

**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Ithaca, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2023**



TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Tompkins County Industrial Development Agency
Ithaca, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Tompkins County Industrial Development Agency (the Agency), a component unit of the County of Tompkins, New York, and its blended component unit, Tompkins County Development Corporation (the Corporation), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Agency's and the Corporation'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 respective financial position of Tompkins County Industrial Development Agency, and its blended component unit, the Tompkins County Development Corporation, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Corporation 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 opinions.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 and Corporation'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 and Corporation'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 and Corporation’s basic financial statements. The Schedules of Indebtedness and Projects are 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 Schedules of Indebtedness and Projects are 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 22, 2024, on our consideration of the Agency’s and Corporation’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 and Corporation’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency’s and Corporation’s internal control over financial reporting and compliance.

Respectfully submitted,



Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 22, 2024

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

The Tompkins County Industrial Development Agency (TCIDA) was created in 1971 to encourage economic growth in Tompkins County. The Tompkins County Development Corporation (TCDC) was created in 2010 for the same purpose as the TCIDA and is considered a blended component unit of the TCIDA. Together, they make up the primary government, which for the purposes of the Management's Discussion and Analysis (MD&A) is referred to as the Agency.

TCIDA Mission: The Tompkins County Industrial Development Agency delivers economic incentives to business and industry to diversify and strengthen Tompkins County's tax base and enhance community vitality by supporting job creation, business and industrial development, and community revitalization. We strive to develop the local economy in an organized, sustainable, and environmentally beneficial manner.

TCDC Mission: To promote economic development initiatives in Tompkins County by offering tax-exempt bonding opportunities to nonprofit organizations.

The following MD&A provides a comprehensive overview of the Agency's financial position as of December 31, 2023, 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 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 its blended component unit and the financial activity and results of its operations during the year. A description of these statements follows.

- **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 of whether the financial position of the Agency is improving or deteriorating.
- **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.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

- **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 by operating, non-capital financing, capital financing, and investing activities.

Component Unit

The Agency reports the Tompkins County Development Corporation as a blended component unit. Although legally separate, this component unit is based on the Agency's nature and significance of its relationship with TCDC. Statements of the two entities are shown starting on page 5.

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 Combined Statement of Net Position</i>	<i>Total Agency</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Cash and Cash Equivalents</i>	\$ 2,538,214	\$ 3,169,477	\$ (631,263)
<i>Accounts Receivable, Net</i>	-	-	-
<i>Equipment Contract Receivable</i>	71,429	-	71,429
<i>Total Assets</i>	2,609,643	3,169,477	(559,834)
<i>Unrestricted Net Position</i>	2,609,643	3,169,477	(559,834)
<i>Total Net Position</i>	\$ 2,609,643	\$ 3,169,477	\$ (559,834)

Significant changes from the prior year are as follows:

- Total assets decreased 17.66%, primarily due to increases in expenses to promote economic development.
- Net position decreased 17.66%, due to excess expenses over revenues.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

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

Figure 2

<i>Combined Changes in Net Position</i>	<i>Total Agency</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Operating Revenues:</i>			
<i>Administrative Fees</i>	\$ 604,205	\$ 566,721	\$ 37,484
<i>Total Operating Revenues</i>	604,205	566,721	37,484
<i>Non-Operating Revenues:</i>			
<i>Interest and Earnings</i>	846	950	(104)
<i>Total Non-Operating Revenues</i>	846	950	(104)
<i>Operating Expenses:</i>			
<i>Contractual, Professional, and Administrative Expenses</i>	559,779	462,410	97,369
<i>Bad Debt Expense</i>	82,035	-	82,035
<i>Total Operating Expenses</i>	641,814	462,410	179,404
<i>Non-Operating Expenses:</i>			
<i>Investment in Economic Development</i>	523,071	50,000	473,071
<i>Total Non-Operating Expenses</i>	523,071	50,000	473,071
<i>CHANGE IN NET POSITION</i>	\$ (559,834)	\$ 55,261	\$ (615,095)

Significant changes from the prior year are as follows:

- Total revenues increased by 6.58% due to an increase in fees related to closed projects and other administrative fees.
- Total expenses increased 127.33% due to investments in economic development and an increase in professional services required during the year.

