

ONEIDA COUNTY LOCAL
DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2019 and 2018

Table of Contents

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

INDEPENDENT AUDITORS' REPORT	1
AUDITED FINANCIAL STATEMENTS	3
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
OTHER FINANCIAL INFORMATION	9
SUPPLEMENTAL SCHEDULE OF REVENUE BONDS AND OTHER BONDS (CONDUIT OBLIGATIONS)	9



Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

We have audited the accompanying financial statements of **ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION**, which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and cash flows for the year 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 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.

443 North Franklin Street • Syracuse, NY 13204-1441 • (315) 471-9171 • Fax (315) 471-8555
1120 Corporate Drive • Auburn, NY 13021-1634 • (315) 253-8273 • Fax (315) 253-0890
4350 Middle Settlement Road • New Hartford, NY 13413-5328 • (315) 732-2991 • Fax (315) 732-0282

<http://www.dbbllc.com>

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, 2019, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Oneida County Local Development Corporation's financial statements. The supplemental schedule of revenue bonds and other bonds (conduit debt obligations) is presented to supplement the basic financial statements.

The supplemental schedule of revenue bonds and other bonds (conduit debt obligations) 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. Such 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 supplemental schedule of revenue bonds and other bonds (conduit debt obligations) is fairly stated, in all material respects, in relation to the financial statements as a whole.

Prior Period Financial Statements

The financial statements of Oneida County Local Development Corporation as of December 31, 2018, were audited by other auditors whose report dated March 20, 2019, expressed an unmodified opinion on those financial statements.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

New Hartford, NY

March 25, 2020

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION**AUDITED FINANCIAL STATEMENTS****STATEMENTS OF FINANCIAL POSITION**

December 31, 2019 and 2018

ASSETS

	2019	2018
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,008,216	\$ 450,967
Account Receivable	0	43
Prepaid Expenses	<u>646</u>	<u>656</u>
Total Current Assets	1,008,862	451,666
OTHER ASSETS		
Organization Costs	17,567	17,567
Less: Accumulated Amortization	<u>(8,345)</u>	<u>(7,466)</u>
	9,222	10,101
Video Equipment	<u>34,117</u>	<u>0</u>
Total Other Assets	<u>43,339</u>	<u>10,101</u>
TOTAL ASSETS	<u><u>\$ 1,052,201</u></u>	<u><u>\$ 461,767</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accrued Expenses	\$ 1,850	\$ 1,850
Accounts Payable	103,262	0
Due to Affiliates	<u>1,000</u>	<u>0</u>
Total Current Liabilities	106,112	1,850
OTHER LIABILITIES		
Escrow Funds Held (NANO Wetlands Project)	298,014	297,093
NET ASSETS		
Without Donor Restrictions - Board Designated	100,000	0
Without Donor Restrictions	<u>548,075</u>	<u>162,824</u>
Total Net Assets	<u>648,075</u>	<u>162,824</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,052,201</u></u>	<u><u>\$ 461,767</u></u>

See notes to financial statements.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Administrative and Bond Fees	\$ 621,625	\$ 89,822
Interest Income	<u>137</u>	<u>106</u>
Total Operating Revenue	621,762	89,928
OPERATING EXPENSES		
Bank Charges	30	46
Professional Fees	10,850	10,850
Special Economic Development Projects	68,395	0
Amortization	878	878
Marketing	240	0
Insurance	1,118	1,052
Service Fees	30,000	30,000
Economic Development Initiative	<u>25,000</u>	<u>0</u>
Total Operating Expenses	136,511	42,826
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	485,251	47,102
Net Assets, Beginning of Year	<u>162,824</u>	<u>115,722</u>
Net Assets, End of Year	<u>\$ 648,075</u>	<u>\$ 162,824</u>

See notes to financial statements.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 485,251	\$ 47,102
Adjustment to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Amortization of Organization Costs	879	878
(Increase) Decrease in Operating Assets:		
Account Receivable	43	(43)
Prepaid Expenses	10	(73)
Increase (Decrease) in Operating Liabilities:		
Account Payable	103,263	0
Due to Affiliates	1,000	0
Escrow Funds Held	920	709
Accrued Expenses	<u>0</u>	<u>100</u>
Net Cash Provided By Operating Activities	591,366	48,673
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	<u>(34,117)</u>	<u>(73)</u>
Net Cash Used In Investing Activities	<u>(34,117)</u>	<u>(73)</u>
Net Change in Cash and Cash Equivalents	557,249	48,673
Cash and Cash Equivalents, Beginning of Year	<u>450,967</u>	<u>402,294</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,008,216</u>	<u>\$ 450,967</u>

See notes to financial statements.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 1 – NATURE OF OPERATIONS

The Oneida County Local Development Corporation (OCLDC) 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 Organization'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 OCLDC are administrative and application fees from participating business entities.

