

Cheryl Robinson, Chair * **David Rowley**, Vice Chair * **Jeffrey Lord**, Treasurer * **Tom Armao**, Secretary
Craig Gelbsman * **Patricia Kennedy** * **Andrew Marietta** * **Tim Johnson*** **Blake Elliott**
Jody Zakrevsky, CEO * **Terel Marshburn**, Economic Development Director * **Joseph Scott**, Bond Counsel * **Kurt Schulte**, Counsel
* **Meaghan Remillard**, Dir. of Finance and Administration * **Jordan Allen**, Administrative Assistant

The Mission of Otsego Now is to transform Otsego County's economy so that it can provide a prosperous livelihood for all its residents by attracting and retaining business investment from established and growing firms that will bring high-paying skilled jobs to our community.

COIDA BOARD AGENDA THURSDAY, OCTOBER 30TH, 2025

- ROLL CALL
- CHAIR'S REMARKS
- APPROVAL OF MEETING MINUTES
 - September 25th Board Meeting Minutes
 - October 9th Audit & Finance Committee Meeting Minutes and Project Committee Meeting Minutes
- REPORT OF THE AUDIT & FINANCE COMMITTEE AND TREASURER
- BILLS AND COMMUNICATIONS
- REPORT OF THE PROJECTS COMMITTEE
- REVIEW DIRECTOR'S REPORT
- NEW AND UNFINISHED BUSINESS
 - 2026 IDA Budget
 - 2026 ORLDC Budget
 - 2025 Federal Audit
 - Proposal from Sterling Environmental Engineering
- PUBLIC COMMENT PERIOD
- EXECUTIVE SESSION (IF NEEDED)
- ADJOURNMENT

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

SEPTEMBER 25th, 2025

MEETING MINUTES

CALL TO ORDER

Vice Chair, D. Rowley, called to order the meeting of COIDA at 8:00 am. M. Remillard conducted roll call and determined there was a quorum. Voting members present included:

Jeffrey Lord
Tim Johnson
Craig Gelbsman*
Patricia Kennedy

David Rowley
Andrew Marietta(v)*
Tom Armao

Absent Board Member(s): Blake Elliot & Cheryl Robinson

Also, in attendance:

STAFF

Jody Zakrevsky, **CEO**
Terel Marshburn, **Economic Development Director**
Meaghan Remillard, **Dir. of Finance and Administration**
Jordan Allen, **Administrative Assistant**

(v) - virtual

* - arrived after start of meeting

MEETING MINUTES

D. Rowley presented the meeting minutes from the July 24, 2025, COIDA board meeting and September 11th Audit & Finance Committee Meeting Minutes and Project Committee Meeting Minutes. Board members were given a copy of the minutes prior to the meeting for review. J. Lord noted a few corrections that had been made to the online packets.

D. Rowley made a motion to approve the meeting minutes. The motion was seconded by J. Lord and was approved by the remaining members present.

COMMITTEE REPORTS

- Audit & Finance – The Audit & Finance Committee meeting was held on September 11th, 2025. J. Lord, Chair of the Committee, referred board members to the draft of the meeting minutes that had been provided to them.
- Governance Committee – The Governance Committee meeting was held on August 14th, 2025. The Governance Committee meets quarterly, and the next meeting will take place on December 11th, 2025.
- Projects Committee – The Projects Committee meeting was held on September 11th, 2025. T. Armao asked for an update on Richfield Springs. J. Zakrevsky stated that the project is 95% complete, currently waiting on NYSEG's estimate for the electrical section.

BILLS & COMMUNICATIONS

M. Remillard stated that the list of bills was long due to not having a August board meeting. She stated there were several tax payments that went through the IDA for example Chestnut Crossing, Corning, and Cooperstown Center with a couple that still need to come in.

D. Rowley made a motion to approve the payment of bills. T. Armao seconded the motion, and it was approved by the remaining members.

NEW BUSINESS / UNFINISHED BUSINESS

New CD and MM Account with Revised Signatures: J. Lord mentioned that after sitting down with staff it was decided to have some funds reinvested. M. Remillard stated that \$300,000 was put into a CD for 9 months at 3.5% and \$200,000 into a Money Market Account at 4%.

IOXUS Repair Quotes: M. Remillard stated that the Agency already received a quote from JMS and Eastman for the metal siding repair for IOXIS, currently waiting for a third quote from Treffeisen.

T. Armao made a motion to take the lowest bid which is Eastman. If a third bid comes in today before 5:00 pm and they're the lowest bidder, staff is instructed to go with them. Board members felt comfortable choosing Treffeisen for the work if their bid was lower than Eastman. The motion was seconded by P. Kennedy and was approved by the remaining members present.

