

March 26, 2026

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

This representation letter is provided in connection with your audit of the financial statements of the County of Otsego Industrial Development Agency (“COIDA”) which comprise the combined statement of net position as of December 31, 2025 and the related combined statements of revenues, expenditures and changes in net position and cash flows for the year 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 26, 2026, the following representations made to you during your audit.

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 15, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for 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 agreements, 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 or in the schedule of findings and responses.
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. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which COIDA 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 and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within COIDA from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of COIDA 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 COIDA 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 COIDA's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of 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 disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of COIDA'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 taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
21. COIDA 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.
22. 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.
23. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
24. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
25. We have a process to track the status of audit findings and recommendations.
26. We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.

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 for reporting specific activities in separate funds.
28. We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASBS No. 91.
29. We have appropriately disclosed identified, recorded, and disclosed public-private and public-public partnerships and availability payment arrangements in accordance with GASBS No. 94.
30. We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.
31. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
32. 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.
33. We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASBS No. 101.
34. COIDA has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
35. COIDA 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, except as noted.
36. 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, preferably within senior management, 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.
37. Provisions for uncollectible receivables have been properly identified and recorded.
38. 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.

39. The financial statements include all fiduciary activities required by GASBS No. 84, as amended.
40. The financial statements properly classify all funds and activities in accordance with GASB No. 34, as amended.
41. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
42. Components of net position (net investment in capital assets, restricted; and unrestricted) are properly classified and, if applicable, approved.
43. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
44. Expenses have been appropriately classified in or allocated to functions and programs in the statements of revenues, expenditures and changes in net position, and allocations have been made on a reasonable basis.
45. Revenues are appropriately classified in the statements of revenues, expenditures and changes in net position within operating revenues, non-operating revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
46. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
47. Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
48. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and if applicable, depreciated or amortized.
49. We have appropriately disclosed COIDA'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.
50. 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.
51. 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 or interpretations underlying the measurement and presentation of the RSI.

52. With respect to the supplementary information which an in-relation-to opinion is issued:

- a. We acknowledge our responsibility for presenting the supplemental information in the financial statements in accordance with U.S. GAAP and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary 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 supplementary information.
- b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

Sincerely yours,

Jody Zakrevsky, CEO

# Adjusting Journal Entries

## County of Otsego Industrial Development Agency

January 2-December 31, 2025

TRANSACTION DATE	TRANSACTION TYPE	TRANSACTION NUM	NAME	MEMO/DESCRIPTION	ACCOUNT FULL NAME	DEBIT	CREDIT
<b>9217</b>							
12/31/2025	Journal Entry	MMS2025-1		to record Ioxus November and December rent receivable	3800000 Accounts Receivable	13,781.26	
12/31/2025	Journal Entry	MMS2025-1		to record Ioxus November and December rent receivable	9807500 Rents:9807506 Rent - IOXUS		13,781.26
<b>Total for 9217</b>						<b>\$13,781.26</b>	<b>\$13,781.26</b>
<b>9218</b>							
12/31/2025	Journal Entry	MMS2025-2		to adjust lease	6040000 Copier Lease Liability	1,814.95	
12/31/2025	Journal Entry	MMS2025-2		to adjust lease	5220200 Office Supplies & Expense:5220206 Copier & Copies	30.21	
12/31/2025	Journal Entry	MMS2025-2		to adjust lease	1060000 Copier Lease		1,845.16
<b>Total for 9218</b>						<b>\$1,845.16</b>	<b>\$1,845.16</b>
<b>9219</b>							
12/31/2025	Journal Entry	MMS2025-3		to record additional AP	5220501 Professional Fees:5220513 Consulting, Engineering, Other	6,662.32	
12/31/2025	Journal Entry	MMS2025-3		to record additional AP	5220501 Professional Fees:5220513 Consulting, Engineering, Other	2,700.13	
12/31/2025	Journal Entry	MMS2025-3		to record additional AP	5220501 Professional Fees:5220511 Legal	875.00	
12/31/2025	Journal Entry	MMS2025-3		to record additional AP	6000000 Accounts Payable		6,662.32
12/31/2025	Journal Entry	MMS2025-3		to record additional AP	6000000 Accounts Payable		875.00
12/31/2025	Journal Entry	MMS2025-3		to record additional AP	6000000 Accounts Payable		2,700.13
<b>Total for 9219</b>						<b>\$10,237.45</b>	<b>\$10,237.45</b>
<b>9240</b>							
12/31/2025	Journal Entry	MMS2025-6		to adjust AR	4400006 Due from Other Entities		507,080.27
12/31/2025	Journal Entry	MMS2025-6		to adjust AR	9800403 Federal Grants	646,820.53	
12/31/2025	Journal Entry	MMS2025-6		to adjust AR	5220501 Professional Fees:5220513 Consulting, Engineering, Other		135,092.80

# Adjusting Journal Entries

## County of Otsego Industrial Development Agency

January 2-December 31, 2025

TRANSACTION DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT FULL NAME	DEBIT	CREDIT
12/31/2025	Journal Entry	MMS2025-6		to adjust AR	32000 Retained Earnings	\$646,820.53	4,647.46
<b>Total for 9240</b>						<b>\$646,820.53</b>	<b>\$646,820.53</b>
<hr/>							
12/31/2025	Journal Entry	MMS2025-7		to capitalize Anjo Construction	1030201 Improvements RS 2024	557,868.03	
12/31/2025	Journal Entry	MMS2025-7		to capitalize Anjo Construction	5220501 Professional Fees:5220513 Consulting, Engineering, Other		557,868.03
<b>Total for 9241</b>						<b>\$557,868.03</b>	<b>\$557,868.03</b>
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12/31/2025	Journal Entry	MMS2025-8		to adjust PF Improvement accounts for sale	9800300 Gain/Loss Sales of Assets	517,695.02	
12/31/2025	Journal Entry	MMS2025-8		to adjust PF Improvement accounts for sale	1030101 Impvmts PF 1990 to 2006		366,990.46
12/31/2025	Journal Entry	MMS2025-8		to adjust PF Improvement accounts for sale	1030102 Imprvmts - PF - Rail Siding		150,704.56
<b>Total for 9242</b>						<b>\$517,695.02</b>	<b>\$517,695.02</b>
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12/31/2025	Journal Entry	MMS2025-9		to adjust depreciation to schedule	1150000 Accum Dep - Incubator	5,684.92	
12/31/2025	Journal Entry	MMS2025-9		to adjust depreciation to schedule	1160000 Accum Deprec- Office Equip	21,492.88	
12/31/2025	Journal Entry	MMS2025-9		to adjust depreciation to schedule	1120000 Accum Deprec - Bldg		8,867.71
12/31/2025	Journal Entry	MMS2025-9		to adjust depreciation to schedule	5221100 Depreciation		18,310.09
<b>Total for 9250</b>						<b>\$27,177.80</b>	<b>\$27,177.80</b>
<b>TOTAL</b>						<b>\$1,775,425.25</b>	<b>\$1,775,425.25</b>

**Oneonta Rail Yards LDC**  
**Adjusting Journal Entries**  
 January 2024 through December 2025

Date	Num	Name	Memo	Account	Debit	Credit
12/31/2024	MMS2025-1		to adjust to prior year audit	land improvements	172,657.69	172,657.69
			to adjust to prior year audit	Due to IDA	172,657.69	172,657.69
					<u>172,657.69</u>	<u>172,657.69</u>
					<u>172,657.69</u>	<u>172,657.69</u>

TOTAL