

JEFFERSON COUNTY INDUSTRIAL
DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF
THE COUNTY OF JEFFERSON, NEW YORK

FINANCIAL STATEMENTS

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jefferson County Industrial Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jefferson County Industrial Development Agency (the Agency), a New York Public Benefit Corporation and a discretely presented component unit of the County of Jefferson, New York, as of and for the fifteen-month period ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson County Industrial Development Agency as of December 31, 2022, and the changes in financial position and its cash flows for the fifteen-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jefferson County 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 Jefferson County 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards *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 Jefferson County 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 Jefferson County 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

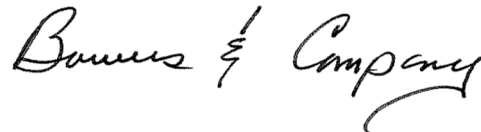
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Jefferson County Industrial Development Agency's basic financial statements. The accompanying supplementary schedules, SS1 – SS6, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules, SS1 – SS6, and schedule of expenditures of federal awards 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 1, 2023, on our consideration of Jefferson County 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 Jefferson County 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 Jefferson County Industrial Development Agency's internal control over financial reporting and compliance.



Watertown, New York
March 1, 2023

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2022

The following is a discussion and analysis of Jefferson County Industrial Development Agency (the Agency) for the fifteen-month period ended December 31, 2022. This section is a summary of the Agency’s financial activities based on currently known facts, decisions, or conditions. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented in conjunction with the financial statements, which immediately follow this section.

The Agency adopted a new financial reporting period of January 1 through December 31. The Agency’s previous reporting period was October 1 through September 30. Accordingly, these financial statements reflect a fifteen-month reporting period of October 1, 2021 through December 31, 2022.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency’s financial statements, which are composed of the basic financial statements, the notes to the financial statements and other supplementary information as described below. The financial statements of the Agency report information about the Agency using accrual accounting. These statements offer short and long-term financial information about its activities. Responsibility for the completeness and fairness of the information contained rests with the Agency’s management.

This section also includes discussion and analysis of the Agency’s two component units.

The Jefferson County Local Development Corporation (JCLDC) was created to develop and cultivate a strong economic environment, which supports businesses and nurtures growth and new investment in the County, and provides Administrative Services to the Agency. The Organization was formed October 1, 2009. JCLDC issues separate audited financial statements which may be obtained from the Agency.

The Jefferson County Civic Facility Development Corporation (JCCFDC) was created to perform essential governmental functions including activities associated with job creation, and promotion of community and economic activities within and around the County, and issue certain bonds on behalf of the County. The Organization was formed April 5, 2011.

For the fifteen-month period ended December 31, 2022, the Agency implemented GASB Statement No. 87, *Leases*. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about the government’s leasing activities. The Agency includes blended components that have adopted the similar lease standard under FASB standards.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

BASIC FINANCIAL STATEMENTS

The basic financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Agency's assets, deferred outflows of resources, deferred inflows of resources, and liabilities. Net position, the difference between the Agency's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, is one way to measure the Agency's health or *financial 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. Net position increases when revenues exceed expenses. Increases to assets without corresponding increases to liabilities, will also result in increased net position, which indicates an improved financial position.

The statement of revenues, expenses, and changes in net position presents information showing how the Agency's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items may only result in cash flows in future fiscal periods.

The 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 from operating, investing, capital, and non-capital financing activities.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents Supplementary Schedules SS-1 through SS-6, which are presented for purposes of additional analysis only.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2022

FINANCIAL ANALYSIS

Statement of Net Position

The Agency and its component units’ assets consist primarily of cash, loans receivable, grants receivables, and capital assets, net. The restricted cash accounts consist of prepaid PILOT monies and funds held for lending from various loan programs. Descriptions of the loan programs are presented below:

- ◆ **Revolving Loan Program**—this program generally provides loans up to about \$250,000. In extenuating circumstances, larger loans have been made. The interest rate is typically below market and the term ranges from 1 year to 20 years. Usually, the loan dollar amount caps at 40% of the total project costs. These loans are considered to be restricted.
- ◆ **Microenterprise Loan Program**—this program generally provides loans up to \$40,000. It is designed for smaller projects for businesses employing five or fewer people. Some or all of the employees need to be in the low to moderate-income levels as defined by the federal government. These loans are considered to be restricted.
- ◆ **City Loan Program**—this program is designed for projects located in the City of Watertown. These loans are considered to be restricted.
- ◆ **Board Designated Loans**—the JCLDC has established a loan program to make loans for economic development in the Jefferson County area. These loans are considered to be unrestricted.

Restricted loans receivable, net of the allowance for uncollectible loans of \$242,647 at December 31, 2022 were \$1,186,370.

Unrestricted loans receivable at December 31, 2022 were \$351,538. All loans were deemed collectible and no allowance was necessary at year-end.

Lease activity for the fifteen-month period ended 12/31/22 was as follows:

	10/1/2021	Additions	Reductions	12/31/2022
Right of Use Asset - Operating Lease	<u>\$ 205,076</u>	<u>\$ -</u>	<u>\$ 29,622</u>	<u>\$ 175,454</u>
	10/1/2021	Additions	Reductions	12/31/2022
Operating Lease Liability	<u>\$ 205,076</u>	<u>\$ -</u>	<u>\$ 1,640</u>	<u>\$ 203,436</u>

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

FINANCIAL ANALYSIS- Continued

Statement of Net Position- Continued

The Agency and its component units' major liabilities consist of operating payables, unearned revenues, and interest payments due to HUD. Additionally, various notes payable were incurred for costs associated with the purchase and improvements to the 146 Arsenal building and improvements to the Industrial Park land.

Deferred outflows and inflows are recorded for payments due to taxing jurisdictions from PILOT payments. These monies are passed through the Agency.

Net position includes capital assets, net of depreciation and related debt of \$4,618,176 unrestricted balance of \$3,573,529 and restricted funds as follows:

Revolving Loan Funds	\$ 4,250,903
Microenterprise Loan Funds	195,944
City Loan Funds	287,870
Total Restricted Funds	<u>\$ 4,734,717</u>

Capital Assets

Capital assets are comprised of land (approximately 75 acres of industrial park land) and a building (City Center Plaza, Arsenal Street, Watertown, New York), and various furniture and fixtures. The Agency has also purchased approximately 101 acres adjacent to the Watertown International Airport. This land will be used to develop an Airport Industrial Park.

	2021	2022
Land and Improvements	\$ 1,147,516	\$ 1,274,094
Work in Progress	880,131	587,992
Equipment	89,803	96,314
Building	1,567,415	4,101,021
Total Capital Assets	<u>3,684,865</u>	<u>6,059,421</u>
Less: Accumulated Depreciation	1,134,994	1,233,103
Total Capital Assets, Net	<u>\$ 2,549,871</u>	<u>\$ 4,826,318</u>

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

FINANCIAL ANALYSIS - Continued

Condensed Statement of Net Position

	9/30/2021	12/31/2022
ASSETS		
Cash	\$ 7,837,564	\$ 9,550,019
Loans Receivable, Net	1,530,231	1,537,908
Notes Receivable, Current	2,249	-
Notes Receivable	15,629	17,519
Grants Receivable	-	1,152,295
Other Receivables	283,739	29,716
Capital Assets, Net	2,549,871	4,826,318
Right of Use Asset - Operating Lease	-	175,454
Other Assets	8,284	18,712
TOTAL ASSETS	<u><u>\$ 12,227,567</u></u>	<u><u>\$ 17,307,941</u></u>
DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 8,946</u></u>	<u><u>\$ -</u></u>
LIABILITIES		
Current Liabilities	\$ 548,289	\$ 3,981,762
Long-Term Liabilities	198,038	399,757
TOTAL LIABILITIES	<u><u>\$ 746,327</u></u>	<u><u>\$ 4,381,519</u></u>
DEFERRED INFLOWS OF RESOURCES	<u><u>\$ 19,034</u></u>	<u><u>\$ -</u></u>
NET POSITION		
Net Investment in Capital Assets	\$ 2,369,711	\$ 4,618,176
Restricted	4,817,777	4,734,717
Unrestricted	4,283,664	3,573,529
TOTAL NET POSITION	<u><u>\$ 11,471,152</u></u>	<u><u>\$ 12,926,422</u></u>

Refer to the Statement of Net Position in the combined financial statements for more detail.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