RESOLUTIONS

RESOLUTION 2-2025: AUTHORIZING THE OTSEGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY CHIEF EXECUTIVE OFFICER TO PAY BACK LOAN PROVIDED BY THE COUNTY OF OTSEGO

WHEREAS, the Otsego County Board of Representatives approved an interest free \$600,000 loan to the Industrial Development Agency (IDA) ending December 31, 2025, with an option to extend it for a second year if needed to the IDA; and

WHEREAS, the Otsego County Industrial Development Agency (IDA) Board of Directors is extremely thankful for the financial support provided by the County of Otsego to assist with the redevelopment of the Richfield Springs Business Park when federal funding was in jeopardy; and

WHEREAS, the IDA Finance Committee Chairman has made certain recommendations; and

WHEREAS, the Otsego County Industrial Development Agency is now being reimbursed by the federal Economic Development Agency (EDA), now, therefore be it

RESOLVED, that the Board of Directors hereby authorizes the CEO of the Agency pay back the County of Otsego loan and to again thank the County Board of Representatives in providing such support to the IDA when needed.

The foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Cheryl Robinson	VOTING	ABSENT
David Rowley	VOTING	YES
Jeffrey C. Lord	VOTING	YES
Tom Armao	VOTING	YES
Blake Elliot	VOTING	ABSENT
Craig Gelbsman	VOTING	YES
Tim Johnson	VOTING	YES
Patricia Kennedy	VOTING	YES
Andrew Marietta	VOTING	YES

PUBLIC COMMENT

There were no Public Comments for this meeting.

ADJOURNMENT

C. Robinson made a motion to adjourn the meeting of the IDA board at 8:39 am.

UPCOMING MEETING SCHEDULE

- COIDA/OCCRC Audit & Finance Committee Meeting / Projects Committee Meeting – **October 9th, 2025**
- COIDA/OCCRC Board Meeting – **October 23rd, 2025**

***All meetings are held at the Otsego Now offices at 189 Main Street, Oneonta, NY. 13820, unless otherwise specified.**

DRAFT

**COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY
OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**

**AUDIT & FINANCE COMMITTEE
OCTOBER 9TH, 2025
MEETING MINUTES**

CALL TO ORDER

The COIDA and OCCRC's joint Audit & Finance Committee meeting was called to order at 8:01 am at the Otsego Now offices at 189 Main Street in Oneonta, NY. Committee members present included:

Andrew Marietta (v)*

Jeffrey Lord

Patricia Kennedy (v)*

Craig Gelbsman

Also, in attendance:

BOARD

Cheryl Robinson (v)

David Rowley

Tom Armao

STAFF

Jody Zakrevsky, **CEO**

Terel Marshburn, **Economic Development Director**

Meaghan Remillard, **Director of Finance and Administration**

Jordan Allen, **Administrative Assistant**

(v) – virtual

* - arrived after start of meeting

REVIEW OF FINANCIALS

J. Lord clarified that the \$600,000 loan in the budget isn't a revenue budget item that came in, but rather cash flow. The loan was recorded on the balance sheet, as opposed to payable on the liability side.

NEW AND UNFINISHED BUSINESS

There is No New/Unfinished Business in this meeting.

ADJOURNMENT

There being no further business to discuss, the Audit & Finance committee meeting was adjourned at 8:17 am.

UPCOMING MEETING SCHEDULE

The next Audit & Finance Committee meeting is November 13, 2025.

**COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY
OTSEGO COUNTY CAPITAL RESOURCE CORPORATION**

**PROJECTS COMMITTEE
OCTOBER 9TH, 2025
MEETING MINUTES**

CALL TO ORDER

The COIDA and OCCRC's joint Projects Committee meeting was called to order at 8:17 am at the Otsego Now offices at 189 Main Street in Oneonta, NY. Members present included:

Andrew Marietta (v)

Patricia Kennedy

Tom Armao

Tim Johnson

Absent Committee Member(s): Blake Elliot

Also, in attendance:

BOARD

David Rowley

Jeffrey Lord

Craig Gelbsman

Cheryl Robinson

STAFF

Jody Zakrevsky, **CEO**

Meaghan Remillard, **Director of Finance and Administration**

Jordan Allen, **Administrative Assistant**

(v) – virtual

CEO REPORT OF PROJECTS

Oneonta Railyards: J. Zakrevsky stated that on Friday Sept 19th there was a meeting with Sterling Environmental Engineering to discuss preparing a Stormwater Pollution Prevention Plan for the Railyards. He hopes to have the proposal back soon to discuss with the board.

Richfield Springs Eco-Business Park: J. Zakrevsky mentioned that the NYSEG gas line was installed. He stated that on Monday HUNT Engineers met with NYSEG to discuss the electrical extension and an estimate should be received by Friday.

Oneonta Business Park: J. Zakrevsky stated NYSEG required a study to be done by the Broome County IDA to determine the cost and way to increase power to the Broome County Industrial Park. They received a State Grant to pay for the entire cost of the study. J. Zakrevsky asked John Hamor to prepare a proposal for a similar study for the Oneonta Railyards to accommodate a data center. Also, to talk to the Broome County IDA to see which grants they applied for and received on behalf of the study.

