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Gina Gardner, Marketing Coordinator * Nasim Vargha, 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 /OCCRC/ORYLDC SPECIAL BOARD AGENDA
THURSDAY, MARCH 9TH, 2023**

- ROLL CALL
- CHAIR'S REMARKS
- NEW AND UNFINISHED BUSINESS
 - Approving the COIDA 2022 Audit
 - Approving the OCCRC 2022 Audit
 - Approving the ORYLDC 2022 Audit
- PUBLIC COMMENT PERIOD
- ADJOURNMENT

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MMS

MOSTERT, MANZANERO & SCOTT, LLP
Certified Public Accountants

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

March 8, 2023

County of Otsego Industrial Development Agency
189 Main St, Ste. 500
Oneonta, NY 13820

Enclosed are "Draft" copies of the audited financial statements, report to board and management representation letter with adjusting journal entries, if applicable, for the County of Otsego Industrial Development Agency for the year-end financial statements.

We ask that management please review the documents and respond within the next two weeks. Your response within this time frame is critical as auditing standards require us to perform additional audit procedures resulting in increased fees if we do not receive a timely response. If you have any questions, please do not hesitate to contact our office.

Once you have completed your review, please sign and date your consent below. After you have returned the signed consent letter, we will forward to you **final dated** management representation letter for your signature. Please email your reply to us or fax it to us at (607) 432-5122.

Sincerely yours,

Mostert, Manzanero & Scott, LLP
Mostert, Manzanero & Scott, LLP

To: Mostert, Manzanero & Scott, LLP, CPAs

I have reviewed the "Draft" copies of the financial statements including the note disclosures, the report to the board and the management representation letter with adjusting journal entries, if applicable and confirm that we will be signing the management representation letter.

Name and Title

Date

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

FINANCIAL STATEMENTS

Year Ended December 31, 2022

DRAFT

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

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the County of Otsego Industrial Development Agency (A component Unit of Otsego County, New York) (COIDA) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the COIDA's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the COIDA as of December 31, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of COIDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about COIDA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of COIDA's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about COIDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March , 2023; 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 , 2023, 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 , 2023

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2022. 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 2022 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 net operating loss for COIDA was \$(21,562) for fiscal year 2022, compared to net operating income of \$76,809 for the fiscal year 2021. This represents a decrease in revenues of \$43,069 and an increase in expenses of \$55,302.

The decrease in operating revenues was mostly attributable to:

- Decrease in interest income on notes of \$427;
- Increase in rental income of \$10,590;
- Decrease in other income of \$124;
- Decrease in fee revenue of \$23,999;
- Decrease in economic development support of \$75,062; and
- Increase in bad debt recoveries of \$45,953.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The increase in operating expenses was mostly attributable to:

- Increase in insurance of \$13,276;
- Increase in computer expense of \$349;
- Decrease in rental expense of \$3,734;
- Increase in professional fees of \$30,911;
- Decrease in marketing expense of \$2,651;
- Increase in travel, seminar and training of \$359;
- Decrease in depreciation and amortization expenses of \$503;
- Increase in membership dues and subscriptions of \$2,238;
- Increase in payroll and payroll related expenses of \$12,289;
- Decrease in repairs and maintenance of \$1,381; and
- Increase in other expenses of \$4,149.

At the close of fiscal year 2022, COIDA had net position of \$5,079,224, a decrease of \$20,241 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 \$13,484 from \$13,484 at year-end 2021 to \$-0- at year-end 2022.

