

**ONEIDA COUNTY LOCAL DEVELOPMENT
CORPORATION**

**Financial Statements as of
December 31, 2022 and 2021
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 28, 2023

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 statement of financial position as of December 31, 2022 and 2021, 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, 2022 and 2021, 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, including omissions, 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.

Other Information

Management is responsible for the other information. The other information is comprised of the Supplemental Schedule of Revenue Bonds and Other Bonds. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Statements of Financial Position December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|----------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 586,891 | \$ 826,472 |
| Prepaid expenses | <u>3,003</u> | <u>171</u> |
| Total current assets | <u>589,894</u> | <u>826,643</u> |
| RESTRICTED CASH AND CASH EQUIVALENTS | 298,875 | 298,478 |
| ORGANIZATION COSTS - net | 6,588 | 7,466 |
| PROPERTY AND EQUIPMENT - net | <u>19,495</u> | <u>24,369</u> |
| Total assets | <u><u>\$ 914,852</u></u> | <u><u>\$ 1,156,956</u></u> |
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 33,293 | \$ 294 |
| Accrued liabilities | <u>4,854</u> | <u>56,968</u> |
| Total current liabilities | <u>38,147</u> | <u>57,262</u> |
| OTHER LIABILITIES: | | |
| Escrow funds held (NANO Wetlands Projects) | <u>298,875</u> | <u>298,478</u> |
| Total liabilities | <u>337,022</u> | <u>355,740</u> |
| NET ASSETS | | |
| Without donor restrictions - board designated | 100,000 | 100,000 |
| Without donor restrictions | <u>477,830</u> | <u>701,216</u> |
| Total net assets | <u>577,830</u> | <u>801,216</u> |
| Total liabilities and net assets | <u><u>\$ 914,852</u></u> | <u><u>\$ 1,156,956</u></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, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--------------------------------------|-------------------|-------------------|
| OPERATING REVENUES: | | |
| Administrative and bond fees | \$ - | \$ 446,275 |
| Interest income | <u>592</u> | <u>224</u> |
| Total revenues | <u>592</u> | <u>446,499</u> |
| OPERATING EXPENSES: | | |
| Contractual agreement - scholarships | - | 80,000 |
| Contractual agreement - MVCC | 100,000 | - |
| Administrative service fees | 90,000 | 80,000 |
| Professional fees | 21,019 | 18,420 |
| Sponsorships | 2,750 | - |
| Tuition agreement | 3,563 | - |
| Amortization | 878 | 878 |
| Depreciation | 4,874 | 4,874 |
| Insurance | 439 | 1,007 |
| Office supplies | - | 206 |
| Marketing | 435 | 84 |
| Bank charges | <u>20</u> | <u>59</u> |
| Total expenses | <u>223,978</u> | <u>185,528</u> |
| CHANGE IN NET ASSETS | (223,386) | 260,971 |
| NET ASSETS - beginning of year | <u>801,216</u> | <u>540,245</u> |
| NET ASSETS - end of year | <u>\$ 577,830</u> | <u>\$ 801,216</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, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ (223,386) | \$ 260,971 |
| 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: | | |
| Prepaid expenses | (2,832) | 714 |
| Increase (decrease) in operating liabilities: | | |
| Account payable | 32,999 | (906) |
| Escrow funds held | 397 | 150 |
| Accrued expenses | <u>(52,114)</u> | <u>52,468</u> |
| Net cash flows from operating activities | <u>(239,184)</u> | <u>319,149</u> |
| CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH | (239,184) | 319,149 |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - beginning of year | <u>1,124,950</u> | <u>805,801</u> |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - end of year | <u>\$ 885,766</u> | <u>\$ 1,124,950</u> |
| CASH AND CASH EQUIVALENTS - reconciliation | | |
| Cash and cash equivalents | \$ 586,891 | \$ 826,472 |
| Restricted cash and cash equivalents | <u>298,875</u> | <u>298,478</u> |
| | <u>\$ 885,766</u> | <u>\$ 1,124,950</u> |

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

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2022 and 2021

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 a revenue when provided.

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.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements December 31, 2022 and 2021

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 at December 31, 2022, and scholarship expenses for the MVTech Corps program, and audit fees due and payable at December 31, 2021.

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 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, 2022 and 2021, there was approximately \$494,322 and \$633,697, 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.