NEW/UNFINISHED BUSINESS

There was no New/Unfinished Business for this meeting.

ADJOURNMENT

There being no further business to discuss, the Projects Committee meeting was adjourned at 8:37 am.

UPCOMING MEETING SCHEDULE

The next Projects Committee meeting is November 23th, 2025.

COIDA EXPENSES
9/25/25 - 10/30/25

Vendor	Amount Due	Due Date	Reimbursable?	Notes
Jim Lozano	\$825.00	30-Oct		Monthly accounting services for
C & A Lawncare	\$1,250.00	30-Oct		Mowing September 1, 8, 15, 23, 30
MMS	\$2,500.00	30-Oct		Single audit of financial statements for the year ended December 31, 2024
HUNT Engineers	\$21,901.19	30-Oct	Yes	Engineering fees through October 4
Jim Lozano	\$825.00	30-Oct		Monthly accounting services for September + October
Hummel's	\$225.79	30-Oct		Tiolet Paper, Letter Hanging Folders, Hand Towels, Letter File Folders
Directive	\$68.00	30-Oct		New Add User : Terel
Directive	\$376.38	30-Oct		New Employee Workstation 10/7 & 10/6
Directive	\$42.50	30-Oct		New Employee Workstation 10/6
Directive	\$141.91	30-Oct		Monthly billing for October
Directive	\$141.91	30-Oct		Monthly billing for November
Fyr-Fyter	\$664.40	19-Nov		Fire alarm maintenance inspection, gauge valve, alarm battery 12 volt, sprinkler maintenance inspection
Paperkite	\$600.00	21-Nov		REsimplifi : Property viewer added to Otsego Now Website

COIDA TOTAL	\$29,562.08
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COIDA PAID EXPENSES

Vendor	Amount	Date Paid	Reimbursable?	Notes
Dakodan Wyckoff	\$375.00	2-Oct		Clean up Roundhouse Rd
Otsego County Code Enforcement	\$100.00	8-Oct		Renew building permit - Richfield Springs
NYSEG	\$427.01	17-Oct		189 Main st utilities
First Bankcard	\$166.30	17-Oct		Vistaprint business cards and quickbooks subscription
NYSEG	\$105.63	17-Oct		Pony farm rd street lighting
Great America Financial Services	\$174.83	16-Oct		Copier agreement & insurance charge
Ed & Ed	\$68.30	9-Oct		Copies/prints
Otsego Co Chamber	\$200.00	9-Oct		Non profit membership of 10 employees or less
Directive	\$141.91	17-Oct		Monthly billing for September
Anjo Construction	\$82,227.90	22-Oct	Yes	Payment requisition #10
Anjo Construction	\$34,524.71	22-Oct	Yes	Payment requisition #11
Spectrum	\$305.00	23-Oct		Otsego now wifi & voice

TOTAL	\$118,816.59
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COIDA DEPOSITS
9/25/25 - 10/30/25

Vendor	Amount	Date of Deposit	Notes
IOXUS	\$6,890.63	26-Sep	September Rent
Apple Converting	\$5,250.00	2-Oct	October Rent
Ford Block, LLC	\$35,795.65	2-Oct	tax bill 2025
ST8	\$200.00	3-Oct	October Rent
Worms Waste Not	\$200.00	8-Oct	Sep, Oct, Nov, Dec Rent
CADE	\$1,100.00	8-Oct	October Rent
Skyline	\$39,236.02	8-Oct	tax bill 2025
Northern Eagle	\$3,850.00	8-Oct	Admin PILOT fee 2025
CRC	\$42,904.75	9-Oct	2025 annual bond admin fees for CRC
Foothills	\$1,666.67	14-Oct	October Loan Repayment
Apple Converting	\$5,250.00	21-Oct	July Rent
Apple Converting	\$525.00	21-Oct	Rent owed for September & October
Skyline	\$14,350.00	21-Oct	Admin PILOT fee 2025

TOTAL	\$157,218.72
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CEO's Report October 28, 2025

Operations, strategic goals, and succession

Operations:

- **M. Remillard** manages the County's micro-enterprise grant program and has begun working on two new CDBG applications. She also continues to monitor CD Rates for investment of IDA funds. Meaghan also prepared monthly budget updates and is now preparing all PILOT payment requests to companies. Meaghan is now also entering information on the PARIS system.
- **T. Marshburn** has been meeting with various companies in the County. He has also been in contact with Sterling Environmental Engineering to prepare a stormwater prevention plan for the Oneonta Railyards. He is also looking at potential development projects within the County for 2026.
- **J. Allen** receives and deposits all checks and income, prepares vouchers for billings, receives, and prepares all bills for payment, prepares minutes for all meetings, and works telecommunication equipment as needed.
- **J. Zakrevsky** provides all other operational support for economic development items including grant application, overseeing, and negotiating with projects involving infrastructure improvements.

