



ONONDAGA CIVIC DEVELOPMENT CORPORATION

(A component unit of the County of Onondaga, New York)

FINANCIAL STATEMENTS

December 31, 2019 and 2018

ONONDAGA CIVIC DEVELOPMENT CORPORATION

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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Onondaga Civic Development Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Onondaga Civic Development Corporation, a component unit of the County of Onondaga, New York as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Corporation'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 opinions 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 audits 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 opinions.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Onondaga Civic Development Corporation, as of December 31, 2019 and 2018, and the respective changes in financial position and, cash flows thereof for the years 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's discussion and analysis on pages 4 through 6 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 sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purposes of forming an opinion on the financial statements that collectively comprise the Onondaga Civic Development Corporation's basic financial statements. The combining statement of net position, combining statement of activities and changes in net position and combining statement of cash flows-proprietary fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statement of net position as of December 31, 2019 and 2018, combining statement of activities and changes in net position and combining statement of cash flows-proprietary fund for the years ended December 31, 2019 and 2018 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of net position as of December 31, 2019 and 2018, combining statement of activities and changes in net position and combining statement of cash flows-proprietary fund for the year ended December 31, 2019 and 2018 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2020, on our consideration of the Onondaga Civic Development Corporation 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 the Corporation's internal control over financial reporting and compliance.



Syracuse, New York
March 18, 2020

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Management's Discussion and Analysis (unaudited)

As management of the Onondaga Civic Development Corporation ("OCDC"), we offer readers of this Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal years ended December 31, 2019 and 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements.

FINANCIAL HIGHLIGHTS

- OCDC primarily receives revenues from project and application fees. During 2019 there was two project fees of \$291,250 from the Crouse Project series 2019 bonds and \$110,000 of Mesa project fees. OCDC also received monies related to its management of the Hancock Airpark whereby rental income of \$33,400 was earned and a parcel sale resulted in income of \$278,686.
- The Corporation had six service agreement payments with various organizations in Onondaga County totaling \$156,145 in 2019. Significant service agreement payments of \$50,000 were made to Crouse Health Hospital, \$25,000 to the Rescue Mission, \$20,000 to LeMoyne College, \$53,645 to the Research Foundation of SUNY and \$7,500 to Hack Upstate LLC.
- The Corporations net position increased (decreased) by \$288,380 and (\$178,176) in 2019 and 2018, respectively. The increase in 2019 from primary operations was primarily due to project fees received in 2019. In addition, the Hancock Airpark's net position increased \$280,128 primarily due to a parcel sale at the Airpark totaling \$278,686 and rental income of \$33,400 offset by operating expenses of the Airpark.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Management's Discussion and Analysis (unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The Statement of Activities presents information showing how the Corporation's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Both of the government-wide financial statements report only business-type (proprietary) activities, since none of the Corporation's activities are considered to be governmental activities supported primarily by taxes.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other component units of state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Corporation does not have any finance-related legal requirements for funds, as such maintains its books and records consistent with other proprietary funds, which is on a basis consistent with business-type activities. The Corporation's financial statements are considered a proprietary fund (enterprise fund) which is the same information as presented within the Statements of Net Position and Statements of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 11 through 19 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Corporation's financial position. In the case of the OCDC, assets exceeded liabilities by \$886,513 and \$598,133 as of December 31, 2019 and 2018, respectively. This net position balance primarily represents cash and cash equivalents of \$822,771 whereby \$389,304 may be used by the Corporation for future economic development needs as more fully described in the Corporation's mission statement and \$349,310 may be used for the Hancock Airpark operations. The Corporation's only fund is treated as a proprietary (business-type) fund.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Management's Discussion and Analysis (unaudited)

The following are summarized versions of the government-wide financial statements for past three years:

	Net Position		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 822,771	\$ 570,581	\$ 968,152
Accounts receivable and prepaid rent	15,376	31,414	252
Loan receivable, net	118,603	140,473	15,473
Capital assets, net	13,920	8,917	1,776
Total assets	<u>\$ 970,670</u>	<u>\$ 751,385</u>	<u>\$ 985,653</u>
Due to Onondaga County Office of Economic Development	\$ 83,382	\$ 32,854	\$ 68,805
Due to Onondaga County Industrial Development Agency	-	114,916	128,295
Accounts payable	775	3,482	10,244
Deposit Payable	-	2,000	2,000
Total liabilities	<u>\$ 84,157</u>	<u>\$ 153,252</u>	<u>\$ 209,344</u>
Net position	<u>\$ 886,513</u>	<u>\$ 598,133</u>	<u>\$ 776,309</u>

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Management's Discussion and Analysis (unaudited)

