

SCHOHARIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

SCHOHARIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

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



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

INDEPENDENT AUDITORS' REPORT

Schoharie County Industrial
Development Agency
PO Box 627
Cobleskill, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Schoharie County Industrial Development Agency (the "IDA") as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the IDA'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 IDA as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 the IDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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, which raise substantial doubt about the IDA'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 audits;
- 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 audits 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 the IDA'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, which raise substantial doubt about the IDA'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Pages 4 – 6 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 audits 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.

Supplemental Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the IDA's financial statements. The accompanying combining statements are presented for the purpose of additional analysis and are not a required part of the financial statements. The schedule of outstanding straight 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 supplemental 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 audits 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 supplemental 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 August 20, 2024; on our consideration of the IDA's 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*. 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 the IDA'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 the IDA'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 August 20, 2024, on our consideration of the IDA's compliance with Section 2925 of New York State Public Authorities Law. The purpose of that report is to determine whether the IDA obtained and managed its investments in compliance with its own policies and relevant sections of the New York State Public Authorities Law.

Mistert, Manzanero & Scott, LLP

Oneonta, New York
August 20, 2024

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

As financial management of the Schoharie County Industrial Development Agency (the "IDA"), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the IDA for the fiscal year ended June 30, 2024. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. The IDA encourages its readers to consider the information presented here in conjunction with the financial statements taken as a whole.

Financial Highlights

- The IDA's net position increased by \$322,150 from the prior year;
- The IDA's operating revenue increased \$113,463 from the prior year mainly attributable to an increase in administration fees of \$131,959 offset by a decrease in lease income and other income of \$18,160;
- The IDA's operating expenses increased \$113,698 from prior year mainly from an increase in payroll expenses and benefits of \$115,947, an increase in legal and accounting of \$33,471, an increase in rent expense of \$2,925, offset by a decrease in administrative expense of \$43,114;
- The IDA's investment income increased \$37,737 from prior year, as interest rates were higher, and the IDA had over \$450,000 in additional investments; and
- The IDA also sold two (2) properties in the current year which had a gain of \$350,975.

Overview of the Financial Statements

This discussion and analysis accompanies the IDA's financial statements, including notes to the financial statements and the reports on compliance and internal control to help the reader better understand the financials.

Financial Statements

The IDA's financial statements provide readers with a comprehensive reporting of the IDA's fiscal year 2023 – 2024 transactions and balances. The difference between the assets and liabilities are reported as the net position. Increases or decreases in the 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

Operating revenues for the IDA were \$139,123 for fiscal year 2024. This was an increase of 442% over the prior year. Income, net of expenses, produced an increase in net position of \$332,150. At the close of fiscal year 2024, the IDA had a net position of \$1,684,987. This is an increase of 24% over the prior year, which is attributable to an overall increase in operating revenues and an increase in operating expenses offset by an increase in non-operating income.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

The IDA's primary objective is to provide assistance to existing businesses, business expansions and business startups with professional assistance, educational programs and loans. The notes receivable are comprised of grants dedicated to this purpose. For the IDA's notes receivable, the financial statement shows a decrease from \$88,111 at year-end 2023, to \$71,159 a net decrease of \$16,952.

Following is a 2024-2022 comparative summary of the IDA's financial statements, showing the decrease in net position:

NET POSITION

	2024	2023	2022
Current assets	\$ 321,725	\$ 226,292	\$ 250,772
Non-current assets	<u>1,519,977</u>	<u>1,126,577</u>	<u>1,198,439</u>
Total assets	<u>1,841,702</u>	<u>1,352,869</u>	<u>1,449,211</u>
Current liabilities	192,715	26,032	30,907
Non-current liabilities	-	-	-
Total liabilities	<u>192,715</u>	<u>26,032</u>	<u>30,907</u>
Total net position	<u>\$ 1,648,987</u>	<u>\$ 1,326,837</u>	<u>\$ 1,418,304</u>

