

**OLEAN URBAN RENEWAL AGENCY**  
**REPORT ON FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

## OLEAN URBAN RENEWAL AGENCY

### TABLE OF CONTENTS

<b>Independent Auditor's Report</b>	<b>1</b>
<b>Management's Discussion and Analysis</b>	<b>3</b>
<b>Financial Statements:</b>	
Statements of Net Position	<b>5</b>
Statements of Revenues, Expenses and Changes in Net Position	<b>6</b>
Statements of Cash Flows	<b>7</b>
<b>Notes to Financial Statements</b>	<b>8</b>
<b>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 <i>Government Auditing Standards</i></b>	<b>11</b>
<b>Independent Auditor's Report on Compliance with §2925 (3)(f) of the New York State Public Authorities Law</b>	<b>13</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>14</b>



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

*Olean Urban Renewal Agency (URA)*

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of *Olean Urban Renewal Agency (URA)*, which comprise the statement of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the *URA* as of June 30, 2024 and 2023, and the changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **URA'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 **URA's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–4 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2024 on our consideration of the **URA'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 **URA'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 **URA's** internal control over financial reporting and compliance.

#### **Other Reporting Required by New York State Public Authorities Law**

In accordance with New York State Public Authorities Law, we have also issued our report dated September 18, 2024 on our consideration of the **URA'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 **URA** failed to comply with the Organization's Investment Guidelines, the New York State Comptroller's Investment Guidelines, and §2925(3)(f) of the New York State Public Authorities Law.

*Bysiek CPA, PLLC*

**BYSIEK CPA, PLLC  
SEPTEMBER 18, 2024  
OLEAN, NY**

Management discussion and analysis (MD&A) is designed to assist the reader in focusing on significant financial issues provide an overview of *Olean Urban Renewal Agency's* financial activity, and to identify changes in the Agency's financial position. This section is only an introduction and should be read in conjunction with the Agency's financial statements, which immediately follow this section.

This annual report consists of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

**Financial Highlights**

- Collected approximately \$17,000 in lease fees and rentals

**Overview of the Financial Report**

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of four components: 1) financial statements, 2) notes to the financial statements, 3) report on internal controls, and 4) summary schedule of audit findings.

**1) Financial Statements**

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints or other legal requirements, decreased by approximately \$48,000 for the year ending June 30, 2024. This was primarily due to the loss recorded on the sale of property on Constitution Avenue during the year. Approximately seven acres of property were sold with proceeds totaling approximately \$20,000. The resulting loss on the sale was approximately \$62,000. Despite the loss, cash on deposit increased by nearly \$31,000 from the previous year. Other than cash, the Organization's most significant asset includes nine acres of land valued at approximately \$224,000. The following schedules offer condensed analyses of the Agency's net position and changes in net position:

*Condensed Statements of Net Position*

**As of June 30,**

	<b>2024</b>	<b>2023</b>
Current Assets	\$ 397,041	\$ 366,569
Other Assets	224,100	322,500
<b>Total Assets</b>	<b>\$ 621,141</b>	<b>\$ 689,069</b>
<b>Total Liabilities</b>	<b>\$ --</b>	<b>\$ 19,680</b>
Net position invested in capital assets, net of related debt	224,100	302,820
Net position, unrestricted	397,041	366,569
<b>Total Net Position</b>	<b>\$ 621,141</b>	<b>\$ 669,389</b>

*Condensed Statements of Revenues, Expenses and Changes in Net Position*

**For the Year Ending June 30,**

	<b>2024</b>	<b>2023</b>
Revenues	\$ 19,054	\$ 18,337
Expenses and losses	67,302	94,721
<b>Change in Net Position</b>	<b>\$ (48,248)</b>	<b>\$ (76,384)</b>

**2) Notes to Financial Statements**

The notes to the financial statements, including the summary of accounting policies, provide additional information that is essential to a full and complete understanding of the information provided in the financial statements.

**3) Report on Internal Controls**

The Report on Internal Controls (and Compliance) is required by Government Auditing Standards. It does not render an opinion on the operating effectiveness of internal controls but reports any control deficiencies. These control deficiencies (if any) are further classified as either significant deficiencies or material weaknesses.

**4) Summary Schedule of Audit Findings**

This schedule summarizes all audit results and, if necessary, details the conditions and criteria along with management's response to any audit findings.

**Economic Factors That Will Affect the Future**

The Agency remains committed to rehabilitating the downtown district of Olean, NY, and promoting economic development activities in the community. Its ability to successfully accomplish this is at least in part based upon the economic outlook for the Southern Tier region as well as upon its ability to continue to attract funding for future improvements.

