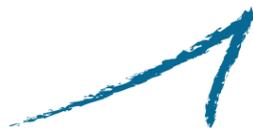


**SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Watkins Glen, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2025**



insero&co

Certified Public Accountants

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Required Supplementary Information	
Management's Discussion and Analysis	4-4c
Basic Financial Statements	
Statement of Net Position	5
Statement of Revenues, Expenses, and Changes in Net Position	6
Statement of Cash Flows	7
Notes to Financial Statements	8-15
<hr/>	
Supplementary Information	
Schedule of Projects	16
Report Required Under <i>Government Auditing Standards</i>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	17-18
Other Reporting Required by New York State Public Authorities Law	
Independent Auditors' Report on Compliance with §2925(3)(f) of the New York State Public Authorities Law	19



INDEPENDENT AUDITORS' REPORT

Board of Directors
Schuyler County Industrial Development Agency
Watkins Glen, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Schuyler County Industrial Development Agency (the Agency), a component unit of the County of Schuyler, New York, as of and for the year ended December 31, 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Schuyler County Industrial Development Agency as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's 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's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Schedule of Projects is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Projects is 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 14, 2026 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's 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 Schuyler County Industrial Development Agency's internal control over financial reporting and compliance.

Other Reporting Required by New York State Public Authorities Law

We have also issued our report dated March 14, 2026 on our consideration of the Agency's compliance with §2925(3)(f) of the New York State Public Authorities Law. The purpose of that report is to describe anything that came to our attention that caused us to believe the Agency failed to comply with the Agency's Investment Guidelines, the New York State Comptroller's Investment Guidelines, and §2925(3)(f) of the New York State Public Authorities Law.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 14, 2026

SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2025

The Schuyler County Industrial Development Agency (the Agency), a component unit of the County of Schuyler, New York, was created in 1971 to encourage economic growth in Schuyler County.

Mission: The Schuyler County Industrial Development Agency was created to promote the prosperity of its residents through the creation of jobs (new or retained), increased private investment, additional housing, competitive educational resources, notable recreational opportunities, and other economic opportunities in Schuyler County. The Agency will achieve these goals through the use of various tax incentives provided by the Agency, which shall be proportional to jobs, economic activity projected, or opportunities provided to the citizens of Schuyler County.

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Agency's financial position as of December 31, 2025 and the result of its operations for the year then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the Agency, which directly follow the MD&A.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial statements of the Schuyler County Industrial Development Agency have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Position; a Statement of Revenues Expenses, and Changes in Net Position; a Statement of Cash Flows; and accompanying notes. These statements provide information on the financial position and activity of the Agency and results of its operations during the year. A summary description of these statements is as follows:

- **Statement of Net Position** presents information on all of the Agency's assets, liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Agency is improving or deteriorating.
- **Statement of Revenues, Expenses, and Changes in Net Position** presents information showing the change in the Agency's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement include all items that will result in cash received or disbursed in future fiscal periods.
- **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, non-capital financing, capital financing, and investing activities.

SCHUYLER COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Agency's activities.

Figure 1

<i>Condensed Statement of Net Position</i>	<i>Total Agency</i>		<i>Total Dollar Change</i>
	<i>2025</i>	<i>2024</i>	
<i>Current Assets:</i>			
<i>Cash and Cash Equivalents</i>	\$ 185,187	\$ 95,605	\$ 89,582
<i>Short-Term Certificates of Deposit</i>	102,138	233,247	(131,109)
<i>Leases Receivable - Current</i>	67,255	64,505	2,750
<i>Accrued Interest Receivable - Current</i>	310	270	40
<i>Total Current Assets</i>	354,890	393,627	(38,737)
<i>Noncurrent Assets:</i>			
<i>Long-Term Certificates of Deposit</i>	332,755	270,090	62,665
<i>Capital Assets, Net</i>	135,775	158,990	(23,215)
<i>Leases Receivable - Noncurrent</i>	377,752	445,007	(67,255)
<i>Accrued Interest Receivable - Noncurrent</i>	2,901	3,212	(311)
<i>Total Assets</i>	1,204,073	1,270,926	(66,853)
<i>Current Liabilities:</i>			
<i>Accounts Payable and Accrued Liabilities</i>	8,160	3,671	4,489
<i>Security Deposit</i>	4,375	4,375	-
<i>Lease Liability - Current</i>	11,182	9,781	1,401
<i>Accrued Interest Liability</i>	3,051	3,308	(257)
<i>Total Current Liabilities</i>	26,768	21,135	5,633
<i>Non-Current Liabilities:</i>			
<i>Lease Liability - Noncurrent</i>	104,885	116,067	(11,182)
<i>Total Liabilities</i>	131,653	137,202	(5,549)
<i>Deferred Inflows of Resources:</i>			
<i>Leases</i>	427,156	495,275	(68,119)
<i>Total Deferred Inflows of Resources</i>	427,156	495,275	(68,119)
<i>Net Investment in Capital Assets</i>	19,708	33,142	(13,434)
<i>Unrestricted</i>	625,556	605,307	20,249
<i>Total Net Position</i>	\$ 645,264	\$ 638,449	\$ 6,815

