

**CHENANGO COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Norwich, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2022**



CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Required Supplementary Information	
Management's Discussion and Analysis	4-4c
Basic Financial Statements	
Statement of Net Position	5
Statement of Revenues, Expenses, and Changes in Net Position	6
Statement of Cash Flows	7
Notes to Financial Statements	8-12
<hr/>	
Supplementary Information	
Schedule of Projects	13
Report Required Under <i>Government Auditing Standards</i>	
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>	14-15



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Chenango County Industrial Development Agency
Norwich, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Chenango County Industrial Development Agency (the Agency), a component unit of the County of Chenango, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter

During the year ended December 31, 2022, the Agency adopted Government Accounting Standards Board (GASB) Statement No. 87, "Leases." As discussed in Note 7 to the financial statements, assets and deferred inflows of resources as of December 31, 2021 were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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 opinion. 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Schedule of Projects is presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Projects is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 28, 2023

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

The Chenango County Industrial Development Agency (the Agency), a component unit of Chenango County, New York, was created to encourage economic growth in Chenango County.

Mission: The Chenango County Industrial Development Agency was created to promote, develop, encourage, and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research, and recreation facilities including industrial pollution control facilities, educational or cultural facilities, railroad facilities, and continuing care retirement communities. To provide financial assistance and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the County of Chenango and to improve their recreation opportunities, prosperity and standard of living.

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Agency's financial position as of December 31, 2022 and the result of its operations for the year then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the Agency, which directly follow the MD&A.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial statements of the Chenango County Industrial Development Agency have been prepared in accordance with accounting principles generally accepted in the United States of America, (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; a Statement of Cash Flows; and accompanying notes. These statements provide information on the financial position of the Agency and the financial activity and results of its operations during the year. A description of the Agency's financial statements follows:

- The Statement of Net Position presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Agency is improving or deteriorating.
- The Statement of Revenues, Expenses, and Changes in Net Position presents information showing the change in the Agency's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement include all items that will result in cash received or disbursed in future fiscal periods.
- The Statement of Cash Flows provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, non-capital financing, capital financing, and investing activities.

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Agency's activities.

Figure 1

<i>Condensed Statement of Net Position</i>	<i>The Agency</i>		<i>Total Dollar Change</i>
	<i>2022</i>	<i>2021</i>	
<i>Current Assets:</i>			
<i>Cash and Cash Equivalents</i>	\$ 881,700	\$ 747,224	\$ 134,476
<i>Accounts Receivable</i>	29,470	3,376	26,094
<i>Prepaid Expenses</i>	9,531	4,622	4,909
<i>Lease Receivable, Current</i>	22,706	36,927	(14,221)
<i>Total Current Assets</i>	943,407	792,149	151,258
<i>Non-Current Assets:</i>			
<i>Leases Receivables - Non-Current Portion</i>	42,692	25,316	17,376
<i>Land and Non-Depreciable Capital Assets</i>	238,000	238,000	-
<i>Depreciable Capital Assets, Net</i>	155,098	363,188	(208,090)
<i>Total Assets</i>	1,379,197	1,418,653	(39,456)
<i>Current Liabilities:</i>			
<i>Accounts Payable and Accrued Liabilities</i>	4,023	2,943	1,080
<i>Unearned Revenue</i>	1,500	8,300	(6,800)
<i>Total Liabilities</i>	5,523	11,243	(5,720)
<i>Deferred Inflows of Resources:</i>			
<i>Leases</i>	65,398	37,033	28,365
<i>Total Deferred Inflows of Resources</i>	65,398	37,033	28,365
<i>Net Investment in Capital Assets</i>	393,098	627,872	(234,774)
<i>Unrestricted</i>	915,178	742,505	172,673
<i>Total Net Position</i>	\$ 1,308,276	\$ 1,370,377	\$ (62,101)

The increase in current assets resulted from an increase in cash at year-end. The decrease in capital assets, and the net investment in capital assets, is due to the selling of the Incubator Building, offset by the purchase of property in the Industrial Parks.