Strategic Goals:

- To ENTICE economically diverse industries to move to Otsego County and develop a favorable environment in which businesses will continue to locate, grow, and create a range of new job opportunities**

Contacts/Interviews	Potential Projects
- Frank Sarratori	- Working with Andela's attorney to set closing date,
- T. Marshburn	- Working on ESD referrals.

- To ENCOURAGE businesses growth and retention while elevating regional strengths to capitalize on unique regional strengths to build an economically diverse, opportunity-rich, globally competitive industrial ecosystem.**

- **Working on new potential development sites in Richfield and Oneonta.**

- **Richfield**
The new NYSEG Gas service has been installed.
- **Underground Water, Sewer, and Storm Drainage services at the site have been installed.**
- **The roadway subbase has been installed, graded and compacted in preparation of bituminous paving.**
- **Topsoil and turfing items have been applied to earthwork and roadway shoulder areas.**
- **Soil and erosion control items remain in-place and operational.**
- **The contractors lay-down and staging area has been buttoned up and stabilized for the season.**

3. To ENSURE resources for continued success of area enterprises and cultivate a sustainable, profitable setting for new investments in business, industry, and community.

- **Have identified one new site in Oneonta and a new site in Richfield for future development.**

- **Working with Terel to find additional sites.**

- **All available sites in the County are now on our web page.**

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Date	Place	Meeting
September 26	Oneonta	Southern Tier 8n Board of Directors Meeting
September 30	Oneonta	Mohawk Valley SGAP Meeting
October 1	Cooperstown	Otsego County Board of Representatives
October 1	Oneonta	Meeting with Chairperson Robinson
October 3	Oneonta	Meeting with Mayor and City Administrator
October 7	Oneonta	SUNY Oneonta Community Partners Breakfast
October 7	Cooperstown	County IGA Committee
October 7	Oneonta	Meeting with Apple Converting
October 9	Oneonta	Otsego Now Committee Meetings
October 10	Oneonta	NYSE&G Oneonta Community Leaders Meeting
October 14	Oneonta	Staff Meeting on 2026 Budget
October 15	Oneonta	Zoom Meeting with Golden Shovel
October 17	Oneonta	Meeting with ESD on MWBE Goals
October 17	Oneonta	Meeting with Mayor
October 23	Oneonta	Southern Tier 8 CEDS Meeting

Correspondence Received:

- 2025 Federal Audit received.

Oneonta Business Park

- Toured Apple Converting with Terel.

Empire State Development

- Received approval from NYS ESD to extend their \$325,000 grant for Richfield Springs Business Park until August 26, 2026.
- Working with ESD to meet MWBE goals.

Oneonta Railyards

- Ed May has reached out to his attorney to file the correct map of his property.
- Received a proposal from Sterling Environmental Engineers to prepare a stormwater prevention plan for the Oneonta Railyards.

Richfield Springs Business Park

- The new NYSEG Gas service has been installed
- Underground Water, Sewer, and Storm Drainage services at the site have been installed
- The roadway subbase has been installed, graded and compacted in preparation of bituminous paving
- Topsoil and turfing items have been applied to earthwork and roadway shoulder areas.
- Soil and erosion control items remain in-place and operational
- The contractors lay-down and staging area has been buttoned up and stabilized for the season.

Work still anticipated for this 2025 season...

- Electrical subcontractor will perform sewerage lift station work when new pumps arrive in early to mid-November.
- NYSEG will install overhead service lines to the site for the lift station and future building lots.

PILOT Payments

The Hampton Inn project has now been listed by the County Real Director as fully tax exempt.

2026 Budgets

- Meaghan has prepared 4 year budgets for the IDA, the CRC, and the ORLDC.
- Upon acceptance of the budgets, she will also upload them to the PARIS System.

2026 COIDA Adopted Budget

4 Year Operating Plan, Revenue Plan, Capital Expenditure Plan

<u>REVENUE & FINANCIAL SOURCES</u>	2024 Actual Budget	2025 Projected Budget	2026 Adopted Budget	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget
Operating Revenues						
Charges for Services	\$93,054.00	\$104,069.58	\$102,569.40	\$98,719.58	\$98,016.08	\$96,516.08
Rental & Financing Income	\$160,689.00	\$159,000.00	\$171,100.76	\$179,445.80	\$189,208.89	\$198,008.49
Other Operating Revenues	\$20,000.00	\$20,000.04	\$20,000.04	\$20,000.04	\$20,000.04	\$20,000.04
Nonoperating Revenues						
Investment Earnings	\$27,048.00	\$21,983.55	\$24,107.47	\$25,000.00	\$25,000.00	\$25,000.00
State subsidies/grants	\$0.00	\$0.00	\$325,000.00	\$0.00	\$0.00	\$0.00
Federal Subsidies/grants	\$746,500.00	\$1,308,935.08	\$229,727.26	\$0.00	\$0.00	\$0.00
Municipal Subsidies/grants	\$200,000.00	\$225,000.00	\$225,000.00	\$225,000.00	\$250,000.00	\$250,000.00
Public Authority Subsidies	\$42,905.00	\$42,905.00	\$42,904.75	\$42,904.75	\$42,904.75	\$42,904.75
Other Non-Operating Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$7,000.00	\$7,000.00
Proceeds from the issuance of debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues & Financing Sources	\$1,290,196.00	\$1,881,893.25	\$1,140,409.68	\$591,070.17	\$632,129.76	\$639,429.36