Change in Net Position			
	2019	2018	2017
Revenue and other support:			
Project fees	\$ 403,750	\$ 124,725	\$ -
Application fees	1,500	1,000	500
Interest income	2,238	3,889	11,075
Rental income	94,351	45,170	45,840
Rental income, related party	-	58,881	-
Sale of property	278,686	22,298	41,723
Other investment income	-	87	59,242
Other income - pass through	3,261	162	14,914
Miscellaneous	5,351	3,204	1,601
Total revenue and other support	<u>789,137</u>	<u>259,416</u>	<u>174,895</u>
Expenses:			
Service contracts	156,145	167,300	95,000
Onondaga County Office of Economic Development	172,610	64,922	84,753
Rent, parking, utilities	123,349	122,533	124,575
Professional services	21,764	47,886	24,465
Marketing	97	149	1,321
Insurance	1,613	2,077	4,295
Repairs, maintenance and site preparation	14,335	21,654	46,478
Depreciation	2,014	921	9,128
Travel, meetings and conferences	-	-	100
Office expenses	7,607	8,105	4,567
Other expenses - pass through	-	162	14,914
Bank and other fees	-	144	70
Miscellaneous	1,223	1,739	1,180
Total expenses	<u>500,757</u>	<u>437,592</u>	<u>410,846</u>
Change in net position	288,380	(178,176)	(235,951)
Net position at beginning of year	598,133	776,309	1,012,260
Net position at end of year	<u>\$ 886,513</u>	<u>\$ 598,133</u>	<u>\$ 776,309</u>

REQUEST FOR INFORMATION

This financial report is designed to provide readers with a general overview of the Corporation's finances. If you have questions about this report or need additional information, contact the Corporation's board at the Onondaga Civic Development Corporation, 333 W. Washington Street, Suite 130, Syracuse, NY 13202.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Statements of Net Position

ASSETS		
	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 822,771	\$ 570,581
Accounts receivable	15,292	31,330
Loan receivable	106,400	140,473
Prepaid rent	84	84
Total current assets	<u>944,547</u>	<u>742,468</u>
Loan receivable	12,203	-
Capital assets, net	<u>13,920</u>	<u>8,917</u>
Total assets	<u>\$ 970,670</u>	<u>\$ 751,385</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Due to Onondaga Office of Economic Development	\$ 83,382	\$ 32,854
Accounts payable	775	2,000
Deposit Payable	-	3,482
	<u>84,157</u>	<u>38,336</u>
Due to Onondaga County Industrial Development Agency	-	114,916
Total liabilities	<u>84,157</u>	<u>153,252</u>
Net position		
Net investment in capital assets	13,920	8,917
Restricted for contracts	1,500	1,500
Restricted for Hancock Airpark	349,394	69,266
Unrestricted	521,699	518,450
Total net position	<u>886,513</u>	<u>598,133</u>
	<u>\$ 970,670</u>	<u>\$ 751,385</u>

The accompanying notes are an integral part of the financial statements

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Statements of Activities and Changes in Net Position

	Years ended December 31,	
	2019	2018
Revenue and other support:		
Project fees	\$ 403,750	\$ 124,725
Application fees	1,500	1,000
Interest income	2,238	3,889
Rental income	94,351	45,170
Rental income - related party	-	58,881
Sale of property	278,686	22,298
Other investment income	-	87
Other income - pass through	3,261	162
Miscellaneous Income	5,351	3,204
Total revenue and other support	<u>789,137</u>	<u>259,416</u>
Expenses:		
Service contracts	156,145	167,300
Onondaga County Office of Economic Development	172,610	64,922
Rent, parking, utilities	123,349	122,533
Professional services	21,764	47,886
Marketing	97	149
Insurance	1,613	2,077
Repairs, maintenance and site preparation	14,335	21,654
Depreciation	2,014	921
Office expenses	7,607	8,105
Other expenses - pass through	-	162
Bank and other fees	-	144
Miscellaneous	1,223	1,739
Total expenses	<u>500,757</u>	<u>437,592</u>
Change in net position	288,380	(178,176)
Net position at beginning of year	<u>598,133</u>	<u>776,309</u>
Net position at end of year	<u>\$ 886,513</u>	<u>\$ 598,133</u>

The accompanying notes are an integral part of the financial statements

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Statements of Cash Flows - Proprietary Fund

