

COUNTY OF OTSEGO
INDUSTRIAL DEVELOPMENT AGENCY

REPORT TO THE BOARD

Year Ended December 31, 2025

4 Associate Drive
Oneonta, New York 13820
Phone: (607) 432-8700
Fax: (607) 432-5122
www.mmscpas.com



Deborah L. Mostert, CPA
Anthony T. Manzanero, CPA
Mary E. Manzanero, CPA
David E. Brownell, CPA
Jason L. Waite, CPA

March 26, 2026

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

Dear Members of the Board:

We are pleased to present the results of our audit of the financial statements of the County of Otsego Industrial Development Agency (“COIDA”) for the year ended December 31, 2025.

Our plan for this year’s audit included a commitment to understand and deliver on management’s expectations. Our approach to the audit was designed to combine a historical perspective with a focus on COIDA’s industry and current emerging governmental issues.

This report to the Board of Directors summarizes our audit process, the scope of our engagement, the reports issued, and various observations related to COIDA’s financial position and results of operations. The document also reviews the Board of Directors communications required by our professional standards, as well as current accounting issues that will affect COIDA.

The completion of this year’s audit was accomplished through the effective support and the assistance of COIDA’s personnel. As always, we strive to continually improve the quality of our audit services.

We appreciate the opportunity to serve you. If you have any questions or comments, please call us at (607) 432-8700.

Sincerely,

Mostert, Manzanero & Scott, LLP

CONTENTS

	<u>Page</u>
Summary of What We Agreed To Do	1
Required Communications	2 – 4
Management Letter	5

SUMMARY OF WHAT WE AGREED TO DO

Our Approach

As communicated to the Board of Directors and management in our planning letter dated December 15, 2025, our audit plan represented an approach responsive to the assessment of risk of COIDA. Specifically, we designed our audit to:

- Issue an opinion on the financial statements of COIDA for the year ended December 31, 2025.
- Issue a management letter to the Board of Directors and management.
- Issue an 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*.
- Issue an Independent Auditors' Report on Compliance with Investment Guidelines for Public Authorities.

Areas of Audit Emphasis

The principal areas of audit emphasis were as follows:

- Revenue and related receivables;
- Accounts payable and accrued expenses;
- Audit risk assessment;
- Related party activity;
- Payroll and related expenses;
- Grant revenue and expense; and
- Capital assets and land held for development and sale.

There were no changes to our planned approach or areas of audit emphasis.

REQUIRED COMMUNICATIONS

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

We have audited the financial statements of the County of Otsego Industrial Development Agency (“COIDA”) for the year ended December 31, 2025 and have issued our report thereon dated March 26, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by COIDA are described in Note 2 to the financial statements. As described in Note 2, Accounting Pronouncements, COIDA implemented accounting policies relating to certain risk disclosures that provide users with timely information regarding certain concentrations or constraints that have occurred or have begun to occur that make COIDA vulnerable to a substantial impact by adopting GASB Statement No. 102, *Certain Risk Disclosures* during the year ended December 31, 2025. We noted no transactions entered into by COIDA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management’s estimate of the allowance for bad debt is based on management’s analysis of the collectability of outstanding notes receivable. We evaluated the key factors and assumptions used to develop the allowance for bad debts in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Attached is a listing of misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements, or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 26, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to COIDA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as COIDA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis (MD&A), which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplemental information on Pages 22 – 25 which accompany the financial statements but are not RSI, but is supplemental information required by the Office of the New York State Comptroller. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the County of Otsego Industrial Development Agency 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 26, 2026

MANAGEMENT LETTER

County of Otsego Industrial Development Agency
Oneonta, New York

In planning and performing our audit of the financial statements of the County of Otsego Industrial Development Agency (“COIDA”) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered COIDA’s internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weakness. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Directors and management of the County of Otsego Industrial Development Agency 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 26, 2026

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
9217							
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
Total for 9217						\$13,781.26	\$13,781.26
9218							
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
Total for 9218						\$1,845.16	\$1,845.16
9219							
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
Total for 9219						\$10,237.45	\$10,237.45
9240							
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
Total for 9240						\$646,820.53	\$646,820.53
<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
Total for 9241						\$557,868.03	\$557,868.03
<hr/>							
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
Total for 9242						\$517,695.02	\$517,695.02
<hr/>							
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
Total for 9250						\$27,177.80	\$27,177.80
TOTAL						\$1,775,425.25	\$1,775,425.25

3:59 PM

03/20/26

Accrual Basis

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 to adjust to prior year audit	land Improvements Due to IDA	172,657.69	172,657.69
					172,657.69	172,657.69
					<u>172,657.69</u>	<u>172,657.69</u>

TOTAL