



Notice of Board Meeting

Date: December 13, 2023

To: Irene Rodriguez
R.J. Passalacqua

From: Anne Nenneau, Chair

Re: Notice of Geneva IDA Audit Committee Meeting

The Geneva Industrial Development Agency Audit Committee will hold a meeting on Wednesday, December 20, 2023 at 10:30 am. The meeting will be held in the BID Conference Room at 1 Franklin Street Suite 211, Geneva, NY. The meeting agenda is attached and available at <https://cityofgenevany.com/295/Industrial-Development-Agency-IDA>. The meeting will also be livestreamed on the IDA's YouTube Channel: <https://www.youtube.com/channel/UCVz4jDNtxuliy4SyugqQ8eg>.

Please confirm your attendance with Tracy Verrier, tracy.verrier@mrbgroupp.com.

Cc: Tracy Verrier, Executive Director
Matt Horn, MRB Group
Emma Falkenstein, MRB Group
Erica Collins, City of Geneva
Media: Steve Buchiere, Finger Lakes Times



City of Geneva Industrial Development Agency

Audit Committee Meeting Agenda

Title: City of Geneva IDA
1 Franklin Street Suite 211
Location: Geneva BID Conference Room
Date: 12/10/2023
Time: 10:30 AM

Agenda Item	Potential Outcome	Person Responsible
Call to Order		Irene Rodriguez
New Business		
Review Draft 2022-2023 Audit	Motion to recommend approval of the Audit	Michael DeBadts
Adjournment	Motion to adjourn	Irene Rodriguez

Quorum (Confirmation Required)

R.J. Passalacqua
Irene Rodriguez

Zoom will be available, and the meeting can be viewed on the GIDA's YouTube Channel

Join Zoom Meeting
<https://us02web.zoom.us/j/87132884276?pwd=T2JYOWhyY1VBOFBnZjV2SjNpcnlwZz09>

Staff

Tracy Verrier
Matt Horn
Emma Falkenstein

Meeting ID: 871 3288 4276
Passcode: 385469
Dial in: 929-205-6099

Other

Michael DeBadts, Mengel Metzger Barr & Co.

**CITY OF GENEVA
INDUSTRIAL DEVELOPMENT AGENCY**

NEW YORK

**COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT**

For Year Ended September 30, 2023

_____, 2023

To the Board of Directors
City of Geneva
Industrial Development Agency
New York

In planning and performing our audit of the financial statements of the City of Geneva Industrial Development Agency, New York as of and for the year ended September 30, 2023, 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, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving internal control and other operational matters that presented for your consideration. This letter does not affect our report dated _____, 2023 on the financial statements of the City of Geneva Industrial Development Agency, New York. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Deficiency in Internal Control Pending Corrective Action:

Accounting Records –

During the audit it was discovered that audit adjustments were needed to record capital assets and long-term liabilities, and to adjust beginning equity and current year activity related to the Enterprise Development Center. Additionally, we were unable to obtain and examine documentation to support capital asset balances reported at year end.

We recommend that the entity develop a detailed listing of real property, capital improvements, and equipment owned, along with corresponding depreciation schedules in order to meet GAAP requirements. Additionally, a process should be implemented to ensure that balances carrying over in the EDC system agree with final balances from the previous period.

Prior Year Recommendation:

We are pleased to report the following item has been corrected to our satisfaction:

1. The Agency submitted the annual financial report within 90 days of fiscal year end.

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We believe that the implementation of these recommendations will provide the City of Geneva Industrial Development Agency with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

This communication is intended solely for the information and use of management, the Board, others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our appreciation to all staff for the courtesies extended to us during the course of our examination.