**Contacting the Agency's Financial Management**

If you have any questions about this report or need additional financial information, please contact:

Attention: Ms. Keri Kerper  
Community Development Program Coordinator  
City of Olean  
Department of Community Development  
101 East State St.  
Olean, NY 14760

**OLEAN URBAN RENEWAL AGENCY**  
**STATEMENTS OF NET POSITION**

**PAGE 5**

<i>As of June 30,</i>	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 397,041	\$ 366,569
Other assets		
Property held for sale	-	98,400
Land	224,100	224,100
Total other assets	<u>224,100</u>	<u>322,500</u>
Total assets	<u>\$ 621,141</u>	<u>\$ 689,069</u>
<b>Liabilities and Net Position</b>		
Liabilities		
Current liabilities		
Accounts payable	\$ -	\$ -
Noncurrent liabilities		
Contractual fees payable	-	19,680
Total liabilities	<u>-</u>	<u>19,680</u>
Net position		
Invested in capital assets, net	224,100	302,820
Unrestricted	397,041	366,569
Total net position	<u>621,141</u>	<u>669,389</u>
Total liabilities and net position	<u>\$ 621,141</u>	<u>\$ 689,069</u>

***See independent auditor's report and accompanying notes to the financial statements***

<i>For the Year Ended June 30,</i>	<u>2024</u>	<u>2023</u>
<b>Revenue</b>		
Lease fees and rentals	\$ 17,515	\$ 17,329
Interest	1,539	1,008
Total revenue	<u>19,054</u>	<u>18,337</u>
<b>Expenses</b>		
Professional fees	5,235	6,777
Gateway project expenditures	-	87,111
Property maintenance costs	-	833
Total expenses	<u>5,235</u>	<u>94,721</u>
<b>Excess (deficiency) of revenues over expenses</b>	13,819	(76,384)
<b>Other changes in net position</b>		
Loss on sale of property	<u>(62,067)</u>	-
<b>Change in net position</b>	(48,248)	(76,384)
Net position, beginning of year	<u>669,389</u>	<u>745,773</u>
<b>Net position, end of year</b>	<u>\$ 621,141</u>	<u>\$ 669,389</u>

**OLEAN URBAN RENEWAL AGENCY**  
**STATEMENTS OF CASH FLOWS**

**PAGE 7**

<i>For the Year Ended June 30,</i>	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Receipts		
Lease fees and rentals	\$ 17,515	\$ 17,329
Total cash receipts	<u>17,515</u>	<u>17,329</u>
Payments		
Professional fees and property maintenance	5,235	9,611
Payments for land development and property maintenance	-	87,111
Total cash payments	<u>5,235</u>	<u>96,722</u>
Net cash provided by (used in) operating activities	<u>12,280</u>	<u>(79,393)</u>
<b>Cash flows from investing activities</b>		
Interest	1,539	1,008
Proceeds from sale of property	20,253	-
Disbursement to City of Olean	(3,600)	
Net cash provided by investing activities	<u>18,192</u>	<u>1,008</u>
<b>Net change in cash</b>	<b>30,472</b>	<b>(78,385)</b>
Cash at beginning of year	<u>366,569</u>	<u>444,954</u>
<b>Cash at end of year</b>	<b><u>\$ 397,041</u></b>	<b><u>\$ 366,569</u></b>

***See independent auditor's report and accompanying notes to the financial statements***

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

A. Nature of Operations

*Olean Urban Renewal Agency (URA)* is a public benefit corporation established in 1969 to promote economic development activities in the community, particularly in the downtown district, and former Felmont and Agway sites. The Agency is managed by staff of the City of Olean.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Thus, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

C. Basis of Presentation

The accompanying financial statements were prepared in conformity with generally accepted accounting principles. The Agency is accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Agency applies all applicable pronouncements of the Governmental Accounting Standards Board.

The Agency has adopted the provisions of GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which provides a codification of private-sector standards of accounting and financial reporting issued prior to December 1, 1989, to be followed in the financial statements of proprietary fund types.

The Agency has also implemented the provisions of GASB Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Under this statement the Agency is defined as a "special-purpose government engaged in only business-type activities."

GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Agency is not presenting captions for deferred inflows and outflows, as it has no items required to be reported as such. The required statements for this type of government in accordance with GASB Statement No. 63 are the statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows.

GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities* establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources, deferred inflows of resources or expenses, certain items that were previously reported as assets and liabilities. The Agency had no items that required such reclassification. As such, the adoption of this standard had no effect on the financial statements as of and for the years ended June 30, 2024 and 2023.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CON'T)****D. Use of Estimates**

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

**E. Cash Equivalents**

For purposes of reporting cash flows, the Agency considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At year-end and throughout the year, the Agency's cash balances were deposited in multiple banking institutions. As of June 30, 2024 and 2023, the Organization's deposits exceeded FDIC limits.