	Years ended December 31,	
	2019	2018
Cash flows from operating activities:		
Inflows -		
Project fees	\$ 403,750	\$ 124,725
Application fees	1,500	1,000
Interest received	3,889	3,889
Rental payments	94,351	104,051
Sale of property	278,686	22,298
Other investment	-	87
Other - pass through	3,261	162
Miscellaneous Income	5,351	3,204
Service contracts	(156,145)	(167,300)
Onondaga County Office of Economic Development	(287,526)	(145,414)
Rent, parking, utilities	(59,490)	(122,533)
Professional services	(21,764)	(47,886)
Other services	(28,526)	(40,792)
Net cash (used) by operating activities*	<u>237,337</u>	<u>(264,509)</u>
Cash flows from capital activities:		
Outflows -		
Acquisition of capital assets	(7,017)	(8,062)
Net cash used in capital activities	<u>(7,017)</u>	<u>(8,062)</u>
Cash flows from financing activities:		
Inflows -		
Loan payments received - Sly Tech	3,270	-
Loan Payments received- Huntley Loan	125,000	-
Outflows -		
Loan issued	(106,400)	(125,000)
Deposits refunded	-	-
Net cash used by financing activities	<u>21,870</u>	<u>(125,000)</u>
Net (decrease) in cash and cash equivalents	252,190	(397,571)
Cash - Beginning of year	570,581	968,152
Cash - End of year	<u>\$ 822,771</u>	<u>\$ 570,581</u>
*Reconciliation of change in net position to net cash provided by operating activities:		
Change in net position:	\$ 288,380	\$ (178,176)
Depreciation	2,014	921
Changes in operating assets and liabilities:		
Accounts receivable	16,038	(31,162)
Due to Onondaga Economic Development	50,528	(35,951)
Due to Onondaga County Industrial Development Agency	(114,916)	(13,379)
Accounts payable	(4,707)	(6,762)
Net cash (used) / provided by operating activities	<u>\$ 237,337</u>	<u>\$ (264,509)</u>

The accompanying notes are an integral part of the financial statements

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

The Onondaga Civic Development Corporation (“OCDC” / “Corporation”) was organized to stimulate economic growth and/or lessen the burdens of government through facilitating investments that will promote job creation/retention, improve the quality of life of Onondaga County citizens, generate prosperity, and/or encourage economic vibrancy for Onondaga County as a whole, by using available incentives including the issuance of negotiable bonds for Onondaga County’s non-profit organizations as set forth more fully in Section 1411(a) of the Not-for-Profit Laws of the State of New York.

OCDC is considered a public authority and is subject to rules and regulations of the New York State Public Authorities Act of 2009. The Corporation must provide various reports to New York State officials on a frequent basis. Failure to follow public authority regulations or to provide accurate and timely information to the New York State officials could impair the ability for the Corporation to act under the public authority laws of the State of New York.

Basis of Presentation

OCDC is considered a governmental entity for accounting and financial reporting purposes. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. OCDC is considered a component unit of the County of Onondaga, New York and is presented as a discrete component unit in the County of Onondaga, New York's financial statements.

Governance

OCDC is managed by a Board of Directors which establishes the general policies governing the organization. The Board of Directors is comprised of seven voting directors whereby three are appointed by the chairman of the Onondaga County Legislature, three are appointed by the Onondaga County Executive and one additional director jointly appointed by the Onondaga County Legislature and County Executive all subject to confirmation by the Onondaga County Legislature.

Annual Budgets

OCDC is required to provide to the New York State authorities budget office an annual budget on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year. This budget is submitted to the authority’s budget office and can be found on the Corporation’s website at <http://www.ongoved.com>.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentration of credit risk consist principally of cash and cash equivalents. The Corporation places its temporary cash investments with limited financial institutions and at various times these investments exceed the Federal Deposit Insurance Corporation limits.

Cash and Cash Equivalents

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents.

All deposits of the Corporation, including certificates of deposit and special time deposits in excess of the amount insured under the Federal Deposit Insurance Act (FDIC) shall be secured by eligible collateral. Eligible collateral is defined as consisting of any one, or combination, of the following: (a) pledge of eligible securities with an aggregate market value as provided by General Municipal Law equal to the aggregate amount of deposits or (b) by an eligible surety bond payable to the Corporation for an amount equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The Corporation has an excess amount of \$92,110 and \$91,768 held in two separate banks in excess of the FDIC insured amounts as of December 31, 2019 and 2018, respectively. This excess amount is collateralized by securities held by the pledging financial institution.

Property and Equipment

Property is recorded at cost at the date of acquisition if purchased or fair market value at the date of donation in the case of gifts. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Corporation is a not-for-profit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a) of the Code. The Corporation also believes that none of its activities are subject to unrelated business income tax, therefore no provision for such income tax has been made in the financial statements for the years ended December 31, 2019 and 2018.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Corporation recognizes project fee revenue related to a bond closing at the time of the bond closing. All project fees are considered to be operating revenues.