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

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 2022 budget to the ABO in October 2022. 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Real Property

COIDA's 40-plus "shovel-ready", developable acres in the Oneonta Business Park continues to be marketed aggressively by staff. The IDA is now in discussion with a manufacturing company to purchase one or more lots in the Park. In addition, COIDA's vacant spec building, also in the Oneonta Business Park, which was occupied by Siemens Medical for 20 years, was leased in early 2017 by Hale Transportation. During 2020, Hale Transportation, due to decline in ridership due to COVID-19, decided not to renew its lease. Staff have been working on marketing the facility to several other potential tenants and in 2021 Burr Trucking leased the facility. IOXUS renewed their lease from the IDA the building which formerly housed the Soccer Hall of Fame, and the IDA finalized a new five-year use agreement with the Oneonta Soccer Club to provide limitless access to the high-quality soccer fields on the property, for their use for training, tournaments and events. In addition, the IDA subleased part of its office space at 189 Main Street to Southern Tier 8 (a regional planning agency) and the Center for Agriculture, Development and Entrepreneurship (CADE) and in 2022 rented space to the International Food & Policy Research Institute.

Oneonta Rail Yards

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

Workforce Development

In 2020, the Workforce Development Center (the "Center") continued its focus to conduct training programs being carried out by the NYS Small Business Development Center, the Otsego County Chamber of Commerce, SUNY Broome, the NYS Department of Labor and the Center for Agriculture, Development and Entrepreneurship (CADE) using the IDA's facilities and the IDA computers and other equipment. In 2022 the IDA, using an Appalachian Regional Commission grant of \$150,000 began its innovation/acceleration center at their offices.

Marketing Efforts

During 2020, COIDA initiated a new digital marketing campaign to downstate residents and businesses. Several new landing pages were developed along with videos of Otsego County. This effort will continue through 2022. Also, a marketing campaign for the IDA's new innovation/acceleration center was developed.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Grant Submissions

The COIDA also worked on securing a \$300,000 ESD Capital Grant for new country-wide micro-enterprise grant program for small businesses.

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. In 2021, the IDA approved financial assistance to Corning for a \$14.7 million expansion. Construction is expected to be completed in 2023.

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

2022 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 2021. The tourism industry as well as support services were particularly hit hard. Even manufacturing was affected due to supply chain issues. Locally, most businesses are not growing, whether by circumstance or by choice and the population is stagnant or declining, making growth 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 2022, our goals remain in conjunction with the Governor Regional Economic Development Councils and the commitment to develop and participate in regional strategic plans, to work to attract private investment and well-paying jobs, and to build a pipeline for targeted economic development initiatives.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a summary of COIDA's financial position at December 31, 2022 and 2021:

NET POSITION	<u>2022</u>	Increase/ Decrease Prior Year	<u>2021</u>
Current assets	\$ 1,269,740	\$ 8,127	\$ 1,261,613
Non-current assets	<u>3,841,106</u>	<u>(53,237)</u>	<u>3,894,343</u>
Total assets	<u>5,110,846</u>	<u>(45,110)</u>	<u>5,155,956</u>
Current liabilities	24,760	(31,731)	56,491
Non-current liabilities	<u>6,862</u>	<u>6,862</u>	-
Total liabilities	<u>31,622</u>	<u>(24,869)</u>	<u>56,491</u>
Invested in capital assets:			
Net of related debt	3,832,540	(61,803)	3,894,343
Unrestricted	<u>1,246,684</u>	<u>41,562</u>	<u>1,205,122</u>
Total net position	<u>\$ 5,079,224</u>	<u>\$ (20,241)</u>	<u>\$ 5,099,465</u>
 CHANGES IN NET POSITION			
Operating revenues	\$ 478,924	\$ (43,069)	\$ 521,993
Operating expenses	<u>500,486</u>	<u>55,302</u>	<u>445,184</u>
Operating income (loss)	(21,562)	(98,371)	76,809
Non-operating income	<u>1,321</u>	<u>98</u>	<u>1,223</u>
Change in net position	(20,241)	(98,273)	78,032
Net position – Beginning of year	<u>5,099,465</u>	<u>78,032</u>	<u>5,021,433</u>
Net position – End of year	<u>\$ 5,079,224</u>	<u>\$ (20,241)</u>	<u>\$ 5,099,465</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

