reports generated by the accounting system as meaningful as possible, we recommend that revenues and expenditures associated with projects and reimbursement grants be properly posted to COIDA's revenue and expenditure accounts. COIDA's financial records should then be reconciled to drawdown requests and project spreadsheets to ensure all activity has been recorded. |
| Management Response: | Management agrees with the need to address this issue and will seek assistance in creating a process to do so.  |



COUNTY OF OTSEGO  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Otsego County, New York)

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Year Ended December 31, 2024

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NONE

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES

Board of Directors  
County of Otsego Industrial Development Agency  
Oneonta, New York

We have examined the County of Otsego Industrial Development Agency ("COIDA") compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the year ended December 31, 2024. Management of COIDA is responsible for COIDA's compliance with the specified requirements. Our responsibility is to express an opinion on COIDA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether COIDA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether COIDA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, COIDA has complied with all the material respects, with the aforementioned requirement, for the year ended December 31, 2024.

Our examination does not provide a legal determination of COIDA's compliance with specified requirements.

This report is intended solely for the information and use of the Board of Directors, management and others within COIDA and the New York State Authorities Budget Office and is not intended to be and should not be used by anyone other than these specified parties.

*Mostert, Manzanero & Scott, LLP*

Oneonta, New York  
March 27, 2025