

**ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

Financial Statements and
Other Financial Information

**ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

December 31, 2011 and 2010

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BARONE, HOWARD & Co., CPAs, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Oneida County Industrial Development Agency
Rome, New York

We have audited the accompanying statements of financial position of Oneida County Industrial Development Agency as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Oneida County Industrial Development Agency as of December 31, 2011 and 2010, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 14, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

March 14, 2012



BARONE, HOWARD & Co., CPAs, PC
CERTIFIED PUBLIC ACCOUNTANTS

**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
Oneida County Industrial Development Agency
Rome, New York

We have audited the financial statements of Oneida County Industrial Development Agency as of and for the year ended December 31, 2011, and have issued our report thereon dated March 14, 2012. 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

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 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

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 that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

March 14, 2012

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Financial Position
December 31, 2011 and 2010

	2011	2010
ASSETS		
Current assets:		
Cash on hand and in banks	\$ 771,460	\$ 1,743,398
Due from OCLDC	-	17,567
Accounts receivable	1,500	53,497
Prepaid expenses	555	-
Total current assets	<u>773,515</u>	<u>1,814,462</u>
Furniture and equipment:		
Equipment	-	3,506
Accumulated depreciation	-	3,506
Net furniture and equipment	<u>-</u>	<u>-</u>
Noncurrent portion of note receivable	<u>75,000</u>	<u>75,000</u>
Total Assets	<u>\$ 848,515</u>	<u>\$ 1,889,462</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 1,000	\$ 978,394
Accrued expenses	4,300	7,730
Prepaid PILOT agreement amounts	213,486	249,683
Total current liabilities	<u>218,786</u>	<u>1,235,807</u>
Unrestricted net assets:		
Board designated	400,000	400,000
Undesignated	229,729	253,655
Total unrestricted net assets	<u>629,729</u>	<u>653,655</u>
Total Liabilities and Net Assets	<u>\$ 848,515</u>	<u>\$ 1,889,462</u>

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Activities
For the years ended December 31, 2011 and 2010

	2011	2010
Revenues:		
Administrative and agency fees	\$ 155,019	\$ 115,899
Interest income	<u>8,006</u>	<u>8,412</u>
Total operating revenue	<u>163,025</u>	<u>124,311</u>
Expenses:		
Program expenses		
Promotion of economic growth	180,282	165,139
Supporting services		
Management and general	10,099	5,337
NYS assessment tax	<u>(3,430)</u>	<u>3,430</u>
Total expenses	<u>186,951</u>	<u>173,906</u>
Change in unrestricted net assets	(23,926)	(49,595)
Unrestricted net assets, beginning of year	<u>653,655</u>	<u>703,250</u>
Unrestricted net assets, end of year	<u><u>\$ 629,729</u></u>	<u><u>\$ 653,655</u></u>

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Cash Flows
For the years ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Change in unrestricted net assets	<u>\$ (23,926)</u>	<u>\$ (49,595)</u>
(Increase) decrease in:		
Grants receivable	-	27,806
Due from OCLDC	17,567	(17,567)
Accounts receivable	51,997	(43,364)
Prepaid expenses	(555)	-
Increase (decrease) in:		
Accounts payable	(977,394)	946,954
Accrued expenses	(3,430)	3,430
Prepaid PILOT agreement amounts	(36,197)	136,820
Total adjustments	<u>(948,012)</u>	<u>1,054,079</u>
Net cash provided (used) by operating activities	<u>(971,938)</u>	<u>1,004,484</u>
Net increase (decrease) in cash	(971,938)	1,004,484
Cash at beginning of year	<u>1,743,398</u>	<u>738,914</u>
Cash at end of year	<u><u>\$ 771,460</u></u>	<u><u>\$ 1,743,398</u></u>

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements
For the years ended December 31, 2011 and 2010

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 the Financial Accounting Standards Board in Statement of Financial Accounting Standard (SFAS) No.117, *Financial Statements of Not-for-Profit Organizations*. 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, 2011 and 2010, 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 statement 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 \$162,263 and \$2,323,213 for the years ended December 31, 2011 and 2010, 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.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements - continued
For the years ended December 31, 2011 and 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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, 2011, 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 \$140,000 and \$145,000 in service fees to EDGE for the years ended December 31, 2011 and 2010, respectively.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements - continued
For the years ended December 31, 2011 and 2010

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 PROMOTION AND ECONOMIC GROWTH FUNCTIONAL EXPENSES

The following represents a detail of the Agency's functional expenses for the years ended December 31, 2011 and 2010:

	2011	2010
Grant written off	\$ -	\$ 15,806
Service fees	140,000	145,000
Professional fees	15,468	4,300
Insurance	2,715	2,600
New York State assessment	(3,430)	3,430
Special education projects contingency	24,000	-
Other	8,198	2,770
	\$ 186,951	\$ 173,906

Note 7 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 8 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 9 SUBSEQUENT EVENTS

Management has conducted an evaluation of potential subsequent events occurring after the date of the statement of financial position through March 14, 2012, the date which the financial statements were available to be issued. No subsequent events requiring disclosure were noted.

SUPPLEMENTAL INFORMATION