2022 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;

2023 GOALS

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

Requests for Information

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

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

COMBINED STATEMENT OF NET POSITION

draft

December 31, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 737,261
Certificate of deposit	361,841
Rents receivable	5,000
Grants receivable	150,000
Prepaid expenses	15,638
Total current assets	<u>1,269,740</u>

Capital assets, net

3,841,106

Total assets

5,110,846

LIABILITIES AND NET POSITION

Current liabilities:

Accounts payable	4,171
Accrued expense	3,850
Lease liability - Current	1,704
Security deposits	15,035
Total current liabilities	<u>24,760</u>

Long term liabilities:

Lease liability - Long term	6,862
Total long term liabilities	<u>6,862</u>

Total liabilities

31,622

Net position:

Investment in unrestricted capital assets, net of debt	3,832,540
Unrestricted net assets	<u>1,246,684</u>

Total net position

\$ 5,079,224

See accompanying notes.

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

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET POSITION

draft

Year Ended December 31, 2022

Operating revenues:	
Interest income on loans	\$ 90
Rental of real property	136,340
Administrative, PILOT, bond and loan application fees	296,541
Bad debt recovery	45,953
Total operating revenues	478,924
Operating expenses:	
Payroll taxes	13,121
Accounting fees	20,385
Professional fees - Economic development	90,903
Professional fees - Other	1,676
Marketing and promotion	6,519
Salaries and wages	165,146
Membership dues and subscriptions	12,716
Office expenses	5,696
Computer and equipment expenses	7,233
Telephone	520
Office rent	49,400
Travel, seminars and training	2,571
Rental expenses	1,657
Insurance	45,450
Utilities	7,138
Repairs and maintenance - Business park	5,017
Depreciation expense	61,803
Amortization expense	963
Other expenses	2,572
Total operating expenses	500,486
Net operating loss	(21,562)
Non-operating revenues (expenses):	
Other interest income	1,533
Interest expense	(212)
Grant income	19,800
Grants expended	(19,800)
Total non-operating revenues	1,321
Net loss	(20,241)
Net position - Beginning of year	5,099,465
NET POSITION - END OF YEAR	\$ 5,079,224

See accompanying notes.

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

COMBINED STATEMENT OF CASH FLOWS

draft

Year Ended December 31, 2022

Cash flows from operating activities:	
Receipts from interest - Notes receivable	\$ 90
Receipts from rents	131,340
Receipts from fees	296,541
Receipts from bad debt recovery	45,953
Payments to employees	(176,771)
Payments to suppliers and services	(260,962)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>36,191</u>
Cash flows from financing activities:	
Net grants received	(742)
Principal payments received on notes receivable	13,484
Purchase of capital assets	(8,566)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>4,176</u>
NET INCREASE IN CASH	40,367
Cash - Beginning of year	<u>696,894</u>
Cash - End of year	<u>\$ 737,261</u>
Reconciliation of net operating income to net cash provided by (used in) operation activities:	
Net operating loss	\$ (21,562)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	61,803
Amortization	963
(Increase) decrease in accrued interest receivable	1,391
(Increase) decrease in rents receivable	(5,000)
(Increase) decrease in prepaid expenses	(11,143)
(Increase) decrease in grants receivable	34,608
Increase (decrease) in accounts payable and commitments	(24,869)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 36,191</u>

See accompanying notes.

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 1 ORGANIZATION

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2022

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, 2022

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

Capital Assets

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

Use of Estimates

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

Revenues and Expenses Classifications

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

Unearned Revenues

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

Prepaid Expenses

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

Income Taxes

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2022

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, the 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 the IDA have been updated below to reflect the impact of this Statement. The IDA implemented the following GASB Statements for the year ended December 31, 2022:

- Statement No. 87, *Leases*.
- Statement No. 92, *Omnibus 2020*.

The IDA has evaluated the following new GASB Statements and has determined that there is no significant impact for the year ended December 31, 2022.