CHANGES IN NET POSITION

	2024	2023	2022
Operating revenues	\$ 139,123	\$ 25,660	\$ 79,371
Operating expenses	<u>235,409</u>	<u>121,711</u>	<u>100,336</u>
Operating loss	(96,286)	(96,051)	(20,965)
Non-operating revenue (expense)	<u>418,436</u>	<u>4,584</u>	<u>(2,446)</u>
Changes in net position	322,150	(91,467)	(23,411)
Net position, beginning of year	<u>1,326,837</u>	<u>1,418,304</u>	<u>1,441,715</u>
Net position, end of year	<u>\$ 1,648,987</u>	<u>\$ 1,326,837</u>	<u>\$ 1,418,304</u>

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

2025 GOALS

The following goals remain in affect:

1. Continued administration of current lease agreements and payments in-lieu of taxes agreements.
2. Continue development of Shad Point property to shovel ready status
3. Identify and gain control over additional development sites
4. Encourage development projects that balance economic growth with environmental stewardship.
5. Assist private companies in their expansion with possible benefits and continue to assist the Planning and Economic Development Agency with efforts to attract businesses to Schoharie County.
6. Develop and implement a targeted marketing campaign to attract new businesses and industries.
7. Publicize and market IDA incentives.
8. Align workforce skills with industry needs.
9. Increase the availability of affordable housing to support workforce attraction and retention. Promote mixed-use developments to create vibrant, livable communities.
10. Collaborate with Schoharie County's government entities, community organizations, and State and Federal offices with outreach efforts to assist with economic growth opportunities and incentives to eligible businesses that will retain, expand, and add additional employment opportunities that will promote a vital economy throughout Schoharie County
11. Foster strong relationships with local stakeholders.

Requests for Information

Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Schoharie County Industrial Development Agency, PO Box 627, Cobleskill, New York 12043.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 238,967	\$ 194,576
Accounts receivable	49,167	289
Interest receivable	12,829	2,727
Prepaid expenses	3,228	1,312
Escrow deposit	-	10,000
Notes and capital lease receivables - Current portion	17,534	17,388
Total current assets	<u>321,725</u>	<u>226,292</u>
Capital assets:		
Land	5,617	82,257
Buildings and improvements	-	177,482
Office equipment	9,792	724
Total capital assets	<u>15,409</u>	<u>260,463</u>
Less: Accumulated depreciation	<u>(1,958)</u>	<u>(147,026)</u>
Total capital assets, net	<u>13,451</u>	<u>113,437</u>
Other assets:		
Investments	1,127,543	642,059
Real estate held for resale	300,358	300,358
Option to purchase land	25,000	-
Notes receivables - Long term	53,625	70,723
Total other assets	<u>1,506,526</u>	<u>1,013,140</u>
Total assets	<u>1,841,702</u>	<u>1,352,869</u>
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable	24,389	-
Security/escrow deposit	6,000	10,500
Payroll accruals	5,715	-
NYS retirement accrual	15,611	-
Deferred revenue	131,000	-
Due to other governments	10,000	15,532
Total current liabilities	<u>192,715</u>	<u>26,032</u>
Net position:		
Investment in capital assets, net of related debt	13,451	113,437
Unrestricted	<u>1,635,536</u>	<u>1,213,400</u>
Total net position	<u>\$ 1,648,987</u>	<u>\$ 1,326,837</u>
See accompanying notes.		

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Interest on notes	\$ 2,723	\$ 3,059
Lease income	4,415	15,075
Other income	-	7,500
Administrative fees	131,985	26
Total operating revenues	139,123	25,660
Operating expenses:		
Administrative expense	47,557	90,671
Payroll expense	93,213	-
Payroll tax expense	6,901	-
Employee benefits	15,833	-
Travel	2,273	488
Insurance	5,615	4,515
Legal and accounting	40,341	6,870
Rent expense	2,925	-
Maintenance and supplies	9,194	9,469
Miscellaneous	250	56
Depreciation	5,133	7,312
Office expense	6,092	2,302
Property taxes	82	28
Total operating expenses	235,409	121,711
Net operating loss	(96,286)	(96,051)
Non-operating revenue (expense):		
Grant revenue	158,090	-
Grant expense	(133,090)	-
Return of CDBG grants	(618)	(758)
Gain on sale of assets	350,975	-
Interest and earnings	43,079	5,342
Total non-operating revenue	418,436	4,584
Change in net position	322,150	(91,467)
Net position, beginning of year	1,326,837	1,418,304
NET POSITION, END OF YEAR	\$ 1,648,987	\$ 1,326,837