FACTORS BEARING ON THE AGENCY'S FUTURE

The Agency's capacity to support economic development activities has been challenged by the economic cycle. The Agency has committed \$467,465 to Ithaca Area Economic Development (IAED) for administrative and economic development services to the County in 2024. The Agency committed to approximately 35% of IAED's funding in 2020 to 2023 to provide a sustainable funding model for County-wide economic development activities. The Agency may wish to encumber funds for this purpose to ensure adequate support for economic development should project deal flow diminish.

Tompkins County established a complementary economic development entity, Tompkins County Development Corporation, which has the authority to finance public facilities for not-for-profit organizations. Fees generated by the Development Corporation will supplement economic development activities. The Development Corporation has not committed any financial support to Ithaca Area Economic Development for economic development in 2024.

TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

TCDC's authority to finance certain public facilities might be exposed to legislative curtailment in the future, as the NYS Dormitory Authority provides similar services. Currently, the NYS Dormitory Authority aggressively pursues deals throughout the State and this has diminished TCDC deal flow.

The Agency is a powerful local tool to incentivize development. The Agency has assisted 180 projects since 1980 that have paid over \$71 million in new property taxes during the term of their respective payment in lieu of tax agreements. Other community benefits, aside from the new tax base, include \$2.3 billion in private investment in Tompkins County, 2,141 new units of rental housing, 13,139,025 new or renovated square feet of space, and 65 megawatts of renewal energy.

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 to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Tompkins County Industrial Development Agency, at 119 E. Seneca Street, Suite 200, Ithaca, New York 14850.

***TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY***

**STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	Industrial Development Agency	Development Corporation	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,002,257	\$ 535,957	\$ 2,538,214
Accounts Receivable, Net	-	-	-
Equipment Contract Receivable	71,429	-	71,429
Total Current Assets	<u>2,073,686</u>	<u>535,957</u>	<u>2,609,643</u>
Total Assets	<u>\$ 2,073,686</u>	<u>\$ 535,957</u>	<u>\$ 2,609,643</u>
NET POSITION			
Net Position			
Unrestricted Net Position	<u>\$ 2,073,686</u>	<u>\$ 535,957</u>	<u>\$ 2,609,643</u>
Total Net Position	<u>\$ 2,073,686</u>	<u>\$ 535,957</u>	<u>\$ 2,609,643</u>

See Notes to Financial Statements

TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Industrial Development Agency</u>	<u>Development Corporation</u>	<u>Total</u>
Operating Revenues			
Administrative Fees	\$ 604,205	\$ -	\$ 604,205
Total Operating Revenues	<u>604,205</u>	<u>-</u>	<u>604,205</u>
Operating Expenses			
Contractual Expense - IAED	459,770	-	459,770
Professional and Administrative Expenses	92,009	8,000	100,009
Bad Debt Expense	82,035	-	82,035
Total Operating Expenses	<u>633,814</u>	<u>8,000</u>	<u>641,814</u>
Gain (Loss) From Operations	<u>(29,609)</u>	<u>(8,000)</u>	<u>(37,609)</u>
Non-Operating Revenues (Expenses)			
Interest and Earnings	683	163	846
Investment in Economic Development	(523,071)	-	(523,071)
Total Non-Operating Revenues (Expenses)	<u>(522,388)</u>	<u>163</u>	<u>(522,225)</u>
Change in Net Position	(551,997)	(7,837)	(559,834)
Unrestricted Net Position, January 1, 2023	<u>2,625,683</u>	<u>543,794</u>	<u>3,169,477</u>
Unrestricted Net Position, December 31, 2023	<u>\$ 2,073,686</u>	<u>\$ 535,957</u>	<u>\$ 2,609,643</u>

