

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

FINANCIAL STATEMENTS

Year Ended December 31, 2020

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

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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

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the County of Otsego Industrial Development Agency ("COIDA"), a component unit of Otsego County, New York, which comprise the combined statement of net position as of December 31, 2020, and the related combined statements of revenues, expenditures and changes in net position and cash flows for the year then ended and the related notes to the financial statements.

### Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to COIDA's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of COIDA as of December 31, 2020 and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Pages 4 – 9 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audits of the 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on Pages 23 – 24 are presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information on Pages 25 – 27 are presented for purposes of additional analysis and is not a required part of the financial statements, but is supplemental information that is required by the Office of New York State Comptroller. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021 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 25, 2021 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 25, 2021

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
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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, 2020. 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 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 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 2020 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

The operating income for COIDA was \$179,568 for fiscal year 2020, compared to \$(155,552) for the fiscal year 2019. This represents an increase in revenues of \$300,850 and a decrease in expenses of \$34,270.

The increase in operating revenues was mostly attributable to:

- Decrease in interest income on notes of \$789;
- Decrease in rental income of \$33,550;
- Increase in other income of \$4,060;
- Decrease in fee revenue of \$64,142; and
- Increase in economic development support of \$395,271.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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The decrease in operating expenses was mostly attributable to:

- Decrease in legal fees of \$26,202;
- Increase in rental expense of \$50;
- Decrease in pilot payments of \$817;
- Decrease in professional fees of \$3,258;
- Increase in marketing expense of \$7,198;
- Increase in travel, seminar and training of \$638;
- Decrease in depreciation expenses of \$3,415;
- Decrease in membership dues and subscriptions of \$4,774;
- Decrease in maintenance of WNSC fields of \$2,960;
- Increase in payroll and payroll related expenses of \$1,575;
- Decrease in repairs and maintenance of \$5,124; and
- Increase in other expenses of \$2,819.

At the close of fiscal year 2020, COIDA had net position of \$5,021,433, an increase of \$179,637 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 in COIDA's statement of net position is a major asset. For COIDA's loan funds, the financial statements, net of allowance show a net decrease of \$34,919 from \$71,156 at year-end 2019 to \$36,237 at year-end 2020.

COIDA's current major capital assets are the former Wright National Soccer Campus property, the Oneonta Business Park in Oneonta, 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.

### **ACCOMPLISHMENTS**

#### *Activities and Major Projects*

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

COIDA's Board, Audit and Finance Committee, and Project Committee all continued to meet on a monthly basis 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 2021 budget to the ABO in October 2020. Staff continued to meet individually with COIDA loan clients particularly those with delinquent loans and was 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. A potential halal meat processing facility has expressed interest in building a manufacturing facility on property owned by the IDA. 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. 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 the County of Otsego Chamber of Commerce, Southern Tier 8 (a regional planning agency) and the Center for Agriculture, Development and Entrepreneurship (CADE) and in 2019 a satellite office for Congressman Delgado.

**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 anew master plan and subdivision plot of the property.

**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. Also, during 2020, the U.S. Census Bureau used the facilities to train staff on the 2020 Census.

**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 2021.

**Grants**

The COIDA is administering the following grants:

- \$500,000 in capital grants to continue to move the Oneonta Rail Yards project forward.
- \$250,000 grant from the NYS Dormitory Authority towards a public Wi-Fi "hotspot" initiative for the Village of Cooperstown.
- \$30,000 ESD Capital Grant for the expansion of Steiner's Meat Facility
- \$750,000 Community Development Block Grant (CDBG) to the Town of Oneonta for the expansion of Custom Electronics and the creation of 50 new manufacturing jobs.
- \$100,000 CDBG awarded to the Village of Cooperstown for the Cooperstown Distillery expansion.
- \$200,000 CDBG awarded to the County of Otsego for a micro-enterprise grant program.



