

**ONEIDA COUNTY LOCAL DEVELOPMENT
CORPORATION**

**Financial Statements as of
December 31, 2020 and 2019
Together with Independent
Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITOR'S REPORT

March 26, 2021

To the Board of Directors of the
Oneida County Local Development Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Oneida County Local Development Corporation (a nonprofit organization) (the Corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flow 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.

Auditor's 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. 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 auditor's 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 entity'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 entity'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 the Corporation, as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Corporation, as of December 31, 2019, were audited by other auditors whose report dated March 26, 2020, expressed an unmodified opinion on those statements.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The schedule of revenue bonds and other bonds (conduit debt obligations) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule noted in the previous paragraph has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 507,473	\$ 710,202
Prepaid expenses	<u>885</u>	<u>646</u>
Total current assets	<u>508,358</u>	<u>710,848</u>
RESTRICTED CASH AND CASH EQUIVALENTS	298,328	298,014
ORGANIZATION COSTS - net	8,344	9,222
PROPERTY AND EQUIPMENT - net	<u>29,243</u>	<u>34,117</u>
Total assets	<u>\$ 844,273</u>	<u>\$ 1,052,201</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,200	\$ 104,262
Accrued liabilities	<u>4,500</u>	<u>1,850</u>
Total current liabilities	<u>5,700</u>	<u>106,112</u>
OTHER LIABILITIES		
Escrow funds held (NANO Wetlands Projects)	<u>298,328</u>	<u>298,014</u>
NET ASSETS		
Without donor restrictions - board designated	100,000	100,000
Without donor restrictions	<u>440,245</u>	<u>548,075</u>
Total net assets	<u>540,245</u>	<u>648,075</u>
Total liabilities and net assets	<u>\$ 844,273</u>	<u>\$ 1,052,201</u>

The accompanying notes are an integral part of these financial statements.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Statements of Activities

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Administrative and bond fees	\$ 1,500	\$ 621,625
Interest income	<u>231</u>	<u>137</u>
Total revenues	<u>1,731</u>	<u>621,762</u>
OPERATING EXPENSES:		
Special economic development projects	50,000	68,395
Service fees	30,000	30,000
Professional fees	22,525	10,850
Economic development initiative	-	25,000
Amortization	878	878
Depreciation	4,874	-
Insurance	1,279	1,118
Marketing	-	240
Bank charges	<u>5</u>	<u>30</u>
Total expenses	<u>109,561</u>	<u>136,511</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(107,830)	485,251
NET ASSETS - beginning of year	<u>648,075</u>	<u>162,824</u>
NET ASSETS - end of year	<u>\$ 540,245</u>	<u>\$ 648,075</u>

The accompanying notes are an integral part of these financial statements.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (107,830)	\$ 485,251
Adjustments to reconcile change in net assets to net cash from operating activities:		
Amortization of organization costs	878	879
Depreciation of property and equipment	4,874	-
(Increase) Decrease in Operating Assets:		
Account receivable	-	43
Prepaid expenses	(239)	10
Increase (Decrease) in Operating Liabilities:		
Account payable	(103,062)	104,263
Escrow funds held	314	920
Accrued expenses	<u>2,650</u>	<u>-</u>
Net cash flows from operating activities	<u>(202,415)</u>	<u>591,366</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	<u>-</u>	<u>(34,117)</u>
Net cash flows from investing activities	<u>-</u>	<u>(34,117)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(202,415)	557,249
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,008,216</u>	<u>450,967</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 805,801</u>	<u>\$ 1,008,216</u>
CASH AND CASH EQUIVALENTS - reconciliation		
Cash and cash equivalents	\$ 507,473	\$ 710,202
Restricted cash and cash equivalents	<u>298,328</u>	<u>298,014</u>
	<u>\$ 805,801</u>	<u>\$ 1,008,216</u>

The accompanying notes are an integral part of these financial statements.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Basic Financial Statements December 31, 2020 and 2019

1. ORGANIZATION

The Oneida County Local Development Corporation (the Corporation) 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 Corporation'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.
- c. the primary source of revenues for the Corporation are administrative and application fees from participating business entities.