See Notes to Financial Statements

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	Industrial Development Agency	Development Corporation	Total
Cash Flows From Operating Activities			
Cash Received From Providing Services	\$ 604,205	\$ -	\$ 604,205
Cash Payments - Contractual Expenses	(633,814)	(8,000)	(641,814)
Cash Payments - Equipment Contract Receivable	(71,429)	-	(71,429)
Net Cash Provided (Used) by Operating Activities	(101,038)	(8,000)	(109,038)
Cash Flows From Investing Activities			
Interest Income Received	683	163	846
Investment in Economic Development	(523,071)	-	(523,071)
Net Cash Provided (Used) by Investing Activities	(522,388)	163	(522,225)
Net Change in Cash and Equivalents	(623,426)	(7,837)	(631,263)
Cash and Cash Equivalents, January 1, 2023	2,625,683	543,794	3,169,477
Cash and Cash Equivalents, December 31, 2023	\$ 2,002,257	\$ 535,957	\$ 2,538,214
Reconciliation of Operating Gain to Net Cash Provided (Used) by Operating Activities:			
Operating Gain (Loss)	\$ (29,609)	\$ (8,000)	\$ (37,609)
Adjustments to Reconcile Operating Gain to Net Cash Provided (Used) by Operating Activities:			
(Increase) Decrease in Equipment Contract Receivable	(71,429)	-	(71,429)
Net Cash Provided (Used) by Operating Activities	\$ (101,038)	\$ (8,000)	\$ (109,038)

See Notes to Financial Statements

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 1 **Summary of Significant Accounting Policies**

The financial statements of Tompkins County Industrial Development Agency (Agency) and its component unit 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 1971 by the Tompkins County Legislature under the provisions of Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth in Tompkins County. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Tompkins County Legislature, is a separate entity and operates independently from the County. The Agency is considered a component unit of the County. The County Legislature appoints four Board members. Additionally, the County provides administrative support at no cost to the Agency.

All Governmental Activities and functions performed by the Agency are its direct responsibility.

The financial reporting entity consists of (a) the primary government which is the Tompkins County Industrial Development 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; including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is included as a blended component unit:

- Tompkins County Development Corporation (Corporation) - Similar to the Agency, the Corporation was formed, during 2010, for the purpose of encouraging economic growth in Tompkins County. Because New York State has legislated industrial development agencies can no longer serve nonprofit entities, the Corporation serves that segment of the economy in Tompkins County. The Agency provides a financial benefit to the Corporation.

Basis of Accounting

The accounts of the Agency and Corporation are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Material revenues accrued include administrative fees. Expenses are recorded when the liability is incurred.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

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

Cash and Cash Equivalents

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

Equity Classifications

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

- Restricted - Consists of net resources with constraints placed on their 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. The Agency had no restricted resources at year end.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted.”

Related Parties

Ithaca Area Economic Development, Inc. (IAED) is a private, nonprofit organization founded in 1964 that provides the Ithaca area with innovative services to strengthen the economy. The Tompkins County Area Development, Inc. d/b/a Ithaca Area Economic Development Foundation, Inc. (TCAD Foundation) is a nonprofit corporation formed in 2012 to preserve and develop the economic, social and cultural climate in Tompkins County. The President of IAED and TCAD Foundation serves as the Administrative Director of the Agency. During the year ended December 31, 2023, one additional member of the IAED and TCAD Foundation Board of Directors served on the Board of Directors of the Agency.

Allowance for Uncollectible Receivables

The Agency follows the policy of evaluating its accounts receivables to adequately reserve for anticipated losses. Management established an allowance for \$82,035 as of December 31, 2023 related to the receivable for administrative fees.

Revenues

The Agency and Corporation first utilize restricted resources to finance qualifying activities.

Operating and Non-Operating Revenues and Expenses

Operating and non-operating revenues of the Agency and Corporation consist of administrative fees. Interest and earnings are reported as non-operating revenues. Operating and non-operating expenses of the Agency and Corporation consist of contractual, professional, and administration expenses.

TOMPKINS COUNTY ***INDUSTRIAL DEVELOPMENT AGENCY***

NOTES TO FINANCIAL STATEMENTS **DECEMBER 31, 2023**

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

Leases

The Agency and Corporation determine if an arrangement is or contains a lease at inception.

The Agency and Corporation record assets and lease obligations for leases, which are initially based on the discounted future minimum lease payments over the term of the lease. The Agency and Corporation use the rate implicit in the lease agreements. In some cases the implicit rate is not easily determinable, and the Agency and Corporation elect to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the Agency and Corporation will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The Agency's and Corporation's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Amortization expense for leases is recognized on the same basis as payments on the lease liability.

Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

New Accounting Standards

The Agency and Corporation adopted and implemented the following current Statements of the GASB effective for the year ended December 31, 2023:

- GASB Statement No. 96, "Subscription-Based Information Technology Arrangements." The Agency and Corporation have evaluated the pronouncement and determined there is no material impact on its financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 101, "Compensated Absences," effective for the year ending December 31, 2024.

The Agency and Corporation will evaluate the impact this pronouncement may have on its financial statements and will implement as applicable and when material.

Note 2 **Industrial Revenue Bond and Note Transactions**

Certain industrial development revenue bonds and notes issued by the Agency and Corporation are secured by property leased to companies and retired by lease payments. The bonds and notes as listed on the Schedules of Indebtedness on pages 13 and 14 are not obligations of the Agency, Corporation, or State.

TOMPKINS COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 2 **Industrial Revenue Bond and Note Transactions - Continued**

The Agency and Corporation do not record assets or liabilities resulting from completed bond and note issues in their accounts, because their primary function is to arrange financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency and Corporation receive bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. At December 31, 2023, the outstanding value of bonds and notes issued aggregated \$3,417,758 and \$206,431,911 for the Agency and Corporation, respectively

Note 3 **Tax Abatements**

During the time in which property is leased to a company, the property is exempt from taxes other than special ad valorem levies and special assessments. However, the Agency executes Payment in Lieu of Taxes (PILOT) agreements, wherein a company is required to make annual payments to the county, local municipalities, and school districts.

In 2023, \$4,288,513 was received in PILOT payments. See Schedule of Projects for more information.

In addition to PILOTs above, \$2,550,805 of sales tax and \$98,533 of mortgage tax abatements were received.

Note 4 **Deposits and Investments**

State statutes govern the Agency's and Corporation's investment policies. In addition, the Agency and the Corporation each have their own written investment policy. 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. Permissible investments include obligations of the U.S. Treasury, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit for the Agency and Corporation at 105% and 100%, respectively, 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 and Corporation were \$2,002,257 and \$535,957, respectively, at December 31, 2023 and are covered by FDIC insurance up to \$250,000. As of December 31, 2023, all deposits with financial institutions were either insured or collateralized with securities held by the pledging financial institution in the entities' name.

Note 5 **Accounts Receivable, Net**

The Agency recognizes accounts receivable at net realizable value, which is the amount expected to be collected. During the year, the Agency provided payment for professional fees of \$82,035 on behalf of an on-going project, with the expectation of being reimbursed by the project. The Agency management has evaluated this receivable and has created an allowance of \$82,035 as of December 31, 2023.

TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 6 **Equipment Contract Receivable**

During the year, the Agency purchased equipment totaling \$500,000, subsequently entering into a voluntary nonexchange transaction for use of the equipment with the Knickerbocker Bed Company (the Company). The agreement calls for annual payments of \$1 to the Agency for use of the equipment for a term of 5 years. At the end of the term, the Agency shall sell the equipment to the Company for a purchase price of either: \$1, if the Company has created 176 full-time equivalent jobs at its facility, or 50% of the appraised value of the equipment. If applicable, at the discretion of the Company, the appraised value of the equipment shall be either the fair market value or the net book value of the equipment as depreciated over a 7-year period on a straight-line basis in accordance with U.S. GAAP.

The Agency has recorded this transaction in accordance with GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions." That statement requires the Agency to recognize an expense for the value of the benefit provided to the Company as eligibility requirements are met. Because the agreement stipulates the Company must pay the Agency the appraised value of the equipment if the jobs created requirement is not met, the Agency has estimated the amount that would be paid and recorded a receivable totaling \$71,429, with the remaining \$428,571 recorded as an expense. In the event the company meets the requirement at the end of the lease term, the Agency will eliminate the receivable and record an expense at that time.

Note 7 **Related Party Transactions**

During 2023, the Agency paid IAED \$459,770 for economic development and marketing services.