Service Contracts

The Corporation enters into contractual agreements with various entities through its Economic Growth Support Fund. All service contracts are approved by the Board of Directors and must comply with the Corporations guidelines for such service contracts. These service contracts have service conditions that must be met for payment.

Use of Estimates

The preparation of financial statements in conformity 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 and for the reporting period and as of the financial statement date. Actual results may differ from these estimates.

Risks and Uncertainties

Investment securities (including cash equivalents) are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the Statements of Financial Position and the Statements of Activities.

Loan Receivable and Loan Loss Reserve

The Corporation has loan receivables from third parties.

The Corporation assumed the loan guarantee obligation of another entity in 2012 as this other entity was dissolved in 2012. Upon the dissolution, this other entity provided \$54,200 to the Corporation which is restricted for potential loan losses that the Corporation guarantees. If these loans are defaulted on by the primary borrower, the Corporations guarantee would require the Corporation to make payments on such loans in accordance with the guarantee agreement.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Loan Receivable and Loan Loss Reserve (continued)

A summary of the outstanding loans are as follows:

	<u>2019</u>	<u>2018</u>
Town of Skaneateles	\$ 106,400	\$ -
Greater Syracuse Soundstage Corp	-	125,000
Sly Tech	44,910	48,180
Lite 4 Life	21,493	21,493
Reserve for loan loss	(54,200)	(54,200)
Total, net	<u>\$ 118,603</u>	<u>\$ 140,473</u>
Due within one year	\$ 106,400	\$ 140,473
Noncurrent portion, net	<u>12,203</u>	<u>-</u>
Total	<u>\$ 118,603</u>	<u>\$ 140,473</u>

2. Capital assets

Capital asset balances and activity for the year ended December 31, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are depreciated:				
Furniture and equipment	<u>\$ 60,750</u>	<u>\$ 7,017</u>	<u>\$ -</u>	<u>\$ 67,767</u>
Total depreciable historical cost	<u>60,750</u>	<u>7,017</u>	<u>-</u>	<u>67,767</u>
Less accumulated depreciation:				
Furniture and equipment	<u>(51,833)</u>	<u>(2,014)</u>	<u>-</u>	<u>(53,847)</u>
Total accumulated depreciation	<u>(51,833)</u>	<u>(2,014)</u>	<u>-</u>	<u>(53,847)</u>
Total historical cost, net	<u>\$ 8,917</u>	<u>\$ 5,003</u>	<u>\$ -</u>	<u>\$ 13,920</u>

Depreciation of \$2,014 and \$921 was expensed in 2019 and 2018, respectively.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Notes to Financial Statements

3. Investments

The Corporation has a written investment policy. This investment policy allows the Corporation to invest in a variety of appropriate investment vehicles, including but not limited to special time deposits, certificates of deposits, obligations of the United States of America, obligations guaranteed by agencies of the United States of America and obligations of the State of New York. All investments held on behalf of the Corporation shall be held in the custody of a bank or trust company and shall be held pursuant to a written custodial agreement. As of December 31, 2019 and 2018, all of the assets of the Corporation are invested within either a general checking account or a money market account which are considered cash and cash equivalents for financial statement reporting.

Investments are reported at fair value. The Corporation's investments are typically money market investments which are short-term, highly liquid debt instruments, including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. As of December 31, 2019, the Corporation's investments of \$342,110 were entirely held at one financial institution and were entirely money market funds. The money market investment is not rated by one of the independent rating agencies.

4. Lease Arrangement – Hancock Airpark

The Corporation entered into an economic development lease agreement with the County of Onondaga (a related party) related to property located in the Towns of Cicero and Dewitt, New York, also known as Hancock Airpark. Hancock Airpark is a 425 acre industrial and office park adjacent to the Hancock International Airport. The lease agreement was entered into to promote the economic development of the Airpark by the Corporation for approximately 50 acres of the Airpark.

The lease agreement allows for the Corporation to lease or sell property within the Airpark to third party commercial users of such property based on terms and conditions in the lease arrangement. The agreement requires the Corporation to transfer 60% of the net sale proceeds of property sales to the Onondaga County Industrial Development Agency up to a cumulative amount of \$348,387 (met in 2019). Any remaining net proceeds are restricted to be used for Airpark operations as defined by the agreement. The Corporation sold a parcel totaling \$278,687 in 2019 and transferred a total of \$114,916 to the Onondaga County Industrial Development Agency in accordance with the terms of the lease agreement.

The Corporation may also enter into subleases of the property with third party commercial users. All rentals received from such subleases are also restricted to be used for Airpark operations as defined by the agreement.

