MADISON COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2023

MADISON COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Madison County Industrial Development Agency
Seneca Turnpike
Canastota, New York

Opinion

We have audited the accompanying financial statements of the Madison County Industrial Development Agency (the Agency), a component unit of the County of Madison, NY, as of and for the years ended December 31, 2023 and 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 financial statements referred to above present fairly, in all material respects, the financial position of Madison County Industrial Development Agency as of December 31, 2023 and 2022, and the changes in its financial position and its cash flows for the years 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. Our responsibilities under those standards are further described in the Auditor's 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.

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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; 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.

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' Responsibility for the Audited 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 auditor's 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.

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 on pages 4 – 7 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 which 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, 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 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 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 Agency's internal control over financial reporting and compliance.

Gustafson & Wargo CPAs LLP

GUSTAFSON & WARGO CPAs LLP
Canastota • New York

March 28, 2024

Madison County Industrial Development Agency
Management's Discussion and Analysis (MD&A)
For the Years Ended December 31, 2023 and 2022

As management of the Madison County Industrial Development Agency (the "Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency, including its subsidiaries, the Madison County Capital Resource Corporation and the Madison Grant Facilitation Corporation, for the years ended December, 31, 2023 and 2022. This narrative should be read in conjunction with the Agency's financial statements which follow this section.

Financial Highlights

- The assets of the Agency exceed its liabilities (net position) at December 31, 2023 and 2022 by $2,998,396 and $3,005,666 respectively. Of these amounts, $2,269,386 and $2,256,047 were unrestricted, meaning that these amounts were available for use in furthering the Agency's mission. $320,426 and $319,742 were restricted to use as a revolving loan fund administered by Madison County Grant Facilitation Corporation. As of December 31, 2023 and 2022 the Agency's Board of Directors designated $38,322 as unrestricted net assets for use in the continuing maintenance and upkeep of its building. Additionally, as of December 31, 2023 and 2022, the MCCRC's Board of Directors has designated $83,436 for economic development in the Morrisville, NY area.
- The agency's total net position decreased by $7,270 and $61,482 for the fiscal years ended December 31, 2023 and 2022 respectively.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Agency's basic financial statements. This report includes the independent auditors' report, management's discussion and analysis, financial statements, notes to financial statements, and other supplemental information.

Required Financial Statements – The financial statements are prepared using the accrual basis of accounting. The financial statements include:

- *Statements of Net Position* – Presents all assets, liabilities and net assets of the Agency at December 31, 2023 and 2022.
- *Statements of Activities* – Presents the financial activity for the years ended December 31, 2023 and 2022 and displays how this financial activity changed the Agency's net position.

- *Statements of Cash Flows* – Presents the cash provided and used during the 2023 and 2022 fiscal years and how it affects the cash balances at December 31, 2023 and 2022.
- *Notes to the Financial Statements* – Provide information regarding the Agency and explain in more detail the information included in the financial statements.

Financial Analysis

The Agency provides administrative assistance and has limited operations. The Agency's net position may serve over time as a useful indicator of financial position. In the case of the Agency, assets exceeded liabilities by $2,998,396 and $3,005,666 at December 31, 2023 and 2022 respectively.

The Agency's largest types of assets are cash, certificates of deposit and capital assets. Capital assets are composed primarily of buildings and improvements and land. A condensed version of the Agency's statement of net position follows:

	December 31,	
	2023	**2022**
Assets		
Current Assets	$ 530,703	$ 1,401,643
Capital Assets, Net	286,826	277,720
Certificate of Deposit >1 year	2,261,907	1,380,775
Deferred outflows	106,976	-
Total Assets	3,186,412	3,060,138
Liabilities		
Current Liabilities	10,859	11,637
Noncurrent Liabilities	177,157	42,835
Total Liabilities	188,016	54,472
Net Position		
Invested in capital assets, net of related debt	286,826	277,720
Restricted	320,426	319,742
Unrestricted	2,269,386	2,256,047
Board Designated	121,758	152,157
Total net position	$ 2,998,396	$ 3,005,666

The Agency's building is its largest noncash investment and continues to help the county by showing a more unified face for economic development. Having a centralized location that is once removed from the county government and is approachable by private businesses enhances the Agency's ability to facilitate economic development.

A useful indicator of the financial status and ability to meet the Agency's current obligations is the current ratio, which is computed as follows:

	December 31,	
	2023	**2022**
Current Assets	$ 530,703	1,401,643
Current Liabilities	$ 10,859	$ 11,637
Ratio of current assets to current liabilities	48.87	120.45

The Agency had current ratios of 48.87 and 120.45 at December 31, 2023 and 2022 respectively. Such ratios indicate that the Agency has sufficient assets on hand to cover its liabilities that will come due in the coming year.