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.
- Statement No. 91, *Conduit Debt Obligations*.
- Statement No. 93, *Replacement of Interbank Offered Rates*.
- 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*.

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2022

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

Accounting Pronouncements

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

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment 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.

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.

Events Occurring After Reporting Date

COIDA has evaluated subsequent events through March , 2023, which is the date the financial statements were available to be issued.

NOTE 3 CERTIFICATE OF DEPOSIT

At December 31, 2022, COIDA had one certificate of deposit totaling \$361,841. Interest is at a rate of .20% and it matures on March 30, 2023.

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 2022, 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, 2022

NOTE 5 CAPITAL ASSETS

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

	Cost	Accumulated Depreciation	Book Value
Buildings	\$ 2,173,393	\$ 772,821	\$ 1,400,572
Improvements	210,768	201,615	9,153
Office equipment	149,805	145,820	3,985
Intangible right to use asset	9,528	962	8,566
Total depreciated/amortized capital assets	2,543,494	1,121,218	1,422,276
Land	1,229,912	-	1,229,912
Land improvements	935,603	-	935,603
ORYLDC – Round House Road	253,315	-	253,315
Capital assets, net	\$ 4,962,324	\$ 1,121,218	\$ 3,841,106

Depreciation and amortization expense amounted to \$62,766 for the year ended December 31, 2022.

In 2022, the IDA implemented GASB No. 87, *Leases* and accordingly reports a copier lease as an intangible right to use asset along with corresponding amortization.

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, 2022.

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.	1,560,810
Total	1,800,000
Land – Soccer fields – 33.74 acres	442,000
Building – Concession stand	78,000
Total	520,000
Total land and building	\$ 2,320,000

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 is \$5,000 for a total of \$60,000 for the year ended December 31, 2022. The lease has been renewed for 2023.

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 \$-0- during the year ended December 31, 2022 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, 2022

NOTE 7 NOTES RECEIVABLE

Notes receivable consisted of the following at December 31:

Borrower	Interest Rate	Monthly Payment	Maturity	12/31/22 Principal
Oneonta Theater	4.0%	\$ 1,012	08-2020	\$ 85,979
Foothills PAC	0.0%	1,667	06-2019	<u>100,000</u>
Subtotal				185,979
Less: Allowance for bad debts				<u>(185,979)</u>
Total				<u>\$ -</u>

NOTE 8 SHORT-TERM LEASES

Lessor

COIDA was a lessor in a 12-month operating lease agreement for the industrial incubator building that expired February 28, 2022. The monthly rent is \$4,295. COIDA received rental income under this lease in the amount of \$51,540 for the year ended December 31, 2022. This lease was not renewed until March 1, 2023.

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

Lessee

COIDA has a lease agreement for office space that expired on December 31, 2022. Monthly payments were \$4,117 for 2022. 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 2022 was \$49,400. This lease was renewed for an additional 24 month period.

Sublease of Office Space

COIDA has the following sublease agreement for office space during 2022:

Term	Monthly Payment	Number of Months	Total Rents Received in 2022
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 **	750	12	9,000
09/01/22 – To Prime Lease Expiration Date	500	4	2,000

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 9 LEASE LIABILITY

In 2022, the IDA implemented GASB No. 87 – *Leases* and accordingly reports a lease liability. In 2022, the IDA entered into a 5-year agreement to lease office equipment. The unpaid balance at December 31, 2022 was \$8,566. The following is a schedule of future minimum lease payments for leased assets, together with the net present value of the minimum lease payments as of December 31, 2022:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,704	\$ 311
2024	1,773	242
2025	1,845	170
2026	1,920	95
2027	<u>1,324</u>	<u>18</u>
Minimum lease payments – Leased assets	8,566	<u>\$ 836</u>
Less: Lease liability current	<u>(1,704)</u>	
Lease liability – long-term	<u>\$ 6,862</u>	

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 civic 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, 2022

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, 2022.