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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Other Grant Submissions**

The COIDA also worked on securing a \$200,000 ESD Capital Grant for the Catskill Packing Company as well as a \$350,000 grant for infrastructure improvements for the Richfield Spring Eco-Business Park. In addition, COIDA also was awarded a \$1.2 million grant from the Federal Economic Development Administration for the Richfield Springs Eco-Business Park.

**Corning**

COIDA was successful in negotiating a payment-in-lieu-of-tax agreement with Corning for the solar array installation a 664.5kW DC; 490 kW AC system to be built at their Oneonta facility. The array will produce approximately 806,000 kwh annually.

**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

2020 continued to be a difficult economic environment, on the global, national and local level. Businesses were faced with dealing with the Corona Virus pandemic and many were forced to close for much of 2020. 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 all the 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.

At the close of 2020, our goals remain in conjunction with Governor Cuomo's 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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a summary of COIDA's financial position at December 31, 2020 and 2019:

NET POSITION	<u>2020</u>	<u>Increase/ Decrease Prior Year</u>	<u>2019</u>
Current assets	\$ 1,161,370	\$ 86,772	\$ 1,074,598
Non-current assets	<u>3,971,096</u>	<u>(85,127)</u>	<u>4,056,223</u>
Total assets	<u>5,132,466</u>	<u>1,645</u>	<u>5,130,821</u>
Current liabilities	76,023	(208,002)	284,025
Deferred inflows of revenue	<u>35,010</u>	<u>30,010</u>	<u>5,000</u>
Total liabilities	<u>111,033</u>	<u>(177,992)</u>	<u>289,025</u>
Invested in capital assets:			
Net of related debt	3,957,612	(62,375)	4,019,987
Unrestricted	<u>1,063,821</u>	<u>242,012</u>	<u>821,809</u>
Total net position	<u>\$ 5,021,433</u>	<u>\$ 179,637</u>	<u>\$ 4,841,796</u>
CHANGES IN NET POSITION			
Operating revenues	\$ 659,107	\$ 300,850	\$ 358,257
Operating expenses	<u>479,539</u>	<u>(34,270)</u>	<u>513,809</u>
Operating loss	179,568	335,120	(155,552)
Non-operating income (expense)	<u>69</u>	<u>7,511</u>	<u>(7,442)</u>
Change in net position	179,637	342,631	(162,994)
Net position – Beginning of year	<u>4,841,796</u>	<u>(162,994)</u>	<u>5,004,790</u>
Net position – End of year	<u>\$ 5,021,433</u>	<u>\$ 179,637</u>	<u>\$ 4,841,796</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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2020 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;
- 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; and
- Participated in targeted industry and sector events;

2021 GOALS

- Continue to work redeveloping Oneonta Rail Yards with partners including Norfolk Southern and the City of Oneonta;
- Continue advancing all Oneonta DRI projects, including the Food & Beverage Innovation Center, the Transit Hub, Market Street streetscape improvements, the Westcott Lot building, and all other related initiatives;
- Aggressively market shovel-ready sites at Oneonta Business Park;
- Continue to conduct annual business retention and site visits to existing companies in Otsego County;
- Aggressively market shovel – ready sites at Oneonta Business Park;
- 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; and
- Form relationships with strategic partners across the Region and State in order to promote job-creation and economic development throughout Otsego County.

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  
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COMBINED STATEMENT OF NET POSITION

December 31, 2020

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ASSETS

Current assets:

Cash and cash equivalents	\$ 541,025
Certificate of deposit	359,659
Accrued interest receivable	1,391
Grants receivable	229,255
Prepaid expenses	7,287
Notes receivable - Current portion (net of allowance for bad debts of \$208,974)	22,753
Total current assets	<u>1,161,370</u>

Capital assets, net	<u>3,957,612</u>
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Other assets:

Notes receivable - Long term (net of allowance for bad debts of \$22,958)	<u>13,484</u>
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Total assets	<u>5,132,466</u>
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LIABILITIES AND NET POSITION

Liabilities:

Accounts payable	59,288
Accrued expense	1,700
Security deposits	15,035
Total liabilities	<u>76,023</u>