2024 COIDA Adopted Budget

EXPENDITURES

	2024 Actual Budget	2025 Projected Budget	2026 Adopted Budget	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget
Operating Expenditures						
Salaries and Wages	\$195,271.00	\$321,304.93	\$300,878.92	\$315,922.87	\$331,719.01	\$348,304.96
Other Employee Benefits	\$16,051.00	\$59,530.00	\$36,000.00	\$37,080.00	\$38,192.40	\$39,338.17
Professional Service Contracts	\$67,426.00	\$1,348,050.08	\$285,818.37	\$100,000.00	\$100,000.00	\$100,000.00
Supplies and Materials	\$8,786.00	\$4,200.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00
Other Operating Expenditures	\$211,894.00	\$127,080.25	\$145,000.00	\$135,000.00	\$135,000.00	\$135,000.00
Nonoperating Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Payment of Principal on Bonds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest and other financing charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subsidies to other public authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital asset outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants and Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures	\$499,428.00	\$1,860,165.26	\$771,697.29	\$592,002.87	\$608,911.41	\$626,643.13
Excess (deficiency) of revenues and capital	\$790,768.00	\$21,727.99	\$368,712.39	-\$932.70	\$23,218.35	\$12,786.23

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

SINGLE AUDIT

Year Ended December 31, 2024

DRAFT

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

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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.

MEMBERS: American Institute of Certified Public Accountants,
New York State Society of Certified Public Accountants, National Conference of CPA Practitioners

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 questioned costs as item 2024-001 that we consider to be a significant deficiency.

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*.

COIDA's Response to Findings

COIDA's response to the finding identified in our engagement is described in the accompanying schedule of findings and questioned costs. COIDA's response was not subject to the auditing procedures applied in the engagement to audit the financial statements, and accordingly, we express no opinion on it.

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.

Oneonta, New York
October , 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion of Each Major Federal Program

We have audited the County of Otsego Industrial Development Agency ("COIDA") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of COIDA's major federal programs for the year ended December 31, 2024. COIDA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, COIDA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of COIDA and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of COIDA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to COIDA's federal programs.

MEMBERS: American Institute of Certified Public Accountants,
New York State Society of Certified Public Accountants, National Conference of CPA Practitioners

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on COIDA's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about COIDA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 COIDA's compliance with requirements referred to above and perform such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of COIDA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of COIDA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirements of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirements of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Item 2004 – 001 to be a significant deficiency.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Government Auditing Standards requires the auditor to perform limited procedures on COIDA's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. COIDA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of COIDA, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise COIDA's basic financial statements. We issued our report thereon dated March 27, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions of the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related 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 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 other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mostert, Manzanero & Scott, LLP

Oneonta, New York
October , 2025

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2024

draft

FEDERAL GRANTOR/PROGRAM TITLE	ALN Number	Grantor's Number	Program or Award Amount	Disbursement/ Expenditure
 <u>DEPARTMENT OF COMMERCE</u>				
Investments for Public Works and Economic Development Facilities	11.300	01-01-14979	\$ 1,200,000	\$ 732,916
 <u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass through Otsego County, New York Community Development Block Grant (CDBG) Business Expansion and Startup (BEST) Program	14.228	868ME532-23	300,000	107,237
Total Federal Assistance				\$ 840,153

See auditors' report.

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of COIDA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. COIDA has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3 SUBRECIPIENTS

There were no subrecipients.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2024

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? ___ Yes X No
- Significant deficiency (ies) identified? X Yes ___ One reported

Noncompliance material to financial statements noted: ___ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness (es) identified? ___ Yes X No
- Significant deficiency (ies) identified? X Yes ___ One reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X Yes ___ One reported

Identification of Major Programs:

<u>Federal Assistance Listing Number (s)</u>	<u>Name of Federal Program or Cluster</u>
11.300	Department of Commerce – Investments for Public Works and Economic Development Facilities

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk auditee? ___ Yes X No

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2024

2. FINDINGS - GENERAL PURPOSE FINANCIAL STATEMENTS AUDIT

2024 – 001 Unrecorded Grant and Project Revenues and Expenditures

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.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

Same finding as General Purpose Financial Statement Audit Finding 2024 – 001.