The Agency's revenue and expense activity produced decreases in net position of $7,270 and $61,842 for the fiscal years ended December 31, 2023 and 2022 respectively.

A condensed statement of revenues, expense and changes in net assets follows:

	December 31,	
	2023	**2022**
Operating revenues	$ 427,092	$ 317,943
Operating expenses	488,369	393,614
Net operating income (loss)	(61,277)	(75,671)
Non-operating revenues (expenses)	54,007	14,189
Increase (decrease) in net position	$ (7,270)	$ (61,482)

Significant changes in revenues and expenses from 2023 to 2022 include:

- Operating revenues increased due to an increase in the development project closings in 2023.
- Expenses increased by $66,294 due largely to an increase in the Agency's pension accrual due to reductions in market value of the pension's investments.

Another important factor in the consideration of the fiscal condition is the Agency's cash position and annual cash flows. A condensed version of the Agency's statement of cash flows follows:

	December 31,	
	2023	**2022**
Cash flows from:		
Operating activities	$ 28,681	$ (78,524)
Investing activities	(899,621)	(1,380,775)
Net decrease in cash and cash equivalents	$ (870,940)	$ (1,459,299)

Capital Assets and Debt Administration

Capital Assets – the Agency's investment in capital assets (net of accumulated depreciation) as of December 31, 2023 and 2022 amounted to $286,826, and $277,720, respectively.

	December 31,	
	2023	**2022**
Land	$ 69,290	$ 69,290
Buildings and improvements	217,536	208,430
Furniture and Fixtures	-	-
Machinery and equipment	-	-
Total	$ 286,826	$ 277,720

Debt

The Agency had no debt outstanding as of December 31, 2023 and 2022.

Economic Factors

The Agency's basic purpose is to assist business growth and expansion in Madison County. The business and economic climate in the county has been relatively steady over the past two years. Incentives initiated at the State level have had a positive effect.

Contacting the Agency

The financial report is designed to provide a general overview of the agency's finances for interested individuals. Questions regarding this report or requests for additional information should be directed to the Madison County Industrial Development Agency, 3215 Seneca Turnpike, Canastota, NY 13032.

MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
December 31, 2023 and 2022

	2023				2022
	MCIDA	MCCRC	MGFC	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	$ 412,337	$ 117,623	$ 743	$ 530,703	$ 1,401,643
Noncurrent assets:					
Certificates of Deposit	688,904	1,253,320	319,683	2,261,907	1,380,775
Capital assets:					
Land	69,290	-	-	69,290	69,290
Buildings and improvements	379,792	-	-	379,792	361,303
Furniture and fixtures	50,267	-	-	50,267	50,267
Machinery and equipment	13,242	-	-	13,242	13,242
Less accumulated depreciation	(225,765)	-	-	(225,765)	(216,382)
Total capital assets, net of depreciation	286,826	-	-	286,826	277,720
Deferred outflows	106,976	-	-	106,976	-
Total assets	1,495,043	1,370,943	320,426	3,186,412	3,060,138
LIABILITIES AND NET POSITION					
Current liabilities:					
Accounts payable and accrued expenses	10,859	-	-	10,859	11,637
Noncurrent liabilites:					
Deferred inflows	-	-	-	-	110,544
Net pension liability (asset)	177,157.00	-	-	177,157	(67,709)
Total liabilities	188,016	-	-	188,016	54,472
Net position:					
Invested in capital assets	286,826	-	-	286,826	277,720
Board designated	38,322	83,436	-	121,758	152,157
Restricted	-	-	320,426	320,426	319,742
Unrestricted	981,879	1,287,507	-	2,269,386	2,256,047
Total net position	1,307,027	1,370,943	320,426	2,998,396	3,005,666
Total liabilities and net position	$ 1,495,043	$ 1,370,943	$ 320,426	$ 3,186,412	$ 3,060,138

See the accompanying notes to the financial statements.

MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
Years ended December 31, 2023 and 2022

	2023				2022
	MCIDA	MCCRC	MGFC	Total	
Operating revenues:					
Charges for services	$ 121,477	$ 250	$ -	$ 121,727	$ 30,456
Rental and financing income	22,898	-	-	22,898	21,031
Grant revenue	185,680	-	-	185,680	176,838
MCCRC Contract	96,787	-	-	96,787	89,618
Total operating income	426,842	250	-	427,092	317,943
Operating expenses:					
Salaries	181,570	-	-	181,570	168,120
Other employee benefits	130,497	-	-	130,497	64,203
MCCRC Contract	-	96,787	-	96,787	89,618
Occupancy	16,381	-	-	16,381	19,698
Insurance	4,415	-	-	4,415	4,096
Professional fees	23,680	-	-	23,680	23,330
Dues and subscriptions	4,527	-	-	4,527	3,421
Promotion and development	2,878	9,000	-	11,878	2,102
Telephone and internet	4,379	-	-	4,379	4,755
Depreciation	9,383	-	-	9,383	8,943
Office supplies	958	-	-	958	844
Postage	464	-	-	464	229
Travel and conferences	3,450	-	-	3,450	4,255
Total operating expenses	382,582	105,787	-	488,369	393,614
Operating income (loss)	44,260	(105,537)	-	(61,277)	(75,671)
Nonoperating revenues:					
Interest income	18,666	34,657	684	54,007	14,189
Increase (decrease) in net position	62,926	(70,880)	684	(7,270)	(61,482)
Total net position - beginning	1,244,101	1,441,823	319,742	3,005,666	3,067,148
Total net position - ending	$ 1,307,027	$ 1,370,943	$ 320,426	$ 2,998,396	$ 3,005,666

See the accompanying notes to the financial statements.

MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
Years ended December 31, 2023 and 2022
Increase (Decrease) in Cash

	2023				2022
	MCIDA	MCCRC	MGFC	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from providing services	$ 121,727	$ 250	$ -	$ 121,977	$ 30,456
Grants received	185,680			185,680	176,838
Interest received	18,666	34,657	684	54,007	14,189
Rent received	22,898			22,898	21,031
MCCRC Contract payment received (paid)	96,787	(96,787)		-	-
Cash paid to employees and suppliers	(346,881)	(9,000)		(355,881)	(321,038)
Net cash provided by (used in) operating activities	98,877	(70,880)	684	28,681	(78,524)
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital asset acquisitions	(18,489)	-	-	(18,489)	-
Long-term certificates of deposit	(425,232)	(136,217)	(319,683)	(881,132)	(1,380,775)
Net cash used in investing activities	(443,721)	(136,217)	(319,683)	(899,621)	(1,380,775)
Increase (decrease) in cash and cash equivalents	(344,844)	(207,097)	(318,999)	(870,940)	(1,459,299)
Cash and cash equivalents - beginning	757,181	324,720	319,742	1,401,643	2,860,942
Cash and cash equivalents - ending	412,337	117,623	743	530,703	1,401,643
RECONCILIATION OF INCREASE (DECREASE) IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Increase (decrease) in net position	62,926	(70,880)	684	(7,270)	(61,482)
Adjustments for items not affecting cash flows:					
Depreciation	9,383	-	-	9,383	8,943
Changes in operating assets and liabilities:					
Changes in accounts payable, pension liability and deferred inflows/outflows	26,568	-	-	26,568	(25,985)
Net cash provided by (used in) operating activities	$ 98,877	$ (70,880)	$ 684	$ 28,681	$ (78,524)

See the accompanying notes to the financial statements.

1. Background and Accounting Policies

Madison County Industrial Development Agency is a public benefit agency created in 1970 under the laws of the State of New York to advance economic growth in Madison County. Funding for the Agency is provided by Madison County and by fees collected upon issuance of Industrial Development Bonds or other tax breaks for local businesses. The Agency's board of directors is appointed by the Madison County New York Board of Supervisors and the County has the ability to impose its will and significantly influence the Agency. As such the Agency is considered a component unit of the County.

The Agency promotes economic growth in the County by providing new or existing businesses with low-cost financing through the issuance of tax-exempt or taxable obligations along with State and local tax abatement programs. Technically, the Agency retains title to the property, equipment or improvement financed and enters into a lease or mortgage agreement with the benefited enterprise. A trustee bank administers the issuance of the initial obligations and the repayments. In accordance with New York State policy, the Agency does not report the assets or obligations resulting from its economic development activities in its financial statements. The obligations are not obligations of the Agency; the primary function of the Agency is to arrange financing between companies and bond or noteholders.

In order to retain MCIDA's ability to issue tax-exempt revenue bonds to fund projects for nonprofit organizations, Madison County formed the County nonprofit Madison County Capital Resource Corporation (MCCRC) in November 2009. While MCCRC is a separate legal entity, its governing board is made up of the MCIDA's officers and directors and the two entities share common management. As such, the MCCRC is presented as a component unit of the MCIDA in the accompanying financial statements. MCCRC paid MCIDA $96,787 in 2023 and $89,618 in 2022 under a contract to provide administrative services.