Deferred inflows of resources:

Unearned revenue	<u>35,010</u>
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Net position:

Investment in unrestricted capital assets, net of debt	3,957,612
Unrestricted net assets	<u>1,063,821</u>

Total net position	<u>\$ 5,021,433</u>
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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, 2020

Operating revenues:

Interest income on loans	\$ 1,628
Rental of real property	117,783
Economic development program support	395,271
Administrative, PILOT, bond and loan application fees	131,391
Other operating income	13,034
Total operating revenues	<u>659,107</u>

Operating expenses:

Payroll taxes	11,976
Accounting fees	20,648
Professional fees - Economic development	96,000
Professional fees - Other	1,440
Marketing and promotion	16,060
Salaries and wages	150,423
Membership dues and subscriptions	5,478
Office expenses	5,812
Computer and equipment expenses	10,382
Telephone	480
Office rent	49,400
Travel, seminars and training	1,687
Rental expenses	735
Insurance	22,566
Utilities	4,881
Repairs and maintenance - Business park	5,426
Maintenance - WNSC fields	1,475
Depreciation expense	73,674
Other expenses	996
Total operating expenses	<u>479,539</u>

Net operating income	<u>179,568</u>
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Non-operating revenues (expenses):

Other interest income	476
Interest expense	(407)
Grant income	64,245
Grants expended	(64,245)
Total non-operating revenues (expenses)	<u>69</u>

Net income	179,637
Net position - Beginning of year	<u>4,841,796</u>
NET POSITION - END OF YEAR	<u><u>\$ 5,021,433</u></u>

See accompanying notes.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
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COMBINED STATEMENT OF CASH FLOWS

Year Ended December 31, 2020

Cash flows from operating activities:	
Receipts from interest - Notes receivable	\$ 1,628
Receipts from rents	112,783
Receipts from program support	395,271
Receipts from fees	131,391
Receipts from other sources	13,034
Payments to employees	(166,399)
Payments to suppliers and services	(243,342)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>244,366</u>
Cash flows from noncapital financing activities:	
Net grants received	35,010
Net line of credit activity	(256,129)
Principal payments received on notes receivable	34,920
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	<u>(186,199)</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(11,300)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(11,300)</u>
Cash flows from investing activities:	
Interest and earnings	476
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>476</u>
NET INCREASE IN CASH	47,343
Cash - Beginning of year	<u>493,682</u>
Cash - End of year	<u><u>\$ 541,025</u></u>
Reconciliation of net operating income (loss) to net cash provided by (used in) operation activities:	
Net operating income (loss)	\$ 179,568
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Depreciation	73,674
(Increase) decrease in prepaid expenses	(2,341)
Increase (decrease) in accounts payable and commitments	(1,535)
Increase (decrease) in unearned revenue	(5,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 244,366</u></u>

See accompanying notes.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
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NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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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.

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NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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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, 2020

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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 is 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, 2020

---

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.”

Statements 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

On May 8, 2020, GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by COIDA have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by COIDA for the year ended December 31, 2020.

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

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022;
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of the Construction Period*, which will be effective for the year ending December 31, 2021;
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022;
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022;
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022;
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, which will be effective for the year ending December 31, 2023;
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023; and
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

---

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

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.

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 in inflow of resources (revenue) until that time. COIDA has only one type of item that qualifies for reporting in this category. It is related to unearned revenue, see Note 14 – Unearned Revenue.

Events Occurring After Reporting Date

COIDA has evaluated subsequent events through March 25, 2021, which is the date the financial statements were available to be issued.

NOTE 3    CERTIFICATE OF DEPOSIT

At December 31, 2020, COIDA had one certificate of deposit totaling \$359,659. There is no interest earned on this certificate of deposit, as the interest rate is 0% and it matures on August 27, 2021.