FINANCIAL ANALYSIS - Continued

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	12 Months Ended 9/30/2021	15 Months Ended 12/31/2022
Operating Revenues		
Bond Issue and Administrative Fees	\$ 1,413,305	\$ 1,105,718
Interest on Loans Receivable	63,917	65,385
Jefferson County Support	414,120	517,650
Community Development Agreement	279,427	3,000
Other Operating Revenues	315,360	162,539
Total Operating Revenue	<u>2,486,129</u>	<u>1,854,292</u>
Operating Expenses		
Project	139,382	2,057
General and Administrative	1,288,525	1,505,012
Bad Debt Expense/Recovery	(21,805)	222,108
Depreciation	84,902	98,106
Total Operating Expenses	<u>1,491,004</u>	<u>1,827,283</u>
Net Income (Loss) from Operations	<u>995,125</u>	<u>27,009</u>
Non-Operating Revenues (Expenses)	<u>(37,414)</u>	<u>1,428,261</u>
CHANGE IN NET POSITION	957,711	1,455,270
NET POSITION, BEGINNING OF PERIOD	<u>10,513,441</u>	<u>11,471,152</u>
NET POSITION, END OF PERIOD	<u>\$ 11,471,152</u>	<u>\$ 12,926,422</u>

Refer to the Statement of Revenues, Expenses, and Changes in Net Position in the combined financial statements for more detail.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

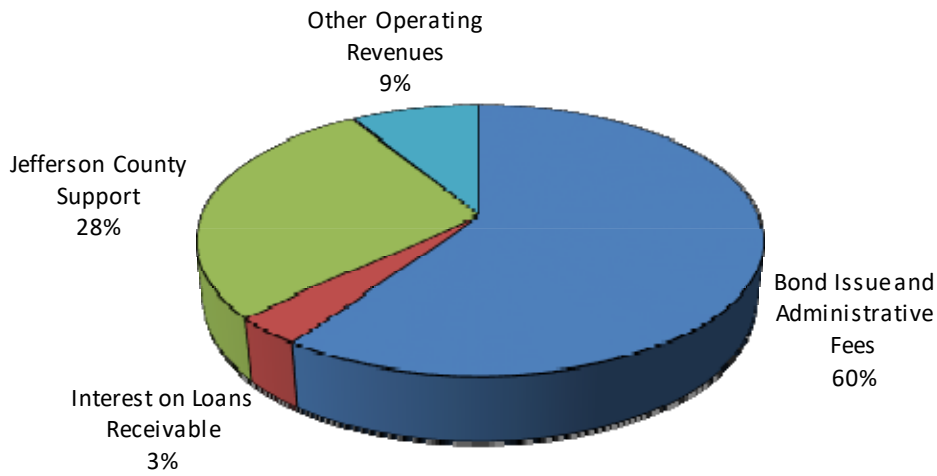
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

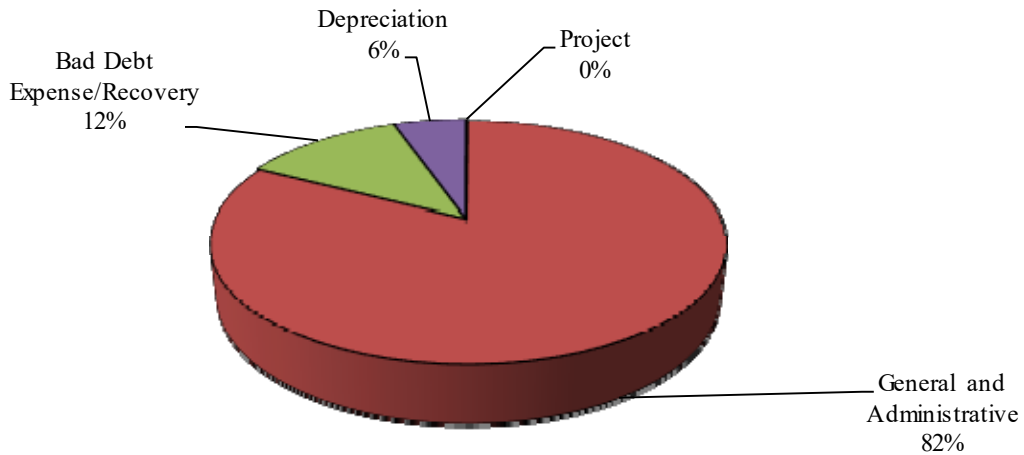
FINANCIAL ANALYSIS - Continued

Statement of Revenues, Expenses, and Changes in Net Position – Continued

Operating Revenues



Operating Expenses



JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

FINANCIAL ANALYSIS - Continued

Statement of Revenues, Expenses, and Changes in Net Position - Continued

The Agency's main revenue comes from fees generated through the issuance of PILOTs, underwriting and loan administrative fees, and interest earned on loan program receivables. Interest earned on the loan programs during this fiscal period was \$65,385. Other revenue is generated through grants for the various projects the Agency is administering.

Operating expenses typically relate to the various projects the Agency is working on (such as 146 Arsenal and the Industrial Park projects). The main operating expense is the Administrative Services Contract.

The major operating revenue and expense items for fifteen-month period ended December 31, 2022 relate to normal program operations.

In an agreement dated May 5, 2022, the Agency is a subrecipient of United States Coronavirus State and Local Fiscal Recovery Funds (ARPA grant) in the amount of \$3,351,000 from Jefferson County, for a grant period through December 31, 2024. \$2,059,000 of that amount has been passed through from the Agency to the LDC as of December 31, 2022.

In a grant award dated September 17, 2020, the Agency was awarded a \$9,000,000 construction grant for the YMCA Community and Aquatics Center. The total project cost is estimated at \$27,632,000. The nonfederal share of \$18,362,000 is reported by the Watertown Family YMCA. The grant period has been extended until November 30, 2024. For the fifteen-month period ended December 31, 2022, the Agency recognized \$5,658,433 in grant revenue and grant expense.

The Agency's increase in net position for 2022 was \$1,455,270. Total Net Position at year-end was \$12,926,422. Refer to the statement of revenues, expenses, and changes in net position in the combined financial statements for more detail.

MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2022

OVERVIEW OF THE AGENCY’S PROJECTS

Below is a description of various special projects undertaken or to yet be undertaken by the JCIDA.

Corporate Park Turn Lane – Industrial Access Program:

In 2004, the Agency was also awarded a \$948,500 grant/loan from the Industrial Access Program by the State of New York. A portion of this money was used to build a road to expand the Jefferson County Corporate Park, which was completed in the first quarter of 2005. The Agency will repay 40% of the grant, or \$379,400, within 5 years after the project is complete and approved by New York State. This grant has been extended through December 31, 2024, with the balance of the funds to be used to construct a turn lane into the Industrial Park.

The agency has NYS Dept. of Transportation approval to construct a west-bound, right hand turn lane into the Jefferson County Corporate Park on Outer Coffeen Street (NYS Route 12F) that it intends to complete in 2023. The project had been delayed through all of 2022 while waiting for National Grid to first relocate its underground natural gas lines—which the utility has not yet begun. JCIDA has already acquired the additional property necessary to construct the turn lane. Once completed, the agency will transfer ownership of the turn lane to NYSDOT.

YMCA Project at 146 Arsenal Street

Effective September 30, 2019, Convergys cancelled the lease and discontinued its call center business in Watertown, NY. The building remained vacant during fifteen-month period ended December 31, 2022.

In 2020, the YMCA agreed to lease the building for a new community and aquatics center. During their due diligence PCBs were discovered. The JCIDA subsequently undertook a \$2.6 million remediation project to remove the PCBs, which was completed in March 2022. After completion, the YMCA began a \$27.5 million renovation project. To assist with this project, JCIDA was awarded a \$9,000,000 federal grant through the Defense Community Infrastructure Pilot Program. The YMCA has been designated as a sub-recipient. Renovations are expected to be complete in November 2023.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2022

OVERVIEW OF THE AGENCY’S PROJECTS - Continued

American Rescue Program Act (ARPA) funds

In its 2022 fiscal year budget, the County of Jefferson allocated \$4,559,000 in ARPA funding to the JCIDA to support several programs to assist in local economic recovery. \$1,000,000 was retained directly by the JCIDA to help offset the cost of PCB remediation project at 146 Arsenal Street. \$1.5 million was allocated to the Town of Hounsfield sewer project which will serve the Watertown International Airport and the JCIDA’s business complex, which sits adjacent to the airport. JCIDA provided \$292,000 of the ARPA funds to the Town of Hounsfield to assist with the design phase of the project. The remaining \$1,208,000 is still held by the JCIDA and will be provided to the Town for eventual construction of the project.

The JCIDA entered into a sub-recipient agreement with its sister agency—the Jefferson County Local Development Corporation (JCLDC)—to administer \$2,059,000 of the ARPA funds as noted below:

Local foods resiliency initiative	\$ 400,000
Expansion of childcare services	809,000
Rental property deferred maintenance	425,000
Small business productivity improvement and incumbent worker training	<u>425,000</u>
	\$ 2,059,000

The JCIDA provides a monthly report to the County treasurer on the expenditure of the above ARPA funds.

Business Complex at Watertown International:

The JCIDA is developing a business complex adjacent to the Watertown International Airport for which it has received local subdivision approval by the Town of Hounsfield planning board. The agency’s activity is focused primarily on providing roadway access and water/wastewater services to the site. The infrastructure planning has been underway, with construction slated to begin later in 2023. Total costs for developing the site were originally estimated at \$6,954,800 with a significant portion of the project to be funded by several sources of grant funding as described below. However, the budget is currently being re-estimated due to changes in the project scope since the agency entered into a Land Development Agreement (LDA) with Convalt Energy.

MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2022

OVERVIEW OF THE AGENCY’S PROJECTS - Continued

Business Complex at Watertown International - Continued:

Convalt Energy intends to build a 300,000 sq. ft. solar panel manufacturing facility (and additional buildings) on the 88-acre site. The LDA outlines the conditions upon which the JCIDA will transfer ownership of the property to Convalt Energy, which includes the requirements to have all necessary permits and approvals in place and to secure the permanent financing necessary to construct the facility. As the eventual utility customer, the costs for constructing electrical service to the site will fall to Convalt rather than to the JCIDA as originally budgeted. The JCIDA will remain responsible for providing sewer and water, telecommunications cable, and roadway access to the site.

Below is a description of the project funding sources.

Funding: Funding for the estimated \$6,954,800 development of the site consists of several sources. Estimates are currently being revised by The BCA Group (project engineer) to reflect changing circumstances for the project. For example, Convalt Energy, as the intended user of the power, is now responsible for the costs of running electrical power to the site, which will reduce the JCIDA’s costs, although some supplies and material costs are expected to rise from the original pre-pandemic estimates.

A **\$500,000** grant has been awarded by the Northern Border Regional Commission (NRBC). Costs for the project will be submitted and reimbursed quarterly by NRBC. No eligible costs incurred to date. Grant contract expires September 30, 2024.

A **\$703,000** grant has been awarded by the Economic Development Administration of the U.S. Department of Commerce to go towards some site work and construction of sewer and water infrastructure.

A **\$1,121,000** State grant has been awarded by NYS Empire State Development (ESD). Funds will be disbursed upon completion of the project as evidenced by expenditures of at least \$6,264,000. Current grant contract expires December 31, 2023. Agency is planning to submit a revised budget and a request for extension.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2022

OVERVIEW OF THE AGENCY'S PROJECTS - Continued

A **\$500,000** grant has been awarded by the Dormitory Authority of the State of NY (DASNY). Funds can be reimbursed as project progresses. No reimbursement request have yet been submitted. Grant contract expires June 16, 2024.

A **\$500,000** grant has been awarded by National Grid to offset the costs of running utilities to the site. However, as noted above, that cost will be taken over by Convalt Energy, in which case the grant is likely to be voided.

An estimated **\$790,150** of in-kind labor and equipment will be provided by Jefferson County to construct the roadway access into the Business Complex. Some site preparation work has been completed.

The remaining balance of project costs, originally estimated at \$2,840,650, will be paid by the JCIDA.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2022

BUDGETARY HIGHLIGHTS

This budgetary comparison is presented for the Jefferson County Industrial Development Agency and excludes component units. Grant income and expense were not budgeted for in 2022.

	Budget	Actual	Variation
Revenue			
Administrative Fees	\$ 17,000	\$ 31,250	\$ 14,250
Loan Program Fees	37,863	85,736	47,873
Interest Income	2,481	782	(1,699)
Late Payment Penalty	-	447	447
Other Revenue	2,700	232,213	229,513
PILOT Fees	1,227,142	1,006,867	(220,275)
Interest from Loan Receivable	42,335	40,673	(1,662)
YMCA Income	-	49,213	49,213
Grant Income	-	9,309,433	9,309,433
Total Revenue	\$ 1,329,521	\$ 10,756,614	\$ 9,427,093
Expenses			
Administrative Service Fees	\$ 792,260	\$ 792,256	\$ 4
Office Expense	2,036	3,913	(1,877)
Insurance Expense	55,354	51,871	3,483
Legal Expenses	60,000	70,247	(10,247)
Professional Fees	16,000	11,400	4,600
146 Arsenal Building	-	99,117	(99,117)
Corporate Park	3,000	4,130	(1,130)
Project	38,663	85,759	(47,096)
Depreciation	70,060	79,646	(9,586)
Grant Expense	-	8,009,433	(8,009,433)
Bad Debt Expense/ Adjustment	221,000	222,108	(1,108)
Miscellaneous Expenses	4,450	11,098	(6,648)
Total Expenses	\$ 1,262,823	\$ 9,440,978	\$ (8,178,155)
Change in Net Position	\$ 66,698	\$ 1,315,636	\$ (1,248,938)

MANAGEMENT’S DISCUSSION AND ANALYSIS

December 31, 2022

ECONOMIC FACTORS AND FUTURE OUTLOOK

In mid-2023, we expect to begin construction of the sewer and water infrastructure necessary to serve the Business Complex at Watertown International, and of the roadway providing access into the park. Grant funding to support that work is detailed earlier in this report. We also expect Convalt Energy to secure its permanent financing—at which point we will convey ownership of the 88-acre site to them so they can begin construction of their 300,000 sq. ft. manufacturing facility.

The agency anticipates additional facility construction and expansion projects during 2023. We expect to close on an approved PILOT for construction of the new headquarters and manufacturing facility for Design Build Innovations. North American Tapes will be applying for a PILOT to support a 19,000 sq. ft. expansion to their existing building. We are aware of two additional projects for which we may receive applications in 2023.

There seems to be a slow-down in proposals for community scale solar projects (5MW or less in size) and the PILOT applications that accompany them. However, the New York State Office of Renewable Energy Siting (ORES) has so far permitted three utility scale projects of 100MW or greater proposed for Jefferson County, and more could be approved in the coming year. The JCIDA has not yet received any formal PILOT applications for these large solar project; but understands they will be forthcoming. These projects fall outside the agency’s Uniform Tax Exempt Policy and will require significant negotiations involving the developers and the affected taxing jurisdictions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency’s finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of the Agency at (315) 782-5865. General information relating to the Agency can be found at its website www.jcida.com.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

AUDITED BASIC FINANCIAL STATEMENTS

COMBINED STATEMENT OF NET POSITION

December 31, 2022

ASSETS	
CURRENT ASSETS	
Cash	\$ 6,700,428
Loans Receivable, Net	351,538
Other Receivables	29,716
Prepaid Expense	18,712
Grants Receivable	1,152,295
Total Current Assets	<u>8,252,689</u>
RESTRICTED ASSETS	
Cash	2,849,591
Loans Receivable, Net	1,186,370
Total Restricted Assets	<u>4,035,961</u>
NONCURRENT ASSETS	
Note Receivable	17,519
Capital Assets, Net	4,826,318
Right of Use Asset - Operating Lease	175,454
Total Noncurrent Assets	<u>5,019,291</u>
TOTAL ASSETS	<u><u>\$ 17,307,941</u></u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	\$ 32,664
Unearned Revenue, Current Portion	2,719,585
Grants Payable	1,152,295
Current Portion of Operating Lease Liability	1,358
Other Current Liabilities	74,616
Total Current Liabilities	<u>3,980,518</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Interest Payable - HUD	1,244
Total Current Liabilities Payable From Restricted Assets	<u>1,244</u>
NONCURRENT LIABILITIES	
Unearned Revenue	17,519
Long-Term Debt	180,160
Long-Term Operating Lease Liability	202,078
Total Noncurrent Liabilities	<u>399,757</u>
TOTAL LIABILITIES	<u><u>\$ 4,381,519</u></u>
NET POSITION	
Net Investment in Capital Assets	\$ 4,618,176
Restricted	4,734,717
Unrestricted	3,573,529
TOTAL NET POSITION	<u><u>\$ 12,926,422</u></u>

See notes to audited basic financial statements.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Fifteen-Month Period Ended December 31, 2022

REVENUES

OPERATING REVENUES

Administrative Fees	\$ 1,105,718
Jefferson County Support	517,650
Interest from Loans Receivable	65,385
Community Development Agreement	3,000
Other Operating Revenues	162,539
Total Operating Revenues	<u>1,854,292</u>

EXPENSES

OPERATING EXPENSES

Project	2,057
Salaries and Benefits	897,488
Bad Debt	222,108
Legal Fees	70,247
Office	66,820
Advertising and Promotion	74,760
Professional Fees	22,496
Lease	37,262
Occupancy	83,157
Travel, Training and Conferences	16,512
Insurance	51,781
Depreciation	98,106
Other Operating Expenses	184,489
Total Operating Expenses	<u>1,827,283</u>
Net Operating Income	<u>27,009</u>

NON-OPERATING REVENUES (EXPENSES)

Gain on Acquisition of Property	118,000
Grant Income	9,309,433
Grant Expense	(8,009,433)
Interest Income	4,610
Miscellaneous Income	5,651
Total Non-Operating Revenues (Expenses)	<u>1,428,261</u>

CHANGE IN NET POSITION

NET POSITION, BEGINNING OF PERIOD

NET POSITION, END OF PERIOD

1,455,270

11,471,152\$ 12,926,422

See notes to audited basic financial statements.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

