

**ONEIDA COUNTY LOCAL DEVELOPMENT
CORPORATION**

**Financial Statements as of
December 31, 2023 and 2022
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 18, 2024

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

Opinion

We have audited the accompanying financial statements of the Oneida County Local Development Corporation (a nonprofit organization) (the Corporation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flow 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 financial position of the Corporation, as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 generally accepted 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, 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 judgment, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Statements of Financial Position December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 36,230	\$ 586,891
Investments	363,723	-
Prepaid expenses	<u>6,087</u>	<u>3,003</u>
Total current assets	<u>406,040</u>	<u>589,894</u>
RESTRICTED CASH AND CASH EQUIVALENTS	301,391	298,875
ORGANIZATION COSTS - net	5,709	6,588
PROPERTY AND EQUIPMENT - net	<u>14,621</u>	<u>19,495</u>
Total assets	<u>\$ 727,761</u>	<u>\$ 914,852</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,382	\$ 33,293
Accrued liabilities	<u>5,603</u>	<u>4,854</u>
Total current liabilities	<u>6,985</u>	<u>38,147</u>
OTHER LIABILITIES:		
Escrow funds held (NANO Wetlands Projects)	<u>301,391</u>	<u>298,875</u>
Total liabilities	<u>308,376</u>	<u>337,022</u>
NET ASSETS		
Without donor restrictions - board designated	100,000	100,000
Without donor restrictions	<u>319,385</u>	<u>477,830</u>
Total net assets	<u>419,385</u>	<u>577,830</u>
Total liabilities and net assets	<u>\$ 727,761</u>	<u>\$ 914,852</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:		
Interest income	\$ 14,395	\$ 592
Total revenues	<u>14,395</u>	<u>592</u>
OPERATING EXPENSES:		
Contractual agreement - MVCC	-	100,000
Administrative service fees	125,000	90,000
Professional fees	24,686	21,019
Dues and subscriptions	10,000	-
Sponsorships	2,500	2,750
Tuition agreement	3,750	3,563
Amortization	878	878
Depreciation	4,874	4,874
Insurance	584	439
Marketing	330	435
Bank charges	36	20
Miscellaneous	<u>202</u>	<u>-</u>
Total expenses	<u>172,840</u>	<u>223,978</u>
CHANGE IN NET ASSETS	(158,445)	(223,386)
NET ASSETS - beginning of year	<u>577,830</u>	<u>801,216</u>
NET ASSETS - end of year	<u>\$ 419,385</u>	<u>\$ 577,830</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (158,445)	\$ (223,386)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Amortization of organization costs	878	878
Depreciation of property and equipment	4,874	4,874
(Increase) decrease in operating assets:		
Investments	(363,723)	-
Prepaid expenses	(3,084)	(2,832)
Increase (decrease) in operating liabilities:		
Account payable	(31,911)	32,999
Accrued liabilities	750	(52,114)
Escrow funds held	<u>2,516</u>	<u>397</u>
Net cash flows from operating activities	<u>(548,145)</u>	<u>(239,184)</u>
CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(548,145)	(239,184)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - beginning of year	<u>885,766</u>	<u>1,124,950</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - end of year	<u>\$ 337,621</u>	<u>\$ 885,766</u>
CASH AND CASH EQUIVALENTS - reconciliation		
Cash and cash equivalents	\$ 36,230	\$ 586,891
Restricted cash and cash equivalents	<u>301,391</u>	<u>298,875</u>
	<u>\$ 337,621</u>	<u>\$ 885,766</u>

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

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements December 31, 2023 and 2022

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 Oneida County (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.

2. SUMMARY OF 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.

Financial Reporting

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. The board may designate net assets with donor restrictions for specific purposes.

Revenue Recognition

The Corporation's revenue is derived from administrative and bond fees. The Corporation requires a nonrefundable application fee upon receipt of an application from a participating business entity. The Corporation also receives an administrative fee that is determined when a project is closed out and the bonds are issued. The fees are for services provided and consumed at a point in time, not over time and they are recognized as revenue when provided.

Cash and Cash Equivalents

The Corporation considers all cash, money markets, demand deposits, and certificates of deposits (CD's) 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 CD's with original maturities over three months to be other investments.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements December 31, 2023 and 2022

Property and Equipment

Property and equipment 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.

Accrued Liabilities

Accrued liabilities are comprised of audit fees and scholarship expenses for the MVTech Corps program at December 31, 2023 and 2022.

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, 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 and exempt from State Income Tax under Section 1411 of the Not-For-Profit Corporation Law of the State of New York.

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.

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, 2023 and 2022, there was approximately \$77,509 and \$494,322, respectively, in deposits in excess of the insurance limit established by the Federal Deposit Insurance Corporation (FDIC). Management considers this to be a normal business risk.

4. INVESTMENTS

Investment Policy

The Corporation follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conform with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Executive Director.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements December 31, 2023 and 2022

Investment Valuation

The Corporation monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within and authorized to do business in New York State. Permissible investments include special time deposit accounts, certificates of deposit and obligations of the United States or of federal agencies whose principal and interest payments are fully guaranteed by the federal government, or of New York State or in general obligations of the State's political subdivisions.

Fair value measurements of the Corporation's investments at December 31, 2023 are comprised of certificates of deposits valued at \$363,723, based on fair market value (Level 1 inputs). There were no investments held at December 31, 2022.

5. PROPERTY AND EQUIPMENT

	<u>2023</u>	<u>2022</u>
Equipment	\$ 34,117	\$ 34,117
Less accumulated depreciation	<u>19,496</u>	<u>14,622</u>
	<u>\$ 14,621</u>	<u>\$ 19,495</u>

Depreciation expense amounted to \$4,874 in both 2023 and 2022.

