

**ONEIDA COUNTY LOCAL
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

Financial Statements and
Other Financial Information

**ONEIDA COUNTY LOCAL
DEVELOPMENT CORPORATION**

December 31, 2014 and 2013

TABLE OF CONTENTS

Independent Auditors' Report	1 – 2
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>	3 – 4

FINANCIAL STATEMENTS

Statements of Financial Position	5
Statements of Activities	6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 9

SUPPLEMENTARY INFORMATION

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)	
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Oneida County Local Development Corporation
584 Phoenix Drive
Rome, New York 13441

We have audited the accompanying financial statements of Oneida County Local Development Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oneida County Local Development Corporation as of December 31, 2014 and 2013 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2015, on our consideration of Oneida County Local Development 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 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 Oneida County Local Development Corporation's internal control over financial reporting and compliance.

Barone, Howard & Co., CPAs, P.C.
BARONE, HOWARD & Co., CPAs, P.C.
New Hartford, New York
March 11, 2015

BH
&
Company
BARONE, HOWARD & Co., CPAs, PC
Certified Public Accountants and Consultants

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

Board of Directors
Oneida County Local Development Corporation
584 Phoenix Drive
Rome, New York 13441

We have audited the financial statements of Oneida County Local Development Corporation, as of and for the year ended December 31, 2014, and have issued our report thereon dated March 11, 2015. 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.

Internal Control Over Financial Reporting

Management of Oneida County Local Development Corporation, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Oneida County Local Development Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oneida County Local Development Corporation's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Oneida County Local Development Corporation's internal control over financial reporting.

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 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.

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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oneida County Local Development Corporation's financial statements are free of 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 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.

Barone, Howard & Co., CPAs, P.C.
BARONE, HOWARD & Co., CPAs, P.C.
New Hartford, New York
March 11, 2015

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Statements of Financial Position
December 31, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Cash on hand and in banks	\$ 92,762	\$ 253,978
Prepaid expenses	943	943
Total current assets	<u>93,705</u>	<u>254,921</u>
Other assets:		
Organization costs	17,567	17,567
Less: accumulated amortization	<u>3,953</u>	<u>3,074</u>
Total other assets	<u>13,614</u>	<u>14,493</u>
Total Assets	<u>\$ 107,319</u>	<u>\$ 269,414</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued expenses	\$ 2,700	\$ 2,700
Total current liabilities	<u>2,700</u>	<u>2,700</u>
Net assets:		
Unrestricted	104,619	266,714
Total net assets	<u>104,619</u>	<u>266,714</u>
Total Liabilities and Net Assets	<u>\$ 107,319</u>	<u>\$ 269,414</u>

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Statements of Activities
For the years ended December 31, 2014 and 2013

	2014	2013
Operating revenue:		
Administrative and bond fees	\$ -	\$ 330,950
Interest income	162	-
Application fees	-	1,500
Total operating revenue	<u>162</u>	<u>332,450</u>
Operating expenses:		
Bank charges	63	152
Professional fees	2,700	1,500
Special economic development projects	77,000	-
Furnace contribution	50,000	-
Amortization	878	878
Insurance	1,616	1,067
Service fees	30,000	50,000
Total operating expenses	<u>162,257</u>	<u>53,597</u>
Change in unrestricted net assets	(162,095)	278,853
Unrestricted net assets at beginning of year	<u>266,714</u>	<u>(12,139)</u>
Unrestricted net assets at end of year	<u><u>\$ 104,619</u></u>	<u><u>\$ 266,714</u></u>

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Statements of Cash Flows
For the years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	<u>\$ (162,095)</u>	<u>\$ 278,853</u>
Adjustment to reconcile net change in net assets to cash provided (used) by operating activities:		
Amortization of organization costs	879	878
(Increase) decrease in:		
Prepaid expenses	-	(548)
Increase (decrease) in:		
Accounts payable	-	(30,000)
Accrued expenses	-	1,500
Total adjustments	<u>879</u>	<u>(28,170)</u>
Net cash provided (used) by operating activities	<u>(161,216)</u>	<u>250,683</u>
Net increase (decrease) in cash	(161,216)	250,683
Cash on hand and in banks, beginning of year	<u>253,978</u>	<u>3,295</u>
Cash on hand and in banks, end of year	<u><u>\$ 92,762</u></u>	<u><u>\$ 253,978</u></u>

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements
For the years ended December 31, 2014 and 2013

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Oneida County Local Development Corporation (the Organization) was created on August 27, 2010, by the Oneida County Board of Legislators under the provisions of Sections 402 and 1411 of the Not for Profit Corporation Law of the State of New York. The Agency's specific purpose is for:

- a. promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the County by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax exempt financing for their eligible projects; and
- b. undertaking projects and activities within the County for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the County by attracting new industry to the County or by encouraging the development of, or retention of, an industry in the County, and lessening the burdens of government and acting in the public interest.

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Basis of Presentation

Financial statement presentation follows the recommendations of ASC Topic 958, Not-for-Profit Entities. Under these provisions, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2014 and 2013, the Organization did not maintain any temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the recorded amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements – continued
For the years ended December 31, 2014 and 2013

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Expense Allocation

Expenses are charged to program and supporting services according to specific identification. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Note 2 CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. At December 31, 2014, the Organization did not have deposits that exceeded the FDIC insurance limits of \$250,000. At December 31, 2013, the Organization did have deposits that exceeded the FDIC insurance limits by \$4,478.

