



MEETING NOTICE

TO: AIDA Finance Committee Members
FROM: Tracy Verrier, Staff
DATE: March 11, 2026

Greetings AIDA Audit Committee Members,

The Auburn Industrial Development Authority (AIDA) Audit Committee will meet March 18th, 2026 from 4:00-5:00pm in the 3rd floor conference room at Memorial City Hall (24 South Street, Auburn, NY). The meeting agenda is attached for your review. The draft financial audit will be forwarded when it is received from the auditor.

The public can view this meeting live via the following Zoom link:

<https://us02web.zoom.us/j/81423798731?pwd=xzLOfVMOAQjUxGuN6JfyCzaDrPwbcW.1>

Dial in: (929) 205-6099

Meeting ID: 814 2379 8731

Passcode: 598572

Please confirm your attendance, and don't hesitate to reach out should you have questions or need additional information.

CC: Auburn Citizen, Rob Poyer, Jennifer Haines, Chuck Mason, AIDA Board Members

Mission Statement

"To advance the job opportunities, general prosperity, sustainability and economic welfare of the people of Auburn, NY."

Strategic Priorities

- Market the benefits of doing business in Auburn and the incentives available through AIDA to eligible projects that will generate jobs and revenue for the community.
- Assist at least two (2) projects per year with AIDA benefits and/or guidance on other benefits available in the community.
- Market parcels owned by AIDA.
- Diversify deal flow.



24 South Street, Auburn, NY 13021
www.auburnida.org
Where possibility takes root.



Auburn Industrial Development Authority
 24 South Street, 3rd floor conference room, Auburn, NY
 Wednesday, March 18th, 2026 4:00 pm – 5:00 pm

The public can view this meeting via the following Zoom link:

<https://us02web.zoom.us/j/81423798731?pwd=xzLOfVMOAQjUxGuN6JfyCzaDrPwbcW.1>

Item	Time	Presenter	Outcomes
Welcome/Roll Call	5:00 – 5:05	Committee Chair	Attendance/Greet members/ Establish Quorum
FY 2025 Independent Audit of Financials	5:05 – 5:20	Dannible & McKee	Review audit and recommend approval
Other Updates & Discussion	5:50-6:00	Tracy Verrier	As needed
Adjournment	6:00	Committee Chair	Vote to adjourn meeting



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Auburn Industrial Development Authority
Financial Statements
and
Required Supplementary Information
December 31, 2025 and 2024

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Independent Auditor's Report

March XX, 2026

To the Board of Directors of
Auburn Industrial Development Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Auburn Industrial Development Authority, a component unit of the City of Auburn, State of New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise Auburn Industrial Development Authority's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Auburn Industrial Development Authority as of December 31, 2025 and 2024, and the changes in financial position and cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. 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 Auburn Industrial Development Authority 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 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 Auburn Industrial Development Authority'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 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 Auburn

Industrial Development Authority'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Auburn Industrial Development Authority'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 audits

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 XX, 2026, on our consideration of Auburn Industrial Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Auburn Industrial Development Authority's internal control over financial reporting and compliance.

Dannible & McKee, LLP
Syracuse, New York

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Auburn Industrial Development Authority
Management's Discussion and Analysis (Unaudited)

March XX, 2026

This section of the Auburn Industrial Development Authority's annual financial report presents management's discussion and analysis of the Authority's financial performance during the year ended December 31, 2025. It should be read in conjunction with the Authority's financial statements and accompanying notes.

Basic Financial Statements

The annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The Authority is a self-supporting entity and the accounts are recorded in accordance with a proprietary fund type. Proprietary fund type operating statements present increases and decreases in net assets. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Required Financial Statements

The financial statements of the Authority report information using accounting methods similar to those used by private sector companies. These statements offer short-term financial information about its activities. The Statements of Net Position includes all of the Authority's assets and liabilities with the difference reported as net position. It provides the basis for assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statements of Revenue and Expenses. This statement measures the financial success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The third required statement is the Statements of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where the cash come from, what was cash used for, and what was the change in the cash balance during the period.

Condensed Comparative Financial Information

The following table contains selected financial information for the past two years.