Note 8 **Commitments**

During the year ended December 31, 2023, the Board of Directors of the Agency passed a resolution authorizing a 2024 budgetary commitment to IAED of \$467,465.

In addition to the commitment to IAED in 2024, the Agency also committed \$100,000 to contractual services related to a conference center project and \$350,000 to support Broadband. Of the \$350,000 commitment, \$94,500 has been disbursed, leaving a balance of \$255,500.

The Corporation has committed \$150,000 to a shared community kitchen endeavor.

This leaves an unrestricted net position at, less future commitments, of \$1,636,678.

Note 9 **Contingencies**

The Agency is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2023

<u>INDUSTRIAL DEVELOPMENT AGENCY</u>	<u>Month and Year</u>	<u>Current Interest Rate</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity</u>
Family & Children's Services of Ithaca	01/2008	4.75%	\$ 1,476,495	-	\$ 113,737	\$ 1,362,758	02/2033
Transonic Systems	12/2010	3.6%	2,310,000	-	255,000	2,055,000	12/2030
Total			<u>\$ 3,786,495</u>	<u>\$ -</u>	<u>\$ 368,737</u>	<u>\$ 3,417,758</u>	

***TOMPKINS COUNTY
DEVELOPMENT CORPORATION***

**SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2023**

LOCAL DEVELOPMENT CORPORATION	Month and Year	Current Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity
Cayuga Medical Center at Ithaca, Inc.	04/2013	2.69%	\$ 14,610,295	\$ -	\$ 1,759,130	\$ 12,851,165	04/2023
Cayuga Medical Center at Ithaca, Inc.	9/2022	4.22%	21,825,000	-	-	21,825,000	8/2052
Ithaca College	09/2015	Fixed	22,090,000	-	980,000	21,110,000	07/2038
Ithaca College (Refinanced)	12/2017	Fixed	19,225,000	-	645,000	18,580,000	07/2041
Ithaca College	12/2018	Fixed	15,500,000	-	965,000	14,535,000	07/2034
Ithaca College	06/2020	Variable	33,152,203	-	891,583	32,260,620	07/2050
Ithacare Center Service Company (Refinanced)	12/2018	3.02%	11,026,922	-	404,000	10,622,922	01/2043
Franziska Racker Center	10/2011	4.0%	955,609	-	187,977	767,632	06/2027
TC3 Foundation	01/2013	5.0%	36,130,000	-	-	36,130,000	12/2038
Kendal	12/2014	4.0%-5.0%	24,390,000	-	-	24,390,000	07/01/2044
Kendal	1/2022	4%	5,190,000	-	-	5,190,000	7/2042
Kendal	1/2022	4%	5,990,000	-	950,000	5,040,000	7/2032
The William George Agency	12/2015	2.8%	916,591	-	66,667	849,924	12/2031
The William George Agency	12/2016	3.1%	2,339,648	-	60,000	2,279,648	12/2031
Total			\$ 213,341,268	\$ -	\$ 6,909,357	\$ 206,431,911	

See Independent Auditors' Report

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF PROJECTS DECEMBER 31, 2023