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

SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2024

NONE

DRAFT



October 16, 2025

Mr. Jody Zakrevsky
Chief Executive Officer
County of Otsego IDA
189 Main Street, Suite 500
Oneonta, New York 13820

Email: JZakrevsky@otsegonow.com

Subject: Proposal for Professional Services
Roundhouse Road Stormwater Pollution Prevention Plan (SWPPP)
Otsego County, NY

Dear Mr. Zakrevsky,

As requested, Sterling Environmental Engineering, P.C. (STERLING) is pleased to submit this proposal for professional services in support of redevelopment of parcel 299.11-2-3.11 along Round House Road, Oneonta, New York. The parcel is currently vacant with remains of prior industrial use. We understand that the IDA seeks to have a portion of the parcel cleared of debris to make that parcel shovel ready for redevelopment.

RECOMMENDED SCOPE OF WORK

STERLING proposes to prepare a SWPPP in for the clearing and site preparation. Note that this SWPPP will not is not for any specific final buildout of the parcel, and a subsequent SWPPP will be required for final development, once known.

1. Records Review: STERLING will review available documentation for the project site. To the extent they exist, we request any survey or drawings of the existing conditions in executable AutoCAD format (i.e., .dwg).
2. SWPPP: STERLING will prepare a SWPPP in accordance with the New York State Department of Environmental Conservation (NYSDEC) State Pollutant Discharge Elimination System (SPDES) General Permit for Stormwater Discharges from Construction Activity, the New York State Stormwater Design Manual, and the New York State Standard Specifications for Erosion and Sediment Controls.

RECOMMENDED BUDGET

The recommended budget for the described scope of work is **\$12,500**.

Note that the following tasks are not included in the proposed scope of work, but can be provided if requested, at additional cost: Civil site design, attendance at meetings, or performing required construction stormwater inspections.

Costs will be billed on a time and material basis, as incurred at STERLING's hourly rates and in accordance with the attached Standard Terms and Conditions. This cost estimate is limited to the described scope of work. If additional services are deemed appropriate, STERLING can provide these at additional cost upon authorization.

"Serving our clients and the environment since 1993"

If this proposal is acceptable, please sign the authorization below and initial each page of the Standard Terms and Conditions and return a copy to STERLING. Invoices will be provided monthly for the work performed during that period. Invoices are due upon receipt unless other arrangements are made in advance.

STERLING is prepared to begin work immediately upon receiving the executed authorization letter.

Please contact me if you have any questions or comments.

Very truly yours,

STERLING ENVIRONMENTAL ENGINEERING, P.C.



Andrew M. Millspaugh, P.E.

Vice President

Andrew.Millspaugh@sterlingenvironmental.com

Authorized Signature

Date

Purchase Order Number

Email

Attachments: Standard Terms and Conditions

STERLING ENVIRONMENTAL ENGINEERING, P.C.
STANDARD TERMS AND CONDITIONS

1. STANDARD OF CARE.

Services shall be performed in accordance with the standard of professional practice ordinarily exercised by the applicable profession at the time and within the locality where the Services are performed. Professional services are not subject to, and ENGINEER cannot provide, any warranty or guarantee, express or implied, including warranties or guarantees contained in any uniform commercial code. Any such warranties or guarantees contained in any purchase orders, requisitions or notices to proceed issued by CLIENT are specifically objected to.

2. CHANGE OF SCOPE.

The scope of Services set forth in this Agreement is based on facts known at the time of execution of this Agreement, including, if applicable, information supplied by CLIENT. For some projects involving conceptual or process development services, scope may not be fully definable during initial phases. As the Project progresses, facts discovered may indicate that scope must be redefined.

3. SAFETY.

ENGINEER has established and maintains corporate programs and procedures for the safety of its employees. Unless specifically included as a service to be provided under this Agreement, ENGINEER specifically disclaims any authority or responsibility for general job site safety and safety of persons other than ENGINEER employees.

4. DELAYS.

If events beyond the control of CLIENT or ENGINEER, including, but not limited to, fire, flood, explosion, riot, strike, war, process shutdown, act of God or the public enemy, and act or regulation of any government agency, result in delay to any schedule established in this Agreement, such schedule shall be amended to the extent necessary to compensate for such delay. In the event such delay exceeds 60 days, ENGINEER shall be entitled to an equitable adjustment in compensation.

5. TERMINATION/SUSPENSION.

Either party may terminate this Agreement upon 30 days written notice to the other party. CLIENT shall pay ENGINEER for all Services, including profit relating thereto, rendered prior to termination, plus any expenses of termination.

In the event either party defaults in its obligations under this Agreement (including CLIENT'S obligation to make the payments required hereunder), the non-defaulting party may, after seven (7) days written notice stating its intention to suspend performance under the Agreement if cure of such default is not commenced and diligently continued, and failure of the defaulting party to commence cure within such time limit and diligently continue, suspend performance under this Agreement.

