

Cayuga County Development Corporation

FY 2017 Audited Financial Statements

Introduction

The Cayuga County Development Corporation (CCDC) annually conducts an independent financial audit in compliance with the PAAA and PARA. This CCDC Annual Independent Financial Audit looks closely at the finances, internal controls and investments of the CCDC and reports its findings within the CCDC financial audit report that is reviewed by, and approved by the CCDC Board of Directors.

The FY2017 CCIDA Financial Report is presented here and includes:

- FY2017 Audited Financial Statements
- FY2017 Management Discussion & Analysis (also posted separately on the CCDC webpage)
- FY2017 Assessment and Report on Internal Controls (also posted separately on the CCDC webpage)

CAYUGA COUNTY DEVELOPMENT CORPORATION

Audited Financial Statements
For the Year Ending December 31, 2017

CAYUGA COUNTY DEVELOPMENT CORPORATION
Audited Financial Statements

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
Cayuga County Development Corporation
Auburn, New York

We have audited the accompanying financial statements of Cayuga County Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year 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.

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. 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 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 entity'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 entity'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 Cayuga County Development Corporation as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Cayuga County Development Corporation's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Respectfully submitted,

Cuddy & Ward, LLP

CUDDY & WARD, LLP
Certified Public Accountants

CAYUGA COUNTY DEVELOPMENT CORPORATION

Statement of Financial Position

December 31, 2017

(With Comparative Totals At December 31, 2016)

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 71,804	\$ 75,195
Loan receivable - current portion	<u>12,533</u>	<u>12,103</u>
Total current assets	<u>84,337</u>	<u>87,298</u>
OTHER ASSETS		
Loan receivable - net of current portion	<u>109,455</u>	<u>121,998</u>
Total other assets	<u>109,455</u>	<u>121,998</u>
 TOTAL ASSETS	 \$ <u>193,792</u>	 \$ <u>209,296</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ <u>-</u>	\$ <u>80</u>
Total current liabilities	<u>-</u>	<u>80</u>
NET ASSETS		
Unrestricted net assets	<u>193,792</u>	<u>209,216</u>
Total net assets	<u>193,792</u>	<u>209,216</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u>193,792</u>	 \$ <u>209,216</u>

See accompanying notes to financial statements

CAYUGA COUNTY DEVELOPMENT CORPORATION
Statement of Activities
For the Year Ended December 31, 2017
(With Comparative Totals For the Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
SUPPORT AND REVENUES		
Application fees	\$ -	\$ 7,850
Loan interest income	4,500	2,407
Interest income	<u>15</u>	<u>25</u>
TOTAL SUPPORT AND REVENUES	<u>4,515</u>	<u>10,282</u>
EXPENSES		
Outside contract services	15,000	15,000
Professional fees	4,858	3,360
Registration fees	<u>81</u>	<u>135</u>
TOTAL EXPENSES	<u>19,939</u>	<u>18,495</u>
CHANGE IN NET ASSETS	(15,424)	(8,213)
NET ASSETS AT BEGINNING OF YEAR	<u>209,216</u>	<u>217,429</u>
NET ASSETS AT END OF YEAR	\$ <u>193,792</u>	\$ <u>209,216</u>

See accompanying notes to financial statements

CAYUGA COUNTY DEVELOPMENT CORPORATION
Statement of Cash Flows
For the Year Ended December 31, 2017
(With Comparative Totals For the Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (15,424)	\$ (8,213)
Changes in assets and liabilities:		
(Increase) decrease in:		
Loan receivable	12,113	(134,101)
Increase (decrease) in:		
Accounts payable	<u>(80)</u>	<u>80</u>
Net (used) by operating activities	<u>(3,391)</u>	<u>(142,234)</u>
NET (DECREASE) IN CASH	(3,391)	(142,234)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>75,195</u>	<u>217,429</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>71,804</u></u>	\$ <u><u>75,195</u></u>
 SUPPLEMENTAL DISCLOSURES		
Interest paid - cash basis	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Taxes paid - cash basis	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

See accompanying notes to financial statements

CAYUGA COUNTY DEVELOPMENT CORPORATION

Notes to Financial Statements

NOTE A ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Cayuga County Development Corporation is a local development corporation, registered under nonprofit law. The purpose of the corporation is to relieve and reduce unemployment; promote and provide for additional employment and maintain job opportunities; lessen the burden of government and act in the public interest. The corporation is a separate legal entity, whose sole member is the County of Cayuga, which appoints the Corporation's Board.

Basis of Accounting

The financial statements of Cayuga County Development Corporation have been prepared on the accrual basis of accounting and reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Corporation 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.

Use of Estimates

The preparation of financial statements in conformity with 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. There were no temporarily or permanently restricted net assets at December 31, 2017.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and is not classified as a private foundation. Therefore, no provision for income taxes has been included in the financial statements. In accordance with FASB ASC 740, Income Taxes, the Organization recognizes the tax benefits from uncertain tax positions only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. There are no such uncertain tax positions for the Organization for the year ended December 31, 2017. The Organization's income tax filings are subject to audit by various taxing authorities.

Comparative data

The financial information for the year ended December 31, 2016, presented for comparative purposes, is not intended to be a complete financial statement presentation.

CAYUGA COUNTY DEVELOPMENT CORPORATION
Notes to Financial Statements

NOTE B LOAN RECEIVABLE

As of December 31, loan receivable consisted of:

	2017	2016
Original loan of \$140,000 to be paid back in monthly installments of \$1,384, including interest at 3.5% through June 2026.	\$ <u>121,988</u>	\$ <u>134,101</u>

Maturities of loan receivable at December 31, 2017 is as follows:

2018	\$ 12,533
2019	12,979
2020	13,440
2021	13,919
2022	14,414
Thereafter	<u>54,703</u>
	<u>\$ 121,988</u>

NOTE C SUBSEQUENT EVENTS

The Organization has evaluated events and transactions that occurred between January 1, 2018 and February 2, 2018, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. No additional matters were identified for recognition or disclosure.