

SCHOHARIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020

SCHOHARIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 – 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 – 6
FINANCIAL STATEMENTS	
Statements of Net Position	7
Statements of Revenues, Expenditures and Changes in Net Position	8
Statements of Cash Flows	9
Notes to the Financial Statements	10 – 19
OTHER FINANCIAL INFORMATION	
Combining Schedule of Net Position	20
Combining Schedule of Revenues, Expenditures, and Changes in Net Position	21
Schedule of Outstanding Straight Lease Agreements	22
Schedule of Full-Time Equivalent (FTE) Jobs Created and Retained	23
OTHER REPORTS	
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 <i>Government Auditing Standards</i>	24 – 25
Independent Auditors' Report on Compliance with Investment Guidelines for Public Authorities	26

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



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

INDEPENDENT AUDITORS' REPORT

Schoharie County Industrial
Development Agency
349 Mineral Springs Road
Cobleskill, New York

Report on the Financial Statements

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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the IDA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the IDA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IDA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the IDA as of June 30, 2021 and 2020, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, 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, economical, 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 method 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on Pages 20 and 21 in the other financial information section is presented for purposes of additional analysis and is not a required part of the financial statements. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the IDA's financial statements as a whole. The schedules of outstanding straight lease agreements and full-time equivalent (FTE) jobs created and retained in the other financial information section is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplemental information that is required by the Office of New York State Comptroller. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2021 on our consideration of the IDA'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 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.

Mistert, Manzanero & Scott, LLP

Oneonta, New York
September 21, 2021

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

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, 2021. 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. 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 decreased by \$12,548 from prior year;
- The IDA's operating revenue increased \$23,225 from prior year attributable to income in administration fees;
- The IDA's operating expenses increased \$5,397 from prior year mainly for administration expenses and PPE grants.
- The IDA's investment income decreased \$15,560 from prior year, as prior year included several years of interest income not previously recorded.

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 2020 – 2021 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 \$51,518 for fiscal year 2021. This was an increase of 82% over the prior year. Income, net of expenses, produced a decrease in net position of \$12,548. At the close of fiscal year 2021, the IDA had a net position of \$1,441,715. This is a decrease of .8% over the prior year, which is attributable to an overall increase in operating revenues and an increase in operating expenses offset by a decrease in investment income of \$15,560.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

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 loan funds are comprised of grants dedicated to this purpose. The loans in the IDA's statements of net position are the major assets. For the IDA's loans, the financial statement shows a decrease from \$222,900 at year-end 2020, to \$169,122 a net decrease of \$53,778.

Following is a 2021-2019 comparative summary of the IDA's financial statements, showing the decrease in net position:

NET POSITION

	2021	2020	2019
Current assets	\$ 285,387	\$ 211,281	\$ 800,932
Non-current assets	<u>1,369,071</u>	<u>1,412,871</u>	<u>948,517</u>
Total assets	<u>1,654,458</u>	<u>1,624,152</u>	<u>1,749,449</u>
Current liabilities	118,770	48,076	187,048
Non-current liabilities	<u>93,973</u>	<u>121,813</u>	<u>93,021</u>
Total liabilities	<u>212,743</u>	<u>169,889</u>	<u>280,069</u>
Total net position	<u>\$ 1,441,715</u>	<u>\$ 1,454,263</u>	<u>\$ 1,469,380</u>

CHANGES IN NET POSITION

	2021	2020	2019
Operating revenues	\$ 51,518	\$ 28,293	\$ 68,694
Operating expenses	<u>64,369</u>	<u>58,972</u>	<u>87,083</u>
Operating loss	(12,851)	(30,679)	(18,389)
Non-operating revenue (expense)	<u>303</u>	<u>15,562</u>	<u>(8,024)</u>
Changes in net position	(12,548)	(15,117)	(26,413)
Net position, beginning of year	<u>1,454,263</u>	<u>1,469,380</u>	<u>1,495,793</u>
Net position, end of year	<u>\$ 1,441,715</u>	<u>\$ 1,454,263</u>	<u>\$ 1,469,380</u>

2021 GOALS

The following goals remain in affect:

1. Continued administration of the MICRO Enterprise Loan/Grant Program.
2. Continued administration of current lease agreements and payments in-lieu of taxes agreements.
3. 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.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2021

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, 349 Mineral Springs Road, Cobleskill, New York 12043.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF NET POSITION

June 30, 2021 and 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 109,839	\$ 111,002
Accounts receivable	149,658	61,290
Interest receivable	364	2,635
Prepaid expenses	1,691	247
Notes and capital lease receivables - Current portion	23,835	36,107
Total current assets	<u>285,387</u>	<u>211,281</u>
Capital assets:		
Land	82,257	82,257
Buildings and improvements	177,482	177,482
Office equipment	724	724
Total capital assets	<u>260,463</u>	<u>260,463</u>
Less: Accumulated depreciation	<u>(132,356)</u>	<u>(124,996)</u>
Total capital assets, net	<u>128,107</u>	<u>135,467</u>
Other assets:		
Investments	795,319	790,253
Real estate held for resale	300,358	300,358
Notes and capital lease receivables - Long term	145,287	186,793
Total other assets	<u>1,240,964</u>	<u>1,277,404</u>
Total assets	<u>1,654,458</u>	<u>1,624,152</u>
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable	91,370	28,576
Security/escrow deposit	8,000	5,500
Due to other governments	16,900	14,000
Unearned revenue	2,500	-
Total current liabilities	<u>118,770</u>	<u>48,076</u>
Long term liabilities:		
Due to other governments	93,973	121,813
Total long term liabilities	<u>93,973</u>	<u>121,813</u>
Total liabilities	<u>212,743</u>	<u>169,889</u>
Net position:		
Investment in capital assets, net of related debt	128,107	135,467
Unrestricted	1,313,608	1,318,796
Total net position	<u>\$ 1,441,715</u>	<u>\$ 1,454,263</u>

See accompanying notes.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

Years Ended June 30, 2021 and 2020

	2021	2020
Operating revenues:		
Interest on notes	\$ 5,979	\$ 7,593
Lease income	21,900	20,700
Administrative fees	23,639	-
Total operating revenues	51,518	28,293
Operating expenses:		
Administrative expense	30,116	26,301
Travel	99	920
Insurance	3,498	3,385
Legal and accounting	7,358	7,688
PPE grants	3,398	-
Maintenance and supplies	10,019	10,421
Miscellaneous	610	1,613
Depreciation	7,361	7,112
Office expense	1,887	1,509
Property taxes	23	23
Total operating expenses	64,369	58,972
Net operating loss	(12,851)	(30,679)
Non-operating revenue (expense):		
Grant revenue	184,711	125,918
Grant expense	(184,711)	(125,918)
Return of CDBG grants	(2,682)	(2,983)
Interest and earnings	2,985	18,545
Total non-operating revenue (expense)	303	15,562
Change in net position	(12,548)	(15,117)
Net position, beginning of year	1,454,263	1,469,380
NET POSITION, END OF YEAR	\$ 1,441,715	\$ 1,454,263

See accompanying notes.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Interest on notes	\$ 5,979	\$ 7,593
Payments received on notes receivable	53,778	23,539
Lease income	21,412	20,885
Administrative fees	271	-
PPE grants	(3,398)	-
Administrative expense	(30,903)	(25,784)
Travel	(99)	(920)
Insurance	(4,942)	(1,955)
Legal and accounting	(7,358)	(17,188)
Maintenance and supplies	(10,019)	(10,421)
Miscellaneous	(610)	(1,613)
Office expense	(1,887)	(1,509)
Property taxes	(23)	(23)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	22,201	(7,396)
Cash flows from noncapital financing activities:		
Payments on notes	(24,940)	(7,070)
Unearned revenue	2,500	(126,241)
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(22,440)	(133,311)
Cash flows from capital and related financing activities:		
Escrow account	2,500	5,000
Purchase of capital assets	-	(11,800)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	2,500	(6,800)
Cash flows from investing activities:		
Interest and earnings	2,252	19,370
Realized (gains) losses	5	(281)
Unrealized (gains) losses	2,999	(2,695)
Investment proceeds	150,000	150,000
Investment purchases	(150,000)	(150,000)
Net activity certificates of deposit	(8,680)	(231,710)
NET CASH USED IN INVESTING ACTIVITIES	(3,424)	(215,316)
NET DECREASE IN CASH	(1,163)	(362,823)
Cash - Beginning of year	111,002	473,825
Cash - End of year	\$ 109,839	\$ 111,002

See accompanying notes.