See accompanying notes.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Interest on notes	\$ 2,723	\$ 3,059
Payments received on notes receivable	16,952	15,143
Lease income	5,415	15,075
Administrative fees	262,274	50,344
Administrative expense	(46,267)	(91,098)
Payroll expense	(87,500)	-
Payroll tax expense	(6,901)	-
Employee benefits	(222)	-
Travel	(2,273)	(488)
Insurance	(7,531)	(3,659)
Legal and accounting	(39,991)	(6,870)
Rent expense	(2,925)	-
Maintenance and supplies	(9,194)	(9,469)
Miscellaneous	(250)	(56)
Office expense	(6,026)	(2,302)
Property taxes	(82)	(28)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	78,202	(30,349)
Cash flows from noncapital financing activities:		
Payments on notes	(5,532)	(7,995)
Net grant income	(1,534)	-
Increase in escrow deposits	(4,500)	(10,000)
Principal payments on notes payable	-	-
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(11,566)	(17,995)
Cash flows from capital and related financing activities:		
Escrow account	10,000	10,000
Option to purchase land	(25,000)	-
Purchase of capital assets	(9,792)	-
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(24,792)	10,000
Cash flows from investing activities:		
Interest and earnings	30,254	-
Proceeds from sale of assets	455,622	-
Net activity certificates of deposit	(483,329)	51,599
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,547	51,599
NET INCREASE IN CASH	44,391	13,255
Cash - Beginning of year	194,576	181,321
Cash - End of year	\$ 238,967	\$ 194,576

See accompanying notes.

	<u>2024</u>	<u>2023</u>
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities:		
Net loss	\$ (96,286)	\$ (96,051)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	5,133	7,312
(Increase) decrease in prepaid expenses	(1,916)	856
(Increase) decrease in accounts receivable	289	50,029
(Increase) decrease in accruals	21,326	-
Increase (decrease) in security/escrow deposits	-	(7,500)
Increase (decrease) in unearned revenues	131,000	-
Increase (decrease) in accounts payable and commitments	1,706	(138)
Decrease in notes receivable	16,950	15,143
NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES	<u>\$ 78,202</u>	<u>\$ (30,349)</u>

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE 1 ORGANIZATION

The Schoharie County Industrial Development Agency (the “IDA”) was duly established under Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 114 of the Laws of 1973 of the State and is a public benefit corporation of the State.

The IDA was formed for the purpose of encouraging economic growth in the County of Schoharie. The IDA is exempt from federal, state and local income taxes. The IDA, although established by the Schoharie County Board of Supervisors, is a separate entity and operates independently of the County of Schoharie.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the IDA have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Significant accounting policies are as follows:

Measurement Focus and Basis of Accounting

The IDA’s financial statements are reported using the economic resource measurement focus and the accrual method of accounting. Measurement focus refers to what is measured and reported in the financial statements, while the basis of accounting determines when a transaction or economic event is recognized.

The IDA is similar to a business enterprise and utilizes a measurement focus based on the flow of economic resources. This includes the capitalization of fixed assets, charging depreciation expenses and recording long-term debt as a liability.

Grant Accounting

Pass-through grants are recorded as receivables, revenues, liabilities and expenses when awarded. All other grants are recorded as receivables and deferred revenues upon award of the contracts; revenues are recognized as the IDA meets performance requirements of the contracts.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, management considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are carried at their full value. Uncollectible accounts are charged to expenditures when an account is deemed uncollectible by management. All accounts receivable were considered collectible.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

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

Notes Receivable

Receivables for loans and mortgages are reviewed periodically by management to update the allowance for uncollectible amounts.

Notes receivable are recorded net of the allowance for uncollectible notes. Uncollectible notes are charged to expenditures using the reserve method. There was no allowance for uncollectible accounts for the years ended June 30, 2024 or 2023.

Investments Policy

The IDA's investments policy is governed by State statutes. In addition, the IDA has its own written investment policy. IDA monies must be deposited in a Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The IDA is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Prepaid Expenses

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

Capital Assets

Capital assets are recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives range from five to forty years, depending on the assets. The cost of repairs, maintenance and minor replacement is expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. Capital assets with an acquisition cost of \$1,000 or more are capitalized. Depreciation expense amounted to \$5,133 and \$7,312 in 2024 and 2023, respectively.