	December 31,	
	2025	2024
Assets:		
Cash and cash equivalents	\$ 350,794	\$ 40,888
PILOT payments receivable	75,638	159,076
Fees receivable	43,473	24,747
Certificates of deposit	25,000	75,928
Prepaid expenses	12	-
Capital assets	310,660	312,561
Total assets	<u>\$ 805,577</u>	<u>\$ 613,200</u>
Liabilities:		
Current liabilities	<u>\$ 414,599</u>	<u>\$ 177,978</u>
Total liabilities	<u>\$ 414,599</u>	<u>\$ 177,978</u>
	Year ended December 31,	
	2025	2024
Revenue:		
Administrative fee income	\$ 45,463	\$ 25,747
Interest income	1,949	2,570
Forgiveness of PILOT penalty and interest	-	25,524
Total revenue	<u>47,412</u>	<u>53,841</u>
Expenses:		
Contract services	72,935	48,189
Professional fees	12,074	10,020
Marketing	46	1,514
General and administrative	6,601	3,179
PILOT penalty and interest expense	-	5,888
Total expenses	<u>91,656</u>	<u>68,790</u>
Change in net position	<u>\$ (44,244)</u>	<u>\$ (14,949)</u>

Change in financial categories between 2025 and 2024 include the following:

- An increase in cash and cash equivalents of \$309,906. This increase is due to PILOT payments that had been received at the end of 2025 and yet disbursed timely as of January 1.
- PILOT payment receivables were down 52.5%, or \$83,438.
- Current liabilities were up \$236,621 over 2024, again due mostly to outstanding PILOT disbursements at year-end.
- Administrative income increased \$19,716, with AIDA assisting with two projects in 2025 versus only one in 2024.
- Growth in expenses outpaced growth in income, with an increase of \$28,754 primarily tied to administrative services.

Financial Analysis of the Authority

The Authority is engaged in activities to support economic growth in the City of Auburn, including job creation and retention, and increasing the net wealth of the City. The Authority does not receive any general appropriations from local, county or state government to support its operations. The Authority collects revenue for its operating purposes from administrative fees for the issuance of tax abatements and bonds, as well as from interest on investments. In the year ended December 31, 2025, the Authority earned \$45,463 of administrative fees, a 76.6% increase over 2024, and interest income in the amount of \$1,949, a decrease of \$621 from the prior year. In 2025, there were applications for assistance from two projects, one requesting a PILOT, sales tax exemption, and mortgage recording tax abatement and the other requesting just a sales tax exemption and mortgage recording tax abatement. Both were approved in 2025 but had not yet closed as of year-end. In 2025, the Authority also received two administrative fee payments related to staff assistance with voluntary PILOT terminations. These fees were both billed and collected in 2025. For qualified transactions, the Authority enters into PILOT agreements in which the Authority collects payments that are disbursed to the appropriate tax jurisdictions. PILOT payments are a pass-through to various municipalities, so do not show up as revenue.

PILOT amounts charged equaled \$948,709 in the year ended December 31, 2025. This was a decrease of \$94,284 compared to 2024. The decrease is related to the proration of one terminated PILOT and a substantial reduction in assessment for another.

Capital Asset and Debt Administration

Capital Assets: As of December 31, 2025, the Authority's investment in capital assets was \$310,660 (net of depreciation). The principal capital assets of the Authority are

its website and 28.31 acres of land acquired as part of the strategic acquisition of land and buildings for future development. This is exclusive of property leases.

Long Term Debt: The Authority has one long-term debt obligation consisting of a conduit bond of \$734,452. The Authority did not incur any new long-term debt obligations in the year ended December 31, 2025. The obligations include:

Conduit Bond Payable:

- Bluefield Manor Housing, Inc.

The bond's balance at December 31, 2025, is \$734,452 payable in monthly installments of \$14,503, including interest at a 5-year Treasury rate plus ½ percent adjustable on 5-year anniversaries, until August 1, 2030. The bond is collateralized by the property and equipment, accounts receivable, and general intangibles.

Economic Factors

The Authority's basic purpose is to assist business growth and expansion in the City of Auburn, New York. The City of Auburn continues to work with local and regional partners, including the Authority, to pursue opportunities related to the development of Micron and a semiconductor supply chain in Central New York. The Authority continues to participate in conversations about the expansion of existing businesses, sites for business attraction, and quality of life condition, such as housing, that will be necessary to maximize this opportunity. However, some adaptation is required due to shifting federal fundings streams, increased costs of construction, and economic uncertainty reported by businesses in various polls and surveys.