2. SIGNIFICANT ACCOUNTING POLICIES

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. The Corporation reports information regarding their financial position and activities accordingly to one class of net assets, net assets without donor restrictions.

- Net assets without donor restrictions - includes resources that are available for the support of the Corporation's operating activities.

Cash and Cash Equivalents

The Corporation considers all cash, money markets, demand 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 Corporation considers non-brokered CDs with original maturities over three months to be other investments.

Property and Equipment

Property is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of 7 years. Expenditures for repairs and maintenance not considered to substantially lengthen lives of property and equipment are charged to expense as incurred.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Basic Financial Statements

December 31, 2020 and 2019

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, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

Income Tax Status

The Corporation is a not-for-profit Corporation exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

Related Party

The Corporation is related through common management and Board of Directors membership with the Oneida County Industrial Development Agency (IDA), which both promote economic development in the County.

Reclassification

Certain reclassifications have been made to the 2019 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

3. CONCENTRATIONS OF CREDIT RISK

The Corporation maintains its cash and cash equivalents accounts with various banks. Deposits held at a single bank are insured up to \$250,000. At December 31, 2020 and 2019, there was approximately \$542,960 and \$508,216 in deposits in excess of the insurance limit established by the Federal Deposit Insurance Corporation (FDIC), respectively. Management considers this to be a normal business risk.

4. PROPERTY AND EQUIPMENT

	<u>2020</u>	<u>2019</u>
Equipment	\$ 34,117	\$ 34,117
Less accumulated depreciation	<u>4,874</u>	<u>-</u>
	<u>\$ 29,243</u>	<u>\$ 34,117</u>

Depreciation expense amounted to \$4,874 and \$0 in 2020 and 2019, respectively.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Basic Financial Statements December 31, 2020 and 2019

5. ORGANIZATION COSTS

The 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, 2020 and 2019, the Corporation recognized amortization expense of \$878 in each year. The estimated amortization expense is \$878 for each of the next five fiscal years.

6. ESCROW FUNDS HELD

Restricted cash includes \$298,328 and \$298,014 at December 31, 2020 and 2019, respectively, of funds deposited in escrow with the Corporation by the Economic Development Growth Enterprise Corporation (EDGE). These funds are to be held in escrow by the Corporation to secure the performance by EDGE of certain of its obligations under a section 404 permit issued by the U.S. Army Corp of Engineers on July 28, 2014 (Permit# 2001-00890). The Corporation has recorded a liability (Escrow Funds Held) of equal amount in the statement of financial position.

7. LIQUIDITY AND AVAILABILITY

The Corporation's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 805,801	\$ 1,008,216
Less those unavailable for general expenditures within one year, due to:		
Restricted cash held in escrow not considered to be available within one year	(298,328)	(298,014)
Board designations	<u>(100,000)</u>	<u>(100,000)</u>
Total	<u>\$ 407,473</u>	<u>\$ 610,202</u>

As a part of its liquidity management, the Corporation invests cash in excess of daily requirements in various short-term investments, including certificate of deposits, and money market funds.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Basic Financial Statements

December 31, 2020 and 2019

8. APPROPRIATIONS OF NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board of Directors has voted to designate \$100,000 of net assets without donor restrictions for job growth initiatives.

9. SERVICE FEE EXPENSE

The Corporation 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 Corporation. Administrative service fees paid to EDGE for the years ended December 31, 2020 and 2019 was \$30,000 for each year.

10. COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The future impact of this situation on the Corporation and its results and financial position is not presently determinable.

11. SUBSEQUENT EVENTS

Management has conducted an evaluation of potential subsequent events occurring after the date of the statement of financial position through March 26, 2021, the date which the financial statements were available to be issued. No subsequent events requiring disclosure were noted.

**REPORT ON SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES
LAW**

March 26, 2021

To the Board of Directors of
Oneida County Local Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America the financial statements of the Oneida County Local Development Corporation (the Corporation), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 26, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with the Corporation's Investment Guidelines, the New York State (NYS) Comptroller's Investment Guidelines and Section 2925(3)(f) of the NYS Public Authorities Law (collectively, the Investment Guidelines), which is the responsibility of the Corporation's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines. However, our audit was not directed primarily towards obtaining knowledge of noncompliance with such Investment Guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the Investment Guidelines.