Rochester, New York
_____, 2023

**CITY OF GENEVA
INDUSTRIAL DEVELOPMENT AGENCY**

NEW YORK

BASIC FINANCIAL STATEMENTS

For The Years Ended September 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
City of Geneva
Industrial Development Agency, New York

Report on the Audit of the Financial Statements

Disclaimer of Opinions

We were engaged to audit the financial statements of the business-type activities, and the aggregate remaining fund information of the City of Geneva, Industrial Development Agency, New York, (the Agency), as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

We do not express an opinion on the accompanying financial statements of the Agency. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinions

The Agency has not maintained certain accounting records and supporting documents relating to capital assets as of and for the years ended September 30, 2023 and 2022. Accordingly, we were unable to extend our auditing procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Agency's financial statements 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 and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

We were engaged to audit the financial statements taken as a whole. The accompanying Combining Statement of Net Position, the Combining Statement of Revenues, Expenses, and Changes in Net Position, and the Combining Statement of Cash Flows are presented for purposes of additional analysis and are not a required part of the basic financial statements. Because of the significance of the matter described above, it is inappropriate to and we do not express an opinion on the accompanying Combining Statement of Net Position, the Combining Statement of Revenues, Expenses, and Changes in Net Position, and the Combining Statement of Cash Flows referred to above.

The schedule of lease agreements with the Agency has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated _____, 2023 on our consideration of City of Geneva, Industrial Development Agency, New York'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 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 City of Geneva, Industrial Development Agency, New York's internal control over financial reporting and compliance.

Rochester, New York
_____, 2023

**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY
NEW YORK**

STATEMENT OF NET POSITION

September 30, 2023 and 2022

<u>ASSETS:</u>	<u>2023</u>	<u>2022</u>
<u>Current Assets -</u>		
Cash and cash equivalents	\$ 302,829	\$ 439,157
Certificates of deposit	130,000	105,000
Lease receivables	50,237	43,715
Total Current Assets	\$ 483,066	\$ 587,872
<u>Noncurrent Assets -</u>		
Land held for development and sale	\$ 122,709	\$ 93,615
Lease receivables	336,367	365,287
Total Noncurrent Assets	\$ 459,076	\$ 458,902
<u>Capital Assets -</u>		
Land	\$ 425,000	\$ 425,000
Work in progress	380,227	356,227
Buildings, net	2,549,661	2,690,477
Total Capital Assets	\$ 3,354,888	\$ 3,471,704
TOTAL ASSETS	\$ 4,297,030	\$ 4,518,478
<u>LIABILITIES:</u>		
<u>Current Liabilities -</u>		
Accounts payable	\$ 5,597	\$ 336
Security deposits	10,845	14,745
Total Current Liabilities	\$ 16,442	\$ 15,081
<u>Noncurrent Liabilities -</u>		
Due to other governments	\$ 195,355	\$ 195,355
Note payable:		
Due and payable within one year	25,577	24,411
Due and payable after one year	410,224	435,740
Total Noncurrent Liabilities	\$ 631,156	\$ 655,506
TOTAL LIABILITIES	\$ 647,598	\$ 670,587
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Deferred inflows of resources	\$ 386,604	\$ 409,002
<u>NET POSITION:</u>		
Net investment in capital assets	\$ 2,895,087	\$ 3,011,553
Unrestricted	367,741	427,336
TOTAL NET POSITION	\$ 3,262,828	\$ 3,438,889

(The accompanying notes are an integral part of the financial statements)

**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY
NEW YORK**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For Years Ended September 30, 2023 and 2022

<u>OPERATING REVENUES:</u>	<u>2023</u>	<u>2022</u>
Rental income	\$ 301,484	\$ 368,539
Administration Fees	500	253,128
Other revenues	5,954	197
TOTAL OPERATING REVENUES	<u>\$ 307,938</u>	<u>\$ 621,864</u>
<u>OPERATING EXPENSES:</u>		
Administrative	\$ 112,135	\$ 88,701
Depreciation	140,816	140,816
Professional fees	25,594	53,639
Repairs and maintenance	115,151	72,366
Utilities	70,044	151,362
TOTAL OPERATING EXPENSES	<u>\$ 463,740</u>	<u>\$ 506,884</u>
OPERATING INCOME (LOSS)	<u>\$ (155,802)</u>	<u>\$ 114,980</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>		
Interest revenue	\$ 1,810	\$ 8,706
Miscellaneous expense	-	(125,573)
Interest expense	(21,228)	(22,344)
Sale of Industrial Park Land	-	157,859
Other expense	(841)	(43,024)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ (20,259)</u>	<u>\$ (24,376)</u>
INCREASE (DECREASE) IN NET POSITION	<u>\$ (176,061)</u>	<u>\$ 90,604</u>
NET POSITION - BEGINNING OF YEAR	<u>3,438,889</u>	<u>3,348,285</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,262,828</u></u>	<u><u>\$ 3,438,889</u></u>