Revolving Loans

The IDA offers low-interest loans to area businesses. The loans are approved by the governing board after giving consideration to the enhancement of the economic environment.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

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

Revenue and Expense Classification

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

Income Tax Status

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

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 reporting period. Actual results could differ from those estimates.

Net Position

Equity is classified as net position and displayed in three components:

- a. Investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Unrestricted – all other assets that do not meet the definition of “investment in capital assets” or “restricted.”
- c. 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.

Eliminations

Fees charged to various programs for administration are included in these programs as expenses and revenues in different funds. These amounts are eliminated when the funds are combined to prevent duplication.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

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. 100, *Accounting Changes and Error Corrections*-an amendment of GASB Statement No. 62 which is effective for the year ending December 31, 2024.
- Statement No. 101, *Compensated Absences*, which will be effective for the year ending December 31, 2024.
- Statement No. 102, *Certain Risk Disclosures*, which will be effective for the year ending December 31, 2025.

Events Occurring After Reporting Date

The IDA has evaluated subsequent events through August 20, 2024, which is the date the financial statements were available to be issued.

NOTE 3 INVESTMENTS

As of June 30, the IDA had the following investments:

<u>June 30, 2024</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
			<u>Less than 1 Year</u>	<u>1-3 Years</u>	<u>Greater than 3 Years</u>
Money market funds	\$ 81,214	\$ 81,214	\$ 81,214	\$ -	\$ -
Certificates of deposits	<u>1,047,077</u>	<u>1,046,329</u>	<u>693,847</u>	<u>352,482</u>	<u>-</u>
Total	<u>\$ 1,128,291</u>	<u>\$ 1,127,543</u>	<u>\$ 775,061</u>	<u>\$ 352,482</u>	<u>\$ -</u>
<u>June 30, 2023</u>					
Money market funds	\$ 9,086	\$ 9,086	\$ 9,086	\$ -	\$ -
Certificates of deposits	<u>638,706</u>	<u>632,973</u>	<u>632,973</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 647,792</u>	<u>\$ 642,059</u>	<u>\$ 642,059</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in the market interest rates. The IDA's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE 3 INVESTMENTS (Cont'd.)

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment that is in the possession of another party. In order to mitigate this risk, the IDA's investment policy requires investments to be purchased only through an approved broker/dealer or institution.

Concentrations

The IDA's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

NOTE 4 NOTES RECEIVABLES

The following summarizes the IDA's notes receivables at June 30:

	2024	2023
\$50,000 note receivable with monthly payments of \$489 including interest at 3.25%. An additional \$13,336 was advanced on this note in August 2016 to bring the principal balance to \$50,000. Terms of the note remain the same with 120 monthly payments through August 2026; collateralized by a mortgage and two personal guarantees.	\$ 17,226	\$ 22,893
\$25,000 note receivable dated March 2018 with monthly payments of \$247 including interest at 3.5% for 120 monthly; collateralized by 2 nd position on real estate and personal guarantee.	11,059	13,590
\$80,000 note receivable with monthly payments of \$562 including interest at 3.25% from June 24, 2009 through June 24, 2024; collateralized by a mortgage. This note was renegotiated for \$82,274 in July 2014; monthly payments are \$613 including interest at 3.25% from August 2014 through July 2029.	34,438	40,569

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE 4 NOTES RECEIVABLES (Cont'd.)

	2024	2023
\$25,000 note receivable with monthly payments of \$247 including interest at 3.5% from June 2017 through May 2027; collateralized by a second mortgage and personal guarantee.	8,436	11,059
Total	71,159	88,111
Current	(17,534)	(17,388)
Total long-term notes receivable	\$ 53,625	\$ 70,723

The aggregate maturities of long-term receivables mature as follows:

2025	\$ 17,534
2026	17,673
2027	18,477
2028	9,654
2029	7,212
Thereafter	609
Total	\$ 71,159

Management believes the remaining notes receivable are collectible and have not established any allowance. The IDA transferred the Micro Enterprise Fund and Revolving Loan Fund notes receivables to the IDA regular fund as there is no longer a stipulation to use these funds for specific programs.