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

Significant changes from prior year are as follows:

- The Agency continues to invest its funds in certificates of deposit. Maturity dates vary year-to-year causing fluctuations between short-term and long-term investments and cash.
- The Agency received lease payments based on amortization schedules resulting in a total decrease in assets and deferred inflows of resources.

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

Figure 2

Changes in Net Position	Total Agency		Total Dollar Change
	2025	2024	
<i>Operating Revenues:</i>			
<i>Fee Income</i>	\$ 70,473	\$ 99,003	\$ (28,530)
<i>Lease Revenue and Interest</i>	154,035	106,618	47,417
<i>Non-Operating Revenues:</i>			
<i>Interest and Earnings</i>	18,471	26,871	(8,400)
Total Revenue	242,979	232,492	10,487
<i>Operating Expenses:</i>			
<i>Contractual Expenses</i>	109,490	144,836	(35,346)
<i>Lease Expense and Interest</i>	103,459	63,744	39,715
<i>Amortization Expense</i>	13,215	13,213	2
<i>Depreciation Expense</i>	10,000	3,333	6,667
Total Expenses	236,164	225,126	11,038
CHANGE IN NET POSITION	\$ 6,815	\$ 7,366	\$ (551)

Significant changes from prior year are as follows:

- Total revenue increased 4.51% due to additional revenue and interest related to leases. This was due to new leases entered into by the Agency at its waterfront location.
- Total expenses increased 4.90% due to an increase in lease expense and interest. This was due to the above mentioned leases.

SCHUYLER COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

CAPITAL ASSETS

At December 31, 2025, the Agency had invested in capital assets with a total of \$201,966, offset by accumulated depreciation of \$13,333 and accumulated amortization of \$52,858. *Figure 3* shows the changes in the Agency's capital assets.

Figure 3
Capital Assets, Net of Depreciation and Amortization

Changes in Capital Assets	Total Agency		Total Dollar Change
	2025	2024	
<i>Equipment, Net</i>	\$ 36,667	\$ 46,667	\$ (10,000)
<i>Intangible Lease Asset, Net</i>	99,108	112,323	(13,215)
Total	\$ 135,775	\$ 158,990	\$ (23,215)

FACTORS BEARING ON THE AGENCY'S FUTURE

There is an interest in the development of both Deep GEO Energy development and/or small modular reactors over the next 5-10 years and the need for upgraded infrastructure. There are dedicated resources to attract supply chain firms to support food products or other medium-scale manufacturing. With the REDI-Site designation, the IDA will be poised to assist in the attraction of a manufacturing facility. There also continues to be an interest in Seneca Lake and Canal waterfront developments, and mixed-use commercial activity, and multi-family housing. The IDA will play a pivotal role in the reuse efforts of the Camp Monterey property, including site preparation and engagement with the State for the transfer of the site to a viable developer.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's clients, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Schuyler County Industrial Development Agency at 216 N Franklin Street, Watkins Glen, New York 14891.