COMBINED STATEMENT OF CASH FLOWS

Fifteen-Month Period Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Principal Loan Collections	\$ 847,465
Cash Received from Jefferson County	689,520
Cash Received from Bond Issue and Administrative Fees	1,177,291
Cash Received from Community Development Agreement	3,000
Cash Received from Interest on Loans Receivable	65,385
Cash Received from Other Operating Sources	162,539
Cash Received from Interest on Revolving Loan Funds	1,227
Cash Payments to HUD for Interest on Revolving Loan Funds	(1,774)
Cash Payments for Salaries and Benefits	(897,488)
Cash Payments for Supplies of Goods and Services	(993,946)
Cash Payments for Projects	(2,057)
Cash Payments for Loans Originations	(894,800)
Net Cash Provided by Operating Activities	<u>156,362</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Nonoperating Grants Received	11,822,467
Nonoperating Grants Paid	(8,009,433)
Transfer of PILOT Monies	(10,646)
Net Cash Provided by Noncapital Financing Activities	<u>3,802,388</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Additions to Capital Assets	(2,256,556)
Net Cash Used in Capital and Related Financing Activities	<u>(2,256,556)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received from Interest and Other Sources	10,261
Net Cash Provided by Investing Activities	<u>10,261</u>

Net Increase in Cash 1,712,455

Cash, Beginning of Period 7,837,564

Cash, End of Period \$ 9,550,019

See notes to audited basic financial statements.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

COMBINED STATEMENT OF CASH FLOWS - CONTINUED

Fifteen-Month Period Ended December 31, 2022

**RECONCILIATION TO THE COMBINED STATEMENT
OF NET POSITION**

Cash	\$ 6,700,428
Restricted Cash	2,849,591
Total Cash	<u>\$ 9,550,019</u>

**RECONCILIATION OF NET OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Net Operating Income	\$ 27,009
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	98,106
Bad Debt Expense	222,108
Amortization of Right of Use Asset - Operating Lease	29,622
(Increase) Decrease in:	
Loans Receivable	(47,335)
Other Receivables	71,573
Prepaid Asset	(10,432)
Increase (Decrease) in:	
Accounts Payable	(402,556)
Interest Payable	(548)
Unearned Revenue	171,870
Operating Lease Liability	(1,640)
Other Liabilities	(1,415)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 156,362</u>

See notes to audited basic financial statements.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Description

The Jefferson County Industrial Development Agency (the Agency) is a public benefit corporation, which was created by Article 18A of the General Municipal Law to actively promote, attract, encourage and develop economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration in the County of Jefferson, New York (the County). The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the County, is a separate entity and operates independently of the County. The U.S. Department of Housing and Urban Development (HUD) is the cognizant agency.

The Agency adopted a new financial reporting period of January 1 through December 31. The Agency's previous reporting period was October 1 through September 30. Accordingly, these financial statements reflect a fifteen-month reporting period of October 1, 2021 through December 31, 2022.

Reporting Entity

As defined by Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Components Units*, the Agency is financially accountable to the County and is considered a component unit of the County. Jefferson County Local Development Corporation (JCLDC) and Jefferson County Civic Facility Corporation (JCCFDC) are financially accountable to the Agency and are considered component units of the Agency.

Blended Component Units

The JCLDC and JCCFDC are component units of the Agency. The JCLDC issues separate audited financial statements. Copies of reports may be obtained from the Agency.

The JCLDC was created to develop and cultivate a strong economic environment, which supports businesses and nurtures growth and new investment in the County. The JCLDC was formed October 1, 2009. The financial activity of the JCLDC is combined with the financial activity of the Agency since their respective Boards are substantially the same and due to the nature of their relationship.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Blended Component Units - Continued

The JCCFDC was created to perform essential governmental functions including activities associated with job creation, and promotion of community and economic activities within and around the County, and issue certain bonds on behalf of the County. The JCCFDC was approved by the Jefferson County Board of Legislators on April 5, 2011. The financial activity of the JCCFDC is combined with the financial activity of the Agency since their respective Boards are substantially the same and due to the nature of their relationship.

Measurement Focus, Basis of Accounting and Financial Statements Presentation

The Agency’s financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Agency’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). GASB is responsible for establishing GAAP for state and local governments through its pronouncements. In accordance with GASB Statement No. 62, the Agency’s proprietary funds follow all FASB statements issued prior to November 30, 1989 until subsequently amended, superseded or rescinded. The Agency also applies all FASB statements issued after November 30, 1989 that are developed for business enterprises, unless those statements conflict with or contradict a GASB statement.

The Agency’s basic financial statements are presented in conformance with the provisions of GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments”.

Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus, Basis of Accounting and Financial Statements Presentation - Continued

These classifications are defined as follows:

Net Investment in Capital Assets - consists of net capital assets right of use assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

Restricted Net Position - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Agency.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumption are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Agency considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Agency reported no cash equivalents for the fifteen-month period ended December 31, 2022.

Statement of Cash Flows

Supplemental disclosures of noncash investing and financing activities for the fifteen-month period ended December 31, 2022 are as follows:

Right of Use Asset - Operating Lease in Exchange for Operating Lease Liability	<u>\$ 205,076</u>
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NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Loans Receivable and Allowance for Loan Losses

Loans receivable are stated at unpaid principal balance. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

Loans receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance for loan losses based on its assessment of the current status of individual accounts. It is the Agency's policy to charge off uncollectible loans receivable when management determines the receivable will not be collected.

Other Receivables

Other receivables at year-end consist of grants receivable and accounts receivable. Grants receivable represent amounts that have been billed under grant agreements but not collected as of the date of the financial statements. Grants receivable are stated at the amount management expects to be collected from the outstanding balance. As of December 31, 2022, management has determined based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary. Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Capital Assets

Capital assets are reported at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital assets accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Equipment	\$1,000	Straight-line	5-10
Building	1,000	Straight-line	10

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Operating Leases

JCLDC leases office space. JCLDC determines if an arrangement is a lease at inception. Operating leases are included in right of use (ROU) asset – operating lease, current portion of operating lease liability, and long-term operating lease liability on the statement of net position.

ROU assets represent JCLDC’s right to use an underlying asset for the lease term and lease liabilities represent JCLDC’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The ROU asset also includes any lease payments made and excludes lease incentives. JCLDC’s lease terms may include options to extend or terminate the lease when it is reasonably certain that JCLDC will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Revenues and Expenses

Revenues and expenses are distinguished between operating and non-operating items. Operating revenues generally result from providing services in connection with the Agency’s principal ongoing operations. The principal operating revenues of the Agency are fees and interest revenue for administering bond issuances, PILOTs, and loan services. Operating expenses include the costs associated with the loan services, administrative expenses and depreciation on capital assets. Expenses that are for the development of economic activities are included in program expenses under operating expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The Agency did not have any items that qualified for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time. The Agency did not have any items that qualified for reporting in this category.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Recently Adopted Accounting Standards

For the fifteen-month period ended December 31, 2022, the Agency adopted GASB Statement No. 87, *Leases*. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about the government's leasing activities. The Agency includes blended components that have adopted the similar lease standard under FASB standards. The Agency did not have any leases which required adoption under GASB Statement No. 87, *Leases*. Any reported amounts are from component units.

JCLDC

In February 2016, the Financial Accounting Standards Board ("FASB") issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right of use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

JCLDC changed its financial reporting period to January 1, 2022 through December 31, 2022. The interim period of October 1, 2021 through December 31, 2021 was included with the current year financial statements. Therefore, adoption of the lease standard included the fifteen-month reporting period. JCLDC adopted the standard effective October 1, 2021 and recognized and measured leases existing at, or entered into after, October 1, 2021.

JCLDC recognized on October 1, 2021, a lease liability of \$205,076, which represents the present value of the remaining operating lease payments, discounted using the discount rate, based upon lease terms, and a right of use asset – operating lease of \$205,076.

Date of Management's Review

The Agency has evaluated events and transactions that occurred between December 31, 2022 and March 1, 2023, which is the date the financial statements were available to be issued, and has determined that there are no additional adjustments and/or disclosures necessary.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 2 – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Custodial credit risk is the risk that in the event of a bank failure, the Agency’s deposits may not be returned to it. The Agency’s investment policies are included in their *Investment Policy Guidelines and Procedures*. The Agency’s monies must be deposited in banks or trust companies located within the State or obligations of the U.S. Treasury and U.S. Agencies. Collateral is required for demand and time deposits and certificates of deposit not covered by 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 included balances not covered by depository insurance at year-end, are collateralized as follows:

Uncollateralized	<u>\$ -</u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Agency's name.	<u>\$ 8,293,546</u>

Deposits at year-end were fully collateralized.

The Agency does not typically purchase investments and is not 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.