NOTE 5 REAL ESTATE HELD FOR RESALE

The IDA currently holds the following properties for sale:

- a. Land – Grove Street, Cobleskill, New York; currently recorded at \$170,358.
- b. Commercial building – 582 State Highway Route 20, Sharon Springs, New York; currently recorded at \$130,000. The IDA leased this property for five months at \$850 per month during 2024. In June 2024, a new lease agreement for 24 months was entered requiring monthly payments of \$1,000 (See Note 10).

NOTE 6 LIABILITIES

Security Escrow Deposit

The IDA holds a security deposit with respect to the one year operating lease on the Sharon Springs, New York property (See Note 5). The security deposit held was \$1,000 and \$500 at June 30, 2024 and 2023, respectively.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE 6 LIABILITIES (Cont'd.)

Security Escrow Deposit (Cont'd.)

During 2023, the IDA held a deposit of \$10,000 for the sale of property in escrow.

During 2024, the IDA required an escrow account to be established for one of the projects in the amount of \$5,000 to cover legal fees.

Deferred Revenue

The IDA had deferred revenue from the following sources as of June 30, 2024:

Schoharie County 2024 – 2025 funding	\$ 130,000
Lease income	<u>1,000</u>
Total deferred income	<u>\$ 131,000</u>

Due to Other Governments

Due to the change in the CDBG program income guidelines in 2018, the IDA recorded a liability due to Schoharie County for CDBG funds that are required to be returned. The liability represents amounts not dedicated to other programs that must be returned to NYS Office at Community Renewal. At June 30, 2024 and 2023, the micro enterprise fund had \$-0- and \$15,532 respectively, payable to the Schoharie County. This amount was paid in full during 2024.

NOTE 7 RELATED PARTIES

The IDA and the Schoharie County Rural Preservation Corporation (SCRPC) and the Schoharie County Capital Resource Corporation (SCCRC) are related through common board members. The SCCRC provides office space rent-free to the IDA.

NOTE 8 INDUSTRIAL DEVELOPMENT REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by the IDA are secured by property, which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the IDA or the State. The IDA does not record the assets or liabilities resulting from completed bond and note issues in the 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, the IDA receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE 9 CREDIT RISK

Cash

State statutes require that collateral be pledged for demand deposits, time deposits, and certificates of deposit at 100% of deposits not covered by the FDIC. Obligations that may be pledged as collateral are obligations of the U.S. Treasury and its agencies, obligations of the state and its municipalities, school district debt, irrevocable letters of credit and surety bonds issued by the state authorized insurance companies. The IDA had no uncollateralized funds as of June 30, 2024 and 2023.

Accounts Receivable

At June 30, 2024 and 2023, all accounts receivable were considered collectible.

Notes Receivable

Notes receivable consist of numerous notes with businesses in Schoharie County. The IDA has collateralized its interest in these notes by retaining the reversionary rights to the property or by additional liens and mortgages on the property.

NOTE 10 LEASES

The IDA had a lease agreement from January 1, 2023 to December 31, 2023 for the property located in Sharon Springs, New York and the lease terminated the lease in May of 2024. The lease payment was \$850 monthly. The IDA received rental income under this lease in the amount of \$4,250 and \$10,200, for the years ended June 30, 2024 and 2023, respectively.

In June of 2024, the IDA entered into a new 24-month lease agreement for the Sharon Springs property starting July 2024. The lease payments will be \$1,000 per month. This agreement includes an option to purchase the property for \$150,000. This asset is held as an investment and therefore the lease accounting and financial reporting provisions do not apply.

The IDA is a lessor in a lease agreement for office space for the period of January to December. Under the lease agreement, the monthly lease payments were \$975 for the calendar years 2023. The IDA received 5 months of rental income totaling \$4,875 for the year ended June 30, 2023.

This lease meets the definition of a short-term lease because the lease term is 12 months or less. Consequently, consistent with leaser's accounting policy election, the lessor does not recognize the lease receivable and deferred inflow of resources.

In October of 2023, the IDA entered into a revocable permit agreement to use certain facilities at SUNY Cobleskill for \$325 per month. SUNY Cobleskill reserves the right to revoke this permit at any time without cause. The IDA paid \$2,925 under this agreement during the year ended June 30, 2024.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE 11 INTERFUND RECEIVABLES AND PAYABLES

As of June 30, interfund receivables and payables were as follows:

	2024		2023	
	Receivable	Payable	Receivable	Payable
Revolving loan fund	\$ -	\$ -	\$ 52,247	\$ -
Operating fund	-	-	87,388	-
Micro Enterprise fund	-	-	-	139,635
Total	\$ -	\$ -	\$ 139,635	\$ 139,635

There were no interfund receivables and payables for the financial year ended June 30, 2024.