Contacting the Authority's Financial Management

This financial report is designed to provide the City of Auburn's citizens and taxpayers, and the clients of the Authority, with a general overview of the Authority's finances. If you have questions about this report or need additional financial information, contact the Auburn Industrial Development Authority.

Respectfully yours,



Gwen Webber-McLeod
Board of Directors Chair

Auburn Industrial Development Authority

Statements of Net Position

	<u>December 31,</u>	
<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents (Note 1)	\$ 350,794	\$ 40,888
PILOT payments receivable (Note 1)	75,638	159,076
Fees receivable (Note 1)	43,473	24,747
Certificates of deposit (Note 1)	25,000	75,928
Prepaid expenses	<u>12</u>	<u>-</u>
Total current assets	494,917	300,639
Capital assets, net (Notes 1 and 2)	<u>310,660</u>	<u>312,561</u>
	<u>\$ 805,577</u>	<u>\$ 613,200</u>
<u>Liabilities and Net Position</u>		
Current liabilities:		
PILOT payments payable (Note 1)	\$ 407,082	\$ 173,057
Accounts payable	<u>7,517</u>	<u>4,921</u>
Total current liabilities	<u>414,599</u>	<u>177,978</u>
Net position (Note 1):		
Net invested in capital assets	310,660	312,561
Unrestricted	<u>80,318</u>	<u>122,661</u>
Total net position	<u>390,978</u>	<u>435,222</u>
	<u>\$ 805,577</u>	<u>\$ 613,200</u>

See accompanying notes to financial statements.

Auburn Industrial Development Authority

Statements of Revenue and Expenses

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Operating revenue:		
Administrative fee income	<u>\$ 45,463</u>	<u>\$ 25,747</u>
Operating expenses:		
Dues and subscriptions	1,360	335
Professional fees	12,074	10,020
Contract services	72,935	48,189
Marketing	46	1,514
Travel and meetings	2,965	400
Depreciation	1,901	1,902
Miscellaneous	375	542
Total operating expenses	<u>91,656</u>	<u>62,902</u>
Operating loss	<u>(46,193)</u>	<u>(37,155)</u>
Non-operating revenue (expense):		
Interest income	1,949	2,570
Forgiveness of PILOT penalty and interest	-	25,524
PILOT penalty and interest expense	-	(5,888)
Total non-operating revenue	<u>1,949</u>	<u>22,206</u>
Change in net position	<u>\$ (44,244)</u>	<u>\$ (14,949)</u>

See accompanying notes to financial statements.

Auburn Industrial Development Authority

Statements of Changes in Net Position

	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>Total Net Position</u>
Net position as of December 31, 2023	\$ 291,363	\$ 158,808	\$ 450,171
Change in net position	<u>21,198</u>	<u>(36,147)</u>	<u>(14,949)</u>
Net position as of December 31, 2024	312,561	122,661	435,222
Change in net position	<u>(1,901)</u>	<u>(42,343)</u>	<u>(44,244)</u>
Net position as of December 31, 2025	<u>\$ 310,660</u>	<u>\$ 80,318</u>	<u>\$ 390,978</u>

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See accompanying notes to financial statements.

Auburn Industrial Development Authority

Statements of Cash Flows

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Increase (decrease) in cash and cash equivalents</u>		
Cash flows from operating activities:		
Cash received for PILOT program	\$ 1,032,146	\$ 1,088,232
Cash payments for PILOT program	(714,683)	(2,179,153)
Cash paid for professional fees	(12,074)	(10,020)
Cash received for administrative fees	26,737	1,000
Cash received for interest income	1,949	2,570
Cash paid for interest expense	-	(11,220)
Cash paid for other operating expenses	(75,097)	(57,600)
Net cash provided by (used for) operating activities	<u>258,978</u>	<u>(1,166,191)</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	-	(75,928)
Redemption of certificates of deposit	50,928	-
Net cash provided by (used for) investing activities	<u>50,928</u>	<u>(75,928)</u>
Cash flows from financing activities:		
Payment on note payable	-	(23,100)
Net increase (decrease) in cash and cash equivalents	309,906	(1,265,219)
Cash and cash equivalents, beginning of year	<u>40,888</u>	<u>1,306,107</u>
Cash and cash equivalents, end of year	<u>\$ 350,794</u>	<u>\$ 40,888</u>

- Continued -

See accompanying notes to financial statements.