(The accompanying notes are an integral part of the financial statements)

**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY
NEW YORK**

STATEMENT OF CASH FLOWS

For Years Ended September 30, 2023 and 2022

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2022</u>	<u>2022</u>
Cash received from providing services	\$ 307,938	\$ 621,456
Cash payments contractual expenses	(321,563)	(365,731)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (13,625)</u>	<u>\$ 255,725</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Principal payments on note payable	\$ (24,350)	\$ (23,235)
Support to affiliate	(24,841)	-
Interest paid on note payable	(21,228)	(22,344)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (70,419)</u>	<u>\$ (45,579)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of investments (net)	\$ (29,094)	\$ -
Sale of land held for investment	-	611,223
Distribution of land sale proceeds	-	(443,115)
Payments for miscellaneous expenses	-	(31,963)
Interest income	1,810	8,706
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (27,284)</u>	<u>\$ 144,851</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (111,328)</u>	<u>\$ 354,997</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>544,157</u>	<u>189,160</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 432,829</u>	<u>\$ 544,157</u>
OPERATING INCOME (LOSS)	<u>\$ (155,802)</u>	<u>\$ 114,980</u>
<u>Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities -</u>		
Depreciation expense	\$ 140,816	\$ 140,816
Increase / (decrease) in liabilities	1,361	20,803
Total Adjustments	<u>\$ 142,177</u>	<u>\$ 161,619</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (13,625)</u>	<u>\$ 276,599</u>

(The accompanying notes are an integral part of the financial statements)

CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY
New York

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

I. Summary of Significant Accounting Policies:

The financial statements of the City of Geneva Industrial Development Agency, New York (the Agency) have been prepared in conformity with generally accepted accounting principles (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 more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The City of Geneva Industrial Development Agency, New York is a public benefit corporation under the mandate of Article 18-A, "New York State Industrial Development Agency Act" of New York State general municipal law.

The Agency reports related organizations under the guidance of the Governmental Accounting Standards Board. The Standards define the primary government and redefine and establish the criteria for which potential component units are included in the reporting entity. The Standards also define financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government. The Agency is subject to the provisions of the New York State Public Authorities Law. As a local authority under the law, the Agency is required to make certain information available to the public.

1. Included in the Reporting Entity

a. Geneva Enterprise Development Center - The Agency is financially accountable for the Geneva Enterprise Development Center. Based on the above aforementioned criteria, the Geneva Enterprise Development Center is required to be included as a blended component unit in the accompanying financial statements.

b. City of Geneva Industrial Park - The Agency maintains joint ownership in the City of Geneva Industrial Park along with the Ontario County Industrial Development Agency and the City of Geneva. Based on the above aforementioned criteria, the City of Geneva Industrial Park is required to be included as a blended component unit in the accompanying financial statements.

(I.) (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements of the Agency are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the financial year in which all eligibility requirements have been satisfied.

The Agency's basic financial statements consist of three statements that provide information about the Agency's business-type activities. The first statement is the statement of net position which lists all of the Agency's assets and liabilities, with the difference reported as net position. The net position is classified as net investment in capital assets and unrestricted net position. The second statement is the statement of revenues, expenses and changes in net position which details how the Agency's net position changed during the current year based on the reporting of the revenues and expenses recognized by the Agency. The third statement is the statement of cash flows which reports the activities that provide or use the cash and cash equivalents of the Agency.

C. Cash and Cash Equivalents

The Agency's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

For the purpose of the statement of cash flows, the Agency considers cash to be all cash and cash equivalents.

D. Accounts Receivable

Receivables are stated at the amount management expects to collect. Amounts that management believes to be uncollectible, after collection efforts have been completed, are written off. In addition, management evaluates the need for and, if appropriate, provides an allowance to reduce receivables to amounts management expects will be collected.

In addition, the Agency will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

E. Property and Equipment

Property and equipment is recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using straight-line and accelerated methods. The cost of repairs, maintenance and minor replacements is expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed for the accounts and any gain or loss is reflected in income. Depreciation expense amounted to \$140,816 for fiscal year ended September 30, 2023.