CLIENT agrees that ENGINEER'S liability to CLIENT for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to the project or this Agreement from any causes including, but not limited to, ENGINEER'S negligence, errors, omissions, strict liability, or breach of contract and whether claimed directly or by way of contribution shall not exceed the total compensation received by ENGINEER under this Agreement.

6. OPINIONS OF CONSTRUCTION COST.

Any opinion of construction costs prepared by ENGINEER is supplied for the general guidance of the CLIENT only. Since ENGINEER has no control over competitive bidding or market conditions, ENGINEER cannot guarantee the accuracy of such opinions as compared to contract bids or actual costs to CLIENT.

7. RELATIONSHIP WITH CONTRACTORS.

ENGINEER shall serve as CLIENT'S professional representative for the Services, and may make recommendations to CLIENT concerning actions relating to CLIENT'S contractors, but ENGINEER specifically disclaims any authority to

direct or supervise the means, methods, techniques, sequences or procedures of construction selected by CLIENT'S contractors.

CLIENT agrees that if ENGINEER is not retained for construction phase of project that such constitutes termination as provided by Paragraph 5 above.

8. JOBSITE SAFETY.

Neither the professional activities of the ENGINEER, nor the presence of the ENGINEER or his or her employees and subconsultants at a construction site, shall relieve the General Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending or coordinating all portions of the Work of construction in accordance with the contract documents and any health or safety precautions required by any regulatory agencies. The ENGINEER and his or her personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health and safety precautions. The CLIENT agrees that the General Contractor is solely responsible for the jobsite safety, and warrants that this intent shall be made evident in the CLIENT'S agreement with the General Contractor.

The CLIENT also agrees that the CLIENT, the ENGINEER and the ENGINEER'S consultants shall be indemnified and shall be made additional insureds under the General Contractor's general liability insurance policy.

9. CONSTRUCTION REVIEW.

For projects involving construction, CLIENT acknowledges that under generally accepted professional practice, interpretations of construction documents in the field are normally required, and that performance of construction-related services by the ENGINEER for the project permits errors or omissions to be identified and corrected at comparatively low cost. CLIENT agrees to hold ENGINEER harmless from any claims resulting from performance of construction related services by persons other than ENGINEER.

10. INSURANCE.

ENGINEER will maintain insurance coverage for Professional, Comprehensive General, Automobile, Worker's Compensation, and Employer's Liability in amounts in accordance with legal, and ENGINEER'S business requirements. Certificates evidencing such coverage will be provided to CLIENT upon request. For projects involving construction, CLIENT agrees to require its construction contractor, if any, to include ENGINEER as an additional insured on its policies relating to the Project. ENGINEER'S coverage referenced above shall, in such case, be excess over contractor's primary coverage.

11. HAZARDOUS MATERIAL.

Hazardous materials may exist at a site where there is no reason to believe they could or should be present. ENGINEER and CLIENT agree that the discovery of unanticipated hazardous materials constitutes a changed condition mandating a renegotiation of the scope of work. ENGINEER agrees to notify CLIENT as soon as practically possible should unanticipated hazardous materials or suspected hazardous materials be encountered. CLIENT acknowledges and agrees that it retains title to all hazardous material existing on the site and shall report to the appropriate Federal, State or local public agencies, as required, any conditions at the site that may present a potential danger to the public health, safety or the environment. CLIENT shall execute any manifests or forms in connection with transportation, storage and disposal of hazardous materials resulting from the site or work on the site or shall authorize ENGINEER to execute such documents as CLIENT'S agent. CLIENT waives any claim against ENGINEER and agrees to defend, indemnify, and save ENGINEER harmless from any claim or liability for injury or loss arising from ENGINEER'S discovery of unanticipated hazardous materials or suspected hazardous materials.

12. RULES, REGULATIONS, STATUTES AND PERMITS.

CLIENT agrees to abide by all applicable rules, regulations, statutes and permits. CLIENT recognizes that ENGINEER cannot control the actions of other parties,

_____: Please initial to acknowledge receipt.

STERLING ENVIRONMENTAL ENGINEERING, P.C.
STANDARD TERMS AND CONDITIONS

including CLIENT, to compel compliance with all applicable rules, regulations, statutes and permits and CLIENT shall indemnify and hold ENGINEER harmless from any loss or claim arising out of non-compliance by CLIENT or others.

13. INDEMNITIES.

To the fullest extent permitted by law, ENGINEER shall indemnify and save harmless CLIENT from and against loss, liability, and damages sustained by CLIENT, its agents, employees, and representatives by reason of injury or death to persons or damage to tangible property to the extent caused directly by the willful misconduct or failure to adhere to the standard of care described in Paragraph 1 above of ENGINEER, its agents or employees.

To the fullest extent permitted by law, CLIENT shall defend, indemnify, and save harmless ENGINEER from and against loss, liability, and damages sustained by ENGINEER, its agents, employees, and representatives by reason of claims for injury or death to persons, damages to tangible property, to the extent caused directly by any of the following: (a) any substance, condition, element, or material or any combination of the foregoing (I) produced, emitted or released from the Project or tested by ENGINEER under this Agreement, or (b) operation or management of the Project. CLIENT also agrees to require its construction contractor, if any, to include ENGINEER as an indemnitee under any indemnification obligation to CLIENT.