The lease agreement terminates upon the earliest of the following events: (a) December 31, 2019; or (b) sale of all the leased premises; or (c) dissolution or liquidation of the lessee. In the event of termination, the Corporation shall transfer to the County all net proceeds (restricted net assets) remaining. The Corporation has an option to renew the lease according to terms of the lease agreement and has renewed the lease. In addition, upon the initial lease agreement, the County transferred monies totaling \$85,821 to the Corporation which is restricted for purposes of operating the Airpark as defined by the agreement.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Notes to Financial Statements

5. Conduit Debt Obligations

OCDC has the ability to issue bonds which are deemed to be limited obligations of the Corporation. These bonds are considered to be limited obligations as the payments for such bonds are pledged from a source outside the Corporation which has the obligation to pay the principal and interest of such bonds. These bonds are paid solely from the net revenues and other funds of the Corporation pledged under terms of each individual bond indenture agreement. Since the Corporation does not have any obligation to repay the principal and interest of such bonds, the bonds are not reflected on the Statement of Net Position as long-term debt. As of December 31, 2019 and 2018, the Corporation has issued bonds with an aggregate principal amount outstanding of \$197,900,605 and \$162,501,511, respectively.

A summary of the conduit debt issued through the Corporation is as follows:

<u>Issuance Description</u>	<u>Date of Issuance</u>	<u>Principal at Issuance</u>	<u>Interest Rate(s)</u>	<u>Maturity Date</u>
Revenue Bonds, Series 2010 (Le Moyne College Project)	7/5/2010	\$ 25,000,000	4.625% to 5.375%	7/1/2040
Revenue Bonds, Series 2011 (Upstate Properties Development, Inc. Project)	11/30/2011	32,000,000	3.00% to 5.25%	12/1/2041
Revenue Bonds, Series 2012 (Le Moyne College Project)	10/30/2012	17,240,000	2% to 5%	7/1/2042
Revenue Bonds, Series 2014 (Jewish Home of Central New York, Inc. Project)	11/4/2014	20,410,000	1.75% to 5.50%	3/1/2034
Tax-Exempt Multi-modal Revenue Bonds, Series 2014 (YMCA of Greater Syracuse, Inc. Project)	7/15/2014	16,356,511	Variable	1/1/2041
Revenue Bonds Series 2015 (LeMoyne College Project)	7/30/2015	15,000,000	5.00%	7/1/2045
Tax-Exempt Bonds Series 2015A (Onondaga Community College Housing Development)	9/16/2015	25,090,000	2-5%	10/1/2040
Tax-Exempt Revenue Bonds (Dig Safely New York, Inc. Project) Series 2018	7/31/2018	6,000,000	Variable	7/1/2029
Revenue Refunding Bonds, Series 2018 (Le Moyne College Project)	3/28/2018	12,945,000	5.00%	1/1/2043
Tax-exempt Revenue Refunding Bonds, Series 2019A (Crouse Health Hospital, Inc. Project)	3/1/2019	22,915,000	4.44%	1/1/2035
Taxable Revenue Refunding Bonds, Series 2019B (Crouse Health Hospital, Inc. Project)	3/1/2019	725,000	5.67%	1/1/2020
Taxable Revenue Refunding Bonds, Series 2019C (Crouse Health Hospital, Inc. Project)	3/1/2019	5,485,000	6.26%	1/1/2027
Tax-Exempt Revenue Bonds, Series 2019A (MESA of N.Y., Inc. Project)	10/16/2019	2,430,000		
Tax-Exempt Revenue Bonds, Series 2019B (MESA of N.Y., Inc. Project)	10/16/2019	1,620,000		
Taxable Revenue Bonds, Series 2019C (MESA of N.Y., Inc. Project)	10/16/2019	4,170,000		
Taxable Revenue Bonds, Series 2019D (MESA of N.Y., Inc. Project)	10/16/2019	2,780,000		
		<u>\$ 210,166,511</u>		

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Notes to Financial Statements

5. Conduit Debt Obligations (continued)

A summary of the conduit debt activity for the year is as follows:

Issuance Description	Principal at 12/31/2018	Issuances	Principal Payments	Principal at 12/31/2019
Revenue Bonds, Series 2010 (Le Moyne College Project)	\$ 25,000,000	\$ -	\$ -	\$ 25,000,000
Revenue Bonds, Series 2011 (Upstate Properties Development, Inc. Project)	28,690,000	-	(690,000)	28,000,000
Revenue Bonds, Series 2012 (Le Moyne College Project)	16,985,000	-	(45,000)	16,940,000
Revenue Bonds, Series 2014 (Jewish Home of Central New York, Inc. Project)	19,410,000	-	(2,435,000)	16,975,000
Tax-Exempt Multi-modal Revenue Bonds, Series 2014 (YMCA of Greater Syracuse, Inc. Project)	14,736,511	-	(590,000)	14,146,511
Revenue Bonds Series 2015 (LeMoyne College Project)	15,000,000	-	-	15,000,000
Tax-Exempt Bonds Series 2015A (Onondaga Community College Housing Development)	23,735,000	-	(640,000)	23,095,000
Tax-Exempt Revenue Bonds (Dig Safely New York, Inc. Project) Series 2018	6,000,000	-	(80,906)	5,919,094
Revenue Refunding Bonds, Series 2018 (Le Moyne College Project)	12,945,000	-	(245,000)	12,700,000
Tax-exempt Revenue Refunding Bonds, Series 2019A (Crouse Health Hospital, Inc. Project)	-	22,915,000	-	22,915,000
Taxable Revenue Refunding Bonds, Series 2019B (Crouse Health Hospital, Inc. Project)	-	725,000	-	725,000
Taxable Revenue Refunding Bonds, Series 2019C (Crouse Health Hospital, Inc. Project)	-	5,485,000	-	5,485,000
Tax-Exempt Revenue Bonds, Series 2019A (MESA of N.Y., Inc. Project)	-	2,430,000	-	2,430,000
Tax-Exempt Revenue Bonds, Series 2019B (MESA of N.Y., Inc. Project)	-	1,620,000	-	1,620,000
Taxable Revenue Bonds, Series 2019C (MESA of N.Y., Inc. Project)	-	4,170,000	-	4,170,000
Taxable Revenue Bonds, Series 2019D (MESA of N.Y., Inc. Project)	-	2,780,000	-	2,780,000
	<u>\$ 162,501,511</u>	<u>\$ 40,125,000</u>	<u>\$ (4,725,906)</u>	<u>\$ 197,900,605</u>

6. Related Party Transactions

The Corporation has entered into an agreement with Onondaga County Office of Economic Development to provide staffing and other support costs for all of the Corporation's activities. The contract totaled \$172,610 and \$64,922 in 2019 and 2018, respectively. This contract is all-inclusive for employee salaries and related fringe benefits; as such no salaries or benefits are recorded individually on the financial statements of the Corporation. Under terms of the contract, Onondaga County Office of Economic Development is the legally responsible entity to make such fringe benefit and salary payments. In addition, agreements with both Onondaga County and the Onondaga County Industrial Development Agency allows for marketing related expenses to be evenly allocated amount the Corporation and these two related entities.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

Notes to Financial Statements

7. Lease Commitments

The Corporation entered into an agreement leasing office space in June 2011. The terms of the lease require monthly minimum payments of \$10,004. The lease agreement expires June 2021 with the option to extend the term for two successive periods of five years each. The first renewal term requires monthly payments of \$10,421 while the second renewal term requires monthly payments of \$10,838. The Corporation must exercise its option to renew at least 12 months prior to the expiration of the current lease term. Rent expense was \$117,682 and \$117,762 as of December 31, 2019 and 2018, respectively.

Total future minimum lease commitments are as follows:

Year ending December 31,	Amount
2020	120,048
2021	120,048
2022	<u>60,024</u>
Total	<u>\$ 300,120</u>

The Corporation has a one-time option to terminate the lease as of the end of the 5th through 9th year of the lease term. The Corporation may elect this one-time option by notifying the lessor 6 months prior to the effective termination date and by paying a termination fee of \$106,125 at the time of the election. The above minimum lease commitment schedule assumes the Corporation will not elect the option to terminate the lease early.

In addition, the Onondaga County Industrial Development Agency (OCIDA), a related party, entered into an agreement with the Corporation to fund a portion of the lease based on an allocation determined by the two entities. The amount funded by OCIDA was \$60,951 and \$58,881, for the year ended December 31, 2019 and 2018, respectively.

8. Subsequent Events

In preparing financial statements, management of the Corporation has evaluated events and transactions for potential recognition or disclosure through March 18, 2020, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

ONONDAGA CIVIC DEVELOPMENT CORPORATION
Combining Statement of Net Position
December 31, 2019