NOTE 12 FAIR VALUE MEASUREMENTS

The IDA's investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1:* Investments reflect prices quoted in active markets.
- Level 2:* Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3:* Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not perceive investment risk. Debt, equities, and investment derivatives classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Mortgage and asset backed securities classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<u>June 30, 2024</u>				
Money market funds	\$ 81,214	\$ -	\$ -	\$ 81,214
Certificates of deposit	1,046,329	-	-	1,046,329
Total	\$ 1,127,543	\$ -	\$ -	\$ 1,127,543
<u>June 30, 2023</u>				
Money market funds	\$ 9,086	\$ -	\$ -	\$ 9,086
Certificates of deposit	632,973	-	-	632,973
Total	\$ 642,059	\$ -	\$ -	\$ 642,059

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE 12 PENSION PLAN

Pension Obligations

New York State and Local Employees' Retirement System (ERS)

Plan Description

The IDA participates in the New York State and Local Employees' Retirement System (ERS), which is referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The IDA also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefit's provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The System is noncontributory, except for employees who joined after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the system's fiscal year ending March 31st.

The IDA started participating in this plan in September of 2023 and therefore the required disclosures related to the IDA's pension asset, liabilities, deferred outflows of resources and deferred inflows of resources was not available to disclose in the financial statements.

* * * * *

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

COMBINING SCHEDULE OF NET POSITION

June 30, 2024

With Comparative Totals for 2023

<u>ASSETS</u>	Operating Fund	Micro Enterprise Fund	Revolving Loan Fund
Current assets:			
Cash and cash equivalents	\$ 238,967	\$ -	\$ -
Accounts receivable	49,167	-	-
Interest receivable	12,829	-	-
Prepaid expenses	3,228	-	-
Escrow deposit	-	-	-
Notes and capital lease receivables - Current portion	17,534	-	-
Total current assets	<u>321,725</u>	<u>-</u>	<u>-</u>
Capital assets:			
Land	5,617	-	-
Buildings and improvements	-	-	-
Office equipment	9,792	-	-
Total capital assets	<u>15,409</u>	<u>-</u>	<u>-</u>
Less: Accumulated depreciation	(1,958)	-	-
Total net capital assets	<u>13,451</u>	<u>-</u>	<u>-</u>
Other assets:			
Investments	1,127,543	-	-
Real estate held for resale	300,358	-	-
Option to purchase land	25,000	-	-
Notes receivables - Long-term	53,625	-	-
Total other assets	<u>1,506,526</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,841,702</u>	<u>-</u>	<u>-</u>
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable	24,389	-	-
Security/escrow & other deposits	6,000	-	-
Payroll accruals	5,715	-	-
NYS retirement accrual	15,611	-	-
Due to other governments	10,000	-	-
Deferred revenue	131,000	-	-
Total current liabilities	<u>192,715</u>	<u>-</u>	<u>-</u>
Long-term liabilities:			
Due to other governments	-	-	-
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>192,715</u>	<u>-</u>	<u>-</u>
Net position:			
Invested in capital assets, net of related debt	13,451	-	-
Unrestricted	1,635,536	-	-
Total net position	<u>\$ 1,648,987</u>	<u>\$ -</u>	<u>\$ -</u>

See auditors' report.

Eliminations	Totals	
	2024	2023
\$ -	\$ 238,967	\$ 194,576
-	49,167	289
-	12,829	2,727
-	3,228	1,312
-	-	10,000
-	17,534	17,388
-	<u>321,725</u>	<u>226,292</u>
-	5,617	82,257
-	-	177,482
-	9,792	724
-	<u>15,409</u>	<u>260,463</u>
-	<u>(1,958)</u>	<u>(147,026)</u>
-	<u>13,451</u>	<u>113,437</u>
-	1,127,543	642,059
-	300,358	300,358
-	25,000	-
-	53,625	70,723
-	<u>1,506,526</u>	<u>1,013,140</u>
-	<u>1,841,702</u>	<u>1,352,869</u>
-	24,389	-
-	6,000	10,500
-	5,715	-
-	15,611	-
-	10,000	15,532
-	131,000	-
-	<u>192,715</u>	<u>26,032</u>
-	-	-
-	-	-
-	<u>192,715</u>	<u>26,032</u>
-	13,451	113,437
-	<u>1,635,536</u>	<u>1,213,400</u>
<u>\$ -</u>	<u>\$ 1,648,987</u>	<u>\$ 1,326,837</u>