14. LIMITATIONS OF LIABILITY.

No employee or agent of ENGINEER shall have individual liability to CLIENT.

CLIENT agrees that, to the fullest extent permitted by law, ENGINEER's total liability to CLIENT for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to the Project or this Agreement from any causes including, but not limited to, ENGINEER's negligence, errors, omissions, strict liability, or breach of contract and whether claimed directly or by way of contribution shall not exceed the total compensation received by ENGINEER under this Agreement exclusive of any subcontractor fees and expenses.

IN NO EVENT AND UNDER NO CIRCUMSTANCES SHALL ENGINEER BE LIABLE TO CLIENT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES.

15. ACCESS.

CLIENT shall provide ENGINEER safe access to any premises necessary for ENGINEER to provide the Services.

16. REUSE OF PROJECT DELIVERABLES.

Reuse of any documents or other deliverables, including electronic media, pertaining to the Project by CLIENT for any purpose other than that for which such documents or deliverables were originally prepared, or alteration of such documents or deliverables without written verification or adaptation by ENGINEER for the specific purpose intended, shall be at the CLIENT's risk. Further, all title blocks and the ENGINEER's seal, if applicable, shall be removed if and when CLIENT provides deliverables in electronic media to another entity. CLIENT agrees that relevant analyses, findings and reports provided in electronic media shall also be provided in 'hard copy' and that the hard copy shall govern in the case of a discrepancy between the two versions, and shall be held as the official set of drawings, as signed and sealed. CLIENT shall be afforded a period of 30 days in which to check the hard copy against the electronic media. In the event that any error or inconsistency is found as a result of this process, ENGINEER shall be advised and the inconsistency shall be corrected at no additional cost to CLIENT. Following the expiration of this 30-day period, CLIENT shall bear all responsibility for the care, custody and control of the electronic media. In addition, CLIENT represents that it shall retain the necessary mechanisms to read the electronic media, which CLIENT acknowledges to be of only limited duration. CLIENT agrees to defend, indemnify, and hold harmless ENGINEER from all claims, damages, and expenses, (including reasonable litigation costs), arising out of such reuse or alteration by CLIENT or others acting through CLIENT.

17. AMENDMENT.

This Agreement, upon execution by both parties hereto, can be amended only by a written instrument signed by both parties.

18. ASSIGNMENT.

Except for assignments (a) to entities which control, or are controlled by, the parties hereto or (b) resulting from operation of law, the rights and obligations of this Agreement cannot be assigned by either party without written permission of the other party. This Agreement shall be binding upon and inure to the benefit of any permitted assigns.

19. STATUTES OF LIMITATION.

To the fullest extent permitted by law, parties agree that, except for claims for indemnification, the time period for bringing claims under this Agreement shall expire one year after Project completion.

20. DISPUTE RESOLUTION.

Parties shall attempt to settle disputes arising under this Agreement by discussion between the parties senior representatives of management. If *any* dispute cannot be resolved in this manner, within a reasonable length of time, parties agree to attempt non-binding mediation or any other method of alternative dispute resolution prior to filing any legal proceedings. In the event any actions are brought to enforce this Agreement, the prevailing party shall be entitled to collect its litigation costs from the other party.

In the event of any litigation arising from or related to the services provided under the Agreement, the prevailing party will be entitled to recovery of all reasonable costs incurred, including staff time, court costs, attorney's fees and other related expenses.

21. NO WAIVER.

No waiver by either party of any default by the other party in the performance of any particular section of this Agreement shall invalidate any other section of this Agreement or operate as a waiver of any future default.

22. NO THIRD-PARTY BENEFICIARY.

Nothing contained in this Agreement, nor the performance of the parties hereunder, is intended to benefit, nor shall inure to the benefit of, any third party, including CLIENT's contractors, if any.

23. SEVERABILITY.

The various terms, provisions and covenants herein contained shall be deemed to be separate and severable, and the invalidity or enforceability of any of them shall not affect or impair the validity or enforceability of the remainder.

24. AUTHORITY.

The persons signing this Agreement warrant that they have the authority to sign as, or on behalf of, the party for whom they are signing.

25. PAYMENTS

Itemized third party services, equipment, and expenses will be invoiced at cost plus 15%. Invoices are due upon receipt. Invoices remaining unpaid after 60 days will be assessed a late charge of 1.0% per month and will be subjected to collection. In such case, the undersigned client is responsible for all reasonable court and attorney fees.

26. TAXES

Non professional services and subcontractors may be subject to state and local tax. Client agrees to reimburse STERLING and STERLING's subcontractors for all applicable NYS and local taxes.

_____: Please initial to acknowledge receipt.