(I.) (Continued)

F. Net Position

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

1. **Net Investment in Capital Assets** - Consists of capital assets less related debt.
2. **Unrestricted Net Position** - All other net position that does not meet the definition of "Investment in capital assets".

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

H. Revenue Recognition

The Agency recognizes rental income as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Agency and the tenants are operating leases.

I. Operating and Nonoperating Revenues and Expenses

The Agency distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Agency's principal ongoing operations. The principal operating revenues of the Agency's funds are charges to tenants of the industrial park and administrative fees. Operating expenses for the Agency include the cost of the operations of the industrial park, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

J. Income Taxes

The Agency is a Public Benefit Corporation of the State of New York and is exempt from federal income taxes under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes has been made on the accompanying financial statements.

K. New Accounting Standards

The Agency has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At September 30, 2023, the Agency implemented the following new standards issued by GASB:

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

(I.) (Continued)

GASB has issued Statement No. 96, *Subscription Based Information Technology*

GASB has issued Statement No. 99, *Omnibus 2022 (leases, PPPs, and SBITAs)*

L. Future Changes in Accounting Standards

GASB has issued Statement No. 100, *Accounting for Changes and Error Corrections-an Amendment of GASB Statement No. 62*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement No. 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

The Agency is currently studying these statements and plans on adoption as required.

II. Changes in Accounting Principles

For the year ended September 30, 2023, the Agency implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The implementation of the statement changes to reporting for SBITAs. There was no financial statement impact for the implementation of the Statement.

III. Cash, Certificates of Deposit and Investments

The Agency's investment policies are governed by state statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the state. The Agency Treasurer is authorized to use interest bearing 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.

Collateral is required for demand deposits and certificates of 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.

The Agency's aggregate bank balances were fully collateralized at September 30, 2023 and 2022.

Investment and Deposit Policy - The Agency follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Agency Treasurer.

Interest Rate Risk - Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Agency's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(III.) (Continued)

Credit Risk - The Agency's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Agency's investment and deposit policy authorizes the reporting entity to purchase to following types of investments:

- Interest bearing demand accounts
- Certificates of deposits
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Agency's investment and deposit policy, all deposits of the Agency including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 102% of the aggregate amount of deposits. The Agency restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasurer and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities
- Obligations issued by other than New York State related in one of the three highest rating categories by a least one nationally recognized statistical rating organizations

IV. **Receivables**

The balance of lease receivables at September 30, is as follows:

	<u>2023</u>	<u>2022</u>
Lease Receivable	\$ 386,604	\$ 409,002
Total Lease Receivable, Net	<u>\$ 386,604</u>	<u>\$ 409,002</u>

The Agency has the following expected future collections for leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 50,237	\$ 7,285
2025	41,708	6,318
2026	34,381	5,579
2027	35,075	4,885
2028	35,783	4,177
2029-33	164,775	10,050
2034-35	24,645	330
Total	<u>\$ 386,604</u>	<u>\$ 38,624</u>

V. Land Held for Development and Sale

The Agency maintains three separate investments in land held for resale through joint venture agreements with other local organizations. The Agency's ownership share of the joint venture is 14.71%. All acquisition and holding costs related to these investments have been capitalized.

VI. Capital Assets

The following is a summary of capital assets for the Agency at September 30, 2023:

<u>Type</u>	<u>Balance 10/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/22</u>
<u>Capital assets not being Depreciated:</u>				
Land & improvements	\$ 425,000	\$ -	\$ -	\$ 425,000
Work in progress	356,227	24,000	-	380,227
<i>Total capital assets not being depreciated</i>	<u>\$ 781,227</u>	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ 805,227</u>
<u>Other capital assets:</u>				
Buildings and improvements	\$ 5,330,881	\$ -	\$ -	\$ 5,330,881
<i>Total other capital assets at historical cost</i>	<u>\$ 5,330,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,330,881</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	\$ 2,640,404	\$ 140,816	\$ -	\$ 2,781,220
<i>Total accumulated depreciation</i>	<u>\$ 2,640,404</u>	<u>\$ 140,816</u>	<u>\$ -</u>	<u>\$ 2,781,220</u>
<i>Other capital assets, net</i>	<u>\$ 2,690,477</u>	<u>\$ (140,816)</u>	<u>\$ -</u>	<u>\$ 2,549,661</u>
<i>Governmental activities capital assets, net</i>	<u><u>\$ 3,471,704</u></u>	<u><u>\$ (116,816)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,354,888</u></u>

VII. Due to Other Governments

Due to other governments represents amounts owed to the Ontario County Industrial Development Agency, and the City of Geneva related to interests in a joint venture. There are no specific repayment terms.