NOTE 3 – LOANS RECEIVABLE, NET

At December 31, 2022 loans receivable, net of the allowance for loan losses, consisted of the following:

Unrestricted:	
JCLDC Revolving Loan Fund Program	\$ 192,630
Covid-19 Emergency Loan Program	150,472
Clayton Loan Program	8,436
Restricted:	
Revolving Loan Program, Net	1,096,727
Microenterprise Loan Program, Net	89,643
Total Loans Receivable, Net	<u>\$ 1,537,908</u>

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 3 - LOANS RECEIVABLE, NET - Continued

JCLDC Revolving Loan Fund Program

The JCLDC has established a loan program to make loans for economic development purposes to qualified applicants. This function was established to enhance JCLDC's ability to stimulate economic development in the County area and help spur job creation and retention in the area. At December 31, 2022, there has been no allowance for doubtful accounts established based on management's judgment.

JCLDC Covid-19 Emergency Loan Program

During the year ended September 30, 2021, the JCLDC disbursed 30 Covid-19 Emergency loans, 28 of which were for \$10,000 each, and two participation loans for \$5,000 each. The loan terms call for 13 monthly interest only payments followed by 60 monthly principal and interest payments, at an interest rate of 3.00%. Once the loan is paid down to a balance of \$2,500, the remaining balance is forgiven and recorded as loan forgiveness expense by the JCLDC.

JCLDC Clayton Loan Program

During the year ended September 30, 2021, the JCLDC established a Clayton Loan Program in order to assist businesses in Clayton, New York affected by high waters on the St. Lawrence River and ongoing construction in the downtown area. Two loans were distributed for \$5,000 each. The loan terms call for 12 months of interest only payments, followed by 60 months of principal and interest payments, at an interest rate of 3.00%.

Revolving Loan Fund Program

The Agency has established a Revolving Loan Fund Program offering low interest loans to area businesses. The loans are approved by the governing board after giving consideration to the major criteria, i.e., enhancement of the economic environment. Revenue recognition on these loans is limited to the receipt of interest. The Agency has established an allowance for loan losses in order to provide a fair presentation of its loans receivable. The allowance of \$190,000 at December 31, 2022 is based on the Agency's evaluation of the collectability of the loan portfolio on an individual loan basis.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 3 - LOANS RECEIVABLE, NET - Continued

Microenterprise Loan Program

The Microenterprise Loan Program was established to provide small businesses with loans to stimulate small business activity through start-up and expansion projects which create and retain job opportunities principally for low to moderate income residents. The Agency has established an allowance for loan losses in order to provide a fair presentation of its loans receivable. The allowance of \$52,647 at December 31, 2022 was based on the Agency's evaluation of the collectability of the loan portfolio on an individual loan basis.

City Loan Program

The City Loan Program was established to provide working capital for local businesses and create a revolving loan fund, which will be used to provide loans for the support of economic development in the City of Watertown. At December 31, 2022, there has been no allowance for loan losses established based on management's judgment.

The following is a schedule of the outstanding loans receivable under the JCLDC Revolving Loan Fund program at December 31, 2022:

JCLDC Revolving Loan Fund Program

Clayton Island Tours	\$ 10,076
Clayton Yacht Club	36,891
North Branch Farms	31,542
WICLDC #1	94,833
WICLDC #2	19,288
	<hr/>
Total JCLDC Revolving Loan Fund Program	192,630
Covid-19 Emergency Loan Program	150,472
Clayton Loan Program	8,436
	<hr/>
Total JCLDC Loans	<u><u>\$ 351,538</u></u>

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 3 - LOANS RECEIVABLE, NET - Continued

The following is a schedule of the outstanding Revolving Loan Fund receivable at December 31, 2022:

Revolving Loan Program:

Meadowbrook Terrace	\$ 2,948
MLR, LLC	71,107
RBM Manufacturing	362,672
Convault Energy, LLC	850,000
Total	<u>1,286,727</u>
Less - Allowance for Loan Losses	(190,000)
Total Revolving Loans Receivable, Net	<u><u>\$ 1,096,727</u></u>

The following is a schedule of the outstanding Microenterprise Loan Program receivable at December 31, 2022:

Microenterprise Loan Program:

Colleen's Cherry Tree Inn	\$ 23,016
Painfull Acres	16,333
R.L. Gould and Son, LLC	12,985
Sarah's Barber Shop	6,867
Scrub Hub	1,719
Pink Kettle	21,463
Taste of Design	14,487
Therartpy	7,491
Thousand Islands Habitat for Humanity	5,197
Willowbrook Enterprise	32,732
Total	<u>142,290</u>
Less - Allowance for Loan Losses	(52,647)
Total Microenterprise Loans Receivable, Net	<u><u>\$ 89,643</u></u>

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 3 - LOANS RECEIVABLE, NET – Continued

Activity in the Revolving Loan Fund Allowance for Loan Losses is as follows:

Balance - October 1, 2021	\$	190,000
Recovery		19,700
Bad Debt Expense/Adjustment		(19,700)
		(19,700)
Balance - December 31, 2022	\$	190,000

Activity in the Microenterprise Loan Program Allowance for Loan Losses is as follows:

Balance - October 1, 2021	\$	30,642
Provision for Bad Debt		59,358
Bad Debt Expense/Adjustment		(37,353)
		(37,353)
Balance - December 31, 2022	\$	52,647

The aging of loans receivable portfolio by classes as of December 31, 2022 is summarized as follows:

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Current	Total Loans Receivable
Revolving Loan Fund					
Loans Receivable	\$ -	\$ -	\$ -	\$ 1,286,727	\$ 1,286,727
Microenterprise					
Loans Receivable	-	14,487	6,867	135,423	142,290
JCLDC					
RLF Loans Receivable	-	-	-	192,630	192,630
Covid-19 Emergency Loans Receivable	-	-	-	150,472	150,472
Clayton Loans Receivable	-	-	-	8,436	8,436
	-	-	-	8,436	8,436
Total	\$ -	\$ 14,487	\$ 6,867	\$ 1,773,688	\$ 1,780,555

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 4 – GRANTS RECEIVABLE/GRANTS PAYABLE

The agency reported a grants receivable of \$1,152,295 at December 31, 2022. The receivable represents the amount due from U.S. Department of Defense Community Investment Grant for reimbursement of grant related expenses for the YMCA building project. A corresponding grants payable of \$1,152,295 was also recorded at December 31, 2022.

NOTE 5 – NOTE RECEIVABLE

Note receivable/unearned revenue consisted of the following at December 31, 2022:

Income will be recognized as payments are received on this note.

Note due from Kenneth Rogers - monthly payments of \$314.91, including interest at 9%, due 12/1/27	\$ 17,519
Less - Current Portion	-
Non-Current Portion	<u>\$ 17,519</u>

NOTE 6 – UNEARNED REVENUES

Unearned revenue from grants and contracts totaled \$2,719,585 at December 31, 2022. The amounts received in excess of amounts spent on reimbursable costs is reported as unearned revenue. These amounts will be recognized as revenue when the Agency has incurred expenditures in compliance with specific grant provisions.

Unearned revenue consists of the following at December 31, 2022:

ARPA Grant	\$ 2,513,035
Jefferson County Marketing Grant	<u>206,550</u>
Noncurrent Portion	2,719,585
Note Receivable - Rogers	<u>17,519</u>
Total Unearned Revenue	<u>\$ 2,737,104</u>

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 7 – RESTRICTED ASSETS

Restricted cash, which is invested in interest-bearing and non-interest bearing accounts, consisted of the following at December 31, 2022:

Revolving Loan Fund	\$ 2,455,403
Microenterprise Loan Fund	106,311
City Loan Fund	<u>287,877</u>
Total Restricted Cash	<u><u>\$ 2,849,591</u></u>

Loan Programs

In addition to restricted cash, the Agency has three loan programs in which the loan receivable balances are also considered restricted as of year-end. The Revolving Loan Program, the Microenterprise Loan Program, and the City Loan Program were established with grants from the U.S. Department of Housing and Urban Development and are reported as restricted assets. The restricted assets are used to improve economic development in the County. Refer to Note 3 for the December 31, 2022 balances for each of the restricted loan programs.

NOTE 8 – LAND

The Agency has purchased land in order to establish an Industrial Park to encourage new businesses to settle in the County. Land was sold to various businesses throughout the years, and at December 31, 2022 the Agency held approximately 21 acres at an approximate cost of \$13,003 per acre.