	<u>2021</u>	<u>2020</u>
Reconciliation of net operating income (loss) to net cash used in operating activities:		
Net loss	\$ (12,851)	\$ (30,679)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	7,361	7,112
(Increase) decrease in prepaid expenses	(1,444)	1,430
(Increase) decrease in accounts receivable	(89,532)	184
Increase (decrease) in accounts payable and commitments	64,889	(8,983)
Decrease in notes receivable	<u>53,778</u>	<u>23,540</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 22,201</u>	<u>\$ (7,396)</u>

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2021

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 expense 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 is carried at its 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, 2021

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

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.

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, 2021 or 2020.

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 \$7,361 and \$7,112 in 2021 and 2020, 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, 2021

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, 2021

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

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. There were no new GASB Statements implemented by the IDA for the year ended June 30, 2021.

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. 87, *Leases*, which will be effective for the year ending June 30, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending June 30, 2022.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending June 30, 2023.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending June 30, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending June 30, 2022, except for paragraph 11b, which will be effective for the year ending June 30, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending June 30, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending June 30, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending June 30, 2022.

Events Occurring After Reporting Date

The IDA has evaluated subsequent events through September 21, 2021, which is the date the financial statements were available to be issued.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE 3 INVESTMENTS

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

<u>June 30, 2021</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	\$ 313,324	\$ 313,324	\$ 313,324	\$ -	\$ -
Certificates of deposits	<u>481,995</u>	<u>481,995</u>	<u>481,995</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 795,319</u>	<u>\$ 795,319</u>	<u>\$ 795,319</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2020</u>					
Money market funds	\$ 159,611	\$ 159,611	\$ 159,611	\$ -	\$ -
Certificates of deposits	<u>627,643</u>	<u>630,642</u>	<u>630,642</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 787,254</u>	<u>\$ 790,253</u>	<u>\$ 790,253</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.

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.

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE 4 NOTES AND CAPITAL LEASE RECEIVABLES

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

	<u>2021</u>	<u>2020</u>
<u>Micro Enterprise Fund</u>		
\$35,000 note receivable with monthly payments of \$403 including interest at 3.5% for 84 months; collateralized by a second mortgage and personal guarantee. This note was paid in full in 2021.	\$ -	\$ 19,427
\$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.	<u>31,522</u>	<u>33,917</u>
Subtotal – Micro Enterprise Fund	<u>31,522</u>	<u>53,344</u>
<u>Revolving Loan Fund</u>		
\$65,000 note receivable dated October 2017 with monthly payments of \$577, including interest at 4.25% for 144 months; collateralized by land and building.	<u>51,315</u>	<u>53,657</u>
<u>Operating Fund</u>		
\$25,000 note receivable dated March 2018 of \$247 including interest at 3.5% for 120 monthly; collateralized by 2 nd position on real estate and personal guarantee.	18,201	20,487
\$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.	52,251	57,813
\$35,000 note receivable with monthly payments of \$470 including interest at 3.5% from August 2016 through July 2023; collateralized by a second mortgage and personal guarantee. This note was paid in full in 2021.	-	19,399

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE 4 NOTES AND CAPITAL LEASES RECEIVABLE (Cont'd.)

	<u>2021</u>	<u>2020</u>
\$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.	<u>15,833</u>	<u>18,200</u>
Subtotal – Operating Fund	<u>86,285</u>	<u>115,899</u>
Total all funds	169,122	222,900
Current	<u>(23,835)</u>	<u>(36,107)</u>
Total long-term notes and capital leases receivable	<u>\$ 145,287</u>	<u>\$ 186,793</u>

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

2022	\$ 23,835
2023	21,194
2024	21,956
2025	22,758
Thereafter	<u>79,379</u>
Total	<u>\$ 169,122</u>

Management believes the remaining notes receivable are collectible and have not established any allowance.

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 is currently leasing this property under a lease for \$850 per month. (See Note 10).