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 2022, OCCRC paid administrative fees to COIDA in the amount of \$42,905.

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

COMBINING STATEMENT OF NET POSITION

Year Ended December 31, 2022

draft

<u>ASSETS</u>	<u>COIDA</u>	<u>ORYLDC</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 737,261	\$ -	\$ 737,261
Certificate of deposit	361,841	-	361,841
Rents receivable	5,000	-	5,000
Grants receivable	150,000	-	150,000
Prepaid expenses	15,638	-	15,638
Total current assets	1,269,740	-	1,269,740
Capital assets, net	3,587,791	253,315	3,841,106
Total assets	4,857,531	253,315	5,110,846
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable	4,171	-	4,171
Accrued expense	3,850	-	3,850
Lease liability - Current	1,704	-	1,704
Security deposits	15,035	-	15,035
Total current liabilities	24,760	-	24,760
Long term liabilities:			
Lease liability - Long term	6,862	-	6,862
Total long term liabilities	6,862	-	6,862
Total liabilities	31,622	-	31,622
Net position:			
Investment in unrestricted capital assets, net of debt	3,579,225	253,315	3,832,540
Unrestricted net assets	1,246,684	-	1,246,684
Total net position	\$ 4,825,909	\$ 253,315	\$ 5,079,224

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

draft

Year Ended December 31, 2022

	COIDA	ORYLDC	Total
Operating revenues:			
Interest income on loans	\$ 90	\$ -	\$ 90
Rental of real property	136,340	-	136,340
Administrative, PILOT, bond and loan application fees	296,541	-	296,541
Bad debt recovery	45,953	-	45,953
Total operating revenues	478,924	-	478,924
Operating expenses:			
Payroll taxes	13,121	-	13,121
Accounting fees	20,385	-	20,385
Professional fees - Economic development	90,903	-	90,903
Professional fees - Other	1,676	-	1,676
Marketing and promotion	6,519	-	6,519
Salaries and wages	165,146	-	165,146
Membership dues and subscriptions	12,716	-	12,716
Office expenses	5,696	-	5,696
Computer and equipment expenses	7,233	-	7,233
Telephone	520	-	520
Office rent	49,400	-	49,400
Travel, seminars and training	2,571	-	2,571
Rental expenses	1,657	-	1,657
Insurance	45,450	-	45,450
Utilities	7,138	-	7,138
Repairs and maintenance - Business park	5,017	-	5,017
Depreciation expense	61,803	-	61,803
Amortization expense	963	-	963
Other expenses	2,572	-	2,572
Total operating expenses	500,486	-	500,486
Net operating loss	(21,562)	-	(21,562)
Non-operating revenues (expenses):			
Other interest income	1,533	-	1,533
Interest expense	(212)	-	(212)
Grant income	19,800	-	19,800
Grants expended	(19,800)	-	(19,800)
Total non-operating revenues	1,321	-	1,321
Net loss	(20,241)	-	(20,241)
Net position - Beginning of year	4,846,150	253,315	5,099,465
NET POSITION - END OF YEAR	\$ 4,825,909	\$ 253,315	\$ 5,079,224

See accompanying notes.

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

Year Ended December 31, 2022

draft

Purchaser	Issuee	Issue Date	Issue Amount	Rate	Balance	Due Date
Wells Fargo	St. James Retirement Community Oneonta, New York 13820	9/3/1998	\$ 4,080,000	Variable	\$ -	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, 2022

draft

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	3/20/2035	-	-
Corning Property Management Co. 1 Riverfront Plaza Corning, NY 14831	Phase Two Expansion Project	8/1/2021	12/31/2038	-	-
Springbrook Ford Block Building Main Street Portlandville, NY 13834	Acquisition and Renovation for Market Rate Housing	6/1/2022	12/31/2048	25,100	25,100
ZAED Properties 6106 State Highway 28 Fly Creek, NY 13337	Acquisition and Renovation for Market Rate Housing	11/1/2022	12/31/2038	35,434	35,434
Centrome d/b/a Advanced Biotech 10 Taft Road Towtowa, New Jersey	Acquisition and renovation of manufacturing plant	9/1/2021	12/31/2038	258,000	258,000
				<u>\$ 318,534</u>	<u>\$ 318,534</u>

See auditors' report.