The Agency purchased additional land during the year ended September 30, 2007 to establish another Industrial Park. The additional land is approximately 30 acres at a cost of \$839 per acre. The Agency purchased additional land during the years ended September 30, 2014 and 2015 to establish an AirPark . The parcels of land are approximately 71 acres at an average cost of \$4,360 per acre. The total land purchased was \$334,662. The Agency has incurred additional environmental costs and improvements of \$549,664. Construction in progress costs are \$343,017. At December 31, 2022, the total cost of airport property is \$1,227,343 for the 101.14 acres at a cost of \$12,135 per acre. See Capital Assets – Note 9 for details.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 9 – CAPITAL ASSETS, NET

Capital assets at December 31, 2022 consist of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets That Are Not Depreciated:				
Land and Improvements	\$ 1,147,516	\$ 126,578	\$ -	\$ 1,274,094
Work in Progress	880,131	2,263,083	(2,555,222)	587,992
	<u>2,027,647</u>	<u>2,389,661</u>	<u>(2,555,222)</u>	<u>1,862,086</u>
Total Nondepreciable Assets				
Capital Assets That Are Depreciated:				
Equipment	89,803	6,511	-	96,314
Building	1,567,415	2,533,606	-	4,101,021
	<u>1,657,218</u>	<u>2,540,117</u>	<u>-</u>	<u>4,197,335</u>
Total Depreciable Assets				
Less: Accumulated Depreciation	1,134,994	98,109	-	1,233,103
	<u>522,224</u>	<u>2,442,008</u>	<u>-</u>	<u>2,964,232</u>
Total Depreciated Assets, Net				
Capital Assets, Net	<u>\$ 2,549,871</u>	<u>\$ 4,831,669</u>	<u>\$(2,555,222)</u>	<u>\$ 4,826,318</u>

NOTE 10 – PILOT PROGRAM

The Agency is also a party to agreements allowing a payment in lieu of tax (PILOT) for certain properties. The Agency invoices and collects these taxes and then issues its own check to pay the taxing jurisdiction. Amounts billed by the Agency and not received as of year-end are reported as deferred outflows of resources in the accompanying statement of net position. PILOT monies receivable for the fifteen-month period ended December 31, 2022 are \$-0-.

PILOT monies received through year-end but not yet paid out to taxing jurisdictions and PILOT monies receivable at year-end that represent future PILOT payments are reported as deferred inflows of resources in the accompanying statement of net position. Due to other governments are PILOT amounts due to the taxing jurisdictions. Future PILOT payments for the fifteen-month period ended December 31, 2022 are \$-0-.

The Agency reports no revenues or expenses related to PILOT programs as amounts are only passed-through the Agency.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 11 – LONG-TERM DEBT

The following notes payable were in effect at December 31, 2022:

New York State Department of Transportation - grant repayment of 40% of Industrial Access project - payments to start five years from project completion - project is partially completed and extended at December 31, 2022: \$ 180,160

The future principal payments on the notes payable as of December 31, 2022 are summarized as follows:

Year Ending December 31	Principal	Interest	Total
2023	\$ -	\$ -	\$ -
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
Thereafter	<u>180,160</u>	<u>-</u>	<u>180,160</u>
	<u>\$ 180,160</u>	<u>\$ -</u>	<u>\$ 180,160</u>

Summary of changes in long-term debt:

	September 30, 2021	Additions	Reductions	December 31, 2022
Notes Payable	<u>\$ 180,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,160</u>

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 12 - LEASES

JCLDC leases office space from Watertown Industrial Center LDC, a related party, under a 10-year lease agreement. As of December 31, 2022, the right of use asset - operating lease and operating lease liability related to this agreement was \$175,454 and \$203,436, respectively. The remaining lease term of this agreement is 6.75 years and the discount rate was 3%. The operating lease expense for the fifteen-month period ended December 31, 2022 was \$37,262.

	10/1/2021	Additions	Reductions	12/31/2022
Right of Use Asset - Operating Lease	\$ 205,076	\$ -	\$ 29,622	\$ 175,454

	10/1/2021	Additions	Reductions	12/31/2022
Operating Lease Liability	\$ 205,076	\$ -	\$ 1,640	\$ 203,436

Future minimum lease payments under non-cancellable leases as of December 31, 2022 are as follows:

Year Ending December 31	Principal	Interest	Total
2023	\$ 1,358	\$ 6,066	\$ 7,424
2024	10,398	5,980	16,378
2025	38,118	5,121	43,239
2026	39,277	3,962	43,239
2027	40,473	2,766	43,239
Thereafter	73,812	1,857	75,669
	<u>\$ 203,436</u>	<u>\$ 25,752</u>	<u>\$ 229,188</u>

NOTE 13 – ARPA GRANT REVENUE

In an agreement dated May 5, 2022, the Agency is a subrecipient of United States Coronavirus State and Local Fiscal Recovery Funds (ARPA grant) in an amount of \$4,559,000 from Jefferson County, for a grant period through December 31, 2024. Of this amount, \$2,059,000 has been passed through from the Agency to JCLDC as of December 31, 2022. For the fifteen-month period ended December 31, 2022, the Agency recognized \$3,351,000 in grant revenue and expenditures.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 14 – COMMUNITY INVESTMENT GRANT REVENUE

In a grant award dated September 17, 2020, the Agency was awarded a \$9,000,000 construction grant for the YMCA Community and Aquatics Center. The total project cost is estimated at \$27,632,000. The nonfederal share of \$18,362,000 is reported by the Watertown Family YMCA. The grant period has been extended until November 30, 2024. For the fifteen-month period ended December 31, 2022, the Agency recognized \$5,658,433 in grant revenue and grant expense that has been passed through to the Watertown Family YMCA.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Industrial Revenue Bond and Note Transactions

Certain 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.

The Agency does not record an asset or liability resulting from completed bond and note issuances in its accounts since the Agency's primary function is to arrange the financing relationship between the borrowers and the bondholders and funds arising from these arrangements are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

Loan Commitments

At December 31, 2022, the Agency had no commitments for loans that have not been completed as of year-end.

Federal and State Grant Programs

The Agency participates in Federal and State grant programs. These programs are audited in accordance with the provisions of applicable Federal and State requirements. No cost disallowances are expected as a result of these audits, however, these programs are subject to further examination by the grantors. Expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. The Agency expects such amounts, if any, to be immaterial.

As of December 31, 2022, in the opinion of the Agency management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the Agency.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

December 31, 2022

NOTE 16 – RELATED PARTY AGREEMENTS AND TRANSACTIONS

The Agency has a renewable agreement with the JCLDC to provide professional staffing and administrative support services. For the fifteen-month period ended December 31, 2022, the LDC recognized expense for a fee paid in the amount of \$792,256. The Agency recognized the fee as revenue for the services provided under the agreement. The recognized revenue and expense for services are eliminated during consolidation at SS2, Combining Statement of Fund Revenues, Expenses, and Changes in Net Position.

Jefferson County Civic Facility Development issues certain bonds on the Agency’s behalf that the Agency is not permitted to issue. JCCFDC transfers one percent on any bonds issued up to \$10 million, and .25% on any bonds issued above \$10 million.

NOTE 17 – RISK MANAGEMENT

The Agency has the responsibility for making and carrying out decisions that will minimize the adverse effects of accidental losses that involve the Agency’s assets. Accordingly, commercial insurance coverage is obtained to include general liability, property and casualty, and certain other risks. The amounts of settlements during each of the past three fiscal years have not exceeded insurance coverage.

NOTE 18 – PENSION PLAN

On August 1, 2013, Jefferson County Local Development Corporation established a 401K Profit Sharing Pension Plan. The Plan is administered by RBC Wealth Management. The employer contribution is set at 4% of the employees’ annual salary. All full-time employees are covered by the Plan. For the fifteen-month period ended December 31, 2022, JCLDC made contributions in the amount of \$52,235.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

SUPPLEMENTARY INFORMATION

SS1 COMBINING STATEMENT OF NET POSITION

December 31, 2022

ASSETS	JCIDA	Component Units	Eliminations	TOTAL
Current Assets:				
Cash	\$ 1,867,135	\$ 4,833,293	\$ -	\$ 6,700,428
Loans Receivable, Net	-	351,538	-	351,538
Other Receivables	21,781	8,500	(565)	29,716
Prepaid Expense	16,577	2,135	-	18,712
Grants Receivable	1,152,295	-	-	1,152,295
Total Current Assets	<u>3,057,788</u>	<u>5,195,466</u>	<u>(565)</u>	<u>8,252,689</u>
Restricted Assets:				
Cash	2,849,591	-	-	2,849,591
Loans Receivable, Net	1,886,370	-	(700,000)	1,186,370
Total Restricted Assets	<u>4,735,961</u>	<u>-</u>	<u>(700,000)</u>	<u>4,035,961</u>
Noncurrent Assets:				
Note Receivable, Less Current Portion	17,519	-	-	17,519
Capital Assets, Net	4,741,078	85,240	-	4,826,318
Right of Use Asset - Operating Lease	-	175,454	-	175,454
Total Noncurrent Assets	<u>4,758,597</u>	<u>260,694</u>	<u>-</u>	<u>5,019,291</u>
TOTAL ASSETS	<u>\$ 12,552,346</u>	<u>\$ 5,456,160</u>	<u>\$ (700,565)</u>	<u>\$ 17,307,941</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 22,716	\$ 10,513	\$ (565)	\$ 32,664
Unearned Revenue, Current Portion	1,208,000	1,511,585	-	2,719,585
Grants Payable	1,152,295	-	-	1,152,295
Current Portion of Lease Liability	-	1,358	-	1,358
Other Current Liabilities	51,855	22,761	-	74,616
Total Current Liabilities	<u>2,434,866</u>	<u>1,546,217</u>	<u>(565)</u>	<u>3,980,518</u>
Current Liabilities Payable From Restricted Assets:				
Interest Payable - HUD	1,244	-	-	1,244
Noncurrent Liabilities:				
Unearned Revenue, Less Current Portion	17,519	-	-	17,519
Long-Term Debt	880,160	-	(700,000)	180,160
Long-Term Lease Liability	-	202,078	-	202,078
Total Noncurrent Liabilities	<u>897,679</u>	<u>202,078</u>	<u>(700,000)</u>	<u>399,757</u>
TOTAL LIABILITIES	<u>\$ 3,333,789</u>	<u>\$ 1,748,295</u>	<u>\$ (700,565)</u>	<u>\$ 4,381,519</u>
NET POSITION				
Net Investment in Capital Assets	\$ 4,560,918	\$ 57,258	\$ -	\$ 4,618,176
Restricted for:				
Revolving Loan Program	4,250,903	-	-	4,250,903
Microenterprise Loan Program	195,944	-	-	195,944
City Loan Program	287,870	-	-	287,870
Total Restricted Net Position	<u>4,734,717</u>	<u>-</u>	<u>-</u>	<u>4,734,717</u>
Unrestricted	<u>(77,078)</u>	<u>3,650,607</u>	<u>-</u>	<u>3,573,529</u>
TOTAL NET POSITION	<u>\$ 9,218,557</u>	<u>\$ 3,707,865</u>	<u>\$ -</u>	<u>\$ 12,926,422</u>