The decrease in total liabilities is due to decreases in unearned revenue, offset by the increase in accounts payable. The increase in deferred inflows of resources is a result of the implementation of GASB Statement No. 87.

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Our analysis in *Figure 2* considers the operations of the Agency's activities.

Figure 2

Changes in Net Position	The Agency		Total Dollar Change
	2022	2021	
<i>Operating Revenues:</i>			
<i>Project Fees</i>	\$ 149,760	\$ 149,765	\$ (5)
<i>Rental Income</i>	374,063	38,440	335,623
<i>Non-Operating Revenues</i>	(337,347)	997	(338,344)
Total Revenues	186,476	189,202	(2,726)
<i>Operating Expenses:</i>			
<i>Administrative and Support Fees</i>	163,142	79,625	83,517
<i>Advertising and Marketing Expense</i>	2,263	5,925	(3,662)
<i>Depreciation</i>	23,540	26,684	(3,144)
<i>Repairs and Maintenance</i>	12,776	1,700	11,076
<i>Other Project Fees</i>	12,620	32,998	(20,378)
<i>Legal and Professional Fees</i>	11,543	9,766	1,777
<i>Insurance</i>	12,984	7,616	5,368
<i>PILOT</i>	2,250	2,250	-
<i>Office and Miscellaneous Expense</i>	2,496	3,956	(1,460)
<i>Travel and Training</i>	6,473	1,961	4,512
<i>Utilities</i>	(2,384)	7,512	(9,896)
<i>Rental Expense</i>	874	740	134
Total Expenses	248,577	180,733	67,844
Change in Net Position	\$ (62,101)	\$ 8,469	\$ (70,570)

Total revenues of the Agency decreased \$2,726. The decrease is due to the sale of the Incubator building, offset by rental income received during the year.

Total expenses of the Agency increased \$67,844. The increase in expenses is due to an increase in administrative and support fees and repairs and maintenance, offset by the decreases in other project fees and utilities.

CAPITAL ASSETS

During 2022, the Capital Assets total balance was \$393,098. This amount represents a net decrease (including additions, deletions, and depreciation) of \$208,090 compared to last year, due to the sale of the Incubator building during the year.

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Figure 3

Changes in Capital Assets	The Agency		Total Dollar Change
	2022	2021	
<i>Land - Earl B. Clark</i>	\$ 238,000	\$ 238,000	\$ -
<i>Building- Incubator</i>	156,402	984,748	(828,346)
<i>Accumulated Depreciation</i>	(1,304)	(621,560)	620,256
Totals	\$ 393,098	\$ 601,188	\$ (208,090)

FACTORS BEARING ON THE AGENCY'S FUTURE

Future Risk Factors related to the Chenango County IDA and/or the Development Chenango Corporation for 2023:

1. Green Initiatives

The Chenango County IDA (Industrial Development Agency) has seen a significant increased number of solar projects in Chenango County. We have received a PILOT application for a 3mw solar farm to be constructed in Smyrna.

2. Downtown Revitalization Initiative

In September 2021, the Development Chenango Corporation (DCC) applied to Empire State Development (Southern Tier) for a \$10M Downtown Revitalization Initiative Grant. On December 8, 2021 we were awarded this highly competitive grant.

In December of 2022 Norwich's DRI project sponsors were notified of their awards. Each individual project sponsor will work with their selected government agency to begin the process of building a contract with the state.

3. Property Sale and Acquisition

Development Chenango has decided to sell the Property @ 17-19 South Broad street a retail space currently. The building has been on the market at 325K, the price was recently lowered, and we have interested possible buyers.

Development Chenango has worked with principle design on a lease option for the 14-16 South Broad street property, this property will be under a lease for 15 years at that point it will be transferred to Principle Design.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's clients, investors, and creditors with a general overview of the Agency's finances and demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chenango County Industrial Development Agency, 19 Eaton Ave, Norwich, New York 13815.