ONEIDA COUNTY LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2022 and 2021

4. PROPERTY AND EQUIPMENT

| | <u>2022</u> | <u>2021</u> |
|-------------------------------|------------------|------------------|
| Equipment | \$ 34,117 | \$ 34,117 |
| Less accumulated depreciation | <u>14,622</u> | <u>9,748</u> |
| | <u>\$ 19,495</u> | <u>\$ 24,369</u> |

Depreciation expense amounted to \$4,874 and \$4,874 in 2022 and 2021, respectively.

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, 2022 and 2021, 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 \$298,875 and \$298,478 at December 31, 2022 and 2021, 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.

7. 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>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Cash and cash equivalents and restricted cash | \$ 885,766 | \$ 1,124,950 |
| Less: amounts unavailable for general expenditures within one year, due to: | | |
| Restricted cash held in escrow not considered to be available within one year | (298,875) | (298,478) |
| Board designations | <u>(100,000)</u> | <u>(100,000)</u> |
| Total | <u>\$ 486,891</u> | <u>\$ 726,472</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, 2022 and 2021

8. 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. 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 | \$ 192,163 | \$ 141,400 |
| General and management | 31,815 | 44,128 |
| | <u>\$ 223,978</u> | <u>\$ 185,528</u> |

10. ADMINISTRATIVE 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 were \$90,000 for the year ended December 31, 2022, and \$80,000 for the year ended December 31, 2021.

11. CONTRACTUAL AGREEMENT - SCHOLARSHIP EXPENSE

The Corporation entered into an agreement on February 1, 2021 with Mohawk Valley Community College (MVCC) to create and administer 10 scholarships. For the year ended December 31, 2021, the Corporation contributed \$80,000 to MVCC in support of these scholarships. There were no expenses related to this agreement 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.

13. SUBSEQUENT EVENTS

Management has conducted an evaluation of potential subsequent events occurring after the date of the statement of financial position through March 28, 2023, 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, 2022

| | | | Principal of the Issue | | | | |
|-----------------------|------------------------------------|----------------------|-------------------------------|----------------------|----------------------|-----------------------|-----------------|
| Project Code | Description of Financing | Interest Rate | Bonds | Bonds | Bonds | Bonds | Maturity |
| | | | Outstanding at | Issued During | Paid During | Outstanding at | |
| | | | January 1, | 2022 | 2022 | December 31, | |
| | | | 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> | |

Other Information (Unaudited)

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

For the Year Ended December 31, 2021

| | | | Principal of the Issue | | | | |
|-------------------------|------------------------------------|----------------------|-------------------------------|----------------------|---------------------|-----------------------|-----------------|
| Project Code | Description of Financing | Interest Rate | Bonds | Bonds | Bonds | Bonds | Maturity |
| | | | Outstanding at | Issued During | Paid During | Outstanding at | |
| | | | January 1, | 2021 | 2021 | December 31, | |
| | | | 2021 | | | 2021 | |
| 3001-13 - HamiltonLDC | Hamilton College | 2.50% | \$ 20,055,000 | \$ - | \$ 505,000 | \$ 19,550,000 | 2044 |
| 3001-13 - MVHSLDC | Mohawk Valley Handicapped Services | 3.4015% | 2,688,807 | - | 362,152 | 2,326,655 | 2023 |
| 3001-15 - Bassett | Bassett Hospital | 1.86% | 10,410,000 | - | 2,110,000 | 8,300,000 | 2025 |
| 3001-17 - Preswick | Preswick Glen, Inc. | 2.95% | 7,825,000 | - | 205,000 | 7,620,000 | 2042 |
| 3001-17 - UCP | Upstate Cerebral Palsy, Inc. | 3.28% | 1,754,866 | - | 95,000 | 1,659,866 | 2035 |
| 3001-18 - SitrinLDC | CT Sitrin | 3.608% | 17,570,179 | - | 744,510 | 16,825,669 | 2039 |
| 3001-18 - CedarbrookLDC | Cedarbrook Village | 3.608% | 2,267,000 | - | 107,000 | 2,160,000 | 2037 |
| 3001-19 - UCLDC3 | Utica College | 3.41% | 43,735,000 | - | 745,000 | 42,990,000 | 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% | 22,380,000 | - | 5,060,000 | 17,320,000 | 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>\$ 365,470,852</u> | <u>\$ 98,615,000</u> | <u>\$ 9,933,662</u> | <u>\$ 454,152,190</u> | |