

**MADISON COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**  
(A Discretely Presented Component Unit of the  
County of Madison, New York)

**Financial Statements as of  
December 31, 2024 and 2023  
Together with  
Independent Auditor's Report**

**MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
(A Discretely Presented Component Unit of the County of Madison, New York)

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**December 31, 2024**

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## **INDEPENDENT AUDITOR'S REPORT**

March 27, 2025

To the Board of Directors of  
Madison County Industrial Development Agency:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Madison County Industrial Development Agency (the Agency), a discretely presented component unit of the County of Madison, New York (the County), as of and for the year ended December 31, 2024, 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 the Agency as of December 31, 2024, and the changes in its 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 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 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.

#### ***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.

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(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

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 Agency's ability to continue as a going concern twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's 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 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

(Continued)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension schedules (the schedule of proportionate share of net pension liability (asset) and schedule of contributions - pension plans) 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 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.

### ***Report on Summarized Comparative Information***

The financial statements of the Agency as of and for the year ended December 31, 2023 were audited by other auditors, whose report dated March 28, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, 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.

**MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(A Discretely Presented Component Unit of the County of Madison, New York)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2024 and 2023**

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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 blended component units, the Madison County Capital Resource Corporation (MCCRC) and the Madison Grant Facilitation Corporation (MGFC), for the years ended December 31, 2024 and 2023. This narrative should be read in conjunction with the Agency's financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Agency exceed its liabilities and deferred inflows of resources (net position) at December 31, 2024 and 2023 by \$3,008,620 and \$2,998,396 respectively. Of these amounts, \$2,378,370 and \$2,391,144 were unrestricted, meaning that these amounts were available for use in furthering the Agency's mission. \$334,818 and \$320,426 were restricted to use as a revolving loan fund administered by Madison County Grant Facilitation Corporation.
- The Agency's total net position increased by \$10,224 and decreased by \$7,270 for the fiscal years ended December 31, 2024 and 2023 respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Agency's basic financial statements.

**Required Financial Statements**

The financial statements are prepared using the accrual basis of accounting. The financial statements include:

- *Statement of Net Position* — Presents all assets, liabilities and net position of the Agency at December 31, 2024 and 2023.
- *Statement of Activities* — Presents the financial activity for the years ended December 31, 2024 and 2023 and displays how this financial activity changed the Agency's net position.
- *Statement of Cash Flows* — Presents the cash provided and used during the 2024 and 2023 fiscal years and how it affects the cash balances at December 31, 2024 and 2023.
- *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 \$3,008,620 and \$2,998,396 at December 31, 2024 and 2023 respectively.

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

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current assets	\$ 500,925	\$ 532,179
Noncurrent assets	<u>2,634,980</u>	<u>2,547,257</u>
Total assets	<u>3,135,905</u>	<u>3,079,436</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>82,160</u>	 <u>131,251</u>
 <b>LIABILITIES</b>		
Current liabilities	12,500	10,859
Long-term obligations	<u>119,741</u>	<u>177,157</u>
Total liabilities	<u>132,241</u>	<u>188,016</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>77,204</u>	 <u>24,275</u>
 <b>NET POSITION</b>		
Net investment in capital assets	295,432	286,826
Restricted	334,818	320,426
Unrestricted	<u>2,378,370</u>	<u>2,391,144</u>
Total net position	<u>\$ 3,008,620</u>	<u>\$ 2,998,396</u>

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.

**Financial Analysis (Continued)**

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:

	<u>2024</u>	<u>2023</u>
Total current assets	\$ 500,925	\$ 532,179
Total current liabilities	12,500	10,859
Current ratio	40.1	49.0

The Agency had current ratios of 40.1 and 49.0 at December 31, 2024 and 2023 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 an increase in net position of \$10,224 and a decrease in net position of \$7,270 for the fiscal years ended December 31, 2024 and 2023 respectively.

A condensed statement of operating revenues, operating expenses and operating income is as follows:

	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 326,864	\$ 330,305
Operating expenses	<u>408,488</u>	<u>391,582</u>
Operating income (loss)	<u>(81,624)</u>	<u>(61,277)</u>
Nonoperating revenues (expenses)	<u>91,848</u>	<u>54,007</u>
Increase (decrease) in net position	<u>\$ 10,224</u>	<u>\$ (7,270)</u>

Significant changes in revenues and expenses from 2024 to 2023 include:

Operating revenues slightly decreased mainly due to a decrease in charges for services.

