

**ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

**Financial Statements as of
December 31, 2020 and 2019
Together with Independent
Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

March 26, 2021

To the Board of Directors of the
Oneida County Industrial Development Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the Oneida County Industrial Development Agency (the Agency), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Oneida County Industrial Development Agency's basic financial statements as listed in the table of contents.

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 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 Agency'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 Agency'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 the Oneida County Industrial Development Agency as of December 31, 2020, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the Oneida County Industrial Development Agency as of December 31, 2019, were audited by other auditors whose report dated March 20, 2020, expressed an unmodified opinion on those financial statements.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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, or 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Oneida County Industrial Development Agency's basic financial statements. The supplemental schedule of the Oneida County Industrial Development Agency's revenue bonds and other bonds (conduit debt obligations) is presented to supplement the basic financial statements.

The schedule noted in the previous paragraph has not been subjected to the auditing procedures applied in the audit or the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issue our report dated March 26, 2021, on our consideration of the Oneida County Industrial Development Agency's internal control over financial reporting and our test of its compliance with certain provisions of laws regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Agency's internal control over financial reporting on compliance. That 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 over financial reporting and compliance.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis (Unaudited) For the Years Ended December 31, 2020 and 2019

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Oneida County Industrial Development Agency (the Agency) financial position as of December 31, 2020 and its changes in financial position for the year then ended, showing 2019 and 2018 for comparison. This MD&A should be read in conjunction with the financial statements and related footnotes of the Agency, which directly follow the MD&A.

GENERAL INFORMATION

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.

Overview of the Financial Statements

The financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States as prescribed by the Governmental Accounting Standards Board (GASB). The financial statement presentation consists of the following four basic financial statements:

- Statement of Net Position
- Statement of Revenue, Expenses and Change in Net Position
- Statement of Cash Flows

The Statement of Net Position and the Statement of Revenue, Expenses and Change in Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting. Revenues, expenses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, assets and liabilities resulting from non-exchange transactions are recognized when the amounts to be received are measurable and collection is probable. These policies are more fully described in the accompanying notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The Agency's total net position at December 31, 2020 is \$641,634 and at December 31, 2019 is \$651,222.
- Total current assets at December 31, 2020 are \$1,235,986 and at December 31, 2019 are \$788,248. In both years, they are comprised of cash and cash equivalents, investments and prepaid expenses.
- Total current liabilities at December 31, 2020 are \$594,352 and at December 31, 2019 are \$137,026.
- Operating revenues at December 31, 2019 were \$202,595 due to receiving administrative and agency fees as well as lease payments.
- Operating revenues at December 31, 2020 were \$975,845 due to receiving administrative and agency fees as well as lease payments.
- Operating expenses at December 31, 2020 were \$990,444, up from \$261,496 at December 31, 2019 as a result of payment to Economic Development Growth Enterprises Corporation (EDGE) for economic development.

NOTES TO FINANCIAL STATEMENTS

The financial statements also include notes that explain the information in the financial statements. They are essential to a full understanding of the data provided in the financial statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**Management's Discussion and Analysis (Unaudited)
For the Years Ended December 31, 2020 and 2019**

THE AGENCY

The analysis below summarizes the statements of net position (Table 1) and changes in net position (Table 2) of the Agency as of and for the years ended December 31:

Table 1 – Statements of Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Cash and Cash Equivalents	\$ 925,024	\$ 391,743	\$ 1,099,489
Accounts Receivable	-	91,012	-
Prepaid Expenses	1,949	975	1,048
Investments	<u>309,013</u>	<u>304,518</u>	<u>100,000</u>
Equipment:			
Equipment	6,679	6,679	6,679
Accumulated Depreciation	<u>(6,679)</u>	<u>(6,679)</u>	<u>(6,679)</u>
 Total assets	 <u>1,235,986</u>	 <u>788,248</u>	 <u>1,200,537</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 496,459	\$ 43,425	\$ 45,554
Pilot Funds Held	87,312	85,020	440,218
Deferred Revenue	<u>10,581</u>	<u>8,581</u>	<u>10,581</u>
 Total liabilities	 <u>594,352</u>	 <u>137,026</u>	 <u>496,353</u>
Net position:			
Unrestricted	<u>641,634</u>	<u>651,222</u>	<u>704,184</u>
 Total net position	 <u>641,634</u>	 <u>651,222</u>	 <u>704,184</u>
 Total liabilities and net position	 <u>\$ 1,235,986</u>	 <u>\$ 788,248</u>	 <u>\$ 1,200,537</u>

