

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Independent Auditor's Report

Financial Statements  
and Supplementary  
Information

Year Ended December 31, 2021

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Table of Contents

	Page
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Financial Statements	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9-10
Notes to Financial Statements	11-15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	16-17



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Counties of Warren and Washington  
Industrial Development Agency

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

#### **Opinions**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Counties of Warren and Washington Industrial Development Agency, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Counties of Warren and Washington Industrial Development 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 business-type activities and the discretely presented component unit of the Counties of Warren and Washington Industrial Development Agency, as of December 31, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Counties of Warren and Washington Industrial Development 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 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 Counties of Warren and Washington Industrial Development Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **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 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 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 the Counties of Warren and Washington Industrial Development Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Counties of Warren and Washington Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the Counties of Warren and Washington Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Counties of Warren and Washington Industrial Development Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Counties of Warren and Washington Industrial Development Agency's internal control over financial reporting and compliance.

*Whittemore, Downen & Ricciardelli, LLP*

Whittemore, Downen & Ricciardelli, LLP  
Queensbury, New York

March 31, 2022

# COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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Our discussion and analysis of the Counties of Warren and Washington Industrial Development Agency's financial performance provide an overview of the Agency's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the Agency's financial statements.

## HIGHLIGHTS

### Financial Highlights:

- Total current IDA assets were increased by \$186,021 and net capital and other assets increased by \$573,421 from 2020.
- PILOT Project Revenues in the amount of \$1,119,872 were collected and disbursed to taxing jurisdictions throughout the Counties of Warren and Washington.

### Agency Highlights:

- The Agency was working to acquire land for development along the Hudson River near Lock 8 in Washington County, and it was subsequently acquired in January of 2022.
- During 2021, the Agency granted sales tax exemptions to Fowler Square, Adirondack Winery, and Prospect Mountain Ventures, LLC.

## USING THIS ANNUAL REPORT

This annual report consists of three parts: Management's Discussion and Analysis and Financial Statements. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

This annual report also includes information for our Component Unit, the Civic Development Corporation.

# COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Agency's agency-wide financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Agency-wide financial statements.** The *agency-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances.

The *Statement of Net Position* presents information on all 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.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Agency's net position changed 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 related cash flows*.

*Notes to Financial Statements.* The Notes provide additional information that is essential to a full understanding of the data provided in the *financial statements*.

## FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government agency's financial position. In the case of the Agency, assets exceeded liabilities by \$1,999,061 as of December 31, 2021.

The Agency's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

# COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

## Management's Discussion and Analysis For the Year Ended December 31, 2021

The following tables present a summary of the Agency's and Corporation's derivation of net position for the fiscal years ended December 31, 2021 and 2020.

**Table 1**

	2021			2020	
	Industrial Development Agency	Civic Development Corp. (Component Unit)		Industrial Development Agency	Civic Development Corp. (Component Unit)
Total Current Assets	\$ 873,624	\$ 36,946	Total Current Assets	\$ 687,603	\$ 15,519
Total Capital Assets (net)	1,127,269	2,587	Total Capital Assets (net)	554,088	3,104
Total Other Assets	1,176	-	Total Other Assets	936	-
<b>Total Assets</b>	<b>2,002,069</b>	<b>39,533</b>	<b>Total Assets</b>	<b>1,242,627</b>	<b>18,623</b>
Total Liabilities	3,008	-	Total Liabilities	9,343	-
Net Investment in Capital Assets Unrestricted	1,127,269 871,792	2,587 36,946	Net Investment in Capital Assets Unrestricted	554,088 679,196	3,104 15,519
<b>Total Net Position</b>	<b>\$ 1,999,061</b>	<b>\$ 39,533</b>	<b>Total Net Position</b>	<b>\$ 1,233,284</b>	<b>\$ 18,623</b>

Changes in the Agency's and Corporation's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position at the end of the year.