NOTE 4    BUSINESS PARKS

COIDA is 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 2020, there were no vacant privately owned 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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 5    CAPITAL ASSETS

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Buildings	\$ 2,173,393	\$ 664,227	\$ 1,509,166
Improvements	210,769	200,089	10,680
Office equipment	<u>149,804</u>	<u>130,868</u>	<u>18,936</u>
Total depreciable capital assets	2,533,966	995,184	1,538,782
Land	1,229,912	-	1,229,912
Land improvements	<u>935,603</u>	<u>-</u>	<u>935,603</u>
Capital assets, net	<u>\$ 4,699,481</u>	<u>\$ 995,184</u>	<u>\$ 3,704,297</u>

Depreciation expense amounted to \$73,674 for the year ended December 31, 2020.

ORYLDC's capital assets consisted of 79.41 acres of land on Round House Road with a cost of \$253,315 as of December 31, 2020.

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 \$5,000.

Rental income from this property was \$60,000 for the year ended December 31, 2020. The lease has been renewed for 2021.

COIDA approved a new five-year use agreement with Oneonta Youth Soccer Association (OYSA) for the use of the soccer fields through December 31, 2025. COIDA paid \$1,475 during the year ended December 31, 2020 for facility maintenance. This agreement was renewed for an additional 5 year term. Future plans for this property are undecided. COIDA is looking for opportunities to make this property more of a year-round venue.

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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>12/31/20 Principal</u>
Enviro Energy	4.0%	\$ 740	08-2023	\$ 45,953
Oneonta Theater	4.0%	1,012	08-2020	85,979
Brooks' Bottling Company	2.0%	1,939	07-2022	36,237
Foothills PAC	0.0%	1,667	06-2019	<u>100,000</u>
Subtotal				268,169
Less: Allowance for bad debts				<u>(231,932)</u>
Total				36,237
Less: Current portion				<u>(22,753)</u>
Total long-term portion, net				<u>\$ 13,484</u>

NOTE 8 LINE OF CREDIT

COIDA has available a line of credit with Community Bank, N.A. in the amount of \$300,000, which is renewed annually. Bank advances on the line of credit are payable on demand and carry an interest rate of 5.75% as of December 31, 2020. The line of credit is secured by the borrowers' certificate of deposit with Community Bank, N.A. This line of credit was used to finance the purchase of land for the Oneonta Rail Yards Local Development Corporation (ORYLDC) during 2017 (See Note 13). This line of credit was fully repaid in 2020.

NOTE 9 LEASES

Lessor

COIDA was a lessor in a 36-month operating lease agreement for the industrial incubator building through May 2020. The monthly rent was \$5,000. COIDA received rental income under this lease in the amount of \$35,000 for the year ended December 31, 2020. This lease was terminated in July 2020 and the organization has vacated the building.

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 expires on December 31, 2022. Monthly payments were \$4,117 for 2020. 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 2020 was \$49,400.

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 9    LEASES (Cont'd.)

Sublease of Office Space

COIDA has the following sublease agreement for office space during 2020:

<u>Term</u>		<u>Monthly Payment</u>	<u>Number of Months</u>	<u>Total Rents Received in 2020</u>
02/01/18 – To Prime Lease Expiration Date	*** \$	1,000	3	\$ 3,000
06/01/18 – To Prime Lease Expiration Date		100	12	1,200
08/01/18 – To Prime Lease Expiration Date	*	1,050	12	12,600
01/29/19 – To Prime Lease Expiration Date	**	500	11 + partial month	5,983

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

\*\*    \$50 of this amount is being paid to lessor.

\*\*\*   The sublease was broken and the organization vacated the premises in early 2020.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

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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, 2020.

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.

NOTE 13 RELATED PARTY TRANSACTIONS

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

In 2020, OCCRC paid administrative fees to COIDA in the amount of \$42,905. OCCRC also issued an additional \$25,000 grant to COIDA in connection with the COVID-19 Emergency Recovery Fund.

During 2017, ORYLDC utilized COIDA's line of credit to purchase 79.41 acres of vacant commercial land to induce investment and industry as well as to increase employment opportunities in Otsego County. ORYLDC fully repaid the IDA during the year ended December 2020.