	Primary Operations	Hancock Airpark	Total
Current assets:			
Cash and cash equivalents	\$ 473,461	\$ 349,310	\$ 822,771
Accounts receivable	15,292	-	15,292
Loans receivable, net	106,400	-	106,400
Prepaid rent	-	84	84
Total current assets	<u>595,153</u>	<u>349,394</u>	<u>944,547</u>
Loans receivable	12,203	-	12,203
Capital assets, net	<u>13,920</u>	<u>-</u>	<u>13,920</u>
			-
Total assets	<u>\$ 621,276</u>	<u>\$ 349,394</u>	<u>\$ 970,670</u>
Current liabilities:			
Due to Onondaga Office of Economic Development	\$ 83,382	\$ -	\$ 83,382
Deposit Payable	-	-	-
Accounts payable	775	-	775
	<u>84,157</u>	<u>-</u>	<u>84,157</u>
Due to Onondaga County Industrial Development Agency	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>84,157</u>	<u>-</u>	<u>84,157</u>
Net position			
Net investment in capital assets	13,920	-	13,920
Restricted for contracts	1,500	-	1,500
Restricted for Hancock Park	-	349,394	349,394
Unrestricted	523,199	-	523,199
Total net position	<u>538,619</u>	<u>349,394</u>	<u>888,013</u>
	<u>\$ 622,776</u>	<u>\$ 349,394</u>	<u>\$ 972,170</u>

The accompanying notes are an integral part of the financial statements

ONONDAGA CIVIC DEVELOPMENT CORPORATION
Combining Statement of Net Position
December 31, 2018

	Primary Operations	Hancock Airpark	Total
Current assets:			
Cash and cash equivalents	\$ 386,483	\$ 184,098	\$ 570,581
Accounts receivable	31,330	-	31,330
Loans receivable, net	140,473	-	140,473
Prepaid rent	-	84	84
Total current assets	<u>558,286</u>	<u>184,182</u>	<u>742,468</u>
Loans receivable	-	-	-
Capital assets, net	<u>8,917</u>	<u>-</u>	<u>8,917</u>
			-
Total assets	<u>\$ 567,203</u>	<u>\$ 184,182</u>	<u>\$ 751,385</u>
Current liabilities:			
Due to Onondaga Office of Economic Development	\$ 32,854	\$ -	\$ 32,854
Deposit Payable	2,000	-	2,000
Accounts payable	3,482	-	3,482
	<u>38,336</u>	<u>-</u>	<u>38,336</u>
Due to Onondaga County Industrial Development Agency	<u>-</u>	<u>114,916</u>	<u>114,916</u>
Total liabilities	<u>38,336</u>	<u>114,916</u>	<u>153,252</u>
Net position			
Net investment in capital assets	8,917	-	8,917
Restricted for contracts	1,500	-	1,500
Restricted for Hancock Park	-	69,266	69,266
Unrestricted	518,450	-	518,450
Total net position	<u>528,867</u>	<u>69,266</u>	<u>598,133</u>
	<u>\$ 567,203</u>	<u>\$ 184,182</u>	<u>\$ 751,385</u>

The accompanying notes are an integral part of the financial statements

ONONDAGA CIVIC DEVELOPMENT CORPORATION
Combining Statement of Activities and Changes in Net Position
For the Year Ended December 31, 2019

	Primary Operations	Hancock Airpark	Total
Revenue and other support:			
Project fees	\$ 403,750	\$ -	\$ 403,750
Application fees	1,500	-	1,500
Interest income	2,238	-	2,238
Rental income	60,951	33,400	94,351
Sale of property	-	278,686	278,686
Other investment income	-	-	-
Other income - pass through	3,261	-	3,261
Miscellaneous income	5,180	171	5,351
Total revenue and other support	476,880	312,257	789,137
Expenses:			
Service contracts	156,145	-	156,145
Onondaga County Office of Economic Development	172,610	-	172,610
Onondaga County Industrial Development Agency	-	-	-
Rent, parking, utilities	117,682	5,667	123,349
Professional services	10,444	11,320	21,764
Marketing	97	-	97
Insurance	1,613	-	1,613
Repairs, maintenance and site preparation	-	14,335	14,335
Depreciation	2,014	-	2,014
Travel, meetings and conferences	-	-	-
Office expenses	7,569	38	7,607
Other expenses - pass through	-	-	-
Bank charges	-	-	-
Miscellaneous	454	769	1,223
Total expenses	468,628	32,129	500,757
Change in net position	8,252	280,128	288,380
Net position at beginning of year	528,867	69,266	598,133
Net position at end of year	\$ 537,119	\$ 349,394	\$ 886,513

The accompanying notes are an integral part of the financial statements

ONONDAGA CIVIC DEVELOPMENT CORPORATION
Combining Statement of Activities and Changes in Net Position
For the Year Ended December 31, 2019