Tax Exemptions				Payment in Lieu of Taxes			
Real Property Tax			Total Exemptions	Payment in Lieu of Taxes			
County	Local	School		County	Local	School	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
21,170	19,395	122,436	163,001	20,166	18,504	115,736	154,406
-	-	-	-	-	-	-	-
5,691	11,089	20,221	37,001	4,553	8,871	16,177	29,601
56,662	174,782	363,985	595,429	24,978	72,664	129,432	227,074
47,156	10,111	221,564	278,831	13,841	2,971	65,037	81,849
6,252	6,755	36,850	49,857	3,532	3,377	21,326	28,235
9,127	33,466	59,854	102,447	7,993	29,307	52,417	89,717
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 146,058</u>	<u>\$ 255,598</u>	<u>\$ 824,910</u>	<u>\$ 1,226,566</u>	<u>\$ 75,063</u>	<u>\$ 135,694</u>	<u>\$ 400,125</u>	<u>\$ 610,882</u>

COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY

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

Year Ended December 31, 2022

draft

	<u># of FTE Employees at Project Location before IDA Status</u>	<u>Original Estimate of Jobs to be Created</u>
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.	175	-
ZAED Properties	-	-
Ford Block, LLC	-	-
Centrome d/b/a Advanced Biotech	-	6
	<u>398</u>	<u>114</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>
-	12	2	0
132	126	-	126.00
3	9	-	3
-	-	-	-
25	-	-	-
28	48	20	28
-	-	-	-
35	-	-	35
-	0.5	-	-
175	202	18	175
-	-	3*	-
-	-	8*	-
-	-	30*	-
<u>398</u>	<u>398</u>	<u>40</u>	<u>367</u>

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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, 2022, and the related notes to the financial statements, and have issued our report thereon dated March , 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered COIDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of COIDA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of COIDA's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether COIDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of COIDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COIDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mostert, Manzanero & Scott, LLP

Oneonta, New York
March , 2023

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

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

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

We have examined the County of Otsego Industrial Development Agency ("COIDA") compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the year ended December 31, 2022. 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, 2022.

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

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

Mostert, Manzanero & Scott, LLP

Oneonta, New York
March , 2023

March , 2023

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

This representation letter is provided in connection with your audit of the financial statements of the County of Otsego Industrial Development Agency (“COIDA”) which comprise the combined statement of net position as of December 31, 2022 and the related combined statements of revenues, expenditures and changes in net position and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March , 2023, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 1, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing agreements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and responses.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate to the financial statements as a whole. We have approved and entered the attached adjusting journal entries.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which COIDA is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within COIDA from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of COIDA or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects COIDA and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting COIDA's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, or assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of COIDA's related parties and all the related party relationships and transactions, including any side agreements.

Government – Specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. COIDA has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23. We have a process to track the status of audit findings and recommendations.
24. We are responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
26. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

27. COIDA has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
28. COIDA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as noted.
29. As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved and accepted responsibility for those financial statements and disclosures.
30. Provisions for uncollectible receivables have been properly identified and recorded.
31. There are no violations or possible violations of budget ordinances, laws and regulations provisions of contracts and grant agreements, tax or debt limits and any related debt covenants, where effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
32. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
33. Components of net position (net investment in capital assets, restricted; and unrestricted) are properly classified and, if applicable, approved.
34. Expenses have been appropriately classified in or allocated to functions and programs in the statements of revenues, expenditures and changes in net position, and allocations have been made on a reasonable basis.
35. Revenues are appropriately classified in the statements of revenues, expenditures and changes in net position within operating revenues, non-operating revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
37. Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and if applicable, depreciated.