See paragraph on supplementary schedules included in auditor's report.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

SS2 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Fifteen-Month Period Ended December 31, 2022

	JCIDA	Component Units	Eliminations	Total
REVENUES				
Operating Revenues:				
Administrative Fees*	\$ 1,120,854	\$ 860,925	\$ (876,061)	\$ 1,105,718
Jefferson County Support	-	517,650	-	517,650
Interest from Loans Receivable	40,673	24,712	-	65,385
Community Development Agreement	3,000	-	-	3,000
Other Operating Revenues	162,539	-	-	162,539
Total Operating Revenues	<u>1,327,066</u>	<u>1,403,287</u>	<u>(876,061)</u>	<u>1,854,292</u>
EXPENSES				
Operating Expenses:				
Project*	85,862	-	(83,805)	2,057
Salaries and Benefits	-	897,488	-	897,488
Bad Debt (Recovery)	222,108	-	-	222,108
Legal Fees	70,247	-	-	70,247
Office	3,913	62,907	-	66,820
Advertising and Promotion	-	74,760	-	74,760
Administrative Service Agreement*	792,256	-	(792,256)	-
Professional Fees	11,400	11,096	-	22,496
Operating Lease Expense	-	37,262	-	37,262
Occupancy	-	83,157	-	83,157
Travel, Training and Conferences	-	16,512	-	16,512
Insurance	51,781	-	-	51,781
Depreciation	79,646	18,460	-	98,106
Other Operating Expenses	112,998	150,491	(79,000)	184,489
Total Operating Expenses	<u>1,430,211</u>	<u>1,352,133</u>	<u>(955,061)</u>	<u>1,827,283</u>
Net Operating Income (Loss)	<u>(103,145)</u>	<u>51,154</u>	<u>79,000</u>	<u>27,009</u>
NON-OPERATING REVENUES (EXPENSES)				
Gain on Property Acquisition	118,000	-	-	118,000
Grant Income	9,309,433	753,965	(753,965)	9,309,433
Grant Expense	(8,009,433)	(753,965)	753,965	(8,009,433)
Interest Income	781	3,829	-	4,610
Miscellaneous Income	-	84,651	(79,000)	5,651
Total Non-Operating Revenues (Expenses)	<u>1,418,781</u>	<u>88,480</u>	<u>(79,000)</u>	<u>1,428,261</u>
CHANGE IN NET POSITION	1,315,636	139,634	-	1,455,270
NET POSITION, BEGINNING OF PERIOD	<u>7,902,921</u>	<u>3,568,231</u>	<u>-</u>	<u>11,471,152</u>
NET POSITION, END OF PERIOD	<u>\$ 9,218,557</u>	<u>\$ 3,707,865</u>	<u>\$ -</u>	<u>\$ 12,926,422</u>

* Amounts reported in the Combined Statement of Revenues, Expenses and Changes in Net Position do not include interfund fees, program expenses and administrative fees.

See paragraph on supplementary schedules included in auditor's report.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

SS3 STATEMENT OF NET POSITION – COMPONENT UNITS

December 31, 2022

ASSETS			
	JCLDC	JCCFDC	TOTAL
CURRENT ASSETS			
Cash	\$ 4,822,307	\$ 10,986	\$ 4,833,293
Loans Receivable	351,538	-	351,538
Other Receivables	7,000	1,500	8,500
Prepaid Expenses	2,135	-	2,135
Total Current Assets	<u>5,182,980</u>	<u>12,486</u>	<u>5,195,466</u>
CAPITAL ASSETS, NET	85,240	-	85,240
RIGHT OF USE ASSET - OPERATING LEASE	<u>175,454</u>	<u>-</u>	<u>175,454</u>
TOTAL ASSETS	<u>\$ 5,443,674</u>	<u>\$ 12,486</u>	<u>\$ 5,456,160</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	\$ 10,513	\$ -	\$ 10,513
Accrued Expenses	22,761	-	22,761
Current Portion of Operating Lease Liability	1,358	-	1,358
Unearned Revenue	1,511,585	-	1,511,585
Total Current Liabilities	<u>1,546,217</u>	<u>-</u>	<u>1,546,217</u>
LONG-TERM OPERATING LEASE LIABILITY	<u>202,078</u>	<u>-</u>	<u>202,078</u>
Total Liabilities	<u>1,748,295</u>	<u>-</u>	<u>1,748,295</u>
NET POSITION			
Unrestricted:			
Undesignated	<u>3,695,379</u>	<u>12,486</u>	<u>3,707,865</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 5,443,674</u>	<u>\$ 12,486</u>	<u>\$ 5,456,160</u>

See paragraph on supplementary schedules included in auditor's report.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

**SS4 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
COMPONENT UNITS**

Fifteen-Month Period Ended December 31, 2022

	JCLDC	JCCFDC	TOTAL
REVENUES			
Operating Revenues:			
Administrative Fees	\$ 792,256	\$ 68,669	\$ 860,925
Jefferson County Support	517,650	-	517,650
Interest from Loans Receivable	24,712	-	24,712
Total Operating Revenues	<u>1,334,618</u>	<u>68,669</u>	<u>1,403,287</u>
EXPENSES			
Salaries and Benefits	897,488	-	897,488
Advertising and Promotion	74,760	-	74,760
Occupancy	83,157	-	83,157
Office	62,907	-	62,907
Operating Lease Expense	37,262	-	37,262
Professional Fees	11,096	-	11,096
Travel, Training and Conferences	16,512	-	16,512
Depreciation	18,460	-	18,460
Other Operating Expenses	71,491	79,000	150,491
Total Operating Expenses	<u>1,273,133</u>	<u>79,000</u>	<u>1,352,133</u>
Net Operating Income (Loss)	<u>61,485</u>	<u>(10,331)</u>	<u>51,154</u>
NON-OPERATING REVENUES (EXPENSES)			
Grant Income	753,965	-	753,965
Grant Expense	(753,965)	-	(753,965)
Interest Income	3,829	-	3,829
Miscellaneous Income	84,651	-	84,651
Total Non-Operating Revenues (Expenses)	<u>88,480</u>	<u>-</u>	<u>88,480</u>
CHANGE IN NET POSITION	149,965	(10,331)	139,634
NET POSITION, BEGINNING OF PERIOD	<u>3,545,414</u>	<u>22,817</u>	<u>3,568,231</u>
NET POSITION, END OF PERIOD	<u>\$ 3,695,379</u>	<u>\$ 12,486</u>	<u>\$ 3,707,865</u>

See paragraph on supplementary schedules included in auditor's report.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