	Primary Operations	Hancock Airpark	Total
Cash flows from operating activities:			
Inflows -			
Project fees	\$ 403,750	\$ -	\$ 403,750
Application fees	1,500	-	1,500
Interest received	3,889	-	3,889
Rental payments	60,951	33,400	94,351
Sale of property	-	278,686	278,686
Other investment	-	-	-
Other - pass through	3,261	-	3,261
Miscellaneous Income	5,180	171	5,351
Outflows -			
Service contracts	(156,145)	-	(156,145)
Onondaga County Office of Economic Development	(172,610)	(114,916)	(287,526)
Rent, parking, utilities	(53,823)	(5,667)	(59,490)
Professional services	(10,444)	(11,320)	(21,764)
Other services	(13,384)	(15,142)	(28,526)
Net cash used by operating activities*	<u>72,125</u>	<u>165,212</u>	<u>237,337</u>
Cash flows from capital activities:			
Outflows -			
Acquisition of capital assets	(7,017)	-	(7,017)
Net cash used in capital activities	<u>(7,017)</u>	<u>-</u>	<u>(7,017)</u>
Cash flows from financing activities:			
Inflows -			
Loan payments received - Light 4 Life	-	-	-
Loan payments received - Sly Tech	3,270	-	3,270
Loan Payments received	125,000	-	125,000
Outflows -			
Loan issued - Town of Skaneateles	(106,400)	-	(106,400)
Deposits refunded	-	-	-
Net cash provided by financing activities	<u>21,870</u>	<u>-</u>	<u>21,870</u>
Net decrease in cash and cash equivalents	86,978	165,212	252,190
Cash - Beginning of year	386,483	184,098	570,581
Cash - End of year	<u>\$ 473,461</u>	<u>\$ 349,310</u>	<u>\$ 822,771</u>

***Reconciliation of change in net position to net cash provided by operating activities:**

Change in net position:	\$ 8,252	\$ 280,128	\$ 288,380
Depreciation	2,014	-	2,014
Changes in operating assets and liabilities:			
Accounts receivable	16,038	-	16,038
Due to Onondaga Economic Development	50,528	-	50,528
Due to Onondaga County Industrial Development Agency	-	(114,916)	(114,916)
Accounts payable and deposits	(4,707)	-	(4,707)
Net cash used by operating activities	<u>\$ 72,125</u>	<u>\$ 165,212</u>	<u>\$ 237,337</u>

The accompanying notes are an integral part of the financial statements

ONONDAGA CIVIC DEVELOPMENT CORPORATION
Combining Statement of Cash Flows – Proprietary fund
For the Year Ended December 31, 2018

	Primary Operations	Hancock Airpark	Total
Cash flows from operating activities:			
Inflows -			
Project fees	\$ 124,725	0	\$ 124,725
Application fees	1,000	-	1,000
Interest received	3,889	-	3,889
Rental payments	58,881	45,170	104,051
Sale of property	-	22,298	22,298
Other investment	87	-	87
Other - pass through	162	-	162
Miscellaneous Income	3,204	-	3,204
Outflows -			
Service contracts	(167,300)	-	(167,300)
Onondaga County Office of Economic Development	(132,035)	(13,379)	(145,414)
Rent, parking, utilities	(117,762)	(4,771)	(122,533)
Professional services	(16,600)	(31,286)	(47,886)
Other services	(18,388)	(22,404)	(40,792)
Net cash (used in) provided by operating activities*	<u>(260,137)</u>	<u>(4,372)</u>	<u>(264,509)</u>
Cash flows from capital activities:			
Outflows -			
Acquisition of capital assets	(8,062)	-	(8,062)
Net cash used in capital activities	<u>(8,062)</u>	<u>-</u>	<u>(8,062)</u>
Cash flows from financing activities:			
Inflows -			
Loan payments received - Light 4 Life	-	-	-
Loan payments received - Sly Tech	-	-	-
Loan payment received - Strathmore Huntley Loan	-	-	-
Outflows -			
Loan issued - GSDC	(125,000)	-	(125,000)
Deposits refunded	-	-	-
Net cash provided by financing activities	<u>(125,000)</u>	<u>-</u>	<u>(125,000)</u>
Net (decrease) increase in cash and cash equivalents	(393,199)	(4,372)	(397,571)
Cash - Beginning of year	779,682	188,470	968,152
Cash - End of year	<u>\$ 386,483</u>	<u>\$ 184,098</u>	<u>\$ 570,581</u>
*Reconciliation of change in net position to net cash provided by operating activities:			
Change in net position:	\$ (187,183)	\$ 9,007	\$ (178,176)
Depreciation	921	-	921
Changes in operating assets and liabilities:			
Accounts receivable	(31,162)	-	(31,162)
Due to Onondaga Economic Development	(35,951)	-	(35,951)
Due to Onondaga County Industrial Development Agency	-	(13,379)	(13,379)
Accounts payable	(6,762)	-	(6,762)
Net cash provided by operating activities	<u>\$ (260,137)</u>	<u>\$ (4,372)</u>	<u>\$ (264,509)</u>

The accompanying notes are an integral part of the financial statements