ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

Financial Statements and
Other Financial Information

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

December 31, 2015 and 2014

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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, 2015 and 2014, 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.

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, 2015 and 2014 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 accompanying 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 March 15, 2016, 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 15, 2016

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*

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

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 Oneida County Industrial Development Agency (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oneida County Industrial Development Agency'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 opinion 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. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. 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 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 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 Oneida County Industrial Development Agency's financial statements are free of 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 the 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 Oneida County Industrial Development Agency'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 Oneida County Industrial Development Agency'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 15, 2016

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash in banks	$ 1,067,241	$ 1,026,680
Accounts receivable	36,131	4,500
Prepaid expenses	1,786	1,079
Total current assets	1,105,158	1,032,259
Furniture and equipment:		
Equipment	6,679	6,679
Accumulated depreciation	6,679	5,195
Net furniture and equipment	-	1,484
Note receivable	-	75,000
Total Assets	**$ 1,105,158**	**$ 1,108,743**
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 80	$ 249
Accrued expenses	4,800	4,700
PILOT funds held	436,291	396,829
Deferred revenue	5,581	6,581
Total current liabilities	446,752	408,359
Unrestricted net assets:		
Board designated	400,000	400,000
Undesignated	258,406	300,384
Total unrestricted net assets	658,406	700,384
Total Liabilities and Net Assets	**$ 1,105,158**	**$ 1,108,743**

See notes to financial statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Activities
For the years ended December 31, 2015 and 2014

	2015	2014
Revenues:		
Administrative and agency fees	$ 195,595	$ 251,217
Interest income	15,437	5,249
Total operating revenue	211,032	256,466
Expenses:		
Program expenses:		
Promotion of economic growth	242,692	197,001
Supporting services:		
Management and general	10,318	14,218
Total expenses	253,010	211,219
Change in unrestricted net assets	**(41,978)**	**45,247**
Unrestricted net assets, beginning of year	700,384	655,137
Unrestricted net assets, end of year	$ 658,406	$ 700,384

See notes to financial statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Functional Expenses
For the year ended December 31, 2015
With comparative totals for December 31, 2014

	Promotion of Economic Growth	Management and General	2015 Total	2014 Total
Expenses:				
Service fees	$ 160,000	$ -	$ 160,000	$ 160,000
Professional fees	17,000	4,800	21,800	16,700
Insurance	1,208	1,793	3,001	3,190
Special projects	63,000	-	63,000	23,000
Other	1,484	3,725	5,209	8,329
Total expenses	$ 242,692	$ 10,318	$ 253,010	$ 211,219

See notes to financial statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Cash Flows
For the years ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in unrestricted net assets	$ (41,978)	$ 45,247
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activies:		
Depreciation	1,484	2,226
(Increase) decrease in:		
Grants receivable	-	-
Accounts receivable	43,369	(4,500)
Prepaid expenses	(707)	752
Increase (decrease) in:		
Accounts payable	(169)	(24,852)
Accrued expenses	100	100
PILOT funds held	39,462	170,625
Deferred revenue	(1,000)	4,000
Total adjustments	82,539	148,351
Net cash provided by operating activities	40,561	193,598
Net increase in cash	**40,561**	**193,598**
Cash at beginning of year	1,026,680	833,082
Cash at end of year	$ 1,067,241	$ 1,026,680

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, 2015 and 2014, 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.

Receivables

The Agency considers its 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.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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. 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 3 INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS

The transaction for a bond issue is similar to a lease-leaseback except that the Agency issues tax-exempt or taxable bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds and notes are not obligations of the Agency or New York State. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers back to the private sector entity served by the bond issuance. The Agency is not obligated in any manner for repayment of the bonds at any time. Accordingly, related property is not reported as assets, and the bonds are not reported as liabilities in the accompanying financial statements.

Note 4 SERVICE FEE EXPENSE

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 in service fees to EDGE for each of the years ended December 31, 2015 and 2014.

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 SUBSEQUENT EVENTS

Management has conducted an evaluation of potential subsequent events occurring after the date of the financial statements through March 15, 2016, the date which the financial statements were available to be issued. No subsequent events requiring disclosure were noted.

SUPPLEMENTAL INFORMATION