

**ONEIDA COUNTY LOCAL
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Financial Statements and
Other Financial Information

ONEIDA COUNTY LOCAL
DEVELOPMENT CORPORATION

December 31, 2018 and 2017

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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, 2018 and 2017, 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, 2018 and 2017 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 20, 2019, 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, PC
New Hartford, New York

March 20, 2019

**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
Oneida County Local Development
Corporation
584 Phoenix Drive
Rome, New York 13441

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 Oneida County Local Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oneida County Local Development 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 Oneida County Local Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. 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 over financial reporting 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 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 the 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, PC
New Hartford, New York

March 20, 2019

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 450,967	\$ 402,294
Account receivable	43	-
Prepaid expenses	656	583
Total current assets	<u>451,666</u>	<u>402,877</u>
Other assets:		
Organization costs	17,567	17,567
Less: accumulated amortization	7,466	6,588
Total other assets	<u>10,101</u>	<u>10,979</u>
Total Assets	<u>\$ 461,767</u>	<u>\$ 413,856</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued expenses	\$ 1,850	1,750
Escrow funds held (Nano wetlands project)	297,093	296,384
Total current liabilities	<u>298,943</u>	<u>298,134</u>
Net assets:		
Without donor restrictions		
Undesignated	162,824	115,722
Total net assets	<u>162,824</u>	<u>115,722</u>
Total Liabilities and Net Assets	<u>\$ 461,767</u>	<u>\$ 413,856</u>

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Statements of Activities
For the years ended December 31, 2018 and 2017

	2018	2017
Operating revenue:		
Administrative and bond fees	\$ 89,822	\$ 55,075
Interest income	106	88
Total operating revenue	<u>89,928</u>	<u>55,163</u>
Operating expenses:		
Bank charges	46	93
Professional fees	10,850	7,750
Special economic development projects	-	-
Amortization	878	878
Insurance	1,052	1,372
Service fees	30,000	30,000
Total operating expenses	<u>42,826</u>	<u>40,093</u>
Change in unrestricted net assets	47,102	15,070
Net assets, beginning of year	<u>115,722</u>	<u>100,652</u>
Net assets, end of year	<u><u>\$ 162,824</u></u>	<u><u>\$ 115,722</u></u>

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Statements of Cash Flows
For the years ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	<u>\$ 47,102</u>	<u>\$ 15,070</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:		
Account receivable	(43)	83
Prepaid expenses	(73)	373
Increase in:		
Escrow funds held	708	592
Accrued expenses	<u>100</u>	<u>51</u>
Total adjustments	<u>1,571</u>	<u>1,977</u>
Net cash provided (used) by operating activities	<u>48,673</u>	<u>17,047</u>
Net increase in cash	48,673	17,047
Cash on hand and in banks, beginning of year	<u>402,294</u>	<u>385,247</u>
Cash on hand and in banks, end of year	<u><u>\$ 450,967</u></u>	<u><u>\$ 402,294</u></u>

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements
For the years ended December 31, 2018 and 2017

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

The Agency considers all cash, money markets, demanded deposits and certificates of deposits (CDs) with original maturities of three months or less, which are neither held for nor restricted for long-term purposes, to be cash and cash equivalents. The Agency considers non-brokered CDs with original maturities over three months to be other investments.

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, 2018 and 2017, 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, 2018 and 2017

Note 2 CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. Cash balances held in bank accounts are insured by the Federal Deposit Insurance Corporation. From time to time, these cash balances exceed the insurance coverage limits; however management considers this to be a normal business risk.

Note 3 SERVICE FEE EXPENSE

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 EDGE for the years ended December 31, 2018 and 2017 was \$30,000 for each year.

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 20, 2019, 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, 2018 and 2017, the Organization recognized amortization expense of \$878 in each year.

Note 7 ESCROW FUNDS HELD

Cash and cash equivalents includes \$297,093 and \$296,384 at December 31, 2018 and 2017, respectively, of funds deposited in escrow with OCLDC by the Economic Development Growth Enterprise Corporation (EDGE). These funds are to be held in escrow by OCLDC to secure the performance by EDGE of certain of its obligations under a section 404 permit issued by the US Army Corp of Engineers on July 28, 2014 (Permit # 2001-00890). The Organization has recorded a liability (Escrow funds held) of equal amount in the statement of financial position.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements – continued
For the years ended December 31, 2018 and 2017

Note 8 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise following:

Cash and cash equivalents	\$ 450,967
Accounts receivable	43
	<u>\$ 451,010</u>

As a part of our liquidity management plan, the Agency invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.