Note 3 RELATED-PARTY TRANSACTIONS

The Organization shares common space with Economic Development Growth Enterprises (EDGE) and Griffiss Local Development Corporation (GLDC). In addition, EDGE performs various administrative and accounting services for the Organization. Administrative service fees paid to GLDC for the years ended December 31, 2014 and 2013 was \$30,000 and \$50,000, respectively. Since there were no services fees charged to the Organization in 2012, due to lack of funds, the Organization was charged \$50,000 in 2013 that covered services for the two year period.

Note 4 TAX STATUS

The Organization is exempt from Federal, State and local income taxes. The Organization, although established by the Oneida County Board of Legislators, is a separate entity and operates independently of Oneida County.

Note 5 SUBSEQUENT EVENTS

Management has conducted an evaluation of potential subsequent events occurring after the date of the statement of financial position through March 11, 2015, the date which the financial statements were available to be issued. No subsequent events requiring disclosure were noted.

Note 6 ORGANIZATION COSTS

The Oneida County Local Development Corporation was formed in 2010. In doing so, it incurred legal fees of \$17,567. This cost has been capitalized and will be amortized over 20 years. For the years ended December 31, 2014 and 2013, the Organization recognized amortization expense of \$878 in each year.

SUPPLEMENTARY INFORMATION

* Project Code	* Project Name	* Is this part of or related to a multi-phase project?	* Project Purpose Category	* Total Project Amount Proposed Through Request	Bondnote Request	Annual Lease Payment	Federal Tax Status of Request	Is the applicant a Not for Profit organization?	Did the applicant have an interest in the leased property?	Case ID# of Leasehold Property	* Year financials planned for	
3001-13-Hamilton, DC	Bonds/Notes Issued Hamilton College	N	Services	23010000	23010000	23010000	Tax Exempt	Y	Y	7/2/2013	2023	Construction project
3001-13-MVHS, DC	Bonds/Notes Issued Mohawk Valley Handicapped	N	Other Categories	5080000	5080000	5080000	Tax Exempt	Y	Y	8/22/2013	2023	Construction
3001-13-Rometham, DC	Bonds/Notes Issued Rome Memorial Hospital	N	Services	6800000	6800000	6800000	Tax Exempt	Y	Y	12/9/2010	2023	Renovation to current facility & construction of addition to hospital. Original J&T E included 66 positions that were transferred to Centex.
3001-13-UCI, DC	Bonds/Notes Issued Ulica College	N	Civic Facility	31200000.00	31200000.00	31200000.00	Tax Exempt	Y	Y	11/15/2013	2034	refinance and construction

Project Information				Location of Project				Applicant Information				Country Name if "Other"			
Project Name	Address Line 1	Address Line 2	City	State	Postal Code	Province/Region	Country Name if "Other"	Applicant Name	Address Line 1	Address Line 2	City	State	Postal Code	Province/Region	Country Name if "Other"
Hamilton College	198 College Hill Road		Clinton	NY	13321		USA	Hamilton College	198 College Hill Road		Clinton	NY	13321		USA
Mohawk Valley Handicapped	1020 Marx Street		Utica	NY	13501		USA	Mohawk Valley	1020 Marx Street		Utica	NY	13501		USA
Rome Memorial Hospital	1500 North James Street		Rome	NY	13440		USA	Rome Memorial	1500 North James Street		Rome	NY	13440		USA
Utica College	1600 Burdett Road		Utica	NY	13502		USA	Utica College	1600 Burdett Road		Utica	NY	13502		USA

Project Name	*Annularized salary range of jobs to be created FROM	*Annularized salary range of jobs to be retained in market rate)	*Current # of FTE's	# of FTE positions available for hire	There is no need to add additional positions for this title to the existing positions.	ID#s of jobs to be added	Current year is the last year of the project	Number of PTE Jobs needed During Fiscal Year	Number of PTE Jobs needed During Fiscal Year	Date Bond Paid Straight Lease Endor	PILOT BUDGET EMPLOYMENT TRUST TURNS	LEASE/PILOT EXPIRATION DATE	Total Bonds Outstanding Beginning of Fiscal Year	Total Bonds Issued During Fiscal Year	Total Bonds Outstanding & Paid During Fiscal Year	Total Bonds Outstanding End of Fiscal Year	Bond Interest Due	Final Maturity Date Last Outstanding Bond	LEASE ON FILE	PILOT ON FILE	BNDGDB ON FILE	Tax Map Number	Count	Average Annual Social Security Benefits	2016 Employee Count
Harrison College	0	0	624	0	671	0		1	670				0	23010000	0	#####		2028		X				65000	48
Melanch Valley Handicapped	0	0	0	1392	0			8	1386				-908959.84	0	255990.72	\$ 4,623,969.12		2023		X					
Rene Memorial Hospital	0	0	1027	0	1059	0		16	1043				5,555,000	0	385000	\$ 5,470,000.00		4%	2025		X				
St. Joseph's College	0.00	0.00	0	0	0	0							38200000	1700000	0	38200000	3.58 - 3.6%	2034							

		Sal		First Name		Last Name		Email		NOTES		Bond Trustee		PILOT Code	
	2014 Roundtable Opportunity Charters	Workforce Training needs	CFA Info	NYSEDA Info	Industrial Development Agency	First Name	Last Name								
Project Name															
Hamilton College					30 Ms	Sharon	Whiting		sharon@hamilton.edu						1
Mohawk Valley Handicapped					52 Mr.	Louis	Tehan		louis@mvhny.org						1
Rome Memorial Hospital					79 Mr.	Dorey	Rovlands		rovlands@romemh.org						1
St. John's College					Ms.	Tamara	Raub		trub@stjohns.edu						