

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE TOWN OF MALONE)
FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Town of Malone County of Franklin Industrial Development Agency
Malone, New York 12953

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Town of Malone County of Franklin Industrial Development Agency (the "Agency"), a component unit of the Town of Malone, as of and for the years ended December 31, 2024, and 2023, and the related and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements listed in the table of contents.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Town of Malone County of Franklin Industrial Development Agency as of December 31, 2024, and 2023, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audits 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 Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Town of Malone County of Franklin Industrial Development Agency, a Component Unit of the Town of Malone and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Agency has a reported capital asset at assessed value in the accompanying statement of net position. Specifically, land acquired prior to 1990 is recorded at assessed value. Accounting principles generally accepted in the United States of America require capital assets to be reported at cost.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the financial Statements

Our objective is 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's 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 Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2025 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Pace & Duguet, PLLC

March 10, 2025

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

INTRODUCTION

Within the section of the Town of Malone County of Franklin Industrial Development Agency (“IDA” or the “Agency”) financial statements, the Agency’s management provides narrative discussion and analysis of the financial activity of the Agency for the years ended December 31, 2024 and 2023. The discussion and analysis should be read in conjunction with the basic financial statements to enhance understanding of the Agency’s financial performance, which immediately follows this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Agency’s basic financial statements include: (1) financial statements, and (2) notes to the financial statements.

FINANCIAL STATEMENTS

The Agency’s financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The Agency is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and are depreciated over their useful lives. See notes to the financial statements for a summary of the Agency’s financial position.

The *Statement of Financial Position* presents information on the Agency’s assets and liabilities, with the difference between the two reports as net position. Over time, increases or decreases in financial position may serve as a useful indicator of the Agency’s financial position.

The *Statement of Revenues, Expenses and Change in Net Assets* presents information showing how the Agency’s net asset changed during the most recent years. All changes in net assets are reported as soon as the underlying event giving to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flow in future periods.

The Statements of Cash Flow relates to flows of cash and cash equivalents. Consequently, only transactions that affect the Agency’s cash accounts are recorded in these statements.

NOTES TO FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential; to a full understanding of the basic financial statements.

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

FINANCIAL HIGHLIGHTS

The following items are the financial highlights experienced by the Town of Malone County of Franklin Industrial Development Agency.

The overall financial position of the Agency increased by \$280 as of December 31, 2024.

The Agency's total revenue decreased by \$7,954 and the expenses increased by \$2,183 for the year ended December 31, 2024. In the prior year, there was a one-time payment from the County-wide Shared Services Initiative (CWSSI) in the amount of \$8,000. User Fees increased by \$46 for the year ended December 31, 2024.

FINANCIAL STATEMENTS ANALYSIS

Below is the Summary of the Agency's Statements of Financial Position as of December 31, 2024 and 2023:

ASSETS	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash	\$ 74,731	\$ 72,474
Accounts Receivables	4,720	4,506
Total Current Assets	<u>\$ 79,451</u>	<u>\$ 76,980</u>
Capital Assets:		
Land	\$ 115,000	\$ 115,000
Equipment, net of accumulated depreciation	-0-	-0-
Net Capital Assets	<u>\$ 115,000</u>	<u>\$ 115,000</u>
 Total Assets	 <u>\$ 194,451</u>	 <u>\$ 191,980</u>
 LIABILITIES AND NET POSITION		
Accounts Payable	\$ 2,685	\$ 2,720
Total Liabilities	<u>\$ 2,685</u>	<u>\$ 2,720</u>
 NET POSITION		
Invested in Capital Assets	\$ 115,000	\$ 115,000
Unrestricted	76,766	74,260
Total Net Position	<u>\$ 191,766</u>	<u>\$ 189,260</u>
 Total Liabilities & Net Position	 <u>\$ 194,451</u>	 <u>\$ 191,980</u>

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2024 AND 2023**

FINANCIAL STATEMENTS ANALYSIS (CONTINUED)

The Agency's cash includes cash in bank and certificates of deposits. The Accounts receivable consists of billings to occupants in the fourth quarter of 2024 and 2023. The accounts payable consists of unpaid inspection fees and utilities in 2024 and 2023. There are no significant changes from the prior year's balances.