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS

Current Assets

Cash and Cash Equivalents	\$	185,187
Short-Term Certificates of Deposit		102,138
Leases Receivable - Current		67,255
Accrued Interest Receivable - Current		310
Total Current Assets		354,890

Noncurrent Assets

Long-Term Certificates of Deposit		332,755
Capital Assets, Net		135,775
Leases Receivable - Noncurrent		377,752
Accrued Interest Receivable - Noncurrent		2,901
Total Noncurrent Assets		849,183

Total Assets	\$	1,204,073
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**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND NET POSITION**

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Liabilities	\$	8,160
Security Deposit		4,375
Lease Liability - Current		11,182
Accrued Interest Liability		3,051
Total Current Liabilities		26,768

Noncurrent Liabilities

Lease Liability - Noncurrent		104,885
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Total Liabilities		131,653
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Deferred Inflows of Resources

Leases		427,156
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NET POSITION

Net Investment in Capital Assets		19,708
Unrestricted		625,556

Total Net Position		645,264
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Total Liabilities, Deferred Inflows of Resources, and Net Position	\$	1,204,073
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See Notes to Financial Statements

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

Operating Revenues	
Fee Income	\$ 70,473
Lease Revenue and Interest	<u>154,035</u>
Total Operating Revenues	<u>224,508</u>
Operating Expenses	
Administration and Support	70,000
Professional Fees	39,490
Lease Expense and Interest	103,459
Amortization Expense	13,215
Depreciation Expense	<u>10,000</u>
Total Operating Expenses	<u>236,164</u>
Operating Gain (Loss)	<u>(11,656)</u>
Non-Operating Revenues	
Interest and Earnings	<u>18,471</u>
Total Non-Operating Revenues	<u>18,471</u>
Change in Net Position	6,815
Net Position, January 1, 2025	<u>638,449</u>
Net Position, December 31, 2025	<u><u>\$ 645,264</u></u>

See Notes to Financial Statements

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows From Operating Activities	
Cash Received From Providing Services	\$ 70,473
Cash Payments - Contractual Expenses	(105,001)
Cash Received From Leases	154,306
Cash Payments - Leases	(117,111)
	2,667
Net Cash Provided (Used) by Operating Activities	
Cash Flows From Financing Activities	
	-
Cash Flows From Investing Activities	
Purchase of Certificates of Deposit	(434,893)
Sale of Certificates of Deposit	503,337
Interest Income Received	18,471
	86,915
Net Cash Provided (Used) by Investing Activities	
Net Change in Cash and Cash Equivalents	89,582
Cash and Cash Equivalents, January 1, 2025	95,605
	185,187
Cash and Cash Equivalents, December 31, 2025	
Reconciliation of Operating Gain to Net Cash	
Provided (Used) by Operating Activities:	
Operating Gain (Loss)	\$ (11,656)
Adjustments to Reconcile Operating Gain (Loss) to	
Net Cash Provided (Used) by Operating Activities:	
Amortization Expense	13,215
Depreciation Expense	10,000
(Increase) Decrease in Lease Receivable	64,505
(Increase) Decrease in Accrued Interest Receivable	271
Increase (Decrease) in Accrued Liabilities Payable	4,489
Increase (Decrease) in Lease Liability	(9,781)
Increase (Decrease) in Accrued Interest Payable	(257)
Increase (Decrease) in Deferred Inflows of Resources	(68,119)
	2,667
Net Cash Provided (Used) by Operating Activities	
	\$ 2,667

See Notes to Financial Statements

SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

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

The financial statements of the Schuyler County Industrial Development Agency (the Agency) have been prepared in conformity with generally accepted accounting principles in the United States (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Agency's accounting policies are described below.

Financial Reporting Entity

The Agency was created in 1971 by the Schuyler County Legislature under the provisions of Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth in Schuyler County. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Schuyler County Legislature, is a separate entity and operates independently of the County. The Agency is considered a component unit of the County. The members of the Board of Directors are appointed by the Schuyler County Legislature.

The financial reporting entity consists of (a) the primary government which is the Schuyler County Industrial Development Agency; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended.

The decision to include a potential component unit in the Agency's reporting entity is based on several criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended. Based on this criteria, the Agency does not have any component units which require inclusion in its financial statements.

Basis of Accounting

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

Cash and Cash Equivalents

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

Short-Term Certificates of Deposit

Short-term certificates of deposit consist of non-cancelable certificates of deposit with original maturity dates of less than twelve months.