**F. Reclassifications**

Minor reclassifications have been made to certain prior year balances in order for them to conform to the current year's presentation

**G. Income Taxes**

**Olean Urban Renewal Agency** is exempt from income taxes as a public benefit corporation recognized by New York State. Therefore, no provision for income taxes is reflected in the financial statements. The Agency is exempt from filing requirements to both the Internal Revenue Service and New York State.

**H. Liquidity Management**

The Agency regularly reviews its financial position and operations, including the liquidity required to meet general expenditures, liabilities, and obligations that may come due. Financial assets available for meeting such expenditures include cash equivalents totaling \$397,041.

**I. Subsequent Events**

The Organization has evaluated events and transactions as of the date of this report.

**NOTE 2: PROPERTY HELD FOR SALE AND LAND**

During July of 2023, the **URA** sold approximately seven acres of its property held for sale, with gross proceeds totaling approximately \$20,000. As part of an agreement with the City of Olean, the **URA** is required to remit 20 percent of the proceeds of each sale of property to the City. Following the property sale and subsequent remittance to the City (which totaled \$3,600), the net loss on the sale is reported in the accompanying financial statements at approximately \$62,000.

The **URA** also owns nine acres of land, valued at \$224,100, that is not expected to be sold. This amount is reported as an asset in the accompanying financial statements. For this acreage, a corresponding liability for an amount payable to the City of Olean has not been accrued because the probability of future sale is considered remote. Should these properties be sold, 20% of the proceeds would be remittable to the City.

**NOTE 3: FAIR VALUE MEASUREMENTS**

Property Held for Sale and Land are reported at fair value. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent resources, while unobservable inputs reflect the Organization's market assumptions. These types of inputs create the following fair value hierarchy: Level 1 inputs consist of quoted prices for identical instruments in active markets, Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities and model-derived valuations whose significant inputs are observable, and Level 3 consists of instruments whose significant inputs are unobservable. As discussed in Note 2, the Agency uses the appraised value at the time of transfer to value its Property Held for Sale and Land. These assets are valued using Level 3 inputs.

**NOTE 4: LEASE AGREEMENTS**

The Agency currently leases a six-acre parcel of property to CYTEC Industries, Inc. in Olean, NY for a fee that increases at a rate 3.5% per year through 2033 and a strip of land to National Grid, to whom an easement has been granted for electrical lines that pass through the property. The agreement states that the Agency will receive \$12,000 per year as long as the electrical lines are utilized by the National Grid. The leases do not meet the criteria for recognition under GASB Statement No. 87 *Leases*, due to the underlying assets being considered investment assets, and thereby covered under GASB Statement No. 72 *Fair Value Measurement and Application*.

For the year ending June 30,	<u>CYTEC Industries</u>	<u>National Grid</u>
2025	\$ 5,709	\$ 12,000
2026	5,909	12,000
2027	6,115	12,000
2028	6,330	12,000
2029 and thereafter	<u>35,130</u>	12,000 per year
Total	\$ <u>57,592</u>	



**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**

The Board of Directors  
*Olean Urban Renewal Agency*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of *Olean Urban Renewal Agency (URA)* [a public benefit corporation], which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the *URA'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 the *URA's* internal control. Accordingly, we do not express an opinion on the effectiveness of the *URA's* internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the *URA'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bysiek CPA, PLLC". The signature is written in a cursive, flowing style.

**BYSIEK CPA, PLLC**  
**SEPTEMBER 18, 2024**  
**OLEAN, NY 14760**



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

To the Board of Directors  
*Olean Urban Renewal Agency (URA)*

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 the *URA*, a nonprofit organization, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Organization's financial statements, and have issued our opinion thereon September 18, 2024.

In connection with our audit, nothing came to our attention that caused us to believe the *URA* failed to comply with the Organization's Investment Guidelines, the New York State Comptroller's Investment Guidelines, or §2925 of the New York State Public Authorities Law (collectively, Investment Guidelines), which is the responsibility of the Organization's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines.

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

*Bysiek CPA, PLLC*

**BYSIEK CPA, PLLC  
SEPTEMBER 18, 2024  
OLEAN, NY 14760**

**I. Summary of Audit Results**

**A. Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

**B. Internal control over financial reporting:**

Material weakness(es) identified? No

Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

**II. Audit Findings**

**A. Internal Control Over Financial Reporting**

There were no internal control findings for the year ending June 30, 2024.

**B. Compliance and Other Matters**

There were no compliance findings for the year ending June 30, 2024.

**III. Summary Schedule of Prior Audit Findings**

**A. Internal Control Over Financial Reporting**

There were no internal control findings for the year ending June 30, 2023.

**B. Compliance and Other Matters**

There were no compliance findings for the year ending June 30, 2023.