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE 6 LIABILITIES

Security Escrow Deposit

The IDA holds a security deposit with respect to the one year operating lease of the Sharon Springs, New York property (See Note 5). The security deposit held was \$500 at June 30, 2021 and 2020.

During 2020, the IDA required an escrow account to be established for one of the projects in the amount of \$5,000 to cover legal and administrative fees in case the project was not finalized so these costs did not become an obligation of the IDA. This was increased to \$7,500 during 2021.

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, 2021 and 2020, the revolving loan fund had \$33,483 and \$37,670, respectively, payable to the Schoharie County. Also at June 30, 2021 and 2020, the micro enterprise fund had \$77,390 and \$98,143, respectively, payable to the Schoharie County.

Unearned Revenue

The IDA had unearned revenue for pilot program fees of \$2,500 at June 30, 2021. There was no unearned revenue at June 30, 2020.

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 IDA provides office space rent-free to the SCRPC.

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, 2021

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, 2021 and 2020.

Accounts Receivable

At June 30, 2021 and 2020, 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 currently has a lease agreement from January 1, 2021 to December 31, 2021 for the property located in Sharon Springs, New York. The lease payment is \$850 monthly. The IDA received rental income under this lease in the amount of \$10,200, for the years ended June 30, 2021 and 2020.

The IDA is a lessor in a lease agreement for office space for the period of January – December. Under the lease agreement, the monthly lease payments were \$975 for the calendar years 2021 and 2020. The IDA received rental income of \$11,700 and \$10,500 for the years ended June 30, 2021 and 2020, respectively.

NOTE 11 INTERFUND RECEIVABLES AND PAYABLES

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

	2021		2020	
	Receivable	Payable	Receivable	Payable
Revolving loan fund	\$ -	\$ -	\$ 2,308	\$ -
Micro grant fund	-	3,510	-	7,286
Operating fund	96,379	-	100,449	-
Micro Enterprise fund	-	87,388	-	89,696
Small business fund	-	5,481	-	5,775
Total	\$ 96,379	\$ 96,379	\$ 102,757	\$ 102,757

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2021

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 asset 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
June 30, 2021				
Money market funds	\$ 313,324	\$ -	\$ -	\$ 313,324
Certificates of deposit	481,995	-	-	481,995
Total	\$ 795,319	\$ -	\$ -	\$ 795,319
June 30, 2020				
Money market funds	\$ 159,611	\$ -	\$ -	\$ 159,611
Certificates of deposit	630,642	-	-	630,642
Total	\$ 790,253	\$ -	\$ -	\$ 790,253

NOTE 13 COVID – 19 GLOBAL PANDEMIC

The IDA has been impacted by the effects of the worldwide coronavirus pandemic. The IDA is closely monitoring its operations, liquidity, capital resources, and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the IDA’s financial position is unknown.

* * * * *

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

COMBINING SCHEDULE OF NET POSITION

June 30, 2021

With Comparative Totals for 2020

<u>ASSETS</u>	Operating Fund	Micro Enterprise Fund	Revolving Loan Fund
Current assets:			
Cash and cash equivalents	\$ 52,771	\$ 3,256	\$ 53,752
Accounts receivable	50,031	-	-
Interest receivable	364	-	-
Prepaid expenses	1,691	-	-
Due from other funds	96,379	-	-
Notes and capital lease receivables - Current portion	-	4,911	18,924
Total current assets	<u>201,236</u>	<u>8,167</u>	<u>72,676</u>
Capital assets:			
Land	82,257	-	-
Buildings and improvements	177,482	-	-
Office equipment	724	-	-
Total capital assets	<u>260,463</u>	<u>-</u>	<u>-</u>
Less: Accumulated depreciation	<u>(132,356)</u>	<u>-</u>	<u>-</u>
Total net capital assets	<u>128,107</u>	<u>-</u>	<u>-</u>
Other assets:			
Investments	795,319	-	-
Real estate held for resale	170,358	130,000	-
Notes and capital lease receivables - Long-term	-	26,611	118,676
Total other assets	<u>965,677</u>	<u>156,611</u>	<u>118,676</u>
Total assets	<u>1,295,020</u>	<u>164,778</u>	<u>191,352</u>
 <u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable	674	-	-
Security/escrow deposits	8,000	-	-
Due to other governments	-	10,000	6,900
Due to other funds	-	87,388	-
Unearned revenue	2,500	-	-
Total current liabilities	<u>11,174</u>	<u>97,388</u>	<u>6,900</u>
Long-term liabilities:			
Due to other governments	-	67,390	26,583
Total long term liabilities	<u>-</u>	<u>67,390</u>	<u>26,583</u>
Total liabilities	<u>11,174</u>	<u>164,778</u>	<u>33,483</u>
Net position:			
Invested in capital assets, net of related debt	128,107	-	-
Unrestricted	<u>1,155,739</u>	<u>-</u>	<u>157,869</u>
Total net position	<u>\$ 1,283,846</u>	<u>\$ -</u>	<u>\$ 157,869</u>