NOTE 14 UNEARNED REVENUE

During 2020, COIDA received grant funds totaling \$50,000 to administer an emergency COVID PPE Recovery Fund. As of December 31, 2020, \$35,010 of those funds remain unearned.

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2020

NOTE 15 DEFERRED COMPENSATION PLAN

COIDA has a deferred compensation plan available for employees created under Internal Revenue Code Section 457(b). This plan is administered and accounted for by New York State. Employees may withdraw the current value of their contributions when they terminate employment. This plan allows employees to defer a portion of their salary until future years. Participation is optional and participants elect how their salary deferrals are invested.

NOTE 16 OTHER OPERATING INCOME

The detail for other income is as follows as of December 31:

Expense reimbursement and refunds	\$ 625
Bad debt recoveries	<u>12,409</u>
Total other income	<u>\$ 13,034</u>

NOTE 17 COVID – 19

Beginning around March 2020, the COVID – 19 virus had been declared a global pandemic as it continues to spread rapidly. COIDA is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact if this unprecedented situation.

\* \* \* \* \*



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

COMBINING STATEMENT OF NET POSITION

Year Ended December 31, 2020

<u>ASSETS</u>	<u>COIDA</u>	<u>ORYLDC</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 541,025	\$ -	\$ 541,025
Certificate of deposit	359,659	-	359,659
Accrued interest receivable	1,391	-	1,391
Grants receivable	229,255	-	229,255
Prepaid expenses	7,287	-	7,287
Notes receivable - Current portion (net of allowance for bad debts of \$208,974)	22,753	-	22,753
Total current assets	<u>1,161,370</u>	<u>-</u>	<u>1,161,370</u>
Capital assets, net	<u>3,704,297</u>	<u>253,315</u>	<u>3,957,612</u>
Other assets:			
Notes receivable - Long term (net of allowance for bad debts of \$22,958)	13,484	-	13,484
Total assets	<u>4,879,151</u>	<u>253,315</u>	<u>5,132,466</u>
 <u>LIABILITIES AND NET POSITION</u>			
Liabilities:			
Accounts payable	59,288	-	59,288
Accrued expense	1,700	-	1,700
Security deposits	15,035	-	15,035
Total liabilities	<u>76,023</u>	<u>-</u>	<u>76,023</u>
Deferred inflows of resources:			
Unearned revenue	<u>35,010</u>	<u>-</u>	<u>35,010</u>
Net position:			
Investment in unrestricted capital assets, net of debt	3,704,297	253,315	3,957,612
Unrestricted net assets	<u>1,063,821</u>	<u>-</u>	<u>1,063,821</u>
Total net position	<u><u>\$ 4,768,118</u></u>	<u><u>\$ 253,315</u></u>	<u><u>\$ 5,021,433</u></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, 2020

	COIDA	ORYLDC	Total
Operating revenues:			
Interest income on loans	\$ 1,628	\$ -	\$ 1,628
Rental of real property	117,783	-	117,783
Economic development program support	91,057	304,214	395,271
Administrative, PILOT, bond and loan application fees	131,391	-	131,391
Other operating income	13,034	-	13,034
Total operating revenues	<u>354,893</u>	<u>304,214</u>	<u>659,107</u>
Operating expenses:			
Payroll taxes	11,976	-	11,976
Accounting fees	20,648	-	20,648
Professional fees - Economic development	96,000	-	96,000
Professional fees - Other	1,440	-	1,440
Marketing and promotion	16,060	-	16,060
Salaries and wages	150,423	-	150,423
Membership dues and subscriptions	5,478	-	5,478
Office expenses	5,812	-	5,812
Computer and equipment expenses	10,382	-	10,382
Telephone	480	-	480
Office rent	49,400	-	49,400
Travel, seminars and training	1,687	-	1,687
Rental expenses	735	-	735
Insurance	22,566	-	22,566
Utilities	4,881	-	4,881
Repairs and maintenance - Business park	5,426	-	5,426
Maintenance contract - WNSC fields	1,475	-	1,475
Depreciation expense	73,674	-	73,674
Other expenses	996	-	996
Total operating expenses	<u>479,539</u>	<u>-</u>	<u>479,539</u>
Net operating income (loss)	<u>(124,646)</u>	<u>304,214</u>	<u>179,568</u>
Non-operating revenues (expenses):			
Other interest income	476	-	476
Interest expense	-	(407)	(407)
Grant income	64,245	-	64,245
Grants expended	(64,245)	-	(64,245)
Total non-operating revenues (expenses)	<u>476</u>	<u>(407)</u>	<u>69</u>
Net income (loss)	(124,170)	303,807	179,637
Net position - Beginning of year	<u>4,892,288</u>	<u>(50,492)</u>	<u>4,841,796</u>
NET POSITION - END OF YEAR	<u>\$ 4,768,118</u>	<u>\$ 253,315</u>	<u>\$ 5,021,433</u>