Auburn Industrial Development Authority

Statements of Cash Flows

(-Continued-)

	<u>Year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Reconciliation of change in net position to net cash provided by (used for) operating activities</u>		
Change in net position	\$ (44,244)	\$ (14,949)
Adjustments to reconcile change in net position to net cash provided by (used for) operating activities:		
Depreciation	1,901	1,902
Forgiveness of PILOT penalty and interest	-	(25,524)
Decrease in PILOT payments receivable	83,438	45,239
Increase in fee receivable	(18,726)	(24,747)
Increase in prepaid expense	(12)	-
Increase (decrease) in PILOT payments payable	234,025	(1,130,272)
Increase (decrease) in accounts payable	2,596	(6,620)
Decrease in interest payable	-	(11,220)
Net cash provided by (used for) operating activities	<u>\$ 258,978</u>	<u>\$ (1,166,191)</u>

See accompanying notes to financial statements.



Auburn Industrial Development Authority

Notes to Financial Statements

Note 1 - Summary of significant accounting policies

The Auburn Industrial Development Authority (the “Authority”) was created by the New York State Legislature in 1969 as Title 15 of Article 8 of the Public Authorities Law (“Article 8”). The Authority was formed to advance the job opportunities, general prosperity, sustainability and economic welfare of the people of the City of Auburn, New York, through the use of economic development incentives for qualified projects within the City. The Authority created under Article 8 is a corporate governmental authority constituting a public benefit corporation. The Authority is considered a component unit of the City of Auburn.

Basis of accounting - The Authority's financial statements are prepared under the accrual basis of accounting in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds. Under this method, revenue is recognized when performance obligations have been met and expenses are recognized when incurred regardless of when the related cash transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basis of presentation - GASB requires the classification of net position into three classifications as defined below.

Net invested in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position - This component of net position consists of amounts which have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of December 31, 2025 and 2024, the Authority has no restricted net positions.

Unrestricted net position - This component of net positions consists of funds that do not meet the definition of “invested in capital assets, net of related debt,” or “restricted.”

Revenue recognition - The Authority charges an administrative service fee for each project based upon the type of tax incentive. The revenue is recognized when the Authority meets the performance obligation of the contract. Application fees to submit an application are non-refundable and recognized upon submission of the application. Grant income is recorded as

revenue when the conditions of the grant have been met. Administrative services fees are intended to be used for operating expenses and to fund continuing operations. Incidental items that are immaterial in the context of a contract are expensed. The Authority occasionally enters into contracts and options to sell land. Revenue is recognized on these contracts when performance obligations under the contract are met.

Operating and non-operating revenue - The Authority's revenue consists of operating and non-operating revenue. Operating revenue is revenue collected from tax incentive agreements, option agreements, grants, and income from administrative functions. Non-operating revenue is interest income and other investment income.

Payments In Lieu of Taxes (PILOT) - A significant inducement in the Authority projects is exemption from real property, sales, and mortgage taxes. By law, all property titled to the Authority is exempt from these taxes. In practice, however, Payments In Lieu Of Taxes (PILOT) is often negotiated with the applicant. PILOT may represent full or partial remuneration to one or more of the real property tax jurisdictions involved.

The Authority is responsible for tracking all PILOT payments whether made by the Authority in connection with property it owns, made directly to the taxing authorities by the organizations participating in the program, or collections by the Authority from organizations participating in the program. A total of 14 and 13 organizations participated in the PILOT program and \$948,709 and \$1,042,993 in payments were administrated by the Authority for the years ended December 31, 2025 and 2024, respectively.

Concentration of credit risk - The Authority maintains its cash balances in one financial institution located in Auburn, New York. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended December 31, 2025 and 2024. The amounts over the FDIC limit are secured by United States Treasury bills.