CURRENT ASSETS

Current assets at December 31, 2020 were comprised of cash and cash equivalents, investments, and prepaid expenses. Current assets at December 31, 2019 were comprised of the same categories.

CURRENT LIABILITIES

The Agency had current liabilities of \$594,352 at December 31, 2020 and \$137,026 at December 31, 2019.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**Management’s Discussion and Analysis (Unaudited)
For the Years Ended December 31, 2020 and 2019**

Table 2 – Changes in Net Position

Table 2 shows the changes in net position for the years ended December 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenue:			
Administrative and agency fees	\$ 966,007	\$ 180,757	\$ 474,084
Grant income	-	21,838	-
Miscellaneous income	<u>9,838</u>	<u>-</u>	<u>-</u>
Total operating revenue	<u>975,845</u>	<u>202,595</u>	<u>474,084</u>
Operating Expenses:			
Administrative service fees	160,000	160,000	160,000
Professional fees	21,480	24,198	14,000
Insurance	3,762	3,343	2,673
Consultant services	-	21,838	-
Special project	799,996	46,605	89,895
Other	<u>5,206</u>	<u>5,512</u>	<u>6,208</u>
Total operating expenses	<u>990,444</u>	<u>261,496</u>	<u>272,776</u>
Non-operating Revenue:			
Interest income	<u>5,011</u>	<u>5,939</u>	<u>2,728</u>
Total non-operating revenue	<u>5,011</u>	<u>5,939</u>	<u>2,728</u>
Change in net position	(9,588)	(52,962)	204,036
Net position - beginning of year	<u>651,222</u>	<u>704,184</u>	<u>500,148</u>
Net position - end of year	<u>\$ 641,634</u>	<u>\$ 651,222</u>	<u>\$ 704,184</u>

FINANCIAL ANALYSIS OF THE AGENCY’S FINANCIAL POSITION AND RESULTS OF OPERATIONS

OPERATING REVENUES

Revenues are made up of PILOT application and administrative fees as well as lease back rental payments. Total operating revenue increased in 2020 by \$773,250, primarily as an increase due to two sizeable projects.

Professional Fees

Professional fees include legal fees associated with corporate matters and activities of the organization and staff service fees paid to EDGE for various administrative and accounting services.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**Management’s Discussion and Analysis (Unaudited)
For the Years Ended December 31, 2020 and 2019**

Special Project Fees

Special project fees include amounts paid to Economic Development Growth Enterprises Corporation for economic development initiatives.

Change in Net Position

Change in net position can fluctuate depending on timing of local projects.

FUTURE FACTORS

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are not entirely known at this time, but it has the potential to result in significant economic impact.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

The Agency focuses on the attraction, retention, and expansion of new and current businesses to our County. The Agency’s financial performance can vary from year-to-year based on the level of economic activity and the ability to offer some form of assistance to businesses that can validate their economic value to the community. Overall, the Agency will determine incentives for projects where public revenues generated exceed public costs.