The Agency is a participant with Ontario County Industrial Development Agency, and the City of Geneva in a Joint Venture Agreement to operate the Geneva Industrial Park. On dissolution of the joint venture the net assets of the Park will be shared according to the terms of the Joint Venture Agreement dated June 1, 1989. Initial capital contribution, future contributions, title to the property and voting shares are also included in the Joint Venture Agreement.

The amounts owed to other governments are comprised of the amounts of \$195,355 at September 30, 2023, and 2022 respectively:

	<u>2023</u>	<u>2022</u>
<u>Joint Venture:</u>		
City of Geneva	\$ 144,825	\$ 144,825
Ontario County IDA	<u>50,530</u>	<u>50,530</u>
Total Due To Other		
Governments-Joint Venture	<u><u>\$ 195,355</u></u>	<u><u>\$ 195,355</u></u>

VIII. Outstanding Bond Issues

Bonds issued by the Agency are collateralized by the property which is leased to the borrowing company and the bonds are retired by lease payments. The bonds are not an obligation of the Agency, the City of Geneva or the State of New York. The Agency does not record the assets or liabilities resulting from a completed bond issue in their accounts, since its primary function is to arrange the financing between the borrowing company and the lending bondholders, and the funds arising there from are controlled by a trustee bank.

IX. Long-Term Liabilities

A. Note Payable

The Agency issued a note payable to provide funds for various projects at 122 N. Genesee Street, Geneva, New York. The note payable outstanding at September 30, 2023 is as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Amount Outstanding 9/30/2023</u>
122 N. Genesee Street	2018	\$ 551,701	4.66%	2036	\$ 435,801
					<u>\$ 435,801</u>

B. Changes in Long-Term Liabilities

Changes in the Agency's long-term liabilities for the year ended September 30, 2023 are as follows:

	<u>Balance 10/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2023</u>	<u>Due Within One Year</u>
Note Payable	\$ 460,151	\$ -	\$ 24,350	\$ 435,801	\$ 25,577
Total	<u>\$ 460,151</u>	<u>\$ -</u>	<u>\$ 24,350</u>	<u>\$ 435,801</u>	<u>\$ 25,577</u>

The debt service requirements for the Agency's note is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 25,577	\$ 20,002
2025	26,794	18,785
2026	28,070	17,509
2027	29,406	16,173
2028	30,806	14,773
2029-33	177,479	50,416
2034-36	117,669	8,453
Total	<u>\$ 435,801</u>	<u>\$ 146,111</u>

X. Leases

At September 30, 2023 and 2022, the Agency had entered into various lease agreements. These leases are merely financing arrangements in which the Agency has provided tax incentives or acts only as a financing conduit. Therefore, the Agency does not record these transactions in its financial records.

XI. Litigation

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**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY
NEW YORK**