**Table 2**

	2021			2020	
	Industrial Development Agency	Civic Development Corp. (Component Unit)		Industrial Development Agency	Civic Development Corp. (Component Unit)
Total Operating Revenues	\$ 566,000	\$ 157,751	Total Operating Revenues	\$ 131,879	\$ 240
Total Operating Expenses	417,200	136,841	Total Operating Expenses	101,185	3,157
Net Operating Revenue (Expenses)	148,800	20,910	Net Operating Revenue (Expenses)	30,694	(2,917)
Net Non-Operating Revenue (Expenses)	616,977	-	Net Non-Operating Revenue (Expenses)	(5,536)	-
Increase (Decrease) in Net Position	765,777	20,910	Increase (Decrease) in Net Position	25,158	(2,917)
Net Position at Beginning of Year	1,233,284	18,623	Net Position at Beginning of Year	1,208,126	21,540
<b>Net Position at End of Year</b>	<b>\$ 1,999,061</b>	<b>\$ 39,533</b>	<b>Net Position at End of Year</b>	<b>\$ 1,233,284</b>	<b>\$ 18,623</b>

# COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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## CAPITAL ASSETS

The Agency's capital assets are recorded at cost and consist mainly of land and related development costs.

Land is recorded at cost when acquired and consists of approximately 90 acres. The Agency is developing sections of the land for sale to prospective businesses. Various legal, surveying, engineering, and other development costs are capitalized as incurred.

Capital assets at December 31 are comprised as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,127,269	\$ 554,088
Office equipment, signs, mailboxes less accumulated depreciation	<u>-</u>	<u>-</u>
Capital Assets (net)	<u>\$ 1,127,269</u>	<u>\$ 554,088</u>

The Civic Development Corporation's capital assets consist of unamortized organization costs.

## CASH AND INVESTMENT POLICY

The Counties of Warren and Washington Industrial Development Agency finds it necessary to place funds in various deposit accounts. Article 18A, Section 858(14) of the State General Municipal Law authorizes the Agency to designate depositories. In accordance with this Article, one (1) bank is designated as a depository for the Agency's funds. Rates are competitively procured for deposits.

## CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers 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 any questions about this report or need additional financial information, contact the Agency at (518) 792-1312 or by mail: Counties of Warren and Washington Industrial Development Agency, 5 Warren Street, Suite 210, Glens Falls, New York 12801.



COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Statement of Net Position

December 31, 2021

ASSETS	<u>Industrial Development Agency</u>	<u>Civic Development Corp. (Component Unit)</u>
Current Assets:		
Cash and cash equivalents	\$ 866,619	\$ 36,946
Accounts receivable	2,740	-
Prepaid expenses	<u>4,265</u>	<u>-</u>
Total Current Assets	<u>873,624</u>	<u>36,946</u>
Noncurrent Assets:		
Escrow cash	1,176	-
Organization cost, net of amortization	-	2,587
Capital assets, net	<u>1,127,269</u>	<u>-</u>
Total Noncurrent Assets	<u>1,128,445</u>	<u>2,587</u>
Total Assets	<u>2,002,069</u>	<u>39,533</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	33	-
Other liabilities	<u>2,975</u>	<u>-</u>
Total Current Liabilities	<u>3,008</u>	<u>-</u>
Total Liabilities	<u>3,008</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,127,269	2,587
Unrestricted	<u>871,792</u>	<u>36,946</u>
Total Net Position	<u>\$ 1,999,061</u>	<u>\$ 39,533</u>

See Independent Auditor's Report and Notes

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2021

	<u>Industrial Development Agency</u>	<u>Civic Development Corp. (Component Unit)</u>
Operating Revenues:		
Charges for services	\$ 318,553	\$ 142,918
Reimbursements	30,447	14,833
USDA Grant	99,000	-
WWCDC grant	118,000	-
	<hr/>	<hr/>
Total Operating Revenues	566,000	157,751
	<hr/>	<hr/>
Operating Expenses:		
Personal services	57,927	-
Contractual expenses	347,353	18,324
Payroll taxes	11,920	-
Amortization	-	517
WWCDC grant	-	118,000
	<hr/>	<hr/>
Total Operating Expenses	417,200	136,841
	<hr/>	<hr/>
Total Operating Income (Loss)	148,800	20,910
	<hr/>	<hr/>
Non-Operating Revenues (Expenses):		
Use of money and property	510	-
Land donation	589,882	-
Real property tax expense	(7,573)	-
Sale of property and property rights	34,158	-
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	616,977	-
	<hr/>	<hr/>
Increase (Decrease) in Net Position	765,777	20,910
Net Position - Beginning of Year	1,233,284	18,623
	<hr/>	<hr/>
Net Position - End of Year	<u>\$ 1,999,061</u>	<u>\$ 39,533</u>

