ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

Financial Statements and
Other Financial Information

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

December 31, 2013 and 2012

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B&H Company
BARONE, HOWARD & Co., CPAs, PC
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441

We have audited the accompanying financial statements of Oneida County Industrial Development Agency (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses 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.

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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 Industrial Development Agency as of December 31, 2013 and 2012 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, 2014 on our consideration of Oneida County Industrial Development Agency'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 Industrial Development Agency's internal control over financial reporting and compliance.

Barone, Howard & Co., CPAs, P.C.

BARONE, HOWARD & Co., CPAs, P.C.
New Hartford, New York

March 20, 2014

B&H Company
BARONE, HOWARD & Co., CPAs, PC
Certified Public Accountants and Consultants

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*

Board of Directors
Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441

We have audited the financial statements of Oneida County Industrial Development Agency, as of and for the year ended December 31, 2013, and have issued our report thereon dated March 20, 2014. 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.

Internal Control Over Financial Reporting

Management of Oneida County Industrial Development Agency, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Oneida County Industrial Development Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oneida County Industrial Development Agency's internal control over financial reporting, According we do not express an opinion on the effectiveness of Oneida County Industrial Development Agency'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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oneida County Industrial Development Agency's financial statements are free of material misstatement, we preformed tests of it 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 this 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, P.C.

BARONE, HOWARD & Co., CPAs, P.C.
New Hartford, New York

March 20, 2014

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Financial Position
December 31, 2013 and 2012

	2013	2012
ASSETS		
Current assets:		
Cash on hand and in banks	$ 833,082	$ 561,708
Accounts receivable	-	1,376
Grants receivable	-	41,939
Prepaid expenses	1,831	2,296
Total current assets	834,913	607,319
Furniture and equipment:		
Equipment	6,679	6,679
Accumulated depreciation	2,968	742
Net furniture and equipment	3,711	5,937
Note receivable	75,000	75,000
Total Assets	**$ 913,624**	**$ 688,256**
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 25,101	$ 45,063
Accrued expenses	4,600	4,300
PILOT funds held	226,205	-
Deferred revenue	2,581	5,081
Total current liabilities	258,487	54,444
Unrestricted net assets:		
Board designated	400,000	400,000
Undesignated	255,137	233,812
Total unrestricted net assets	655,137	633,812
Total Liabilities and Net Assets	**$ 913,624**	**$ 688,256**

See notes to financial statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Activities
For the years ended December 31, 2013 and 2012

	2013	2012
Revenues:		
Administrative and agency fees	$ 229,302	$ 203,180
Interest income	5,523	6,641
Total operating revenue	234,825	209,821
Expenses:		
Program expenses:		
Promotion of economic growth	199,001	196,328
Supporting services:		
Management and general	14,499	9,410
Total expenses	213,500	205,738
Change in unrestricted net assets	**21,325**	**4,083**
Unrestricted net assets, beginning of year	633,812	629,729
Unrestricted net assets, end of year	$ 655,137	$ 633,812

See notes to financial statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Function Expenses
For the year ended December 31, 2013
With comparative totals for December 31, 2012

	Promotion of Economic Growth	Management and General	2013 Total	2012 Total
Expenses:				
Service fees	$ 160,000	$ -	$ 160,000	$ 150,000
Professional fees	12,050	4,800	16,850	24,015
Insurance	863	2,618	3,481	1,498
Special education projects contingency	25,000	-	25,000	25,000
Other	1,088	7,081	8,169	5,225
Total expenses	$ 199,001	$ 14,499	$ 213,500	$ 205,738

See notes to financial statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Cash Flows
For the years ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Change in unrestricted net assets	$ 21,325	$ 4,083
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activies:		
Depreciation	2,226	742
(Increase) decrease in:		
Grants receivable	41,939	(41,939)
Accounts receivable	1,376	124
Prepaid expenses	465	(1,741)
Increase (decrease) in:		
Accounts payable	(19,962)	44,063
Accrued expenses	300	-
PILOT funds held (prepaid)	226,205	(213,486)
Deferred revenue	(2,500)	5,081
Total adjustments	250,049	(207,156)
Net cash increased (used) by operating activities	271,374	(203,073)
Cash flows from investing activities:		
Purchase of office equipment	-	(6,679)
Net cash used by investing activities	-	(6,679)
Net increase (decrease) in cash	**271,374**	**(209,752)**
Cash at beginning of year	561,708	771,460
Cash at end of year	$ 833,082	$ 561,708

See notes to financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Oneida County Industrial Development Agency (the Agency) was created on October 28, 1970, by the Oneida County Board of Legislators under the provisions of Chapter 372 of the 1970 Laws of New York State for the purpose of encouraging economic growth in Oneida County. The Agency's primary functions are to act as intermediary between bonding companies and local businesses for the purpose of issuing industrial revenue bonds and to grant PILOT (payment in-lieu-of tax) benefits to local businesses who have expanded their facilities. The primary revenues for the Agency are the administrative fees collected for these services.

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.

Basis of Presentation

Financial statement presentation follows the recommendations of ASC Topic 958, Not-for-Profit Entities. Under these provisions, the Agency 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, 2013 and 2012, the Agency 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 statements and the recorded amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Grants

The Agency, acting as a conduit agency, administers a grant from the New York State Department of Environmental Conservation to assist in the redevelopment of a Brownfield site in the City of Rome. The grant provides funding for most of the redevelopment cost while the Rome Community Brownfield Restoration Corporation provides the remaining funds for the project. Grant related disbursements and the corresponding receipts totaled $103,443 and $208,150 for the years ended December 31, 2013 and 2012, respectively. Since the Agency acts in a fiduciary capacity in administering this grant and receives no financial benefit for doing this, this activity is not shown on the accompanying statements of activities.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Receivables
The Agency considers it receivables to be fully collectible at year-end; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property
All capital purchases for the Agency over $1,000 are capitalized. Equipment is recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset.

Expense Allocation
Expenses are charged to program and supporting services according to specific identification. 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 Agency.

Note 2 CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Agency to concentrations of credit risk consist principally of cash. At December 31, 2013, the Agency did not have deposits that exceeded the FDIC insurance limits.

Note 3 INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by the Agency are collateralized by property, which is leased to companies and retired by lease payments. The bonds and notes are not obligations of the Agency or New York State. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized when received.

Note 4 RELATED-PARTY TRANSACTIONS

The Agency 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 Agency. In lieu of incurring the related personnel, operating, and overhead expense, the Agency paid $160,000 and $150,000 in service fees to EDGE for the years ended December 31, 2013 and 2012, respectively.

Note 5 NET ASSETS

The Agency's Board of Directors has designated $400,000 of the unrestricted net assets to be used for business development and economic growth within Oneida County.

Note 6 TAX STATUS

The Agency is exempt from Federal, State and local income taxes. The Agency, although established by the Oneida County Board of Legislators, is a separate entity and operates independently of Oneida County.

Note 7 LOAN CONTINGENCY

The Agency lent Rome Community Brownfield Restoration Corporation $75,000 for a term of fourteen years with principal and interest due beginning on December 1, 2010 at 4.0%. The funds will be secured by a second mortgage on the property.

Note 8 SUBSEQUENT EVENTS

Management has conducted an evaluation of potential subsequent events occurring after the date of the financial statements through March 20, 2014, the date which the financial statements were available to be issued. No subsequent events requiring disclosure were noted.

SUPPLEMENTAL INFORMATION