Long-Term Certificates of Deposit

Long-term certificates of deposit consist of non-cancelable certificates of deposit with original maturity dates of twelve months or greater.

SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

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

Allowance for Uncollectible Loans

The Agency follows the policy of evaluating its loans receivable to adequately reserve for anticipated losses. Management believes all loans receivable are deemed collectible; therefore, no reserve for the loans has been established as of December 31, 2025.

Capital Assets

All property and equipment acquired with grant funds are owned by the Agency and are used in the programs for which they were purchased. There are no revisionary interests by grantor agencies in the assets. Capital assets as defined by the Agency are assets with an initial unit cost of \$5,000 or more and an estimated life in excess of two years. Donated capital assets are recorded at estimated fair value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated when placed in service. Depreciation of property and equipment is provided on a straight-line basis over 3-7 years.

Equity Classifications

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

- **Net Investment in Capital Assets** consists of capital assets including restricted capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, mortgage, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- **Unrestricted** consists of all other net resources that do not meet the definition of "net investment in capital assets."

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Leases

The Agency determines if an arrangement is or contains a lease at inception. The Agency records assets and lease obligations for leases in which they are the lessee, and lease receivables and deferred inflows of resources for leases in which they are the lessor, which are initially based on the discounted future minimum lease payments over the term of the lease. The Agency used the rate implicit in the lease agreements. In some cases, the implicit rate is not easily determinable, and the Agency elects to use its incremental borrowing rate in calculating present value of lease payments. The Agency will recognize short-term lease expense or revenue for these leases on a straight-line basis over the term of the lease.

SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

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

Leases - Continued

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position. The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized based on the amortization schedules and is included operational expenses. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

Revenues

The Agency first utilizes restricted resources to finance qualifying activities.

Operating Revenues

Operating revenues of the Agency consist of administrative fees and proceeds from leasing arrangements. Interest earnings are reported as non-operating revenues.

New Accounting Standards

The Agency adopted and implemented the following current Statements of GASB effective for the year ended December 31, 2025:

- GASB has issued Statement No. 102, "Certain Risk Disclosures," effective for the year ended December 31, 2025. There was no effect on the financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 103, "Financial Reporting Model Improvements," effective for the year ending December 31, 2026.
- GASB has issued Statement No. 104, "Disclosure of Certain Capital Assets," effective for the year ending December 31, 2026.

The Agency will evaluate the impact future pronouncements may have on its financial statement and will implement as applicable and when material.

Reclassifications

Certain financial statement items have been reclassified to conform to the current year presentation. These classifications had no effect on the net assets previously reported.

SCHUYLER COUNTY ***INDUSTRIAL DEVELOPMENT AGENCY***

NOTES TO FINANCIAL STATEMENTS **DECEMBER 31, 2025**

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

Certain industrial development revenue bonds and notes issued by the Agency are secured by property leased to companies and retired by lease payments. The bonds and notes are not obligations of the Agency or the State. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts, as its primary function is to arrange financing between the borrowing companies and the bond and note holders; funds arising therefrom 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. At December 31, 2025, the outstanding value of bonds and notes issued aggregated \$-0-.

Note 3 **Payments in Lieu of Taxes**

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

In 2025, \$620,285 was received in PILOT payments compared to the \$857,934 which would have been received if businesses paid the full amount of property taxes. Property tax abatements totaled \$237,649.

In addition to PILOTs above, \$1,006 of sales tax abatements and \$-0- of mortgage tax abatements were awarded.

Note 4 **Deposits and Investments**

State statutes govern the Agency's investment policies. In addition, the Agency has its own written investment policy. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State (NYS) or its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total bank balances, including long-term and short-term certificates of deposit (see Note 5), of \$619,580 at December 31, 2025 were either insured or collateralized with securities held by the pledging financial institution in the entities' name. The carrying value of deposits at December 31, 2025 totaled \$620,080.