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION DECEMBER 31, 2022

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 881,700
Accounts Receivable	29,470
Prepaid Expenses	9,531
Lease Receivables - Current Portion	22,706

Total Current Assets 943,407

Non-Current Assets

Leases Receivable - Non-Current Portion	42,692
Land and Non-Depreciable Capital Assets	238,000
Depreciable Capital Assets, Net	155,098

Total Non-Current Assets 435,790

Total Assets 1,379,197

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Liabilities	4,023
Unearned Revenue	1,500

Total Current Liabilities 5,523

Total Liabilities 5,523

DEFERRED INFLOWS OF RESOURCES

Leases	65,398
--------	--------

NET POSITION

Net Investment in Capital Assets	393,098
Unrestricted	915,178

Total Net Position \$ 1,308,276

See Notes to Financial Statements

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenues	
Project Fees	\$ 149,760
Rental Income	<u>374,063</u>
Total Operating Revenues	<u>523,823</u>
Operating Expenses	
Administrative and Support Fees	163,142
Advertising and Marketing Expense	2,263
Depreciation	23,540
Repairs and Maintenance	12,776
Other Project Fees	12,620
Legal and Professional Fees	11,543
Insurance	12,984
PILOT	2,250
Office and Miscellaneous Expense	2,496
Travel and Training	6,473
Utilities	(2,384)
Rental Expense	<u>874</u>
Total Operating Expenses	<u>248,577</u>
Operating Gain (Loss)	<u>275,246</u>
Non-Operating Revenues (Expenses)	
Interest Income	1,421
Miscellaneous Income	2,184
Sale of Property	<u>(340,952)</u>
Total Non-Operating Revenues (Expenses)	<u>(337,347)</u>
Change in Net Position	(62,101)
Net Position, January 1,	<u>1,370,377</u>
Net Position, December 31,	<u><u>\$ 1,308,276</u></u>

See Notes to Financial Statements

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows From Operating Activities	
Cash Received From Rents and Fees	\$ 522,939
Cash Payments - Contractual Expenses	<u>(260,876)</u>
Net Cash Provided (Used) by Operating Activities	<u>262,063</u>
Net Cash From Non-Capital and Related Financing Activities	
Net Grants Received (Expended)	<u>2,184</u>
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>2,184</u>
Cash Flows From Investing Activities	
Purchase of Capital Assets	(156,402)
Proceeds From Sale of Building	25,210
Interest and Earnings	<u>1,421</u>
Net Cash Provided (Used) by Investing Activities	<u>(129,771)</u>
Net Change in Cash and Cash Equivalents	134,476
Cash and Cash Equivalents, January 1,	<u>747,224</u>
Cash and Cash Equivalents, December 31,	<u><u>\$ 881,700</u></u>
Operating Gain (Loss)	\$ 275,246
Adjustments to Reconcile Net Operating Gain (Loss) to Net Cash Provided (Used) by in Operating Activities:	
Depreciation Expense	23,540
Changes in Assets and Liabilities:	
(Increase) in Accounts Receivable	(26,094)
(Increase) in Prepaid Expenses	(4,909)
Increase in Accounts Payable and Accrued Liabilities	1,080
(Decrease) in Unearned Revenue	<u>(6,800)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 262,063</u></u>

See Notes to Financial Statements

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 1 Summary of Significant Accounting Policies

The financial statements of Chenango County Industrial Development Agency (the Agency) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Agency's accounting policies are described below.

Financial Reporting Entity

The Agency was created in 1975 by the New York State Legislature under the mandate of Article 18-A, "New York State Industrial Development Agency Act" of New York State municipal law for the purpose of advancing job opportunities, health, general prosperity, and economic welfare of the people of Chenango County. The Agency also works to improve current recreation opportunities, posterity, and standard of living. The Agency is exempt from federal, state, and local income taxes. Although established by the Chenango County Board of Supervisors, the Agency is a separate entity and operates independently of the County. The Agency is considered a component unit of Chenango County.