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION

Year Ended June 30, 2024
With Comparative Totals for 2023

	Operating Fund	Micro Enterprise Fund	Revolving Loan Fund
Operating revenues:			
Interest on notes	\$ 251	\$ -	\$ 1,854
Lease income	4,415	-	-
Other income	-	-	-
Administrative fees	131,985	-	-
Total operating revenues	<u>136,651</u>	<u>-</u>	<u>1,854</u>
Operating expenses:			
Administrative expense	47,557	-	-
Payroll expense	93,213	-	-
Payroll tax expense	6,901	-	-
Employee benefits	15,833	-	-
Travel	2,273	-	-
Insurance	5,615	-	-
Legal and accounting	40,341	-	-
Rent	2,925	-	-
Repairs and maintenance	9,194	-	-
Miscellaneous	250	-	-
Depreciation	5,133	-	-
Office expense	6,092	-	-
Property taxes	82	-	-
Total operating expenses	<u>235,409</u>	<u>-</u>	<u>-</u>
Net operating income (loss)	<u>(98,758)</u>	<u>-</u>	<u>1,854</u>
Non-operating revenue (expense):			
Transfers	164,300	-	(164,300)
Grant revenue	158,090	-	-
Grant expense	(133,090)	-	-
Return of CDBG grants	-	-	-
Gain on sale of assets	350,975	-	-
Interest and earnings	43,079	-	-
Total non-operating revenue (expense)	<u>583,354</u>	<u>-</u>	<u>(164,300)</u>
Change in net position	484,596	-	(162,446)
Net position - Beginning of year	<u>1,164,391</u>	<u>-</u>	<u>162,446</u>
NET POSITION - END OF YEAR	<u>\$ 1,648,987</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

Micro Grant Fund	Small Business Fund	Eliminations	Totals	
			2024	2023
\$ 618	\$ -	\$ -	\$ 2,723	\$ 3,059
-	-	-	4,415	15,075
-	-	-	-	7,500
-	-	-	131,985	26
<u>618</u>	<u>-</u>	<u>-</u>	<u>139,123</u>	<u>25,660</u>
-	-	-	47,557	90,671
-	-	-	93,213	-
-	-	-	6,901	-
-	-	-	15,833	-
-	-	-	2,273	488
-	-	-	5,615	4,515
-	-	-	40,341	6,870
-	-	-	2,925	-
-	-	-	9,194	9,469
-	-	-	250	56
-	-	-	5,133	7,312
-	-	-	6,092	2,302
-	-	-	82	28
<u>-</u>	<u>-</u>	<u>-</u>	<u>235,409</u>	<u>121,711</u>
<u>618</u>	<u>-</u>	<u>-</u>	<u>(96,286)</u>	<u>(96,051)</u>
-	-	-	-	-
-	-	-	158,090	-
-	-	-	(133,090)	-
(618)	-	-	(618)	(758)
-	-	-	350,975	-
-	-	-	43,079	5,342
<u>(618)</u>	<u>-</u>	<u>-</u>	<u>418,436</u>	<u>4,584</u>
-	-	-	322,150	(91,467)
-	-	-	1,326,837	1,418,304
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,648,987</u>	<u>\$ 1,326,837</u>

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF OUTSTANDING STRAIGHT LEASE AGREEMENTS