CONTACTING THE AGENCY’S ADMINISTRATION

This financial report is designed to provide readers with a general overview of the Agency's finances. If you have questions about this report or need additional information, contact the Agency's board at the Oneida County Industrial Development Agency, 584 Phoenix Drive, Rome, NY 13440.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**Statements of Net Position
December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 925,024	\$ 391,743
Accounts receivable	-	91,012
Prepaid expenses	1,949	975
Investments	<u>309,013</u>	<u>304,518</u>
Total current assets	<u>1,235,986</u>	<u>788,248</u>
CAPITAL ASSETS:		
Equipment	6,679	6,679
Accumulated Depreciation	<u>(6,679)</u>	<u>(6,679)</u>
Capital assets, net	<u>-</u>	<u>-</u>
Total assets	<u>1,235,986</u>	<u>788,248</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	496,459	43,425
Pilot funds held	87,312	85,020
Deferred revenue	<u>10,581</u>	<u>8,581</u>
Total current liabilities	<u>594,352</u>	<u>137,026</u>
NET POSITION:		
Unrestricted	<u>641,634</u>	<u>651,222</u>
Total net position	<u>641,634</u>	<u>651,222</u>
Total liabilities and net position	<u>\$ 1,235,986</u>	<u>\$ 788,248</u>

The accompanying notes are an integral part of these statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Revenues, Expenses, and Change in Net Position For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Administrative and agency fees	\$ 966,007	\$ 180,757
Grant income	-	21,838
Miscellaneous income	<u>9,838</u>	<u>-</u>
Total revenues	<u>975,845</u>	<u>202,595</u>
OPERATING EXPENSES:		
Administrative services fees	160,000	160,000
Professional fees	21,480	24,198
Insurance	3,762	3,343
Consultant services	-	21,838
Special project	799,996	46,605
Other	<u>5,206</u>	<u>5,512</u>
Total operating expenses	<u>990,444</u>	<u>261,496</u>
Operating income (loss)	<u>(14,599)</u>	<u>(58,901)</u>
NON-OPERATING REVENUE:		
Interest income	<u>5,011</u>	<u>5,939</u>
Total non-operating revenue	<u>5,011</u>	<u>5,939</u>
CHANGE IN NET POSITION	(9,588)	(52,962)
NET POSITION - beginning of year	<u>651,222</u>	<u>704,184</u>
NET POSITION - end of year	<u>\$ 641,634</u>	<u>\$ 651,222</u>

The accompanying notes are an integral part of these statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from administrative and agency fees	\$ 967,325	\$ 89,745
Cash received from miscellaneous sources	100,850	-
Cash received for grant income	-	21,838
Cash paid for administrative service fees	(160,000)	(160,000)
Cash paid for professional fees	(19,480)	(22,698)
Cash paid for insurance	(3,762)	(3,343)
Cash paid for special projects	(799,996)	(50,474)
Cash paid for other expenses	(5,206)	(6,199)
Cash paid for grant expense	-	(21,838)
Cash received and due to other governments	451,034	(355,198)
Project commitment fees paid	<u>2,000</u>	<u>(1,000)</u>
Net cash flow from operating activities	<u>532,765</u>	<u>(509,167)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest income	5,011	5,939
Other investments	<u>(4,495)</u>	<u>(204,518)</u>
Net cash flow from investing activities	<u>516</u>	<u>(198,579)</u>
Net change in cash and cash equivalents	533,281	(707,746)
Cash and cash equivalents - beginning of year	<u>391,743</u>	<u>1,099,489</u>
Cash and cash equivalents - end of year	<u>\$ 925,024</u>	<u>\$ 391,743</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ (14,599)	\$ (58,901)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities -		
Changes in assets and liabilities		
Accounts Receivable	91,012	(91,012)
Prepaid Expenses	(974)	73
Accounts payable and accrued expenses	453,034	(2,129)
PILOTS Funds Held	2,292	(355,198)
Deferred Revenue	<u>2,000</u>	<u>(2,000)</u>
Net cash flow from operating activities	<u>\$ 532,765</u>	<u>\$ (509,167)</u>

The accompanying notes are an integral part of these statements.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Basic Financial Statements December 31, 2020 and 2019

1. ORGANIZATION

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Agency operates as a proprietary fund. Proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) and deferred inflows and outflows associated with their activities are reported. Fund equity is classified as net position. The Agency utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

Cash and Cash Equivalents

For the purpose of the statement of net position and statement of cash flows, cash and cash equivalents include deposits, and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable

Accounts receivable are recorded and revenues are recognized as earned or as specific expenditures are incurred. All accounts receivable are deemed collectible; therefore, no allowance account has been established.