39. We have appropriately disclosed COIDA's policy regarding whether to first apply restricted and unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
40. We are following our established accounting policy regarding which resources are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the net position classifications for financial reporting purposes.
41. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the RSI.
42. With respect to the supplementary information which an in-relation-to opinion is issued:
 - a. We acknowledge our responsibility for presenting the supplemental information in the financial statements in accordance with U.S. GAAP and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

Sincerely yours,

Jody Zakrevsky, CEO

County of Otsego Industrial Development Agency

Adjusting Journal Entries
January 2021 - December 2022

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	DEBIT	CREDIT
12/31/2021	Journal Entry	MMS2022-1		to record PY audit adjustment to record PY audit adjustment	5220950 Grants and Eco. Dev Expense 6000000 Accounts Payable	\$34,607.50	\$34,607.50 \$34,607.50
12/31/2021	Journal Entry	MMS2022-2		to record prior year audit adjustments to record prior year audit adjustments	11000 *Accounts Receivable 9800400 Grants	\$28,607.50	\$28,607.50 \$28,607.50
12/31/2021	Journal Entry	MMS2022-3		to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments to record prior year audit adjustments	1150000 Accum Dep - Incubator 1160000 Accum Deprec- Office Equip 9800105 Interest Income - Bank Accts 9800260 Administrative Fees 5220513 Professional Fees:Consulting, Engineering, Other 32000 Retained Earnings 2051000 NBT Money Market 1120000 Accum Deprec - Bldg 9800401 Municipal Grants 5220200 Office Supplies & Expense 5221100 Depreciation	\$9,376.94 \$18,009.73 \$9.90 \$63,750.00 \$11,311.90 \$324.94 \$9.90 \$282.39 \$75,061.90 \$324.94 \$27,104.28 \$102,783.41	\$34,607.50 \$34,607.50
12/31/2022	Journal Entry	MMS2022-4		reverse prior year AR reverse prior year AR	9800401 Municipal Grants 11000 *Accounts Receivable	\$34,607.50	\$34,607.50 \$34,607.50
12/31/2022	Journal Entry	MMS2022-5		to adjust depreciation to schedules to adjust depreciation to schedules to adjust depreciation to schedules to adjust depreciation to schedules	1150000 Accum Dep - Incubator 1160000 Accum Deprec- Office Equip 1120000 Accum Deprec - Bldg 5221100 Depreciation	\$9,376.94 \$19,476.54	\$282.39 \$28,571.09 \$28,853.48
12/31/2022	Journal Entry	MMS2022-6		to reverse prior year AP to reverse prior year AP	6000000 Accounts Payable 5220950 Grants and Eco. Dev Expense	\$34,607.50	\$34,607.50 \$34,607.50
12/31/2022	Journal Entry	MMS2022-7		to adjust grant income and expense	5220950 Grants and Eco. Dev Expense	\$19,278.82	

County of Otsego Industrial Development Agency

Adjusting Journal Entries

January 2021 - December 2022

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	DEBIT	CREDIT
12/31/2022	Journal Entry	MMS2022-8		to adjust grant income and expense	9800402 State Grants	\$19,278.82	\$19,278.82
				to record interest	2051000 NBT Money Market	\$9.90	\$9.90
				to record interest	9800105 Interest Income - Bank Accts	\$9.90	\$9.90
12/31/2022	Journal Entry	MMS2022-9		GASB 87 Lease Adjustment	1060000 Copier Lease	\$8,565.46	\$8,565.46
				GASB 87 Lease Adjustment	6040000 Copier Lease Liability	\$963.03	\$963.03
				GASB 87 Lease Adjustment	5221200 Amortization	\$212.20	\$212.20
				GASB 87 Lease Adjustment	5220700 Interest Expense	\$1,175.23	\$1,175.23
				GASB 87 Lease Adjustment	5220206 Office Supplies & Expense:Copier & Copies	\$9,740.69	\$9,740.69
TOTAL						\$293,096.30	\$293,096.30