6. 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, 2023 and 2022, the Corporation recognized amortization expense of \$878 in each year. The estimated amortization expense is \$878 for each of the next four fiscal years.

7. ESCROW FUNDS HELD

Restricted cash includes \$301,391 and \$298,875 at December 31, 2023 and 2022, 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 statements of financial position.

8. LIQUIDITY AND AVAILABILITY

The Corporation's financial assets available within one year of the balance sheet date for general expenditures are as follows at December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents and restricted cash	\$ 337,621	\$ 885,766
Investments	363,723	-
Less: amounts unavailable for general expenditures within one year, due to:		
Restricted cash held in escrow not considered to be available within one year	(301,391)	(298,875)
Board designations	<u>(100,000)</u>	<u>(100,000)</u>
Total	<u>\$ 299,953</u>	<u>\$ 486,891</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 Financial Statements
December 31, 2023 and 2022**

9. 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.

10. FUNCTIONAL EXPENSE

Directly identifiable expenses are charged to programs and supporting services. 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 Corporation.

The Corporation's expenses on a functional basis were as follows for the years ended December 31:

	2022	2021
Program	\$ 142,550	\$ 192,163
General and management	30,290	31,815
	<u>\$ 172,840</u>	<u>\$ 223,978</u>

11. ADMINISTRATIVE SERVICE FEE EXPENSE

The Corporation shares common space with Economic Development Growth Enterprises Corporation (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 were \$125,000 for the year ended December 31, 2023, and \$90,000 for the year ended December 31, 2022.

12. CONTRACTUAL AGREEMENT - MICRO-ELECTRONICS LAB

The Corporation entered into an agreement on July 1, 2022 with Mohawk Valley Community College (MVCC) to provide funds to the College to create a micro-electronics lab for local students on the MVCC Rome Campus. For the year ended December 31, 2022, the Corporation paid \$100,000 to MVCC for the purpose of creating the lab. There were no expenses relating to this for the year ended December 31, 2023.

13. SUBSEQUENT EVENTS

Management has conducted an evaluation of potential subsequent events occurring after the date of the statement of financial position through March 18, 2024, the date which the financial statements were available to be issued.

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, 2023

			Principal of the Issue				
Project Code	Description of Financing	Interest Rate	Bonds Outstanding at	Issued During	Paid During	Bonds Outstanding at	Maturity
			January 1,			December 31,	
			2023	2023	2023	2023	
3001-13-HamiltonLDC	Hamilton College	2.50%	\$ 19,015,000	\$ -	\$ 560,000	\$ 18,455,000	2044
3001-13-MVHSLDC	Mohawk Valley Handicapped Services	3.4015%	1,952,080	-	1,952,080	-	2023
3001-15-Bassett	Bassett Hospital	1.86%	6,125,000	-	2,240,000	3,885,000	2025
3001-17-Preswick	Preswick Glen, Inc.	2.95%	7,395,000	-	240,000	7,155,000	2042
3001-17-UCP	Upstate Cerebral Palsy, Inc	3.28%	1,559,866	-	105,000	1,454,866	2035
3001-18-SitrinLDC	CT Sitrin	3.608%	16,037,630	-	818,410	15,219,220	2039
3001-18-CedarbrookLDC	Cedarbrook Village	3.608%	2,052,000	-	114,000	1,938,000	2037
3001-19-UCLDC3	Utica College	3.41%	42,205,000	-	825,000	41,380,000	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%	11,365,000	-	3,680,000	7,685,000	2025
3001-21-MVHealth2021	Mohawk Valley Health Systems 2021A	3.23%	69,260,000	-	-	69,260,000	2051
3001-21-Hamilton2021	Hamilton College 2021	5.00%	29,355,000	-	-	29,355,000	2051
			<u>\$ 443,106,576</u>	<u>\$ -</u>	<u>\$ 10,534,490</u>	<u>\$ 432,572,086</u>	

Other Information (Unaudited)

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

For the Year Ended December 31, 2022

			Principal of the Issue				
Project Code	Description of Financing	Interest Rate	Bonds Outstanding at	Issued During	Paid During	Bonds Outstanding at	Maturity
			January 1,			December 31,	
			2022	2022	2022	2022	
3001-13-HamiltonLDC	Hamilton College	2.50%	\$ 19,550,000	\$ -	\$ 535,000	\$ 19,015,000	2044
3001-13-MVHSLDC	Mohawk Valley Handicapped Services	3.4015%	2,326,655	-	374,575	1,952,080	2023
3001-15-Bassett	Bassett Hospital	1.86%	8,300,000	-	2,175,000	6,125,000	2025
3001-17-Preswick	Preswick Glen, Inc.	2.95%	7,620,000	-	225,000	7,395,000	2042
3001-17-UCP	Upstate Cerebral Palsy, Inc	3.28%	1,659,866	-	100,000	1,559,866	2035
3001-18-SitrinLDC	CT Sitrin	3.608%	16,825,669	-	788,039	16,037,630	2039
3001-18-CedarbrookLDC	Cedarbrook Village	3.608%	2,160,000	-	108,000	2,052,000	2037
3001-19-UCLDC3	Utica College	3.41%	42,990,000	-	785,000	42,205,000	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%	17,320,000	-	5,955,000	11,365,000	2025
3001-21-MVHealth2021	Mohawk Valley Health Systems 2021A	3.23%	69,260,000	-	-	69,260,000	2051
3001-21-Hamilton2021	Hamilton College 2021	5.00%	29,355,000	-	-	29,355,000	2051
			<u>\$ 454,152,190</u>	<u>\$ -</u>	<u>\$ 11,045,614</u>	<u>\$ 443,106,576</u>	