



RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

FOR THE YEAR ENDED DECEMBER 31, 2023

RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION
TABLE OF CONTENTS
DECEMBER 31, 2023

	<u>Page(s)</u>
Independent Auditors' Report	1-3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-9
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>	10-11



Jones, Little & Co., CPA's, LLP

Thomas Jones, CPA
Roy Little, CPA
Kathleen Galway, CPA
www.jonesandlittle.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Riverhead IDA Economic Job Development Corporation
Riverhead, New York

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of Riverhead IDA Economic Job Development Corporation (a non-profit organization) (the Corporation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023, and the changes in financial position, and its cash flows 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. 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 Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Corporation'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 the Corporation'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024 on our consideration of the Corporation'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 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 Corporation's internal control over financial reporting and compliance.

Jones, Little & Co., CPA's, LLP

Hampton Bays, New York

March 25, 2024

RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Cash	<u>\$ 249</u>
------	---------------

TOTAL ASSETS	<u><u>\$ 249</u></u>
---------------------	----------------------

LIABILITIES AND NET ASSETS

LIABILITIES

	<u>\$ -</u>
--	-------------

TOTAL LIABILITIES	<u>-</u>
--------------------------	----------

NET ASSETS - Unrestricted	<u><u>249</u></u>
----------------------------------	-------------------

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 249</u></u>
---	----------------------

RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES

Processing fees	<u>\$ 135,875</u>
-----------------	-------------------

Total Revenue	<u>135,875</u>
---------------	----------------

EXPENSES

Program administration fees	135,875
-----------------------------	---------

Bank charges	<u>25</u>
--------------	-----------

Total Expenses	<u>135,900</u>
----------------	----------------

Ordinary (loss)	<u>(25)</u>
-----------------	-------------

Other Changes

Interest income	<u>12</u>
-----------------	-----------

CHANGES IN NET ASSETS	(13)
------------------------------	-------------

NET ASSETS - BEGINNING OF THE YEAR	<u>262</u>
---	-------------------

NET ASSETS - END OF THE YEAR	<u>\$ 249</u>
-------------------------------------	----------------------

RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

**CASH FLOWS FROM
 OPERATING ACTIVITIES:**

Cash received related to collection agreement	\$ 84,031
Cash disbursements related to collection agreement	(84,031)
Cash received related to project closings	135,875
Cash disbursements related to project closings	(135,875)
Cash payments for contractual expenses	<u>(25)</u>

**NET CASH USED IN
 OPERATING ACTIVITIES** (25)

**CASH FLOWS FROM
 INVESTING ACTIVITIES:**

Interest income 12

**NET CASH PROVIDED BY
 INVESTING ACTIVITIES** 12

NET CHANGE IN CASH (13)

CASH - BEGINNING OF THE YEAR 262

CASH - END OF THE YEAR \$ 249

**Reconciliation of (loss) from operations to
 Net cash used in operating activities:**

Net loss from operations	\$ (25)
Net cash used in operating activities	<u>\$ (25)</u>

RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: ORGANIZATION

The Riverhead IDA Economic Job Development Corporation is a not-for-profit corporation incorporated in 2011 under New York Law (the Corporation). The Corporation was created for the charitable and public purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing and training individuals to improve or develop their capabilities for such jobs, and carrying out scientific research for the purpose of aiding the Town of Riverhead (the Town) by attracting new industry to the Town and by encouraging the development of, or retention of, industries in the Town, thereby increasing economic activity in the Town, lessening the burdens of government, and acting in the public interest. The Corporation facilities financing for entities so that they may acquire, improve, maintain, equip, and furnish such projects. Costs incurred for a corporation project are paid directly from the applicant to the service professional.

The Corporation is a component unit of the Town of Riverhead, New York, based on the criteria set forth in Governmental Accounting Standards Board Statements. Such criteria include financial accountability and oversight responsibility. The Corporation is considered a related entity of the Riverhead Industrial Development Agency (the Agency) as it shares a common Board of Directors. The Corporation in furtherance of its mission pursuant to NYS Not for Profit Corporation Law Section 201(14) may authorize distributions to the Agency.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Statement Presentation

The Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. In addition, the Corporation is required to present a statement of cash flows. All the Corporation's net assets are considered net assets without donor restrictions.

b. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

c. Income Taxes

The Corporation is a not-for-profit corporation organized pursuant to sections 402 and 1411 of the New York State Not-for Profit Corporation law and is, therefore, exempt from income taxes. The Corporation is also exempt from Federal reporting requirements under Internal Revenue Service Revenue Procedure 95-48, 1995-2 C.B. 418 as a governmental unit or affiliate of a governmental unit described in the procedure.