The financial reporting entity consists of (a) the primary government which is the Agency, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended.

The decision to include a potential component unit in the Agency's reporting entity is based on several criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended.

Basis of Accounting

The accounts of the Agency are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Expenses are recorded when the liability is incurred.

Cash and Cash Equivalents

The Agency considers all highly liquid investments having an original maturity of three months or less to be cash equivalents.

Capital Assets

All capital asset purchases are recorded at historical cost or fair market value at the date of acquisition. Depreciation is recorded on a straight-line basis over the assets' estimated useful life of five to 40 years. The Agency's policy is to capitalize all additions greater than \$1,000 with a useful life of more than one year.

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Leases

The Agency determines if an arrangement is or contains a lease at inception. The Agency records lease receivables and deferred inflows of resources for leases in which they are the lessor, which are initially based on the discounted future minimum lease payments over the term of the lease. The Agency used the rate implicit in the lease agreements. In some cases, the implicit rate is not easily determinable, and the Agency elects to use its incremental borrowing rate. The Agency will recognize short-term lease revenue for these leases on a straight-line basis over the term of the lease.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonable certain that it will be exercised. For leases with a term of 12 months or less, including renewals, no intangible assets or lease obligations are recorded on the Statement of Net Position. The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Equity Classifications - Statement of Net Position

- Net Investment in Capital Assets - Consists of capital assets (including restricted capital assets), net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of net resources with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of "net investment in capital assets" or "restricted."

Fee Income, Grant, and Contract Support

The Agency charges a service fee for each project, the proceeds of which are intended to offset Agency expenses and fund continuing operations.

Non-Operating Revenues

Non-operating activities include grant income, gains or losses on disposal of capital assets and investment income.

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 to disclose 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.

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 1 **Summary of Significant Accounting Policies - Continued**

New Accounting Standards

The Agency adopted and implemented the following current Statements of the GASB effective for the year ended December 31, 2022:

- GASB Statement No. 87, “Leases.”

Future Changes in Accounting Standards

- GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ending December 31, 2023.

Note 2 **Cash and Cash Equivalents**

Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts and certificates of deposit.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total bank balances of the Agency of \$881,700 at December 31, 2022 were covered by FDIC insurance up to \$250,000. As of December 31, 2022, all deposits with financial institutions were either insured or collateralized with securities held by the pledging financial institution in the Agency’s name.

Note 3 **Leases Receivable**

The Agency, as lessor, has entered into multiple non-cancelable operating leases for space and land through April 2029. The agreements call for monthly payments from leases ranging from \$450 to \$1,545. Leases Receivable as of December 31, 2022 are as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Balance December 31,</u>
Everything Bagel LLC	11/1/2022	10/31/2024	0.78%	\$ 33,162
Norwich Meadows	5/1/2019	4/30/2029	1.63%	32,236
				<u>\$ 65,398</u>

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 3 Leases Receivable - Continued

The following is a summary of the future lease receivables:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 22,706	\$ 784	\$ 23,490
2024	20,284	566	20,850
2025	5,035	365	5,400
2026	5,117	283	5,400
2027	5,200	200	5,400
2028-2029	7,056	144	7,200
Total	\$ 65,398	\$ 2,342	\$ 67,740

Note 4 Capital Assets

At December 31, 2022, the Agency's capital assets consisted of the following:

	<u>Balance</u> <u>December 31, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>December 31, 2022</u>
Non-Depreciable Capital Assets				
Land - Earl B. Clark	\$ 238,000	\$ -	\$ -	\$ 238,000
Total Non-Depreciable Capital Assets	<u>238,000</u>	<u>-</u>	<u>-</u>	<u>238,000</u>
Depreciable Capital Assets				
Building - Industrial Parks	683,506	156,402	(683,506)	156,402
Improvements Buildings	240,401	-	(240,401)	-
Improvements Property Development	60,841	-	(60,841)	-
Total Depreciable Capital Assets	<u>984,748</u>	<u>156,402</u>	<u>(984,748)</u>	<u>156,402</u>
Total Historical Cost	<u>1,222,748</u>	<u>156,402</u>	<u>(984,748)</u>	<u>394,402</u>
Less Accumulated Depreciation				
Building - Industrial Parks	(548,853)	(1,304)	548,853	(1,304)
Improvements Buildings	(16,929)	-	16,929	-
Improvements Property Development	(55,778)	-	55,778	-
Total Accumulated Depreciation	<u>(621,560)</u>	<u>(1,304)</u>	<u>621,560</u>	<u>(1,304)</u>
Total Capital Assets, Net	<u>\$ 601,188</u>	<u>\$ 155,098</u>	<u>\$ (363,188)</u>	<u>\$ 393,098</u>

Depreciation expense amounted to \$23,540 for the year ended December 31, 2022.

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 5 Payment in Lieu of Taxes

In January 1999, the Agency entered into an agreement with the Town of North Norwich for Payment Lieu of Taxes (PILOT) for the rental of the Earl B. Clark Park.

The Agency is required to make an annual PILOT to the Town of North Norwich in the amount of \$2,000. The agreement remains in effect while the Agency is the holder of title to all or a portion of the property, and all annual tax payments and/or PILOT made by all third-party owners, lessees, licenses, or occupants of the premise total less than \$2,000 per year. Any payments made by the aforementioned parties, if any, would reduce the annual amount due from the Agency.

Note 6 Related Party and Administrative and Service Agreement

On January 1, 2013, the Agency entered into an agreement with the Development Chenango Agency (DCC) and Commerce Chenango (the Chamber) to pay for administrative and support services. The Chamber provides services to both the Agency and DCC. The Agency is required to pay DDC \$10,789 per month for year ended December 31, 2022. This covers their share of the services provided. Under this agreement the Agency paid \$123,013 for year ended December 31, 2022.

Two Board members of the Agency are also members of the Chenango County Board of Supervisors.

Note 7 Restatement

During the year, the Agency adopted GASB Statement No. 87. The Agency's December 31, 2021 assets and deferred inflows of resources have been restated to reflect the following:

Net Position as Previously Reported	\$ 1,370,377
GASB 87 Implementation	
Lease Receivable	37,033
Deferred Inflows of Resources - Leases	<u>(37,033)</u>
Net Position as Restated	<u><u>\$ 1,370,377</u></u>

CHENANGO COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF PROJECTS DECEMBER 31, 2022

<u>Project Name</u>	<u>Exemption Period</u>	<u>Purpose</u>	<u>Sales Tax Cap</u>	<u>Sales Tax Exemptions</u>	<u>Mortgage Tax Exemptions</u>	<u>Payments in Lieu of Taxes</u>	<u>Property Taxes if Not Exempt</u>	<u>Total Exemptions</u>	<u>Jobs at December 31, 2022</u>
Agro-Farma Phase III	2013-2023	Commercial	\$ -	\$ -	\$ -	\$ 209,708	\$ 261,789	\$ 52,081	980
Norwich-Pharmaceuticals	2017-2026	Lease	-	-	-	-	-	-	
Norwich-Chenango Solar	2018-2048	Solar	395,522			54,000	-	(54,000)	*
On the Rail (Cascun Farms)	2017-2026	Lease	-	-	-	*	-	*	*
L.A. Najarian	2016-2027	Lease	-	-	-	2,800	-	(2,800)	14
NYS&W	2013-2024	Lease	-	-	-	-	202,287	202,287	*
Puckett Solar	2021-2052	Solar	520,000	-	-	40,000	-	(40,000)	*
Tiffany Solar	2022-2052	Solar	-	-	-	15,000	15,000	-	*
Total			\$ 915,522	\$ -	\$ -	\$ 321,508	\$ 479,076	\$ 157,568	

**Information not Available*



**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
Chenango County Industrial Development Agency
Norwich, 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 Chenango County Industrial Development Agency (the Agency) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified no certain deficiencies in internal control.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 28, 2023