Cash and cash equivalents - For the purpose of the statements of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

PILOT payments receivable and PILOT payments payable - PILOT payments receivable represents the outstanding balance on total PILOT payments due from participating organizations. PILOT payments payable represents the unremitted amounts due to tax jurisdictions based on the specific contracts. The difference between PILOT payments receivable and PILOT payments payable represents cash collected by the Authority not yet paid to the tax jurisdictions by year-end. Unpaid balances remaining after the stated payment terms are considered past due. Invoices unpaid beyond thirty (30) days are subject to a 5 percent late payment penalty and a 1 percent interest charge per month thereafter, payable by the Authority or the participating organization. The party responsible for the fee is determined based on the circumstances surrounding the late payment. During 2024, the Authority recorded PILOT penalty and interest expense of \$5,888 and received forgiveness of \$25,524 for the amount recorded as a payable in 2023.

Fee receivable - Fee receivable represents the outstanding balance on administrative service or application fees.

Certificates of deposit - Certificates of deposit are reported at fair value in accordance with the FASB's authoritative guidance on accounting for certain investments held by not-for-profit organizations. There is no difference between cost and fair market value. All interest income from certificates of deposit are recognized when earned.

Capital assets - All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Capital assets are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective classes of property.

Depreciation expense was \$1,901 and \$1,902 for the years ended December 31, 2025 and 2024, respectively.

Conduit debt obligations, Industrial Revenue Bond transactions - The Authority issues Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial, recreational, and commercial facilities deemed to be in the public's interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Authority, the City of Auburn nor any political subdivision thereof are obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2025 and 2024, outstanding debt induced by the Authority and issued by other entities amounted to \$734,452 and \$878,244, respectively. Debt service is paid directly to the lender by the entity that incurred the supplemental debt. The Authority has no liability or contingent liability for the payment.

Tax-exempt status - The Authority has been organized under the Public Authorities Law by the New York State Legislature. Under Code Section 2326, Article 8, Title 15 of this law, the Authority is exempt from income taxes and immune from other taxes. Therefore, no provision is made for taxes on income.

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

Reclassifications - Certain amounts in the 2024 financial statements have been reclassified to conform with 2025 presentation. These reclassifications had no effect on previously reported net income, total assets, total liabilities or net assets.

Subsequent events - Management has evaluated subsequent events through March XX, 2026, the date that the financial statements were available for issue.

Note 2 - Capital assets

Capital asset additions, retirements, and balances consist of the following at December 31:

	<u>2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>2025</u>
Land	\$ 309,712	\$ -	\$ -	\$ 309,712
Equipment	<u>36,532</u>	<u>-</u>	<u>-</u>	<u>36,532</u>
Totals at cost	346,244	-	-	346,244
Accumulated depreciation for:				
Equipment	<u>(33,683)</u>	<u>(1,901)</u>	<u>-</u>	<u>(35,584)</u>
Capital assets, net	<u>\$ 312,561</u>	<u>\$ (1,901)</u>	<u>\$ -</u>	<u>\$ 310,660</u>

Note 3 - Note payable

In conjunction with the purchase of property, the Authority entered into a debt obligation with the City of Auburn in April 2002 with interest accruing at 3% annually until the property at 5000 Technology Park Boulevard is sold, at which point, principal will be due. The loan was paid off in full in 2024.

Note 4 - Commitments and contingencies

The Authority is exposed to various risks of loss such as torts, theft, damage, injuries, errors, omissions, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Any settled claims from these risks have not exceeded commercial insurance coverage for the past four years. In management's opinion, there are no material contingencies required to be accrued or disclosed.

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*

March XX, 2026

To the Board of Directors of
Auburn Industrial Development Authority

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 Auburn Industrial Development Authority, a component unit of the City of Auburn, State of New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Auburn Industrial Development Authority's basic financial statements, and have issued our report thereon dated March XX, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Auburn Industrial Development Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Auburn Industrial Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Auburn Industrial Development Authority'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 over financial reporting 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 Auburn Industrial Development Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 Auburn Industrial Development Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Auburn Industrial Development Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dannible & McKee, LLP
Syracuse, New York

Independent Auditor’s Report on Compliance with Sections 2327 and
2925(3)(f) of the New York State Public Authorities Law

March XX, 2026

To the Board of Directors of
Auburn Industrial Development Authority

We have audited, 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, the financial statements of Auburn Industrial Development Authority (the “Authority”), a component unit of the City of Auburn, State of New York, which comprise the statement of net position as of December 31, 2025, and the related statements of revenue and expenses, changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March XX, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2025. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

Dannible & McKee, LLP
Syracuse, New York

Auburn Industrial Development Authority
Schedule of Findings and Responses
For the Year Ended December 31, 2025

I. Summary of audit results

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Auburn Industrial Development Authority.
2. No material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. There were no material instances of noncompliance identified related to the financial statements of Auburn Industrial Development Authority reported in the 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*.
4. There were no prior audit findings.