See accompanying notes.

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY  
SCHEDULE OF SUPPLEMENTAL BOND AND NOTE INFORMATION

Year Ended December 31, 2020

<u>Purchaser</u>	<u>Issuee</u>	<u>Issue Date</u>	<u>Issue Amount</u>	<u>Rate</u>	<u>Balance</u>	<u>Due Date</u>
Wells Fargo	St. James Retirement Community Oneonta, New York 13820	9/3/1998	\$ 4,080,000	Variable	\$ 345,000	8/1/2023
Bond Purpose:	Construction					

See auditors' report.

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

Year Ended December 31, 2020

Project Owner Project Owner Address	Purpose	Issue Date	Due Date	Sales Tax Exemptions	
				State	Local
Elizabeth Hotels, Inc. Market Street Oneonta, NY 13820	Acquisition and construction of building	3/1/2000	2/5/2021	\$ -	\$ -
Lutz Feed Company, Inc Lower River Street Oneonta, NY 13820	Acquisition and construction of building	5/17/2004	5/17/2019	-	-
Brewery Ommegang County Hwy 33 Cooperstown, NY 13326	Acquisition and construction of warehouse building(only)	2/25/2011	1/25/2026	-	-
The Plains LLC St Hwy 7 Oneonta, NY 13820	Acquisition and Construction of Building	2/25/2011	1/25/2021	-	-
Klugo Oneonta 11849 East Corning Road Corning, NY 14830	Acquisition, Demo and Renovation of Building	2/1/2013	12/31/2028	-	-
Hillside Commons Oneonta 300 Plaza Drive Vestal, NY 13851	Construction of Student Housing	10/1/2014	10/1/2030	-	-
Focus Ventures 84 Route 59, Suite 102 Suffern, NY 10901	Acquisition and renovation of nursing home	9/1/2014	12/31/2040	-	-
Northern Eagle, LLC 7 Railroad Avenue Oneonta, NY 13820	Construction of warehouse and office building	12/18/2015	12/31/2026	-	-
Corning Property Management Co. 1 Riverfront Plaza Corning, NY 14831	Phase One Expansion Project	12/20/2018	3/20/2020	60,166	60,166
				<u>\$ 60,166</u>	<u>\$ 60,166</u>

See auditors' report.

Tax Exemptions							
Real Property Tax		Total		Payment in Lieu of Taxes			
County	Local	School	Exemptions	County	Local	School	Total
\$ 14,795	\$ 50,139	\$ 93,405	\$ 158,339	\$ 11,562	\$ 39,183	\$ 72,995	\$ 123,740
1,119	1,084	8,102	10,305	839	823	6,077	7,739
21,076	19,858	117,703	158,637	18,945	17,850	105,802	142,597
41,707	40,412	302,104	384,223	30,318	29,376	219,608	279,302
3,148	9,710	19,873	32,731	1,889	5,826	11,924	19,639
56,662	174,782	357,722	589,166	23,544	68,492	122,002	214,038
48,109	8,739	224,679	281,527	13,210	2,400	61,695	77,305
5,992	5,806	43,405	55,203	779	755	5,646	7,180
-	-	-	-	-	-	-	-
<u>\$ 192,608</u>	<u>\$ 310,530</u>	<u>\$ 1,166,993</u>	<u>\$ 1,670,131</u>	<u>\$ 101,086</u>	<u>\$ 164,705</u>	<u>\$ 605,749</u>	<u>\$ 871,540</u>