Year Ended June 30, 2024

Project Owner Project Owner Address	Purpose	Issue Date	Due Date	Tax		
				Sales Tax Exemptions State	Local	Real County
Wal-Mart Distribution Center 1301 Southeast 10th Street Bentonville, AR 72716-8013	Retail Trade and Other	2015	2025	\$ -	\$ -	\$ 785,236
Tennessee Gas Pipeline 1001 Louisiana Street Houston, TX 77002	Gas Line	2016	2032	-	-	1,147,027
American Recycling Mgmt LLC* 172-33 Douglas Avenu Jamaica, NY 11433	Light Manufac. Distribution	2022	2034	-	-	980
Iroquois Gas Transmission L.P. 1 Corporate Drive, Suite 600 Shelton, CT 06484	Gas Line	2016	2030	-	-	534,168
Sharon Springs, Inc.** 1246 Anderson Ave. Fort Lee, NJ 07024	Tourism	2016	2030	-	-	-
Middleburgh Meadows, LLC 494 Western Turnpike Altmont, NY 12009	Retail Trade	2017	2031	41,678	41,678	29,857
				<u>\$ 41,678</u>	<u>\$ 41,678</u>	<u>\$ 2,497,268</u>

*American Recycling LLC project has not progressed. Agreement is up 12/31/24

**Sharon Springs Inc. Pilot is terminated

See auditors' report.

Exemptions			Payment in Lieu of Taxes			
Property Taxes		Total	County	Local	School	Total
Local	School	Exemptions				
\$ 601,609	\$ 1,437,512	\$ 2,824,357	\$ 195,000	\$ 390,000	\$ 390,000	\$ 975,000
567,104	2,505,712	4,219,843	792,380	553,920	1,806,956	3,153,256
438	2,116	3,534	980	438	2,113	3,531
263,414	1,165,033	1,962,615	534,168	263,414	1,257,433	2,055,015
-	-	-	-	-	-	-
31,788	70,184	215,185	8,673	8,012	19,110	35,795
<u>\$ 1,464,353</u>	<u>\$ 5,180,557</u>	<u>\$ 9,225,534</u>	<u>\$ 1,531,201</u>	<u>\$ 1,215,784</u>	<u>\$ 3,475,612</u>	<u>\$ 6,222,597</u>

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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

Year Ended June 30, 2024

	<u># of FTE Employees at Project Location before IDA Status</u>	<u>Original Estimate of Jobs to be Created</u>	<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>
Project Owner:						
Wal-Mart Distribution Center	0	350	0	530	0	0
Tennessee Gas Pipeline	2	0	2	5	0	2
American Recycling Management LLC	5	5	5	0	0	0
Iroquois Gas Transmission, LP	3	0	3	3	0	3
Sharon Springs, Inc.*	2	40	0	0	0	0
Middleburgh Meadows, LLC*	<u>0</u>	<u>25</u>	<u>0</u>	<u>39</u>	<u>0</u>	<u>0</u>
	<u>12</u>	<u>420</u>	<u>10</u>	<u>577</u>	<u>0</u>	<u>5</u>

*Sharon Springs Inc. pilot is terminated

See auditors' report.

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



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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Schoharie County Industrial Development Agency
Cobleskill, 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 the Schoharie County Industrial Development Agency (the "IDA") which comprise of the statements of net position as of and for the years ended June 30, 2024 and 2023, and the related statements of revenues, expenditures and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the IDA'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 the IDA's internal control. Accordingly, we do not express an opinion on the effectiveness of the IDA'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 the IDA'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 audits 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.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the IDA'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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 the IDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the IDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Schoharie County Industrial Development Agency audit committee, management, the State of New York and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mostert, Manzanero & Scott, LLP". The signature is written in a cursive style and is located in the lower right quadrant of the page.

Oneonta, New York
August 20, 2024

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



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

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

To the Board of Directors
Schoharie County Industrial Development Agency
Cobleskill, New York

We have examined the Schoharie County Industrial Development Agency's (the "IDA"), compliance with Section 2925(3) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended June 30, 2024. Management is responsible for the IDA's compliance with those requirements. Our responsibility is to express an opinion on the IDA's compliance 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 engagement contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the IDA's compliance with those requirements and performing such other procedures we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the IDA's compliance with specific requirements.

In our opinion, the IDA has complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2024.

This report is intended solely for the information and use of the Board of Directors, management, and certain New York State Departments and Agencies. It is not intended to be, and should not be, used by anyone other than those specified parties.

Mostert, Manzanero & Scott, LLP

Oneonta, New York
August 20, 2024

MEMBERS: American Institute of Certified Public Accountants, New York State Society of Certified Public Accountants
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