Expenses increased mainly due to an increase in payments for professional services.



**Financial Analysis (Continued)**

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:

	<u>2024</u>	<u>2023</u>
Cash flows from:		
Operating activities	\$ (22,352)	\$ (25,326)
Investing activities	<u>(7,426)</u>	<u>(844,138)</u>
Net decrease in cash and cash equivalents	<u>\$ (29,778)</u>	<u>\$ (869,864)</u>

**Capital Assets and Debt Administration****Capital Assets**

The Agency's net investment in capital assets (net of accumulated depreciation) as of December 31, 2024 and 2023 amounted to \$295,432 and \$286,826, respectively.

	<u>2024</u>	<u>2023</u>
Capital assets, nondepreciable		
Land	<u>\$ 69,290</u>	<u>\$ 69,290</u>
Capital assets, depreciable		
Buildings and improvements	379,792	379,792
Furniture and equipment	<u>85,142</u>	<u>63,509</u>
Less: Accumulated depreciation	<u>(238,792)</u>	<u>(225,765)</u>
Capital assets, depreciable, net of accumulated depreciation	<u>226,142</u>	<u>217,536</u>
Net investment in capital assets	<u>\$ 295,432</u>	<u>\$ 286,826</u>

**Debt**

The Agency had no debt outstanding as of December 31, 2024 and 2023.

**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**  
(A Discretely Presented Component Unit of the County of Madison, New York)

**Statement of Net Position**  
**December 31, 2024**  
**(With Comparative Totals for 2023)**

	2024				2023
	Blended Component Units				
	MCIDA	MCCRC	MGFC	Total	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 482,189	\$ 17,993	\$ 743	\$ 500,925	\$ 532,179
Noncurrent assets:					
Certificates of deposit	714,445	1,291,028	334,075	2,339,548	2,260,431
Capital assets, nondepreciable	69,290	-	-	69,290	69,290
Capital assets, net of accumulated depreciation	226,142	-	-	226,142	217,536
Total assets	<u>1,492,066</u>	<u>1,309,021</u>	<u>334,818</u>	<u>3,135,905</u>	<u>3,079,436</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - pension	<u>82,160</u>	<u>-</u>	<u>-</u>	<u>82,160</u>	<u>131,251</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	12,500	-	-	12,500	10,859
Long-term obligations:					
Compensated absences liability	3,434	-	-	3,434	-
Net pension liability	116,307	-	-	116,307	177,157
Total liabilities	<u>132,241</u>	<u>-</u>	<u>-</u>	<u>132,241</u>	<u>188,016</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - pension	<u>77,204</u>	<u>-</u>	<u>-</u>	<u>77,204</u>	<u>24,275</u>
<b>NET POSITION</b>					
Net investment in capital assets	295,432	-	-	295,432	286,826
Restricted	-	-	334,818	334,818	320,426
Unrestricted	<u>1,069,349</u>	<u>1,309,021</u>	<u>-</u>	<u>2,378,370</u>	<u>2,391,144</u>
Total net position	<u>\$ 1,364,781</u>	<u>\$ 1,309,021</u>	<u>\$ 334,818</u>	<u>\$ 3,008,620</u>	<u>\$ 2,998,396</u>

The accompanying notes are an integral part of these statements.

**MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
(A Discretely Presented Component Unit of the County of Madison, New York)

**Statement of Activities**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for 2023)**

	2024					2023
	Blended Component Units					
	MCIDA	MCCRC	MGFC	Eliminations	Total	
Operating revenues:						
Charges for services	\$ 117,598	\$ -	\$ -	\$ -	\$ 117,598	\$ 121,727
Grants and government contributions revenue	185,680	-	-	-	185,680	185,680
MCCRC contract revenue	101,142	-	-	(101,142)	-	-
Rental income	23,586	-	-	-	23,586	22,898
Total operating revenues	428,006	-	-	(101,142)	326,864	330,305
Operating expenses:						
Salaries	186,303	-	-	-	186,303	181,570
Employee benefits	127,902	-	-	-	127,902	130,497
MCCRC contract expense	-	101,142	-	(101,142)	-	-
Occupancy	21,806	-	-	-	21,806	16,381
Insurance	5,302	-	-	-	5,302	4,415
Professional fees	36,759	-	-	-	36,759	23,680
Dues and subscriptions	4,031	-	-	-	4,031	4,527
Promotion and development	4,527	-	-	-	4,527	11,878
Telephone and internet	4,848	-	-	-	4,848	4,379
Depreciation	13,027	-	-	-	13,027	9,383
Office supplies	687	-	-	-	687	958
Postage	577	-	-	-	577	464
Travel and conferences	2,719	-	-	-	2,719	3,450
Total operating expenses	408,488	101,142	-	(101,142)	408,488	391,582
Operating income (loss)	19,518	(101,142)	-	-	(81,624)	(61,277)
Other income (expense):						
Interest income	38,236	39,220	14,392	-	91,848	54,007
Change in net position	57,754	(61,922)	14,392	-	10,224	(7,270)
Net position - beginning of year	1,307,027	1,370,943	320,426	-	2,998,396	3,005,666
Net position - end of year	\$ 1,364,781	\$ 1,309,021	\$ 334,818	\$ -	\$ 3,008,620	\$ 2,998,396