Project Name	Exemption Period	2023 Exemption Type	Project Purpose*	Sales Tax Cap	2023 Sales Tax Exemptions	2023 Mortgage Tax Exemptions	2023 Payments in Lieu of Taxes	2023 Property Taxes if not Exempt	2023 Property Taxes Abated	2023 Total Exemptions	Existing Retained Jobs	Current Employment 12/31/2023
121 - 125 Lake Street, LLC (The Breeze)	2023-2024	STE/MRT	Real Estate	\$ 960,347	\$ -	\$ 64,861	\$ -	\$ -	\$ -	\$ 64,861	-	-
GPA Management (The Dean)	2023-2024	STE/MRT	Real Estate	491,244	223,551	33,672	-	-	-	-	-	-
Asteri Conference	2021-2024	STE	Services	1,360,000	56,619	-	-	-	-	-	-	-
Asteri Ithaca (Apts)	2021-2024	STE	Real Estate	2,640,000	933,096	-	-	-	-	-	-	-
Asteri Parking	2021-2024	STE	Other	720,000	857	-	-	-	-	-	-	-
Carpenter Park Apartments	2021-2023	STE	Real Estate	520,000	50,827	-	-	-	-	-	-	1
City Harbor	2021-2025	STE	Real Estate	1,839,257	2,856	-	-	-	-	-	-	-
NSF Enfield Solar 1	2022-2023	STE	Electric/Solar	349,472	65,752	-	-	-	-	-	-	-
NSF Enfield Solar 2	2022-2023	STE	Electric/Solar	349,472	40,179	-	-	-	-	-	-	-
NSF Enfield Solar 3	2022-2023	STE	Electric/Solar	349,472	112,143	-	-	-	-	-	-	-
Arnot Ithaca 2	2021-2034	PILOT/STE	Real Estate	1,421,202	8,450	-	62,050	206,833	144,783	153,233	-	-
BVSHF III (401 E State Street)	2021-2036	PILOT/STE	Real Estate	4,443,971	-	-	54,999	94,798	39,799	39,799	-	-
Carpenter Park Medical Office Building (MOB)	2021-2023	PILOT/STE	Services	1,100,000	82,707	-	28,586	151,677	123,091	205,799	-	49
Carpenter Park Mixed Use	2021-2023	PILOT/STE	Real Estate	2,400,000	-	-	73,898	51,708	(22,190)	(22,190)	-	-
Ex Libris, LLC	2019-2033	PILOT/STE	Real Estate	1,195,350	527,791	-	31,887	66,359	34,472	562,263	-	-
Green Street Development Partners/The Ithaca	2021-2053	PILOT/STE	Real Estate	2,800,000	406,026	-	20,683	144,783	124,100	530,126	-	6
Ithaca Arthaus	2019-2052	PILOT/STE	Real Estate	960,000	-	-	107,296	482,610	375,314	375,314	-	3
Knickerbocker Bed Company	2021-2033	PILOT/STE	Manufacturing	600,000	39,951	-	78,690	123,260	44,570	84,521	-	93
15 Royal Road (Emmy's Organics)	2021-2030	PILOT	Manufacturing	-	-	-	8,239	53,180	44,941	44,941	27	33
209-215 Dryden Assoc., LLC	2015-2066	PILOT	Real Estate	-	-	-	224,486	179,255	(45,230)	(45,230)	1	51
323T, LLC	2021-2030	PILOT	Real Estate	-	-	-	7,067	127,547	120,480	120,480	-	-
327 W Seneca (Visum Development Group)	2022-2032	PILOT	Real Estate	-	-	-	10,531	51,019	40,488	40,488	-	11
330 Main Street Holdings (Incodema3D)	2017-2023	PILOT	Manufacturing	-	-	-	48,406	51,997	3,591	3,591	9	54
AES Cavuga (Heorot Power)	2009-2028	PILOT	Electric/Power Plant	-	-	-	-	-	-	-	94	-
Carey Building	2019-2028	PILOT	Real Estate	-	-	-	85,663	189,597	103,934	103,934	24	5
Cascade Plaza (Hilton Garden Inn Bldg)	2005-2025	PILOT	Services	-	-	-	752,872	875,592	122,721	122,721	-	445
City Centre	2020-2029	PILOT	Real Estate	-	-	-	200,628	1,447,830	1,247,202	1,247,202	-	7
College Circle Association	2003-2043	PILOT	Real Estate	-	-	-	296,588	982,399	685,811	685,811	-	-
DRS NY Dryden I	2020-2039	PILOT	Electric/Solar	-	-	-	10,188	12,830	2,642	2,642	-	-
DRS NY Dryden II	2020-2039	PILOT	Electric/Solar	-	-	-	5,932	14,111	8,179	8,179	-	-
DRS NY Newfield I	2019-2038	PILOT	Electric/Solar	-	-	-	17,319	17,580	261	261	-	-
DRS NY Newfield II	2019-2038	PILOT	Electric/Solar	-	-	-	17,319	16,036	(1,283)	(1,283)	-	-
DRS NY Newfield III	2017-2038	PILOT	Electric/Solar	-	-	-	17,319	17,489	170	170	-	-