See auditors' report.

Micro Grant Fund	Small Busines Fund	Eliminations	Totals	
			2021	2020
\$ 30	\$ 30	\$ -	\$ 109,839	\$ 111,002
28,500	71,127	-	149,658	61,290
-	-	-	364	2,635
-	-	-	1,691	247
-	-	(96,379)	-	-
-	-	-	23,835	36,107
<u>28,530</u>	<u>71,157</u>	<u>(96,379)</u>	<u>285,387</u>	<u>211,281</u>
-	-	-	82,257	82,257
-	-	-	177,482	177,482
-	-	-	724	724
-	-	-	260,463	260,463
-	-	-	(132,356)	(124,996)
-	-	-	128,107	135,467
-	-	-	795,319	790,253
-	-	-	300,358	300,358
-	-	-	145,287	186,793
-	-	-	1,240,964	1,277,404
<u>28,530</u>	<u>71,157</u>	<u>(96,379)</u>	<u>1,654,458</u>	<u>1,624,152</u>
25,020	65,676	-	91,370	28,576
-	-	-	8,000	5,500
-	-	-	16,900	14,000
3,510	5,481	(96,379)	-	-
-	-	-	2,500	-
<u>28,530</u>	<u>71,157</u>	<u>(96,379)</u>	<u>118,770</u>	<u>48,076</u>
-	-	-	93,973	121,813
-	-	-	93,973	121,813
<u>28,530</u>	<u>71,157</u>	<u>(96,379)</u>	<u>212,743</u>	<u>169,889</u>
-	-	-	128,107	135,467
-	-	-	1,313,608	1,318,796
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,441,715</u>	<u>\$ 1,454,263</u>

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION

Year Ended June 30, 2021
With Comparative Totals for 2020

	Operating Fund	Micro Enterprise Fund	Revolving Loan Fund
Operating revenues:			
Interest on notes	\$ -	\$ 1,099	\$ 4,880
Lease income	21,900	-	-
Administrative fees	36,889	-	-
Total operating revenues	<u>58,789</u>	<u>1,099</u>	<u>4,880</u>
Operating expenses:			
Administrative expense	43,366	-	-
Travel	99	-	-
Insurance	3,498	-	-
Legal and accounting	7,358	-	-
PPE grants	3,398	-	-
Maintenance and supplies	10,019	-	-
Miscellaneous	610	-	-
Depreciation	7,361	-	-
Office expense	1,887	-	-
Property taxes	23	-	-
Total operating expenses	<u>77,619</u>	<u>-</u>	<u>-</u>
Net operating income (loss)	<u>(18,830)</u>	<u>1,099</u>	<u>4,880</u>
Non-operating revenue (expense):			
Grant revenue	-	-	-
Grant expense	-	-	-
Return of CDBG grants	-	(1,099)	(1,583)
Interest and earnings	2,985	-	-
Total non-operating revenue (expense)	<u>2,985</u>	<u>(1,099)</u>	<u>(1,583)</u>
Change in net position	(15,845)	-	3,297
Net position, beginning of year	<u>1,299,691</u>	<u>-</u>	<u>154,572</u>
NET POSITION, END OF YEAR	<u>\$ 1,283,846</u>	<u>\$ -</u>	<u>\$ 157,869</u>

See auditor's report.