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 5 **Certificates of Deposit**

Certificates of deposit consisted of the following at December 31, 2025:

	Cost	Fair Value	Excess of Fair Value Over Cost
Certificate of Deposit - 23 Months Matures 03/2026	\$ 281,433	\$ 281,433	\$ -
Certificate of Deposit - 6 Months Matures 04/2026	102,138	102,138	-
Certificate of Deposit - 17 Months Matures 04/2027	51,322	51,322	-
Total	\$ 434,893	\$ 434,893	\$ -

Note 6 **Leases Receivable**

The Agency enters into lease agreements for certain properties that are considered leases. The Agency is not party to any material short-term leases, and current leases do not require any variable payments. The Agency subleases its waterfront property to Wine and Glass, FLX Cycle Boats, Lucky Hare, and Schooner Excursions.

Leases receivable as of December 31, 2025 are as follows:

Description of Lease	Term of Lease	Discount Rate	Outstanding Dec. 31, 2025
FLX Enterprises	01/01/2022-12/31/2032	1.66%	\$ 249,181
Wine and Glass	07/01/2013-06/16/2032	7.85%	94,831
FLX Cycle Boats	03/01/2024-06/16/2033	4.81%	32,292
Schooner Excursions	06/01/2014-06/16/2032	7.85%	27,344
Lucky Hare Sublease	09/01/2024-03/31/2027	3.79%	23,811
Lucky Hare Equipment	09/01/2024-03/31/2027	3.79%	17,548
			\$ 445,007

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 6 Leases Receivable - Continued

The following is a summary of the future lease receivables:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 67,255	\$ 16,319	\$ 83,574
2027	59,165	13,944	73,109
2028	56,326	12,033	68,359
2029	59,263	9,935	69,198
2030	62,397	7,668	70,065
2031-2032	140,601	7,961	148,562
	<u>\$ 445,007</u>	<u>\$ 67,860</u>	<u>\$ 512,867</u>

The Agency recognized lease revenue of \$68,840 and interest income of \$18,324 for the year ended December 31, 2025. The total of leases receivable is offset by a deferred inflow of resources totaling \$427,156.

Note 7 Capital Assets

The detail of capital assets, net, at December 31, 2025 is as follows:

	<u>Balance at</u> <u>December 31, 2024</u>	<u>Additions</u>	<u>Disposals/ Reclassifications</u>	<u>Balance at</u> <u>December 31, 2025</u>
Depreciable Capital Assets				
Equipment	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Depreciable Capital Assets	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Intangible Lease Asset	<u>151,966</u>	<u>-</u>	<u>-</u>	<u>151,966</u>
Total Historical Cost	<u>201,966</u>	<u>-</u>	<u>-</u>	<u>201,966</u>
Less: Accumulated Depreciation				
Equipment	(3,333)	(10,000)	-	(13,333)
Total Accumulated Depreciation	<u>(3,333)</u>	<u>(10,000)</u>	<u>-</u>	<u>(13,333)</u>
Accumulated Amortization	<u>(39,643)</u>	<u>(13,215)</u>	<u>-</u>	<u>(52,858)</u>
Capital Assets, Net	<u>\$ 158,990</u>	<u>\$ (23,215)</u>	<u>\$ -</u>	<u>\$ 135,775</u>

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 8 Related Party Transactions

Schuyler County Partnership for Economic Development, Inc. (SCOPEDE, Inc.) is a nonprofit corporation formed to promote and develop the expansion of businesses and industry within Schuyler County. SCOPEDE, Inc. provided administrative services to the Agency at a cost of \$70,000 for the year ended December 31, 2025.

Additionally, the Agency leases certain property from the County of Schuyler, the details of which are further described in Note 9.

Note 9 Lease Liabilities

The Agency enters into lease agreements for certain properties that are considered leases. The Agency is not party to any material short-term leases, and current leases do not require any variable payments.

Lease liabilities as of December 31, 2025 are as follows:

<u>Description of Lease</u>	<u>Term of Lease</u>	<u>Discount Rate</u>	<u>Outstanding Dec. 31, 2025</u>
Waterfront Property	08/12/2013-06/16/2032	7.85%	<u>\$ 116,067</u>
			<u>\$ 116,067</u>

The following is a summary of the maturity of lease liabilities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 11,182	\$ 9,155	\$ 20,337
2027	12,718	8,204	20,922
2028	14,378	7,146	21,524
2029	16,237	5,906	22,143
2030	18,251	4,531	22,782
2031-2032	<u>43,301</u>	<u>8,783</u>	<u>52,084</u>
	<u>\$ 116,067</u>	<u>\$ 43,725</u>	<u>\$ 159,792</u>

The Agency recognized interest expense of \$10,003 for the year ended December 31, 2025.