The Agency formed the wholly-owned subsidiary, Madison Grant Facilitation Corporation (MGFC), on June 3, 2013. The corporation is able to receive grant funds whose receipt is limited to such organizations. While MGFC is a separate legal entity, its governing board is made up of the MCIDA's officers and directors and the two entities share common management. As such, the MGFC is presented as a component unit of the MCIDA in the accompanying financial statements.

The Agency uses the calendar year and records revenue and expenditures on the accrual method for financial reporting purposes. The Agency's accounting and reporting is done in accordance with generally accepted accounting principles. Capital assets are recorded at cost and depreciated using the straight-line method over their estimated useful lives. Routine maintenance and repairs are expensed as incurred. Land is not depreciated. As a public benefit agency, the Agency is not required to pay income taxes.

The Agency is a component unit of and receives a substantial portion of its revenue pursuant to a grant contract with Madison County. This contract is renewed every year at the option of both parties. Should Madison County discontinue the arrangement, the Agency would lose a substantial portion of its revenue.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

2. Cash and Cash Equivalents

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

Collateral is required for all deposits not covered by federal deposit insurance. All deposits were adequately collateralized as of December 31, 2023 and 2022.

3. Pension Plan

The Agency participates in the New York State and Local Employees Retirement System (the System). The System is a cost-sharing multiple-employer public employee retirement system. The System offers a wide range of plans and benefits that are related to years of service and final average salary, vesting of retirement benefits, death and disability.

The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL).

As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller serves as sole trustee and administrative head of the System) shall adopt and may amend rules and regulations for the administration and transaction of business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, State Office Building, Albany, New York 12244.

Funding Policy

The System is noncontributory for employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System for more than 10 years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, employees contribute 3% of their salary throughout their active membership. For employees who joined after April 1, 2012, employees contribute 3% of their salary until April 1, 2013 and then contribute 3% to 6% of their salary throughout their active membership. The Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Agency is required to contribute at an actuarially determined rate. The required contributions for the current year and the two preceding years were:

2023	$25,198
2022	$21,063
2021	$28,503

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources Related to Pensions

The Agency reported a liability of $177,157 and an asset of $67,709 for its proportionate share of the net pension liability as of December 31 2023 and 2022 respectively. The net pension liability was measured as of March 31, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

The Agency's proportion was .0008266% and .0008283% for 2023 and 2022 respectively.

For the years ended December 31, 2023 and 2022 respectively, the Agency recognized pension expense (benefit) of $52,644 and ($7,180). At December 31, 2023 the Agency reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 13,901
Changes in assumptions	85,137
Net difference between projected and actual earnings on pension plan investments	(1,041)
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	(16,219)
Contributions subsequent to the measurement date	25,198
	$ 106,976

Actuarial Assumptions

The April 1, 2022 actuarial valuation determines the employer rates for contributions payable in fiscal year 2023. The following actuarial methods and assumptions were used:

Actuarial cost method	Aggregate cost method
Asset valuation period	5-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return
Inflation	2.5%
Salary scale	4.4% indexed by service
Investment rate of return	5.9% compounded annually, net of investment expenses including inflation
Cost of living adjustments	1.5% annually

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	31%	4.3 %
International Equity	13%	6.85 %
Private Equity	15%	7.50%
Real Estate	10%	4.6%
Opportunistic portfolio	3%	5.38%
Credit	4%	5.43%
Real Assets	3%	5.84%
Fixed Income	20%	1.50%
Cash	1%	0.00%

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at the statutorily required rates, actuarially. Based on assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employer as of December 31, 2023 are as follows:

	Pension Plan's Fiduciary Net Position	Agency's Share of Plan's Fiduciary Net Position	Agency's Allocation Percentage
Total Pension Liability	$ 232,627,259,000	$ 1,922,897	0.0008266%
Net Position	(211,183,223,000)	(1,745,740)	0.0008266%
Net Pension Liability (Asset)	$ 21,444,036,000	$ 177,157	0.0008266%

4. Board Designated Net Assets

The Agency's Board of Directors has designated net assets as follows:

MCIDA Building Maintenance and Upkeep	$ 38,322
MCCRC Economic Development-Morrisville, NY Area	83,436
	$ 121,758

5. Subsequent Events.

Management has reviewed subsequent events through March 28, 2024 the date on which the financial statements were available to be issued, and no additional subsequent events occurred requiring accrual or disclosure.

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
Madison County Industrial Development Agency
Seneca Turnpike
Canastota, 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 as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise Madison County Industrial Development Agency's (MCIDA) basic financial statements, and have issued our report thereon dated March 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MCIDA'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gustafson & Wargo CPAs LLP

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March 28, 2024