SS5 STATEMENT OF FUND NET POSITION

December 31, 2022

ASSETS	GENERAL	REVOLVING LOAN PROGRAM	MICRO- ENTERPRISE LOAN PROGRAM	CITY LOAN PROGRAM	TOTAL
Current Assets:					
Cash	\$ 1,867,135	\$ -	\$ -	\$ -	\$ 1,867,135
Other Receivables	21,781	-	-	-	21,781
Prepaid Expense	16,577	-	-	-	16,577
Grants Receivable	1,152,295	-	-	-	1,152,295
Total Current Assets	<u>3,057,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,057,788</u>
Restricted Assets:					
Cash	-	2,455,403	106,311	287,877	2,849,591
Loans Receivable, Net	-	1,796,727	89,643	-	1,886,370
Total Restricted Assets	<u>-</u>	<u>4,252,130</u>	<u>195,954</u>	<u>287,877</u>	<u>4,735,961</u>
Noncurrent Assets:					
Notes Receivable	17,519	-	-	-	17,519
Capital Assets, Net	4,741,078	-	-	-	4,741,078
Total Noncurrent Assets	<u>4,758,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,758,597</u>
TOTAL ASSETS	<u>\$ 7,816,385</u>	<u>\$ 4,252,130</u>	<u>\$ 195,954</u>	<u>\$ 287,877</u>	<u>\$ 12,552,346</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 22,716	\$ -	\$ -	\$ -	\$ 22,716
Grants Payable	1,152,295	-	-	-	1,152,295
Unearned Revenue, Current Portion	1,208,000	-	-	-	1,208,000
Other Current Liabilities	51,855	-	-	-	51,855
Total Current Liabilities	<u>2,434,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,434,866</u>
Current Liabilities Payable From Restricted Assets:					
Interest Payable - HUD	-	1,227	10	7	1,244
Total Current Liabilities Payable From Restricted Assets	<u>-</u>	<u>1,227</u>	<u>10</u>	<u>7</u>	<u>1,244</u>
Noncurrent Liabilities:					
Unearned Revenue	17,519	-	-	-	17,519
Long-Term Debt, Less Current Portion	880,160	-	-	-	880,160
Total Noncurrent Liabilities	<u>897,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>897,679</u>
TOTAL LIABILITIES	<u>\$ 3,332,545</u>	<u>\$ 1,227</u>	<u>\$ 10</u>	<u>\$ 7</u>	<u>\$ 3,333,789</u>
NET POSITION					
Net Investment in Capital Assets	\$ 4,560,918	\$ -	\$ -	\$ -	\$ 4,560,918
Restricted for:					
Revolving Loan Program	-	4,250,903	-	-	4,250,903
Microenterprise Loan Program	-	-	195,944	-	195,944
City Loan Program	-	-	-	287,870	287,870
Total Restricted Net Position	<u>-</u>	<u>4,250,903</u>	<u>195,944</u>	<u>287,870</u>	<u>4,734,717</u>
Unrestricted:					
Unrestricted	(77,078)	-	-	-	(77,078)
Total Unrestricted Net Position	<u>(77,078)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,078)</u>
TOTAL NET POSITION	<u>\$ 4,483,840</u>	<u>\$ 4,250,903</u>	<u>\$ 195,944</u>	<u>\$ 287,870</u>	<u>\$ 9,218,557</u>

See paragraph on supplementary schedules included in auditor's report.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF JEFFERSON, NY

SS6 STATEMENT OF FUND REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fifteen-Month Period Ended December 31, 2022

	GENERAL	REVOLVING LOAN PROGRAM	MICRO- ENTERPRISE LOAN PROGRAM	CITY LOAN PROGRAM	TOTAL
REVENUES					
Operating Revenues:					
Administrative Fees	\$ 1,120,854	\$ -	\$ -	\$ -	\$ 1,120,854
Interest from Loans Receivable	-	28,463	10,265	1,945	40,673
Community Development Agreement	3,000	-	-	-	3,000
Other Operating Revenues	162,095	114	330	-	162,539
Total Operating Revenues	<u>1,285,949</u>	<u>28,577</u>	<u>10,595</u>	<u>1,945</u>	<u>1,327,066</u>
EXPENSES					
Operating Expenses:					
Project	2,057	54,037	29,526	242	85,862
Bad Debt (Recovery)	182,450	(19,700)	59,358	-	222,108
Legal Fees	69,533	-	714	-	70,247
Office	3,913	-	-	-	3,913
Administrative Service Agreement	792,256	-	-	-	792,256
Professional Fees	11,400	-	-	-	11,400
Insurance	51,781	-	-	-	51,781
Depreciation	79,646	-	-	-	79,646
Other Operating Expenses	112,998	-	-	-	112,998
Total Operating Expenses	<u>1,306,034</u>	<u>34,337</u>	<u>89,598</u>	<u>242</u>	<u>1,430,211</u>
Net Operating Income (Loss)	<u>(20,085)</u>	<u>(5,760)</u>	<u>(79,003)</u>	<u>1,703</u>	<u>(103,145)</u>
NON-OPERATING REVENUES (EXPENSES)					
Gain on Property Acquisition	118,000	-	-	-	118,000
Grant Income	9,309,433	-	-	-	9,309,433
Grant Expense	(8,009,433)	-	-	-	(8,009,433)
Interest Income	781	-	-	-	781
Total Non-Operating Revenues (Expenses)	<u>1,418,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,418,781</u>
CHANGE IN NET POSITION	1,398,696	(5,760)	(79,003)	1,703	1,315,636
NET POSITION, BEGINNING OF PERIOD	<u>3,085,144</u>	<u>4,256,663</u>	<u>274,947</u>	<u>286,167</u>	<u>7,902,921</u>
NET POSITION, END OF PERIOD	<u>\$ 4,483,840</u>	<u>\$ 4,250,903</u>	<u>\$ 195,944</u>	<u>\$ 287,870</u>	<u>\$ 9,218,557</u>

See paragraph on supplementary schedules included in auditor's report.

FEDERAL AWARDS PROGRAM INFORMATION



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CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

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
Jefferson County Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jefferson County Industrial Development Agency (the Agency), a New York Public Benefit Corporation and a discretely presented component unit of the County of Jefferson, New York, as of and for the fifteen-month period ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Jefferson County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 1, 2023.

Report on Internal Control over Financial Reporting

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

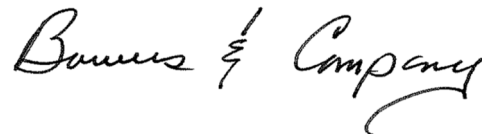
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County 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 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 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.

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Watertown, New York
March 1, 2023



**BOWERS & COMPANY
CPAS PLLC**

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

BOARD OF DIRECTORS

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jefferson County Industrial Development Agency's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Jefferson County Industrial Development Agency's major federal programs for the fifteen-month period ended December 31, 2022. Jefferson County Industrial Development Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jefferson County Industrial Development Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fifteen-month period ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained *Government Auditing Standards*, issued by the comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jefferson County Industrial Development Agency and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jefferson County Industrial Development Agency compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Jefferson County Industrial Development Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jefferson County Industrial Development Agency's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jefferson County Industrial Development Agency's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Jefferson County Industrial Development Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jefferson County Industrial Development Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jefferson County Industrial Development Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

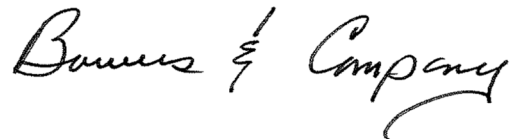
Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify and deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the date and location information.

Watertown, New York
March 1, 2023

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fifteen-Month Period Ended December 31, 2022

Federal Grantor/Program or Cluster Title	Assistance Listing	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through To Subrecipients
U.S. Department of the Treasury				
Passed Through Jefferson County:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 3,351,000	\$ 2,059,000
Total COVID-19: Coronavirus State and Local Fiscal Recovery Funds			<u>3,351,000</u>	<u>2,059,000</u>
Total U.S. Department of the Treasury			<u>3,351,000</u>	<u>2,059,000</u>
U.S. Department of Defense				
Direct Award:				
Community Investment	12.600		<u>5,658,433</u>	<u>5,658,433</u>
Total Community Investment			<u>5,658,433</u>	<u>5,658,433</u>
Total U.S. Department of Defense			<u>5,658,433</u>	<u>5,658,433</u>
Total Expenditures of Federal Awards			<u>\$ 9,009,433</u>	<u>\$ 7,717,433</u>

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jefferson County Industrial Development Agency under programs of the federal government for the fifteen-month period ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Jefferson County Industrial Development Agency it is not intended to and does not present the financial position, changes in net position, or cash flows of Jefferson County Industrial Development Agency.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented. The Agency has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2022

SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unmodified opinion on the financial statements of Jefferson County Industrial Development Agency.
2. No significant deficiencies relating to the audit of the financial statements of Jefferson County Industrial Development Agency were disclosed during the audit. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Jefferson County Industrial Development Agency, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor’s Report on Compliance with Requirements for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor’s report on compliance for the major federal award programs for Jefferson County Industrial Development Agency expresses an unmodified opinion on the major federal programs.
6. There were no audit findings to be reported in accordance with 2 CFR Section 200.516(a) related to the major federal programs for Jefferson County Industrial Development Agency.
7. The programs tested as major federal programs include:

COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027
Community Investment	12.600
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Jefferson County Industrial Development Agency was determined not to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

No findings to report.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.



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2022 INVESTMENT REPORT

BOARD OF DIRECTORS

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

The Jefferson County Industrial Development Agency had no investments to report in 2022.

A handwritten signature in cursive script, reading 'David Zembiec'. The signature is written in black ink and is positioned above a horizontal line.

David Zembiec, Chief Executive Officer
March 1, 2023