SCHUYLER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

Note 10 **Commitments and Contingencies**

Contingencies

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

Financial Concentrations and Constraints

The Agency has reviewed its concentrations and constraints in accordance with GASB Statement No. 102, "Certain Risk Disclosures." Based on this review, no events associated with said concentrations or constraints have been identified that are more likely than not to cause a substantial impact requiring additional disclosure.

SCHUYLER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF PROJECTS DECEMBER 31, 2025

<u>Project Name</u>	<u>Exemption Period</u>	<u>Purpose</u>	<u>Sales Tax Cap</u>	<u>Sales Tax Exemptions</u>	<u>Mortgage Tax Exemptions</u>	<u>Payments in Lieu of Taxes</u>	<u>Property Taxes if Not Exempt</u>	<u>Total Exemptions</u>	<u>Base Year Jobs</u>	<u>Current Employment Dec. 31, 2025</u>
Finger Lakes Rail Corp.	1995-2025	Railway	\$ -	\$ -	\$ -	\$ 31,058	\$ 31,058	\$ -	-	49
First Second Development	2022-2031	Commercial	66,400	-	-	12,537	21,813	9,276	-	-
FLX Gateway Enterprises	2018-2033	Construction	-	-	-	4,287	37,831	33,544	-	23
LSE Musca	2022-2036	Solar	400,000	-	-	36,388	10,298	(26,090)	-	-
Lin-Zhu Commercial Company	2023-2035	Commercial	69,699	-	-	3,859	23,898	20,039	-	3
Montour Falls House	2009-2029	Real Estate	-	-	-	28,464	46,566	18,102	-	-
NY Dix I Solar	2022-2036	Solar	160,000	-	-	27,466	35,362	7,896	-	-
NY Orange I Solar	2022-2036	Solar	160,000	-	-	16,111	24,586	8,475	-	-
Seneca Market	2008-2028	Commercial	-	-	-	306,567	360,667	54,100	-	99
SEPP Inc.	2014-2045	Real Estate	-	-	-	53,636	64,168	10,532	-	2
The Glen Beacon LLC	2022-2036	Commercial	25,400	1,006	-	8,806	16,688	8,888	-	4
TJA-NY-DIX Solar Farm, LLC	2025-2039	Solar	308,140	-	-	22,785	57,654	34,869	-	-
Waterworks Center	2012-2027	Real Estate	-	-	-	31,057	65,085	34,028	16	1
Watkins Brewery	2017-2030	Commercial	-	-	-	21,796	44,139	22,343	-	2
Wine & Glass Tour Holding	2021-2026	Tourism	56,000	-	-	15,468	18,121	2,653	40	75
			<u>\$ 1,245,639</u>	<u>\$ 1,006</u>	<u>\$ -</u>	<u>\$ 620,285</u>	<u>\$ 857,934</u>	<u>\$ 238,655</u>	<u>56</u>	<u>258</u>



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

Board of Directors
Schuyler County Industrial Development Agency
Watkins Glen, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Schuyler County Industrial Development Agency (the Agency), a component unit of the County of Schuyler, New York, as of December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated March 14, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 14, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
§2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

Board of Directors
Schuyler County Industrial Development Agency
Watkins Glen, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Schuyler County Industrial Development Agency (the Agency), a component unit of the County of Schuyler, New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 14, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the Agency's Investment Guidelines, the New York State (NYS) Comptroller's Investment Guidelines and §2925(3)(f) of the NYS Public Authorities Law (collectively, the Investment Guidelines), which is the responsibility of the Agency's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines. However, our audit was not directed primarily towards obtaining knowledge of noncompliance with such Investment Guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the Investment Guidelines.

This report is intended solely for the information and use of management, the Board of Directors, and the Office of the State Comptroller of the State of New York. It is not intended to be, and should not be, used by anyone other than these parties.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 14, 2026

INSERO & Co. CPAs, LLP

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