Accounting Standards Codification 740 "Accounting for Income Tax Uncertainties" (ASC 740) defines the threshold for recognizing the benefits of tax return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authority. ASC 740 also provides guidance on the derecognition, measurement and classification of income tax uncertainties, along with any related interest and penalties. ASC 740 also includes guidance concerning accounting for income tax uncertainties in interim periods and increases the level of disclosures associated with any recorded tax uncertainties. ASC 740 has no effect on the Corporation as it is exempt from filing tax returns as an affiliate of a governmental unit, described in Internal Revenue Service Procedure 95-48, 1995-2 C.B. 418.

RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Litigation

The Corporation is subject to litigation in the ordinary conduct of affairs. Management has stated that there is no current litigation for the Corporation.

e. Accounting Pronouncements

Recent Accounting Pronouncements

The Financial Accounting Standards Board (“FASB”) has issued certain accounting standard updates effective December 31, 2023. These standards have had no such impact on the Corporation’s financial statements.

New Accounting Pronouncements Not Yet Effective

The Financial Accounting Standards Board (FASB) has issued certain accounting standards updates as of December 31, 2023 that will become effective in subsequent periods. Management believes that none of the updates would have significantly affected the Corporation’s financial accounting measures or disclosures had they been in effect during the fiscal year ended December 31, 2023 and does not believe that any of those pronouncements will have a significant impact on the Corporation’s financial statements at the time that they become effective.

NOTE 3: COLLECTION AGENT AGREEMENT

The Corporation entered into a collection agent agreement in August 2014 with an Education Facility, a Corporation Project (the collection agent agreement). Under IRS regulations, the Education Facility may not be a direct payee of the Federal Subsidy. This Subsidy must be paid to an agent for payment to the Education Facility. The Education Facility elected to transfer to the Corporation, as related to the Corporation Project, the allocation of the semi-annual Federal Subsidy received in connection with the project’s facility revenue bonds. The Corporation, in accordance with the terms of the collection agent agreement, will receive the Federal Subsidy and disburse the collection amount to the Education Facility. The collection agent agreement provides for a processing fee payment to be deducted from the Federal Subsidy of \$250 for payments disbursed.

During the year ended December 31, 2023, the Corporation received one payment totaling \$84,031 related to this agreement and disbursed \$84,031 to the Education Facility and authorized a distribution in furtherance of its mission pursuant to NYS Not for Profit Corporation Law Section 201(14) of \$250 to the Agency.

The collection agent agreement provides the Corporation indemnification for any actions arising from this relationship. The collection agent agreement is to remain in effect until the project’s facility revenue bonds are satisfied, or under other conditions as stated in the collection agent agreement.

RIVERHEAD IDA ECONOMIC JOB DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4: ISSUANCE OF SERIES 2023 BONDS

The Corporation issued nonrecourse Series 2023 Revenue Bonds as tax exempt bonds under Section 142 (d) of the Code, to a New York limited partnership, to finance a total project cost of \$32,650,000 to acquire a 6.8-acre parcel of land with an affordable housing complex located thereon. The project was authorized and closed in December 2023. The Corporation received a project fee of \$127,625 (net of application fees).

NOTE 5: RELATED ENTITY

The Corporation is a component unit of the Town of Riverhead, New York, based on the criteria set forth in Governmental Accounting Standards Board Statements. Such criteria include financial accountability and oversight responsibility. The Corporation is considered a related entity of the Riverhead Industrial Development Agency (the Agency) as it shares a common Board of Directors. The Corporation in furtherance of its mission pursuant to NYS Not for Profit Corporation Law Section 201(14) may authorize distributions to the Agency. For the year ended December 31, 2023, the Corporation authorized the transfer of \$135,875 to the Agency.

NOTE 6: SUBSEQUENT EVENTS

In connection with the preparation of the financial statements, the Corporation evaluated subsequent events after the balance sheet date of December 31, 2023 through March 25, 2024 which was the date the financial statements were available to be issued. No subsequent events were identified.



**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***

To the Board of Directors of the
Riverhead IDA Economic Job Development Corporation
Riverhead, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Riverhead IDA Economic Job Development Corporation (the Corporation), which comprise the statement of net assets as of December 31, 2023, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Jones, Little & Co, CPA's, LLP". The signature is written in a cursive style with a formal title at the end.

Hampton Bays, New York

March 25, 2024