

GENESEE COUNTY FUNDING
CORPORATION

FINANCIAL STATEMENTS

Year Ended December 31, 2013

GENESEE COUNTY FUNDING CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Genesee County Funding Corporation
Batavia, New York

Report on the Financial Statements

We have audited the accompanying statement of net position of Genesee County Funding Corporation ("GCFC"), as of December 31, 2013, and the related statements of revenues, expenses and changes in net position, and cash flows and the related notes for the year then ended.

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 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 of material misstatements.

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 GCFC'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 GCFC'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 respective financial position of the GCFC as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion & Analysis on page 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2014 on our consideration of GCFC'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 GCFC's internal control over financial reporting and compliance.



Oneonta, New York
March 27, 2014

GENESEE COUNTY FUNDING CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2013

This section of the Genesee County Funding Corporation's (the GCFC) annual financial report presents our discussion and analysis of the GCFC's financial performance during the year ended December 31, 2013 and should be read in conjunction with the financial statements and accompanying notes.

Overview of the Financial Statements

This annual financial report is made of two parts: first management's discussion and analysis and secondly, the basic financial statements. The GCFC was established by Genesee County in 2009 as a New York State Corporation organized under New York State Not-for-Profit Corporation Law. The GCFC's mission is to assist local economic development efforts by serving in a conduit financing capacity enabling the issuance of taxable and non-taxable debt to benefit the growth, expansion, on-going operations and continued viability of non-profit business enterprises in Genesee County. Genesee County is the sole member of the corporation.

The GCFC follows enterprise fund reporting. These statements are presented in a manner similar to a private business.

Financial Analysis of the GCFC

In 2013, the GCFC had no activity.

Contacting GCFC's Financial Management

This financial report is designed to provide the public with a general overview of the GCFC's finances and to demonstrate accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer of the GCFC located at the Dr. Bruce A. Holm Upstate MedTech Centre, 99 MedTech Dr., Suite 106, Batavia, NY 14020.

GENESEE COUNTY FUNDING CORPORATION

STATEMENT OF NET POSITION

DECEMBER 31, 2013

ASSETS

Current assets:

Cash \$ 0

Total assets 0

NET ASSETS

Net position:

Unrestricted 0

Total net position \$ 0

See accompanying notes.

GENESEE COUNTY FUNDING CORPORATION

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

YEAR ENDED DECEMBER 31, 2013

OPERATING REVENUES:

Project fees	\$	<u>0</u>
Total operating revenues		0

OPERATING EXPENSES:

Professional fees		<u>0</u>
Total operating expenses		<u>0</u>

Change in net position:

Net position - beginning of period		<u>0</u>
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Net position - end of period	\$	<u><u>0</u></u>
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See accompanying notes.

GENESEE COUNTY FUNDING CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Project fees	\$	0
Professional fees		<u>0</u>
Net cash provided by operating activities		<u>0</u>
Net increase in cash and cash equivalents		0
Cash and cash equivalents - beginning of year		<u>0</u>
Cash and cash equivalents - end of year	\$	<u><u>0</u></u>

**RECONCILIATION OF NET OPERATING REVENUE TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:**

Net operating revenue	\$	<u>0</u>
Total adjustments		<u>0</u>
Net cash provided by operating activities	\$	<u><u>0</u></u>

See accompanying notes.

GENESEE COUNTY FUNDING CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity - The Genesee County Funding Corporation (the GCFC) is a New York State Corporation organized under New York State Not-for-Profit Corporation Law and is located in Batavia, New York. The GCFC issues bonds providing tax-exempt financing for projects undertaken by not-for-profit corporations, such as schools, hospitals, and senior homes. Genesee County is the sole member of the corporation.

Basis of Accounting - The GCFC's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America.

Revenue Recognition - The GCFC maintains its books and prepares its financial statements on the accrual basis of accounting whereby revenue is recognized as it is earned and expenses are recorded as they are incurred.

Income Tax - The GCFC is a quasi-governmental organization. The GCFC is not subject to federal or state income taxes, nor is it required to file federal or state income tax returns, therefore, no provision for income taxes is reflected in these financial statements.

Events Occurring After Reporting Date – The GCFC has evaluated subsequent events through March 27, 2014, which is the date the financial statements were available to be issued.

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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**

To the Board of Directors
Genesee County Funding Corporation
Batavia, New York

We have audited in accordance with the 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, the financial statements of Genesee County Funding Corporation ("GCFC") which comprise of the statement of net position as of and for the year ended December 31, 2013, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the GCFC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the GCFC's internal control. Accordingly, we do not express an opinion on the effectiveness of the GCFC's internal control.

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 GCFC's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the GCFC's financial statements are free from material misstatement, we performed tests of its 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 GCFC'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 GCFC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mistert, Manzanero & Scott, LLP

Oneonta, New York
March 27, 2014