COMBINING STATEMENT OF NET POSITION

September 30, 2023

ASSETS:	Operating Fund	Industrial Park	Enterprise Development Center	Reclassifications and Eliminations	Total 2023
<u>Current Assets -</u>					
Cash and cash equivalents	\$ 45,783	\$ 199,048	\$ 57,998	\$ -	\$ 302,829
Certificates of deposit	100,000	30,000	-	-	130,000
Due from GEDC	114,010	-	-	(114,010)	-
Lease receivables	-	-	50,237	-	50,237
Total Current Assets	\$ 259,793	\$ 229,048	\$ 108,235	\$ (114,010)	\$ 483,066
<u>Noncurrent Assets -</u>					
Investment in City of Geneva Industrial Park	\$ 14,240	\$ -	\$ -	\$ (14,240)	\$ -
Land held for development and sale	56,710	65,999	-	-	122,709
Lease receivables	-	-	336,367	-	336,367
Total Noncurrent Assets	\$ 70,950	\$ 65,999	\$ 336,367	\$ (14,240)	\$ 459,076
<u>Capital Assets -</u>					
Land	\$ -	\$ -	\$ 425,000	\$ -	\$ 425,000
Work in Progress	-	-	380,227	-	380,227
Buildings, net	-	-	2,549,661	-	2,549,661
Total Capital Assets	\$ -	\$ -	\$ 3,354,888	\$ -	\$ 3,354,888
TOTAL ASSETS	\$ 330,743	\$ 295,047	\$ 3,799,490	\$ (128,250)	\$ 4,297,030
<u>LIABILITIES:</u>					
<u>Current Liabilities -</u>					
Accounts payable	\$ 5,597	\$ -	\$ -	\$ -	\$ 5,597
Security deposits	-	-	10,845	-	10,845
Due to IDA	-	-	114,010	(114,010)	-
Total Current Liabilities	\$ 5,597	\$ -	\$ 124,855	\$ (114,010)	\$ 16,442
<u>Noncurrent Liabilities -</u>					
Due to other governments	\$ -	\$ 195,355	\$ -	\$ -	\$ 195,355
Note payable:					
Due and payable within one year	-	-	25,577	-	25,577
Due and payable after one year	-	-	410,224	-	410,224
Total Noncurrent Liabilities	\$ -	\$ 195,355	\$ 435,801	\$ -	\$ 631,156
TOTAL LIABILITIES	\$ 5,597	\$ 195,355	\$ 560,656	\$ (114,010)	\$ 647,598
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
Deferred inflows of resources	\$ -	\$ -	\$ 386,604	\$ -	\$ 386,604
<u>NET POSITION:</u>					
Net investment in capital assets	\$ -	\$ -	\$ 2,895,087	\$ -	\$ 2,895,087
Unrestricted	325,146	99,692	(42,857)	(14,240)	367,741
TOTAL NET POSITION	\$ 325,146	\$ 99,692	\$ 2,852,230	\$ (14,240)	\$ 3,262,828

**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY
NEW YORK**

**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION**

For Year Ended September 30, 2023

	Operating	Industrial	Enterprise	Reclassifications	Total
	<u>Fund</u>	<u>Park</u>	<u>Development</u>	<u>and Eliminations</u>	<u>2023</u>
<u>OPERATING REVENUES:</u>					
Rental income	\$ 2,340	\$ -	\$ 299,144	\$ -	\$ 301,484
Administration Fees	500	-	-	-	500
Other revenues	-	-	5,954	-	5,954
TOTAL OPERATING REVENUES	\$ 2,840	\$ -	\$ 305,098	\$ -	\$ 307,938
<u>OPERATING EXPENSES:</u>					
Administrative	\$ 57,755	\$ -	\$ 54,380	\$ -	\$ 112,135
Depreciation	-	-	140,816	-	140,816
Professional fees	25,594	-	-	-	25,594
Repairs and maintenance	-	-	115,151	-	115,151
Utilities	-	-	70,044	-	70,044
TOTAL OPERATING EXPENSES	\$ 83,349	\$ -	\$ 380,391	\$ -	\$ 463,740
OPERATING INCOME (LOSS)	\$ (80,509)	\$ -	\$ (75,293)	\$ -	\$ (155,802)
<u>NONOPERATING REVENUES (EXPENSES):</u>					
Interest revenue	\$ 1,810	\$ -	\$ -	\$ -	\$ 1,810
Interest expense	-	-	(21,228)	-	(21,228)
Other expense	(841)	-	-	-	(841)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 969	\$ -	\$ (21,228)	\$ -	\$ (20,259)
INCREASE (DECREASE) IN NET POSITION	\$ (79,540)	\$ -	\$ (96,521)	\$ -	\$ (176,061)
NET POSITION - BEGINNING OF YEAR	404,686	99,692	2,948,751	(14,240)	3,438,889
NET POSITION - END OF YEAR	\$ 325,146	\$ 99,692	\$ 2,852,230	\$ (14,240)	\$ 3,262,828

**CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY
NEW YORK**

COMBINING STATEMENT CASH FLOWS

For Year Ended September 30, 2023

	Operating Fund	Industrial Park	Enterprise Development Center	Total 2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash received from providing services	\$ 2,840	\$ -	\$ 305,098	\$ 307,938
Cash payments for contractual expenses	(78,088)	-	(243,475)	(321,563)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (75,248)</u>	<u>\$ -</u>	<u>\$ 61,623</u>	<u>\$ (13,625)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Principal payments on note payable	\$ -	\$ -	\$ (24,350)	\$ (24,350)
Support to affiliate	(24,841)	-	-	(24,841)
Interest paid on note payable	-	-	(21,228)	(21,228)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (24,841)</u>	<u>\$ -</u>	<u>\$ (45,578)</u>	<u>\$ (70,419)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Investment in land held for investment	\$ (29,094)	\$ -	\$ -	\$ (29,094)
Interest income	1,810	-	-	1,810
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (27,284)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,284)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (127,373)</u>	<u>\$ -</u>	<u>\$ 16,045</u>	<u>\$ (111,328)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>273,156</u>	<u>229,048</u>	<u>41,953</u>	<u>544,157</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 145,783</u></u>	<u><u>\$ 229,048</u></u>	<u><u>\$ 57,998</u></u>	<u><u>\$ 432,829</u></u>
OPERATING INCOME (LOSS)	<u>\$ (80,509)</u>	<u>\$ -</u>	<u>\$ (75,293)</u>	<u>\$ (155,802)</u>
<u>Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities -</u>				
Depreciation expense	\$ -	\$ -	\$ 140,816	\$ 140,816
Increase / (decrease) in liabilities	5,261	-	(3,900)	1,361
Total Adjustments	<u>\$ 5,261</u>	<u>\$ -</u>	<u>\$ 136,916</u>	<u>\$ 142,177</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (75,248)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 61,623</u></u>	<u><u>\$ (13,625)</u></u>

CITY OF GENEVA INDUSTRIAL DEVELOPMENT AGENCY
New York

SCHEDULE OF LEASE AGREEMENTS WITH THE AGENCY

For Year Ended September 30, 2023

1. Name of Lessee: Ramada Inn
Address of Lessee: 1 Lakefront Drive
Geneva, New York 14456
Date of Lease: 1997
Date of Expiration: 12/31/2027
2. Name of Lessee: Guardian Industries
Address of Lessee: Forge Avenue
Geneva, New York 14456
Date of Lease: 2018
Date of Expiration: 01/31/2036
3. Name of Lessee: Wine Country Hospitality, LLC
Address of Lessee: 383 Hamilton Street
Geneva, New York 14456
Date of Lease: 2016
Date of Expiration: 12/31/2031
4. Name of Lessee: N.P. Massa, LLC
Address of Lessee: 470 Exchange Street
Geneva, New York 14456
Date of Lease: 2017
Date of Expiration: 12/31/2037

5. Name of Lessee: Geneva, LLC
 Address of Lessee: White Springs
 Geneva, New York 14456

 Date of Lease: 2013
 Date of Expiration: 12/31/2022
6. Name of Lessee: Geneva Shopping Center, LLC
 Address of Lessee: Hamilton Street
 Geneva, New York 14456

 Date of Lease: 2013
 Date of Expiration: 12/31/2027
7. Name of Lessee: DCMB Ventures, LLC
 Address of Lessee: 459-465 Exchange Street
 Geneva, New York 14456

 Date of Lease: 2021
 Date of Expiration: 12/31/2036

**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***

Independent Auditors' Report

To the Board of Directors
City of Geneva
Industrial Development Agency
New York

We were engaged to audit, 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 aggregate remaining fund information of the City of Geneva Industrial Development Agency, New York, (Agency) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Geneva Industrial Development Agency, New York's basic financial statements, and have issued our report thereon dated _____, 2023. Our report disclaims an opinion on such financial statements because the Agency has not maintained certain accounting records and supporting documents relating to capital assets as of and for the year ended September 30, 2023. Accordingly, we were unable to extend our auditing procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions.

Report on Internal Control Over Financial Reporting

In connection with our engagement to audit the financial statements of the City of Geneva Industrial Development Agency, New York, we considered the City of Geneva Industrial Development Agency, New York'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 City of Geneva Industrial Development Agency, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Geneva Industrial Development Agency, New York'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 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 weakness or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

In connection with our engagement to audit the financial statements of the City of Geneva Industrial Development Agency, New York we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rochester, New York
_____, 2023

Independent Auditors' Report

To the Board of Directors
City of Geneva
Industrial Development Agency
New York

We have examined the City of Geneva Industrial Development Agency, New York, (the Agency)'s, compliance with its own investment guidelines, the New York State Comptroller's Investment Guidelines, and Section 2925 of the New York State Public Authorities Law (collectively, investment guidelines) during the period October 1, 2022 to September 30, 2023. The management of the Agency is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depending on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with its own investment guidelines, the New York State Comptroller's Investment Guidelines, and Section 2925 of the New York State Public Authorities Law (collectively, investment guidelines) during the period October 1, 2022 to September 30, 2023.