Micro Grant Fund	Small Business Fund	Eliminations	Totals	
			2021	2020
\$ -	\$ -	\$ -	\$ 5,979	\$ 7,593
-	-	-	21,900	20,700
-	-	(13,250)	23,639	-
-	-	(13,250)	51,518	28,293
-	-	(13,250)	30,116	26,301
-	-	-	99	920
-	-	-	3,498	3,385
-	-	-	7,358	7,688
-	-	-	3,398	-
-	-	-	10,019	10,421
-	-	-	610	1,613
-	-	-	7,361	7,112
-	-	-	1,887	1,509
-	-	-	23	23
-	-	(13,250)	64,369	58,972
-	-	-	(12,851)	(30,679)
95,195	89,516	-	184,711	125,918
(95,195)	(89,516)	-	(184,711)	(125,918)
-	-	-	(2,682)	(2,983)
-	-	-	2,985	18,545
-	-	-	303	15,562
-	-	-	(12,548)	(15,117)
-	-	-	1,454,263	1,469,380
\$ -	\$ -	\$ -	\$ 1,441,715	\$ 1,454,263

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF OUTSTANDING STRAIGHT LEASE AGREEMENTS

Year Ended June 30, 2021

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	\$ -	\$ -	\$ 780,252
Tennessee Gas Pipeline 1001 Louisiana Street Houston, TX 77002	Gas Line	2016	2032	-	-	1,150,390
Schoharie Business Park, Inc. USDA Service Center 199 Morning Sun Drive Schoharie, NY 12157	Services	2010	2021	-	-	4,039
Iroquois Gas Transmission L.P. 1 Corporate Drive, Suite 600 Shelton, CT 06484	Gas Line	2016	2030	-	-	537,596
Sharon Springs, Inc. 1246 Anderson Ave. Fort Lee, NJ 07024	Tourism	2016	2030	582	582	2,645
Middleburgh Meadows, LLC 494 Western Turnpike Altmont, NY 12009	Retail Trade	2017	2031	-	-	19,200
				<u>\$ 582</u>	<u>\$ 582</u>	<u>\$ 2,494,122</u>

See auditors' report.

Exemptions			Payment in Lieu of Taxes			
Property Taxes		Total	County	Local	School	Total
Local	School	Exemptions				
\$ 610,348	\$ 1,443,513	\$ 2,834,113	\$ 195,000	\$ 390,000	\$ 390,000	\$ 975,000
533,939	2,476,111	4,160,440	746,677	521,971	1,702,735	2,971,383
1,725	8,919	14,683	3,676	1,571	8,118	13,365
261,305	1,196,831	1,995,732	453,552	252,851	1,185,378	1,891,781
2,069	4,893	10,771	2,200	3,300	3,840	9,340
12,443	40,978	72,621	3,422	3,161	7,917	14,500
<u>\$ 1,421,829</u>	<u>\$ 5,171,245</u>	<u>\$ 9,088,360</u>	<u>\$ 1,404,527</u>	<u>\$ 1,172,854</u>	<u>\$ 3,297,988</u>	<u>\$ 5,875,369</u>

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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

Year Ended June 30, 2021

	# of FTE Employees at Project Location before IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# of Current FTE Employees	# of FTE Jobs Created During Fiscal Year	# of FTE Jobs Retained During Fiscal Year
Project Owner:						
Wal-Mart Distribution Center	0	350	0	569	1	0
Tennessee Gas Pipeline	2	0	2	5	0	2
Schoharie Business Park, Inc. (USDA Service Center)	13	11	13	14	2	12
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>8</u>	<u>0</u>
	<u>20</u>	<u>426</u>	<u>18</u>	<u>630</u>	<u>11</u>	<u>17</u>

*These projects are under construction. The full time positions are expected to begin the next fiscal year.

See auditors' report.

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



MOSTERT, MANZANERO & SCOTT, LLP
Certified Public Accountants

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

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

To the Board of Directors
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 statement of net position as of and for the year ended June 30, 2021, 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 September 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the IDA's internal control over financial reporting (internal control) to determine the 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 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.

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 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 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
September 21, 2021

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



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

INDEPENDENT AUDITORS' REPORT ON 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, 2021. 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, 2021.

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
September 21, 2021