The accompanying notes are an integral part of these statements.

**MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(A Discretely Presented Component Unit of the County of Madison, New York)**

**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**  
**(With Comparative Totals for 2023)**

	2024				2023
	Blended Component Units				
	MCIDA	MCCRC	MGFC	Total	
Cash flows from (used in) operating activities:					
Cash received for providing services	\$ 117,598	\$ -	\$ -	\$ 117,598	\$ 121,727
Cash received from grants and government contributions received	185,680	-	-	185,680	185,680
Cash received for rent	23,586	-	-	23,586	22,898
Cash received (paid) for MCCRC contract	101,142	(101,142)	-	-	-
Cash paid for professional fees	(24,259)	-	-	(24,259)	(23,680)
Cash paid for general and administrative expenses	(55,356)	-	-	(55,356)	(47,230)
Cash paid for salaries and related expenses	(269,601)	-	-	(269,601)	(284,721)
Net cash from (used in) operating activities	78,790	(101,142)	-	(22,352)	(25,326)
Cash flows from (used in) investing activities:					
Cash paid for capital asset acquisitions	(21,633)	-	-	(21,633)	(18,489)
Cash received for interest	38,236	39,220	14,392	91,848	54,007
Cash invested in certificates of deposit	(25,541)	(37,708)	(14,392)	(77,641)	(879,656)
Net cash from (used in) investing activities	(8,938)	1,512	-	(7,426)	(844,138)
Increase (decrease) in cash and cash equivalents	69,852	(99,630)	-	(29,778)	(869,464)
CASH AND CASH EQUIVALENTS - beginning	412,337	117,623	743	530,703	1,401,643
CASH AND CASH EQUIVALENTS - ending	\$ 482,189	\$ 17,993	\$ 743	\$ 500,925	\$ 532,179
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:					
IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 19,518	\$ (101,142)	\$ -	\$ (81,624)	\$ (61,277)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:					
Depreciation	13,027	-	-	13,027	9,383
Changes in:					
Accounts payable and accrued expenses	1,641	-	-	1,641	(778)
Compensated absences liability	3,434	-	-	3,434	-
Net pension liability	(60,850)	-	-	(60,850)	244,866
Deferred outflows of resources - pension	49,091	-	-	49,091	9,386
Deferred inflows of resources - pension	52,929	-	-	52,929	(226,906)
Net cash from (used in) operating activities	\$ 78,790	\$ (101,142)	\$ -	\$ (22,352)	\$ (25,326)

The accompanying notes are an integral part of these statements.

# **MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**(A Discretely Presented Component Unit of the County of Madison, New York)**

## **Notes to Basic Financial Statements**

**December 31, 2024**

**(With Comparative Totals for 2023)**

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### **1. THE AGENCY**

Madison County Industrial Development Agency (the 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 primarily 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 discretely presented 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 blended component unit of the MCIDA in the accompanying financial statements.

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 blended component unit of the MCIDA in the accompanying financial statements.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The Agency operates as a proprietary fund. Proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) and deferred inflows and outflows associated with their activities are reported. Fund equity is classified as net position. The Agency utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 these estimates, and such differences may be significant.

### **Income Tax Status**

The Agency was organized as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code.

### **Cash and Cash Equivalents**

For the purpose of the statement of net position and statement of cash flows, cash and cash equivalents include deposits, and all highly liquid debt instruments with original maturities of three months or less.

### **Investments**

Investments include certificate of deposits invested at individual banks earning interest for a specified length of time.