COUNTY OF OTSEGO
INDUSTRIAL DEVELOPMENT AGENCY

REPORT TO THE BOARD

Year Ended December 31, 2022

DRAFT

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David E. Brownell, CPA
Jason L. Waite, CPA

March , 2023

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

Dear Members of the Board:

We are pleased to present the results of our audit of the financial statements of the County of Otsego Industrial Development Agency (“COIDA”) for the year ended December 31, 2022.

Our plan for the 2022 audit included a commitment to understand and deliver on management’s expectations. Our approach to the audit was designed to combine a historical perspective with a focus on COIDA’s industry and current emerging governmental issues.

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Mostert, Manzanero & Scott, LLP".

Mostert, Manzanero & Scott, LLP

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SUMMARY OF WHAT WE AGREED TO DO

Our Approach

As communicated to the Board of Directors and management in our planning letter dated December 1, 2022, our audit plan represented an approach responsive to the assessment of risk of COIDA. Specifically, we designed our audit to:

- Issue an opinion on the financial statements of COIDA for the year ended December 31, 2022.
- Issue a management letter to the Board of Directors and management.
- Issue an Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- Issue an Independent Auditors' Report on Compliance with Investment Guidelines for Public Authorities.

Areas of Audit Emphasis

The principal areas of audit emphasis were as follows:

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

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

REQUIRED COMMUNICATIONS

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

We have audited the financial statements of the County of Otsego Industrial Development Agency (“COIDA”) for the year ended December 31, 2022 and have issued our report thereon dated March 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 1, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by COIDA are described in Note 2 to the financial statements. As described in Note 2, Accounting Pronouncements, the IDA changed accounting policies relating to leases by adopting Statement No. 87, *Leases* and Statement No. 92, *Omnibus 2020* during the year ended December 31, 2022. We noted no transactions entered into by COIDA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March , 2023.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

We were engaged to report on supplemental information on Pages 24 – 26 which accompany the financial statements but are not RSI, but is supplemental information required by the Office of the New York State Comptroller. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the County of Otsego Industrial Development Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Mostert, Manzanero & Scott, LLP

Oneonta, New York
March , 2023

DRAFT

MANAGEMENT LETTER

County of Otsego Industrial Development Agency
Oneonta, New York

In planning and performing our audit of the financial statements of the County of Otsego Industrial Development Agency ("COIDA") as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered COIDA's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of COIDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of COIDA's financial statements will not be prevented or detected and corrected on a timely basis.

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

Best Practice Comment

Prior Year Adjusting Journal Entries

During our audit we noted that the adjusting journal entries from the 2021 audit had not been recorded in the IDA's Quickbooks file.

In order to make the financial reports generated by the accounting software as meaningful as possible, we recommend that entries provided by the auditor be recorded as they are received and to compare the final statement of net position to the audited financial statements.

This communication is intended solely for the information and use of the Board of Directors and management of the County of Otsego Industrial Development Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Mostert, Manzanero & Scott, LLP

Oneonta, New York
March , 2023

County of Otsego Industrial Development Agency

Adjusting Journal Entries
January 2021 - December 2022

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County of Otsego Industrial Development Agency

Adjusting Journal Entries

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				GASB 87 Lease Adjustment	5221200 Amortization	\$212.20	\$212.20
				GASB 87 Lease Adjustment	5220700 Interest Expense	\$1,175.23	\$1,175.23
				GASB 87 Lease Adjustment	5220206 Office Supplies & Expense:Copier & Copies	\$9,740.69	\$9,740.69
TOTAL						\$293,096.30	\$293,096.30