Below is the summary of the Agency's Statement of Revenues, Expenses and Change in Financial Position for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
REVENUE		
User's Fees	\$ 21,705	\$ 21,339
New York State Grant	-0-	-0-
Interest	1,327	76
Late Fee Income	145	-0-
Total Revenue	<u>\$ 23,177</u>	<u>\$ 21,415</u>
 EXPENSES		
Contracted Services	\$ 2,400	\$ 2,400
Professional Fees	8,128	7,760
Repairs and Maintenance	165	-0-
Equipment	-0-	1,250
Taxes	90	83
Utilities	9,888	9,642
Total Expenses	<u>\$ 20,671</u>	<u>\$ 21,135</u>
 CHANGE IN NET POSITION	 \$ 2,506	 \$ 280
 NET POSITION- Beginning of Year	 <u>189,260</u>	 <u>188,980</u>
 NET POSITION- END OF YEAR	 <u>\$ 191,766</u>	 <u>\$ 189,260</u>

Revenues are derived primarily from billings to industrial park's occupants related to recurring expenses such as repairs and maintenance, professional fees, utilities, etc. Expenditures consist primarily of repairs and maintenance, utilities and contracted services.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This report is prepared for use of the Agency's management and pass-through entities, and members of the public interested in the affairs of the Agency. Questions with regard to the financial report or requests for additional information should be addressed to the Town of Malone County of Franklin Industrial Development Agency, 27 Airport Road, Malone NY 12953.

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023**

	12/31/2024	12/31/2023
ASSETS		
CURRENT ASSETS:		
Cash	\$ 74,731	\$ 72,474
Accounts Receivables	4,720	4,506
Total Current Assets	\$ 79,451	\$ 76,980
 CAPITAL ASSETS:		
Land	\$ 115,000	\$ 115,000
Equipment, net of accumulated depreciation	-0-	-0-
Net Capital Assets	\$ 115,000	\$ 115,000
TOTAL	\$ 194,451	\$ 191,980
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts Payable	\$ 2,685	\$ 2,720
Total Current Liabilities	\$ 2,685	\$ 2,720
 NET POSITION:		
Unrestricted	\$ 76,766	\$ 73,983
Investment in Capital Assets	115,000	115,277
Total Net Position	\$ 191,766	\$ 189,260
TOTAL	\$ 194,451	\$ 191,980

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	12/31/2024	12/31/2023
OPERATING INCOME:		
User's Fee	\$ 21,705	\$ 21,339
Late Payment Fees	145	-0-
Total Operating Income	\$ 21,850	\$ 21,339
OPERATING EXPENSES:		
Contracted Services	\$ 2,400	\$ 2,400
Professional Fees	8,128	7,760
Repairs and Maintenance	165	-0-
Taxes	90	83
Utilities	9,888	9,642
Miscellaneous Expense	-0-	1,250
Total Operating Expenses	\$ 20,671	\$ 21,135
OPERATING INCOME	\$ 1,179	\$ 204
OTHER REVENUES		
Interest Income	1,327	76
CHANGE IN NET POSITION	\$ 2,506	\$ 280
NET POSITION - Beginning of Year	189,260	188,980
NET POSITION - END OF YEAR	\$ 191,766	189,260

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
COMPRATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	12/31/2024	12/31/2023
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES:		
Receipts from User Fees	\$ 21,491	\$ 21,028
Late Payment Fees	145	-0-
Payments for Professional Services	(10,100)	(9,800)
Payments for Other Expenses	(10,606)	(11,250)
Net Cash Provided by (Used for) Operating Activities	\$ 930	\$ (22)
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest	\$ 1,327	\$ 76
 NET INCREASE IN CASH	\$ 2,257	\$ 54
 CASH - Beginning of Year	72,474	72,420
 CASH - END OF YEAR	\$ 74,731	\$ 72,474
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operatign Income	\$ 1,179	\$ 204
(Increase) Decrease in Accounts Receivable	(214)	(317)
Decrease (Increase) in Accounts Payable	(35)	91
Net Cash Provided by Operating Activities	\$ 930	\$ (22)

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Town of Malone County of Franklin Industrial Development Agency ("IDA or the "Agency") was created in 1972 by the Town of Malone (the "Town") under the provisions of Chapter 314 of the Laws of New York State for the purpose of encouraging economic growth in the Town. The Agency is exempt from federal, state and income taxes. The Agency is a component unit of the Town. Although established by the Town, the Agency is a separate entity and operates independently of the Town.