NOTE 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.

Cash and Cash Equivalents

OCLDC 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. OCLDC considers non-brokered CDs with original maturities over three months to be other investments.

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

December 31, 2019 and 2018

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the OCLDC 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 4 – SERVICE FEE EXPENSE

OCLDC 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, 2019 and 2018 was \$30,000 for each year.

NOTE 5 – TAX STATUS

OCLDC is exempt from federal, state and local income taxes. OCLDC, although established by the Oneida County Board of Legislators, is a separate not for profit entity and operates independently of Oneida County.

NOTE 6 – SUBSEQUENT EVENTS

Management has conducted an evaluation of potential subsequent events occurring after the date of the statement of financial position through March 25, 2020, the date which the financial statements were available to be issued. No subsequent events requiring disclosure were noted.

NOTE 7 – 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, 2019 and 2018, the OCLDC recognized amortization expense of \$878 in each year.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2019 and 2018

NOTE 8 – ESCROW FUNDS HELD

Cash and cash equivalents includes \$298,014 and \$297,093 at December 31, 2019 and 2018, 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 U.S. Army Corp of Engineers on July 28, 2014 (Permit # 2001-00890). OCLDC has recorded a liability (Escrow Funds Held) of equal amount in the statement of financial position.

NOTE 9 – LIQUIDITY AND AVAILABILITY

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

Cash and Cash Equivalents	<u>\$ 710,202</u>
---------------------------	-------------------

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

OTHER FINANCIAL INFORMATION

**SUPPLEMENTAL SCHEDULE OF REVENUE BONDS AND
OTHER BONDS (CONDUIT OBLIGATIONS)**

Year Ended December 31, 2019

Project Code	Description of Financing	Interest Rate
3001-13 - HamiltonLDC	Hamilton College	2.50%
3001-13 - MVHSLDC	Mohawk Valley Handicapped Services	3.4015%
3001-13 - UCLDC	Utica College	3.5 -3.9%
3001-15- UCLDC2	Utica College	2.15%
3001-15 - Bassett	Bassett Hospital	1.86%
3001-17 - Preswick	Preswick Glen, Inc.	2.95%
3001-17 - UCP	Upstate Cerebral Palsy, Inc.	3.28%
3001-18 - SitrinLDC	CT Sitrin	3.608%
3001-18 - CedarbrookLDC	Cedarbrook Village	3.608%
3001-19 - UCLDC3	Utica College	3.41%
3001-19 - MVHealthA	Mohawk Valley Health Systems	3.47%
3001-19 - MVHealthB	Mohawk Valley Health Systems	3.81%

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Principal of the Issue				
Bonds Outstanding at January 1, 2019	Issued During 2019	Paid During 2019	Bonds Outstanding at December 31, 2019	Maturity
\$ 21,000,000	\$ 0	\$ 460,000	\$ 20,540,000	2044
3,377,475	0	338,528	3,038,947	2023
31,760,787	0	31,760,787	0	2034
5,819,705	0	5,819,705	0	2025
14,445,000	0	1,985,000	12,460,000	2025
8,195,000	0	185,000	8,010,000	2042
2,269,866	0	255,000	2,014,866	2035
19,143,000	0	598,000	18,545,000	2039
2,472,000	0	89,000	2,383,000	2037
0	44,125,000	0	44,125,000	2049
0	236,785,000	0	236,785,000	2049
0	25,950,000	0	25,950,000	2025
<u>\$ 108,482,833</u>	<u>\$ 306,860,000</u>	<u>\$ 41,491,020</u>	<u>\$ 373,851,813</u>	

See notes to financial statements.