Rochester, New York
_____, 2023

Client: **W00976 - City of Geneva Industrial Development Agency**
Engagement: **AUD 23 - City of Geneva IDA**
Period Ending: **9/30/2023**
Trial Balance: **Government Fund Trial Balance**
Workpaper: **3700.15 - Combined AJE Report**
Fund Level: **All**
Index: **All**

Account	Description	W/P Ref	Debit	Credit
Fund: A	City of Geneva IDA			
Adjusting Journal Entries JE # 3		1050.01-A		
To adjust beginning balance of investment in Industrial Park to agree with prior year balance.				
A1110	INDUSTRIAL PARK INVESTMENT		32,760.00	
A3001	RETAINED EARNINGS			32,760.00
Total			32,760.00	32,760.00
Fund: A	Adjusting Journal Entries		32,760.00	32,760.00
Fund: A	Total All Journal Entries		32,760.00	32,760.00
Fund: C	Geneva Enterpris Development Center			
Adjusting Journal Entries JE # 2		1050.01-C		
To record beginning balances of long term items in the EDC				
C101	LAND		425,000.00	
C102	BUILDINGS		5,330,881.00	
C105	WORK IN PROCESS		356,227.00	
C380	LT LEASE RECEIVABLES		365,287.00	
C380-1	ST LEASE RECEIVABLES		43,715.00	
C917	UNRESTRICTED FUND BALANCE		90,010.00	
C112	ACCUMULATED DEPRECIATION - BUILDINGS			2,640,404.00
C125	NET INVESTMENT IN CAPITAL ASSETS			3,011,553.00
C2201	LYONS NATIONAL BANK			460,151.00
C391	DUE TO IDA			90,010.00
C691	DEFERRED INFLOWS OF RESOURCES			409,002.00
Total			6,611,120.00	6,611,120.00
Adjusting Journal Entries JE # 4		1050.01-C		
To record depreciation expense for the current year.				
C5010	DEPRECIATION		140,816.00	
C112	ACCUMULATED DEPRECIATION - BUILDINGS			140,816.00
Total			140,816.00	140,816.00
Adjusting Journal Entries JE # 5		1050.01-C		
To adjust the mortgage balance, and the investment in capital assets balance.				
C125	NET INVESTMENT IN CAPITAL ASSETS		39,746.00	
C125	NET INVESTMENT IN CAPITAL ASSETS		76,720.00	
C2201	LYONS NATIONAL BANK			39,746.00
C917	UNRESTRICTED FUND BALANCE			76,720.00
Total			116,466.00	116,466.00
Adjusting Journal Entries JE # 6		1050.01-C		
To adjust the security deposit balance, to agree with the listing provided by the client.				
C40000	RENTAL INCOME		331.00	
C917	UNRESTRICTED FUND BALANCE		10,554.00	
C2010	SECURITY DEPOSITS			10,885.00
Total			10,885.00	10,885.00
Adjusting Journal Entries JE # 7		1050.01-C		
To record the IDA expenses related to the roof repair for the EDC.				
C105	WORK IN PROCESS		24,000.00	
C391	DUE TO IDA			24,000.00
Total			24,000.00	24,000.00
Adjusting Journal Entries JE # 8		1050.01-C		
To adjust the lease receivable and deferred inflow.				
C380-1	ST LEASE RECEIVABLES		6,522.00	
C691	DEFERRED INFLOWS OF RESOURCES		22,398.00	
C380	LT LEASE RECEIVABLES			28,920.00
Total			28,920.00	28,920.00
Fund: C	Adjusting Journal Entries		6,932,207.00	6,932,207.00
Fund: C	Total All Journal Entries		6,932,207.00	6,932,207.00
All Funds	All Journal Entries		6,964,967.00	6,964,967.00