Basis of Presentation

The Agency utilizes the accrual basis of accounting wherein revenue is recognized when earned and expenses are recognized when incurred. The accompanying financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Government Accounting Standards Board (GASB), which is the primary standard setting body for established governmental accounting and financial principles.

Use of Estimates

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

Investments

The Agency's investments policies are governed by state statutes. Agency monies are required to be deposited in Federal Depository Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the state. The Agency is authorized to use demand accounts and certificates of deposit. Collateral is required for demand deposits and certificates of deposit not covered by FDIC.

Concentration of Risk

The Agency maintains cash balances at a financial institution located in New York. Accounts at the financial institution are insured by the FDIC up to \$250,000. At December 31, 2024 and 2023, the Agency has no unsecured cash balances.

Capital Assets

Capital assets recorded on the financial statements are stated at cost. It is the Agency's policy to capitalize new expenditures for additions, improvements, and major renewals, which extend the life of an asset, whereas expenditures for maintenance and repairs are charged to operations when incurred. Gains and losses from sales or other dispositions of depreciable property are included in current operations.

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets and Services

The estimated fair value of the full use of facilities owned by others and estimated value of contributed services over which the Agency exercises control, which constitutes a part of the normal services that would otherwise be performed by paid personnel, have not been reflected in the accompanying financial statements. Also, the value of the other donated services (board members, etc.) is not reflected in the accompanying financial statements.

Income Taxes

The Agency was determined to be exempt from federal reporting requirements under Internal Revenue Procedure 94-48, 1995 C.B 418 as a government unit or affiliate of a governmental unit described in such procedure. In addition, the Agency is exempt from state income tax reporting requirements under Article 7-A and EPTL.

Accounting principles generally accepted in the United States of America require the Agency to evaluate all significant tax positions. As of December 31, 2024 and 2023, the Agency does not believe that it has taken any positions that would require the recording of any tax liability, nor does it believe that there is any unrealized tax benefit that should be recorded or that would increase or decrease within the next year.

Cash

For purposes of the statements of cash flows, cash consists of cash held in savings, checking, money market accounts and certificates of deposit.

Fair Value of Financial Instruments

The Agency's financial instruments consist primarily of cash, receivables and payables. The Agency estimates that the fair value of all its financial instruments does not differ materially from the aggregate carrying values recorded in the accompanying statements of financial position. The estimate fair value amounts have been determined by the Agency using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of the fair value, and accordingly the estimates are not necessarily indicative of the amounts that the Agency could realize in a current market exchange.

**TOWN OF MALONE COUNTY OF FRANKLIN
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE B -- CAPITAL ASSETS

The capital assets recorded on the financial records is stated at assessed value and consist of the following as of December 31, 2024, and 2023:

	<u>12/31/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2024</u>
Business-type activities:				
Capital assets not being depreciated:				
Land (Assessed Value)	\$ 115,000	\$ -0-	\$ -0-	\$ 115,000
Capital assets being depreciated:				
Equipment	\$ 3,330	\$ -0-	\$ -0-	\$ 3,330
Less accumulated depreciation for:				
Equipment	\$ 3,330	\$ -0-	\$ -0-	\$ 3,330
Total capital assets being depreciated, net	<u>\$ -0-</u>			<u>\$ -0-</u>
Capital assets, net	<u>\$ 115,000</u>			<u>\$ 115,000</u>

NOTE C -- SUBSEQUENT EVENTS

The Agency has evaluated events and transactions that occurred between January 1, 2025 and March 10, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

REQUIRED COMMUNICATION LETTER

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**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 Management and
The Board of Directors
Town of Malone County of Franklin Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Malone County of Franklin Industrial Development Agency, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the New York basic financial statements, and have issued our report thereon dated March 10, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Malone, New York's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Malone, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Malone, New York's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Malone, New York's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rauced & Duguetto, PLLC

March 10, 2025