Investments

Investments include certificate of deposits invested at individual banks earning interest for a specified length of time.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Basic Financial Statements December 31, 2020 and 2019

Capital Assets

Capital assets are recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. Assets purchased or acquired with a cost of \$1,000 or greater and a useful life exceeding one year are capitalized. At December 31, 2020 and 2019 the Agency had capital assets with a cost of \$6,679 that were fully depreciated.

PILOT Funds Held

PILOT funds held are amounts received for PILOT payments by the Agency that have not been remitted to the respective government agency at December 31.

Operating Revenues and Non-operating Revenues

The Statements of Revenues, Expenses, and Changes in Net Position distinguishes between operating and non-operating revenues. Operating revenues, such as administrative and agency fees, grant income and miscellaneous income, result from exchange transactions associated with the principal activities of the Agency. Exchange transactions are those in which each party to the transaction receives or gives up essentially equal values. Non-operating revenues arise from exchange transactions not associated with the Agency's principal activities and from all non-exchange transactions.

Special Project Expenses

The Agency entered into an agreement with Mohawk Valley EDGE for the support of economic development initiatives' within Oneida County.

Net Position

GASB requires the classification of net position into three components. These classifications are displayed in three components below:

- a. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other assets that do not meet the definition of net investment in capital assets or restricted net position.

It is the Agency's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Related Party

The Agency is related through common management and Board of Directors membership with the Oneida County Local Development Corporation, which also promotes economic development in the County.

Reclassifications

Certain amounts in 2019 have been reclassified to conform with the 2020 presentation.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Basic Financial Statements December 31, 2020 and 2019

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Policies

The Agency follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conform with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Executive Director.

The Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within and authorized to do business in New York State. Permissible investments include special time deposit accounts, certificates of deposit and obligations of the United States or of federal agencies whose principal and interest payments are fully guaranteed by the federal government, or of New York State or in general obligations of the State's political subdivisions.

Collateral is required for deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are those identified in New York State General Municipal Law, Section 10 and outlined in the New York State Comptroller's Financial Management Guide.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Agency's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Agency's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Agency's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Obligations of the United States of America;
- Obligations where payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Special time deposit account; and
- Certificates of deposit.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Agency's investment and deposit policy, all deposits of the Agency including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured by a pledge of securities with an aggregate value equal to the aggregate amount of deposits.

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Basic Financial Statements December 31, 2020 and 2019

The Agency restricts the securities to the following eligible items:

- Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation;
- Obligations partially insured or guaranteed by an agency of the United States of America;
- Obligations issued or fully insured or guaranteed by the State of New York;
- Obligations issued by a municipal corporation, school district or district corporation of New York State;
- Obligations issued by states (other than New York State) of the United States of America rated in one of the two highest rating categories by at least one Nationally Recognized Statistical Rating Organization (NRSRO).

The Agency maintained cash balances with a financial institution insured by the FDIC up to \$250,000, for demand and non demand accounts. At December 31, 2020, the Agency's deposits was \$925,024 and the bank balance was \$929,510. \$531,982 was covered by FDIC while the remaining balance was uninsured and uncollateralized in the amount of \$397,529. At December 31, 2019, the Agency's deposits and bank balance was \$391,743. \$371,741 was covered by FDIC while the remaining balance was uninsured and uncollateralized in the amount of \$20,002.

4. INVESTMENTS

Investment Policy

The Agency follows an investment policy which the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; provide sufficient liquidity of invested funds in order to meet obligations as they become due; and attainment of a market rate of return. Oversight of investment activity is the responsibility of the Finance Committee.

Investment Valuation

The Agency categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Agency did not have any investments that are measured using Level 2 or Level 3 inputs.

Fair value measurements of the Agency's investments at December 31, 2020 and 2019 comprised of certificate of deposits valued at \$309,013 and \$304,518, respectively, based on fair market value (Level 1 inputs).