DRS NY Newfield IV	2021-2039	PILOT	Electric/Solar	-	-	-	10,188	31,193	21,005	21,005	-	-
DRS NY Newfield V - IV B as parcel merged	2021-2039	PILOT	Electric/Solar	-	-	-	10,188	31,301	21,113	21,113	-	-
Dryden Tompkins Solar I	2020-2048	PILOT	Electric/Solar	-	-	-	116,903	14,678	(102,225)	(102,225)	-	-
Dryden Tompkins Solar II	2021-2050	PILOT	Electric/Solar	-	-	-	62,424	36,302	(26,122)	(26,122)	-	-
Enfield Solar	2020-2039	PILOT	Electric/Solar	-	-	-	16,979	15,026	(1,953)	(1,953)	-	-
Hancock and First	2019-2046	PILOT	Real Estate	-	-	-	71,359	210,280	138,921	138,921	2	3
Harolds Holding	2020-2031	PILOT	Real Estate	-	-	-	145,086	965,220	820,134	820,134	-	2
Hilton Canopy (Ithaca Downtown Assoc., LLC)	2019-2028	PILOT	Services	-	-	-	128,788	395,740	266,952	266,952	-	37
Hotel Ithaca (Holiday Inn/Lenroc)	2019-2025	PILOT	Services	-	-	-	281,155	410,219	129,064	129,064	78	61
Hotel Ithaca (Marriott)	2016-2026	PILOT	Services	-	-	-	356,718	571,548	214,830	214,830	-	103
Incodema	2021-2033	PILOT	Manufacturing	-	-	-	31,176	30,186	(990)	(990)	47	39
Ithaca Beer	2014-2027	PILOT	Manufacturing	-	-	-	73,707	98,276	24,569	24,569	14	38
Ithacare (Longview)	2019-2029	PILOT	CCRC	-	-	-	1	368,400	368,399	368,399	37	56
Lansing Market Realty	2012-2025	PILOT	Services	-	-	-	14,745	30,954	16,209	16,209	-	-
Lansing Renewables Solar	2021-2040	PILOT	Electric/Solar	-	-	-	22,369	98,934	76,565	76,565	-	-
Mecklenburg Solar	2019-2038	PILOT	Electric/Solar	-	-	-	15,587	13,251	(2,336)	(2,336)	-	-
Nine Brown Road (Odyssey)	2007-2025	PILOT	Manufacturing	-	-	-	28,454	44,460	16,006	16,006	-	8
Nineteen Brown Road (Q Squared Solutions BioScience)	2007-2025	PILOT	Manufacturing	-	-	-	101,167	129,526	28,359	28,359	125	176
Organic Nature, LLC (Green Star Coop)	2021-2027	PILOT	Retail	-	-	-	96,522	137,889	41,367	41,367	240	169
Salt Point Brewing Company	2021-2029	PILOT	Manufacturing	-	-	-	7,035	19,698	12,663	12,663	3	14
Therm, Inc.	2019-2025	PILOT	Manufacturing	-	-	-	74,220	83,799	9,578	9,578	158	136
Tompkins Trust HQ	2020-2029	PILOT	Finance	-	-	-	261,385	636,011	374,626	374,626	300	271
Transonic Systems	2011-2031	PILOT	Manufacturing	-	-	-	135,021	135,021	-	-	116	73
Twenty Thornwood (Macom)	2017-2023	PILOT	Real Estate	-	-	-	66,690	66,690	-	-	57	52
Total				\$ 24,499,787	\$ 2,550,805	\$ 98,533	\$ 4,288,513	\$ 9,933,092	\$ 5,644,579	\$ 8,293,917	1,332	1,994

STE = Sales Tax Exemption; MRT = Mortgage Recording Tax
PIF = PILOT Incremental Financing; PILOT = Payment in Lieu of Taxes

* Project Purpose
as defined by NYS ABO

**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***

Board of Directors
Tompkins County Industrial Development Agency
Ithaca, 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 Tompkins County Industrial Development Agency (Agency), a component unit of the County of Tompkins, New York, and its blended component unit, Tompkins County Development Corporation (Corporation), which comprise the Statement of Net Position as of December 31, 2023, and the related Statements of Activities and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2024.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's and Corporation'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 or Corporation'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 or Corporation'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 22, 2024