See Independent Auditor's Report and Notes

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Statement of Cash Flows

Year Ended December 31, 2021

	Industrial Development Agency	Civic Development Corp. (Component Unit)
Cash Flows From Operating Activities:		
Cash received from providing services	\$ 308,313	\$ 157,751
Cash payments contractual expenses	(319,305)	(18,324)
Cash payments personal services and payroll taxes	(68,045)	-
Operating grants disbursed	-	(118,000)
Operating grants received	217,000	-
Net Cash Provided (Used) by Operating Activities	137,963	21,427
Cash Flows From Investing Activities:		
Interest income	510	-
Net Cash Provided (Used) by Investing Activities	510	-
Cash Flows From Non-Capital and Financing Activities:		
Real property taxes	(7,573)	-
Net Cash Provided (Used) by Non-Capital and Financing Activities	(7,573)	-
Cash Flows From Capital and Related Financing Activities:		
Proceeds from sale of assets	50,859	-
Net Cash Provided (Used) by Capital and Related Financing Activities	50,859	-
Net Increase (Decrease) in Cash and Cash Equivalents	181,759	21,427
Cash and Cash Equivalents - Beginning of Year	686,036	15,519
Cash and Cash Equivalents - End of Year	\$ 867,795	\$ 36,946

See Independent Auditor's Report and Notes

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Statement of Cash Flows

Year Ended December 31, 2021

	Industrial Development Agency	Civic Development Corp. (Component Unit)
Reconciliation of Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 148,800	\$ 20,910
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Amortization	-	517
(Increase) Decrease in:		
Accounts receivable	(2,740)	-
Prepaid expenses	(1,762)	-
(Decrease) Increase in:		
Accounts payable	(637)	-
Other liabilities	1,802	-
Deposits held	(7,500)	-
Net Cash Provided (Used) by Operating Activities	\$ 137,963	\$ 21,427

See Independent Auditor's Report and Notes

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2021

**Summary of Significant Accounting Policies**

The financial statements of the Counties of Warren and Washington Industrial Development Agency (Agency) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the Agency are described below.

Organization and Purpose

The Agency was created in 1971 by the Warren and Washington County Boards of Supervisors under the provisions of Chapter 862 of the 1971 Laws of New York State. The purposes of the Agency are to promote, develop, encourage, and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping, and furnishing industrial, manufacturing, warehousing, commercial, research, and recreational facilities including industrial pollution control facilities, educational or cultural facilities, railroad facilities, and horse racing facilities and thereby advance the job opportunities, health, general prosperity, and economic welfare of the Counties of Warren and Washington and the residents thereof; and to improve their recreational opportunities, prosperity, and standards of living.

The Agency accomplishes its purposes through arranging for issuance of taxable and tax-exempt Industrial Development revenue bonds and notes, granting of sales and mortgage tax exemptions, and the arranging and administration of payment-in-lieu-of-taxes agreements to prospective businesses upon an application and approval process. The Agency considers these activities to be operating revenues. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, including the sale of land. The Agency also owns approximately 90 acres of land located in Warren and Washington Counties of which its primary purpose is to add business properties to an existing industrial park in order to attract prospective businesses.

The Agency is exempt from federal, state, and local income taxes. The members of the Board of the Agency are appointed by the Warren and Washington County Boards of Supervisors.

Component Unit of the Agency

The Counties of Warren and Washington Civic Development Corporation (CDC), an exempt organization under Sec. (501)(c)(3) of the Internal Revenue Code, was created in 2011 for the purpose of promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the Counties by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects; and undertaking projects and activities within the Counties for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the Counties by attracting new industry to the Counties or by encouraging the development of, or retention of, an industry in the Counties, and lessening the burdens of government and acting in the public interest. The CDC governing body is substantively the same as the Agency's and therefore, the CDC is considered a component unit of the Agency and is discretely presented.

Enterprise Fund

The Agency records its transactions in this proprietary-type fund, which is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2021

**Summary of Significant Accounting Policies – Continued**

Basis of Accounting

The financial statements of the Agency are prepared using the accrual basis of accounting. Sales of real estate lots owned by the Agency are reported using the accrual method, which requires that the entire profit on the sale be recognized when the sale occurs.

Capital Assets, Net

The Agency's capital assets are recorded at cost and consist mainly of land and related development costs.

Land is recorded at cost when acquired and consists of approximately 90 acres. The Agency is developing sections of the land for sale to prospective businesses. Various legal, surveying, engineering, and other development costs are capitalized as incurred. During 2021, the Agency sold one lot and acquired a roadway for the Champlain Canal lock 8 through a donation. At December 31, 2021, the accumulated costs recorded on the Agency's books associated with the land total \$1,127,268.