Auburn Industrial Development Authority

Report to the Finance Committee

March 2026

DRAFT

DM **DANNIBLE & MCKEE, LLP**
Certified Public Accountants and Consultants

DM Financial Plaza | 221 S. Warren St. | Syracuse, NY 13202
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March XX, 2026

To the Audit Committee of the Board of Directors of
Auburn Industrial Development Authority

We have completed our audit of the financial statements of Auburn Industrial Development Authority (the "Authority") as of and for the year ended December 31, 2025. Based on the results of our audit, we have issued an unmodified opinion on the financial statements of the Authority as of and for the year ended December 31, 2025.

This report summarizes certain required communications to the Audit Committee with emphasis on significant accounting and auditing matters and the quality of accounting principles used by management.

We look forward to reviewing this report with you and responding to any issues the Audit Committee wishes to discuss.

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

Auburn Industrial Development Authority

Required Communications with the Audit Committee

Auditor's Responsibility Under U.S. Generally Accepted Auditing Standards:

- As communicated in our engagement letter dated January 12, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly (as prescribed by professional standards), in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.
- Our responsibility is to plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Auburn Industrial Development Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
- We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.
- We have provided our comments regarding other matters noted during our audit in the attached report.
- We are not aware of any documents containing or discussing financial statements or financial results.

Planned Scope and Timing of the Audit:

- We performed the audit according to the planned scope and timing previously communicated to you through our engagement letter dated January 12, 2026, our client package letter provided in January 2026, and adjusted as communicated through email and discussions through fieldwork.
- The scope of the audit is a matter of judgment considering such factors as the nature of the entity, the industry in which it operates and the relative size of the entity using a percentage of total revenue or total assets of the entity as a benchmark.

Compliance with all Ethics Requirements Regarding Independence:

- The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.
- We have performed no non-audit, consulting, or systems consulting services other than as agreed to in our engagement letter.
- We are not aware of any other areas or relationships that could affect independence.

Qualitative Aspects of the Entity's Significant Accounting Practices:

Significant Accounting Policies

- Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Auburn Industrial Development Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

- Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and

experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There are no significant estimates.

Financial Statement Disclosures

- Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to revenue recognition.

Corrected and Uncorrected Misstatements (Adjustments):

- Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.
- Management has corrected all material misstatements, either individually or in the aggregate, to the financial statements taken as a whole. The following misstatement detected as a result of the audit procedures was corrected by management:

	<u>Increase in change in net assets</u>
Change in net assets before year-end audit adjustments	\$ (45,246)
<u>Adjustments proposed by Dannible & McKee, LLP:</u>	
To correct rollforward of net assets	<u>1,002</u>
Adjusted change in net assets	<u>\$ (44,244)</u>

- No uncorrected misstatements were identified.

Auditor's Judgments About the Quality of Accounting Principles:

- Based on our fieldwork, the accounting principles selected and their utilization appear appropriate in the circumstances.
- Management is not overly influenced by earnings or financial position in selecting or utilizing accounting principles. They demonstrated a

willingness and an understanding of the need for consistency and completeness of accounting principles and the related disclosures.

Difficulties Encountered in Performing the Audit:

- We obtained full cooperation of management and access to information required to complete the audit. We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management:

- For the purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We had no such disagreements with management during the course of our audit.

Consultation with Other Accountants:

- In some cases, management may have decided to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. We are not aware of any consultations with other accountants related to the application of accounting principles that were applicable to years reported on by us.

Matters Discussed with Management Prior to Retention:

- We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Errors or Fraud:

- We noted no material errors or fraud during the audit.

Internal Control Structure:

- In planning and performing our audit of the financial statements of the Authority in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control. Our consideration of internal control was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

Noncompliance with Laws and Regulations, Illegal Acts:

- We did not become aware of any significant noncompliance with laws or regulations, or illegal acts.

Management Representations:

- We have requested certain representations from management that are included in the management representation letter dated March XX, 2026.

Subsequent Events:

- Management has evaluated subsequent events through March XX, 2026, the date that the financial statements were available for issue.