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Basic Financial Statements December 31, 2020 and 2019

5. INDUSTRIAL DEVELOPMENT BONDS

The Agency issues tax-exempt or taxable bonds to provide financial assistance to private-sector or non-profit entities for the acquisition and construction of facilities deemed to be in the public interest. 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 to the borrowing entity served by the bond issuance. The Agency is not obligated in any manner for repayment of the bonds. Accordingly, neither the related property nor the bonds are reported as assets or liabilities in the accompanying financial statements.

6. SERVICE FEE EXPENSE

The Agency shares common space with Economic Development Growth Enterprises Corporation (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, 2020 and

7. COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Agency and its future results and financial position is not presently determinable.

INDEPENDENT AUDITOR'S 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

March 26, 2021

To the Board of Directors of
Oneida County Industrial Development Agency

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 (the Agency) a discretely presented component unit of the County of Oneida, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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 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 Agency'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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**REPORT ON SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES
LAW**

March 26, 2021

To the Board of Directors of
Oneida County Industrial Development Agency

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 (the Agency), a discretely presented component unit of the County of Oneida, New York (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 26, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the Corporation's Investment Guidelines, the New York State (NYS) Comptroller's Investment Guidelines and Section 2925(3)(f) of the NYS Public Authorities Law (collectively, the Investment Guidelines), which is the responsibility of the Agency's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines. However, our audit was not directed primarily towards obtaining knowledge of noncompliance with such Investment Guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the Investment Guidelines.

This report is intended solely for the information and use of management, the Board of Directors, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

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ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**Supplemental Schedule of Revenue Bonds and Other Bonds (Conduit Debt Obligations) - (Unaudited)
For the Year Ended December 31, 2020**

Project Number	Description of Financing	Closing Date	Interest at Issuance	Principal of the Issue				Term Ending Date
				Bonds Outstanding at January 1, 2020	Incurred During 2020	Developer Paid During 2020	Bonds Outstanding at December 31, 2020	
3001-99-07A	Champion Homes	June 1, 1999	3.75%	\$ 6,820,000	\$ -	\$ -	\$ 6,820,000	June 1, 2029
3001-07-05A	Eastern Star	June 21, 2007	4.56%	3,805,000	-	2,095,000	1,710,000	July 1, 2037
3001-02-01A	Hamilton College	June 1, 2002	5.20%	19,090,000	-	13,100,000	5,990,000	September 15, 2032
3001-04-02A	Mohawk Valley Community College	December 1, 2004	4.051%	5,740,000	-	255,000	5,485,000	December 1, 2036
				<u>\$ 35,455,000</u>	<u>\$ -</u>	<u>\$ 15,450,000</u>	<u>\$ 20,005,000</u>	

**Supplemental Schedule of Revenue Bonds and Other Bonds (Conduit Debt Obligations) - (Unaudited)
For the Year Ended December 31, 2019**

Project Number	Description of Financing	Closing Date	Interest at Issuance	Principal of the Issue				Term Ending Date
				Bonds Outstanding at January 1, 2019	Incurred During 2019	Developer Paid During 2019	Bonds Outstanding at December 31, 2019	
3001-99-07A	Champion Homes	June 1, 1999	3.75%	\$ 6,820,000	\$ -	\$ -	\$ 6,820,000	June 1, 2029
3001-04-04A	EDGE/MGS	June 1, 2001	2.90%	1,530,000	-	1,530,000	-	June 1, 2029
3001-07-05A	Eastern Star	June 21, 2007	4.56%	3,935,000	-	130,000	3,805,000	July 1, 2037
3001-02-01A	Hamilton College	June 1, 2002	5.20%	36,540,000	-	17,450,000	19,090,000	September 15, 2032
3001-04-02A	Mohawk Valley Community College	December 1, 2004	4.051%	5,990,000	-	250,000	5,740,000	December 1, 2036
3001-06-22A	Mohawk Valley Network	June 1, 2006	4.903%	13,780,000	-	13,780,000	-	June 1, 2031
				<u>\$ 68,595,000</u>	<u>\$ -</u>	<u>\$ 33,140,000</u>	<u>\$ 35,455,000</u>	

The accompanying notes are an integral part of these statements.