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

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ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Other Information (Unaudited)

Supplemental Schedule of Revenue Bonds and Other Bonds (Conduit Obligations) - (Unaudited)

For the Year Ended December 31, 2020

		Principal of the Issue					
Project Code	Description of Financing	Interest Rate	Bonds	Bonds		Bonds	Maturity
			Outstanding at January 1, 2020	Issued During 2020	Paid During 2020	Outstanding at December 31, 2020	
3001-13 - HamiltonLDC	Hamilton College	2.50%	\$ 20,540,000	\$ -	\$ 485,000	\$ 20,055,000	2044
3001-13 - MVHSLDC	Mohawk Valley Handicapped Services	3.4015%	3,038,948	-	350,141	2,688,807	2023
3001-15 - Bassett	Bassett Hospital	1.86%	12,460,000	-	2,050,000	10,410,000	2025
3001-17 - Preswick	Preswick Glen, Inc.	2.95%	8,010,000	-	185,000	7,825,000	2042
3001-17 - UCP	Upstate Cerebral Palsy, Inc.	3.28%	2,014,866	-	260,000	1,754,866	2035
3001-18 - SitrinLDC	CT Sitrin	3.608%	18,545,000	-	974,821	17,570,179	2039
3001-18 - CedarbrookLDC	Cedarbrook Village	3.608%	2,383,000	-	1,160,000	1,223,000	2037
3001-19- UCLDC3	Utica College	3.41%	44,125,000	-	390,000	43,735,000	2049
3001-19 - MVHealthA	Mohawk Valley Health Systems	3.47%	236,785,000	-	-	236,785,000	2049
3001-19 - MVHealthB	Mohawk Valley Health Systems	3.81%	25,950,000	-	3,570,000	22,380,000	2025
			<u>\$ 373,851,814</u>	<u>\$ -</u>	<u>\$ 9,424,962</u>	<u>\$ 364,426,852</u>	

Other Information (Unaudited)

Supplemental Schedule of Revenue Bonds and Other Bonds (Conduit Obligations) - (Unaudited)

For the Year Ended December 31, 2019

		Principal of the Issue					
Project Code	Description of Financing	Interest Rate	Bonds	Bonds		Bonds	Maturity
			Outstanding at January 1, 2019	Issued During 2019	Paid During 2019	Outstanding at December 31, 2019	
3001-13 - HamiltonLDC	Hamilton College	2.50%	\$ 21,000,000	\$ -	\$ 460,000	\$ 20,540,000	2044
3001-13 - MVHSLDC	Mohawk Valley Handicapped Services	3.4015%	3,377,475	-	338,528	3,038,947	2023
3001-13-UCLDC	Utica College	3.5-3.9%	31,760,787	-	31,760,787	-	2034
3001-15-UCLDC2	Utica College	2.15%	5,819,705	-	5,819,705	-	2025
3001-15 - Bassett	Bassett Hospital	1.86%	14,445,000	-	1,985,000	12,460,000	2025
3001-17 - Preswick	Preswick Glen, Inc.	2.95%	8,195,000	-	185,000	8,010,000	2042
3001-17 - UCP	Upstate Cerebral Palsy, Inc.	3.28%	2,269,866	-	255,000	2,014,866	2035
3001-18 - SitrinLDC	CT Sitrin	3.608%	19,143,000	-	598,000	18,545,000	2039
3001-18 - CedarbrookLDC	Cedarbrook Village	3.608%	2,472,000	-	89,000	2,383,000	2037
3001-19- UCLDC3	Utica College	3.41%	-	44,125,000	-	44,125,000	2049
3001-19 - MVHealthA	Mohawk Valley Health Systems	3.47%	-	236,785,000	-	236,785,000	2049
3001-19 - MVHealthB	Mohawk Valley Health Systems	3.81%	-	25,950,000	-	25,950,000	2025
			<u>\$ 108,482,833</u>	<u>\$ 306,860,000</u>	<u>\$ 41,491,020</u>	<u>\$ 373,851,813</u>	