Depreciation of office equipment and signs and mailboxes is recognized on a straight-line basis over the estimated useful lives of the assets, five and ten years, respectively.

Accounts Receivable

The Agency considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made. The Agency has no stated policy for deeming receivables to be delinquent and no interest is charged to receivables. As of December 31, 2021, the Agency had accounts receivable in the amount of \$2,740.

Cash and Cash Equivalents

The Agency considers all checking, savings, and certificate of deposit accounts with a maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

Cash and cash equivalents at December 31, 2021, are as follows:

	<u>Industrial Development Agency</u>	<u>Civic Development Corp. (Component Unit)</u>
Operating cash	\$ 866,619	\$ 36,946
Escrow cash	<u>1,176</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 867,795</u>	<u>\$ 36,946</u>

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2021

**Summary of Significant Accounting Policies – Continued**

**Restricted Resources**

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

**COVID-19 Financial Statement Impacts**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Agency is closely monitoring its business partners and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Agency's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact the Agency's financial position and changes in net position and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**Industrial Development and Civic Development Revenue Bond and Note Transactions**

Industrial Development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the State of New York. The Agency does not record the assets or liabilities resulting from completed bonds and notes issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents.

The Agency receives an administration fee calculated as a percentage of the amount of bonds issued or cost of the project in the case of a straight lease transaction, in addition to reimbursements for any legal costs incurred by the Agency. Such administrative fee income is recognized immediately upon the closing of the project.

Industrial Development revenue bonds and notes outstanding as of December 31, 2021, total \$6,584,335.  
Civic Development revenue bonds and notes outstanding as of December 31, 2021, total \$30,026,158.

**Cash and Investments**

The Agency's investment policies are governed by State statutes. Agency monies must be deposited in 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 U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. At December 31, 2021, the Agency had no investments.

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. While the Agency does not have a specific policy for custodial credit risk, New York State statutes govern the Agency's investment policies, as described above.

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2021

**Cash and Investments – Continued**

The Agency's insured and collateral status of the year-end bank and certificate of deposit balances were as follows:

	Industrial Development Agency	Civic Development Corp. (Component Unit)
Covered by Federal Deposit Insurance	\$ 500,000	\$ 36,946
Collateralized with securities held by a third-party custodian for the benefit of the Agency, pursuant to a three party custody agreement	371,315	-
	\$ 871,315	\$ 36,946

The Agency does not typically purchase investments of a duration long enough to cause it to believe that it is exposed to any material interest rate risk. The Agency does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

**Capital Assets and Organization Costs**

Capital assets at December 31 are comprised as follows:

	Balance January 1, 2021	Additions	Retirements/ Dispositions	Balance December 31, 2021
Land	\$ 554,088	\$ 589,882	\$ (16,701)	\$ 1,127,269
Office equipment	1,614	-	-	1,614
Signs and mailboxes	7,584	-	-	7,584
	563,286	589,882	(16,701)	1,136,467
Less: accumulated depreciation	(9,198)	-	-	(9,198)
Capital assets, net	\$ 554,088	\$ 589,882	\$ (16,701)	\$ 1,127,269

Depreciation expense for 2021 was \$-.

The CDC recorded \$7,756 for organization costs upon its creation. As of December 31, 2021, the organization cost recorded on the books of the CDC was \$2,587, net of accumulated amortization of \$5,169. Amortized organization cost for 2021 was \$517.

**Rent**

The Agency rents office space from an unrelated third party on a month-to-month basis. Currently the rent is \$1,000 per month. Rent expense is \$9,600 for the year ended December 31, 2021, and is included in contractual expenses in the statement of revenues, expenses and changes in net position.



COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2021

**Subsequent Events**

The Agency has evaluated all events through March 31, 2022, the date which these financial statements were available to be issued and determined that there are no subsequent events which require disclosure.

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

To the Board of Directors  
Counties of Warren and Washington  
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 the business-type activities and the discretely presented component unit of the Counties of Warren and Washington Industrial Development Agency, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Counties of Warren and Washington Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 31, 2022.

**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 Counties of Warren and Washington Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Counties of Warren and Washington Industrial Development 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.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Counties of Warren and Washington Industrial Development Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

*Whittemore, Downen & Ricciardelli, LLP*

Whittemore, Downen & Ricciardelli, LLP  
Queensbury, New York

March 31, 2022