### **Capital Assets**

The Agency defines capital assets as assets with estimated useful life in excess of 2 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation beginning in the first year after completion or acquisition of the asset. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Estimated useful lives are as follows:

Buildings and Improvements	7-40 years
Furniture and Equipment	3-10 years

### **Operating Revenues and Non-Operating Revenues**

The Statement of Revenues, Expenses, and Change in Net Position distinguish between operating and non-operating revenues. Operating revenues, such as charges for services, grant and government contributions revenue, MCCRC contract revenue and rental income result from exchange transactions associated with the principal activities of the Agency. Exchange transactions are those in which each party to the transaction receives or gives up essentially equal values. Non-operating revenues arise from exchange transactions not associated with the Agency's principal activities and from all non-exchange transactions.

### **MCCRC Contract Revenue and Expense**

The Agency has an annual agreement with MCCRC to provide the entity with administrative services. For the years ended December 31, 2024 and 2023, MCCRC paid the Agency \$101,142 and \$96,787, respectively. The current year amount is shown in the eliminations column of the Statement of Activities.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Net Position**

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

- a. Net investment in capital assets – capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that does not meet the definition of net investment in capital assets or restricted net position.

It is the Agency's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

## **3. CASH AND INVESTMENTS**

The Agency follows an investment policy which the overall objective of which is to implement Section 858-a(3) of Title One of Article 18-a of the General Municipal Law. Agency funds not required for immediate expenditures can be invested in special time deposits or certificates of deposit. The Treasurer and any other officer or employee of the Agency is authorized by the by-laws of the Agency or by resolution of the members of the Agency to temporarily invest Agency funds.

### **Deposits**

Deposits include demand deposits, money market accounts and certificate of deposits. All deposits with financial institutions must be collateralized in an amount equal to 102% of deposits not insured by the Federal Deposit Insurance Corporation. Securities that may be pledged as collateral are limited to the obligations of the United States or any obligation fully insured as to the principal and interest by the United States acting through an agency, and obligations of New York State or obligations of any municipal corporation, school district, or district corporation of the State of New York and must be held either by the financial institution's trust department or by a third party custodial bank.

At December 31, 2024, the Agency had total deposits of \$2,870,026, of which \$1,016,495 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$1,768,728 was collateralized with securities held by the pledging financial institution in the respective entity's name, leaving \$84,803 uncollateralized.

Total deposits of \$2,813,603 were held the Agency at December 31, 2023, of which \$1,119,841 was insured by the FDIC and \$183,871 was collateralized with securities held by the pledging financial institution in the respective entity's name, leaving \$1,509,891 uncollateralized.

### **Investment Valuation**

At December 31, 2024 and 2023 the Agency held certificates of deposit of \$2,339,548 and \$2,260,431, respectively, which are non-participating interest earning contracts valued at amortized cost.

#### 4. CONCENTRATIONS

The Agency receives its primary source of funding from the County of Madison, New York (the County) based on an annual agreement included in the County's budget. For the years ended December 31, 2024 and 2023, the County paid the Agency \$185,680 each year, respectively, which comprised 57% and 56% of operating revenue for the years ended December 31, 2024 and 2023, respectively.

#### 5. CAPITAL ASSETS

The Agency's capital assets activity for the year ended December 31, 2024 was as follows:

	Balance at January 1	Additions	Deductions	Balance at December 31
Capital assets, not being depreciated:				
Land	\$ 69,290	\$ -	\$ -	\$ 69,290
Capital Assets, being depreciated:				
Buildings and improvements	379,792	-	-	379,792
Furniture and equipment	63,509	21,633	-	85,142
Total Capital Assets, being depreciated	443,301	21,633	-	464,934
Less Accumulated Depreciation for:				
Buildings and improvements	(162,256)	(11,585)	-	(173,841)
Furniture and equipment	(63,509)	(1,442)	-	(64,951)
Total Accumulated Depreciation	(225,765)	(13,027)	-	(238,792)
Total Capital Assets, being depreciated, net	217,536	8,606	-	226,142
Capital Assets, net	\$ 286,826	\$ 8,606	\$ -	\$ 295,432



## 5. CAPITAL ASSETS (Continued)

The Agency's capital assets activity for the year ended December 31, 2023 was as follows:

	Balance at January 1	Additions	Deductions	Balance at December 31
Capital assets, not being depreciated:				
Land	\$ 69,290	\$ -	\$ -	\$ 69,290
Capital Assets, being depreciated:				
Buildings and improvements	361,303	18,489	-	379,792
Furniture and equipment	63,509	-	-	63,509
Total Capital Assets, being depreciated	424,812	18,489	-	443,301
Less Accumulated Depreciation for:				
Buildings and improvements	(152,873)	(9,383)	-	(162,256)
Furniture and equipment	(63,509)	-	-	(63,509)
Total Accumulated Depreciation	(216,382)	(9,383)	-	(225,765)
Total Capital Assets, being depreciated, net	208,430	9,106	-	217,536
Capital Assets, net	<u>\$ 277,720</u>	<u>\$ 9,106</u>	<u>\$ -</u>	<u>\$ 286,826</u>

## 6. RETIREMENT PLAN

### **New York State Employees' Retirement System (NYSERS)**

The Agency participates in the New York State and Local Employees Retirement System (NYSERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing, multiple employer public employee retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the System, System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, employees in NYERS 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 annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Contributions for the current plan year and two preceding plan years were equal to 100 percent of contributions required, and were as follows:

2024	\$	25,198
2023	\$	21,063
2022	\$	28,503

### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At December 31, 2024 the Agency reported a net pension liability of \$116,307 for its proportionate share of the NYERS net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2023. 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. At December 31, 2024, the Agency's proportionate share was 0.0007899%.

## 6. RETIREMENT PLAN (Continued)

### Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources to Pensions (Continued)

For the year ended December 31, 2024, the Agency recognized pension expense of \$41,044. At December 31, 2024 the Agency reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,463	\$ 3,171
Changes in assumptions	43,973	-
Net difference between projected and actual earnings on pension plan investments	-	56,816
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	724	17,217
Contributions subsequent to the measurement date	-	-
	<u>          </u>	<u>          </u>
Total	<u>\$ 82,160</u>	<u>\$ 77,204</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (28,599)
2026	17,497
2027	30,442
2028	<u>(14,384)</u>
Total	<u>\$ 4,956</u>

### Actuarial Assumptions

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024.

## 6. RETIREMENT PLAN (Continued)

### Actuarial Assumptions (Continued)

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.4% indexed by service
Projected COLAs	1.5% compounded annually
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment rate of return	5.9% compounded annually, net of investment expenses

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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below:

<u>Asset type</u>	<u>Target allocations in %</u>	<u>Long-term expected real rate of return in %</u>
Domestic equity	32.0	4.00
International equity	15.0	6.65
Private equity	10.0	7.25
Real estate	9.0	4.60
Opportunistic/ARS portfolio	3.0	5.25
Credit	4.0	5.40
Real assets	3.0	5.79
Fixed income	23.0	1.50
Cash	<u>1.0</u>	0.25
	<u>100.0</u>	

### Discount Rate

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.

## 6. RETIREMENT PLAN (Continued)

### Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Proportionate share of net pension liability (asset)	<u>\$ 365,682</u>	<u>\$ 116,307</u>	<u>\$ (91,972)</u>

### Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employer as of December 31, 2024 are as follows:

Total pension liability	\$ 240,696,851
Net position	<u>(225,972,801)</u>
Net position liability (asset)	<u>\$ 14,724,050</u>
ERS net position as a percentage of total pension liability	93.88%

## 7. RECLASSIFICATIONS

Certain amounts in the 2023 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The reclassifications did not have any effect on total net position or change in net position as previously reported.

**MADISON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(A Discretely Presented Component Unit of the County of Madison, New York)**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**Pension Schedules**

**December 31, 2024**

(Dollar amounts displayed in thousands)

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**

	2024	2023
Proportion of the net pension liability (asset)	0.001%	0.001%
Proportionate share of the net pension liability (asset)	\$ 116	\$ 177
Covered-employee payroll	\$ 171	\$ 164
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	67.84%	107.93%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%

Information for the periods prior is unavailable and will be completed for each year going forward as they become available.

(Dollar amounts displayed in thousands)

**SCHEDULE OF CONTRIBUTIONS - PENSION PLAN**

	2024	2023
Contractually required contribution	\$ 25	\$ 21
Contributions in relation to the contractually required contribution	<u>25</u>	<u>21</u>
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 171	\$ 164
Contributions as a percentage of covered-employee payroll	14.62%	12.80%

Information for the periods prior is unavailable and will be completed for each year going forward as they become available.

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

March 27, 2025

To the Board of Directors of  
Madison County Industrial Development Agency:

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 Madison County Industrial Development Agency (the Agency), as of and for the year ended December 31, 2024, 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 27, 2025.

**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. 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.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**  
(Continued)

**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.