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

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

Year Ended December 31, 2020

	# of FTE Employees at Project Location before IDA Status	Original Estimate of Jobs to be Created
Issue:		
St. James Retirement Community 1998	-	10
Project Owner:		
Focus Ventures	132	25
Hillside Commons	3	3
Elizabeth Hotels, Inc.	-	25
Lutz Feed Co., Inc./Stephen Lutz	25	4
Brewery Ommegang	28	10
The Plains LLC	-	25
Northern Eagle	35	4
Klugo Oneonta, LLC	-	2
Corning Property Management Co.	<u>175</u>	<u>0</u>
	<u>398</u>	<u>108</u>

\* Construction jobs created

See auditors' report.

<u>Original Estimate of Jobs to be Retained</u>	<u># of Current FTE Employees</u>	<u># of FTE Jobs Created During Fiscal Year</u>	<u># of FTE Jobs Retained During Fiscal Year</u>
-	5	2	-
132	180	3	132
3	8	-	3
-	2	-	-
25	33	-	25
28	28	-	28
-	36	-	-
35	48	1	35
-	1	-	-
<u>0</u>	<u>175</u>	<u>0</u>	<u>0</u>
<u>223</u>	<u>516</u>	<u>6</u>	<u>223</u>

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

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*

To the Board of Directors  
County of Otsego Industrial Development Agency  
189 Main Street, Suite 500  
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, 2020, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2021.

**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 and therefore, material weaknesses or significant deficiencies may exist that have not been 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 response as Item 2020 – 1.



## **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*.

## **Response to Finding**

COIDA's response to the finding, identified in our audit is described in the accompanying schedule of findings and response, COIDA's response was not subjected to the auditing procedures applied in the audit of 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.

*Mistert, Manzanero & Scott, LLP*

Oneonta, New York  
March 25, 2021

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

SCHEDULE OF FINDING AND RESPONSE

Year Ended December 31, 2020

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2020 – 1	<u>Unrecorded Prior Year Adjusting Journal Entries</u>
Condition:	Adjusting journal entries from prior years had not been made, or had been made incorrectly, resulting in the accounting records being materially misstated.
Criteria:	At the conclusion of our audit, the proposed adjusting journal entries should be made to COIDAs 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 make the financial reports generated by the accounting system as meaningful as possible, we recommend that all adjusting journal entries from our audit be posted to COIDA's accounting records. COIDA's financial records should then be compared to the audited financial statements to ensure that they were properly 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 FINDING AND RESPONSE

Year Ended December 31, 2020

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2019 – 1                      Investment Record Keeping and Reporting

Condition:                      COIDA has not recorded interest income on the certificate of deposit with Community Bank for several years. This year the interest earned was more significant. The year-end balance for this account was adjusted by \$6,171. The amount included \$4,006 of interest for 2019 and the balance was unrecorded interest from prior years.

Criteria:                        COIDA should comply with its investment policy and investment guidelines provided by the Office of the State Comptroller. Adequate accounts and records should be maintained which accurately reflect all transactions for its investment accounts.

Effect:                            Unrecorded transactions can lead to inaccurate investment reporting.

Recommendations: We recommend that COIDA keep prior records for all investments and all earnings be recorded to reflect an accurate balance of the investment account at least annually.

Management

Response:                        The general ledger balance in the future will be adjusted to reflect the interest earned on this account.

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

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

To the Board of Directors  
County of Otsego Industrial Development Agency  
189 Main Street, Suite 500  
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, 2020. 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, 2020.

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 25, 2021