

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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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

To the Board of Directors of the County of Rockland
Industrial Development Agency
New City, New York

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 County of Rockland Industrial Development Agency (a public benefit corporation), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Rockland Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Rockland Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 County of Rockland Industrial Development 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RRC CPAs P.C.

RRC CPA's, P.C.
Orangeburg, NY 10962
March 23, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
County of Rockland Industrial Development Agency
New City, New York

We have audited the accompanying comparative financial statements of County of Rockland Industrial Development Agency (a public benefit corporation), which comprise the statement of financial position as of December 31, 2019, and December 31, 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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.

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 County of Rockland Industrial Development Agency as of December 31, 2019 and December 31, 2018, and the changes in its net assets and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2020, on our consideration of County of Rockland Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Rockland Industrial Agency's internal control over financial reporting and compliance.

RRC CPAs P.C.

RRC CPAs P.C.
Orangeburg, NY 10962
March 23, 2020

COUNTY OF ROCKLAND INDUSTRIAL DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

The following Management's Discussion and Analysis (MD&A) of the County of Rockland Industrial Development Corporation's (the CORIDA's) financial statements provides an overview of the CORIDA's financial activities for the years ended December 31, 2019 and 2018. The MD&A should be read in conjunction with the CORIDA's financial statements and related notes, which follow the MD&A.

The purpose of the CORIDA is to provide financial assistance to small job creating businesses that demonstrate a need for financing which cannot be met entirely from conventional financing sources.

FINANCIAL HIGHLIGHTS

- The CORIDA's net assets decreased by \$43,140 and \$188,966 in 2019 and 2018 respectively, as the results of the individual years' operations.
- The assets of the CORIDA exceeded its liability by \$2,541,774 and \$2,584,914 at December 31, 2019 and 2018 respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The statements of financial position and the statement of activities and cash flows report information about the CORIDA as a whole, and about its activities. These statements include all assets and liabilities using the accrual basis of accounting. Revenue and expenses are recorded when earned and incurred, respectively, regardless of when cash is received or paid.

These statements report the CORIDA's net assets and changes in them from one year to the next. The CORIDA's net assets, the difference between assets and liabilities, are one way to measure the CORIDA's financial health, or financial position. Over time, increases or decreases in the CORIDA's net assets are one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other factors, such as changes in the CORIDA's income and the fluctuation of the CORIDA's expenses, to assess the overall health of the CORIDA.

NOTES TO FINANCIAL STATEMENTS

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

OTHER INFORMATION FOR 2019

- Total revenues increased by \$142,685 in 2019 due to an increase in agency fees.
- Total expenses decreased by \$3,141 in 2019 primarily due to a decrease in advertising and information technology expenses.

REQUEST FOR INFORMATION

This financial report is designed to provide financial statement users with a general overview of the CORIDA's finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact the County of Rockland Industrial Development Corporation's Executive Director at 67 North Main Street, 3rd Floor, New City, New York, 10956.

**COUNTY OF ROCKLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31,**

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,539,894	\$ 2,579,754
Accounts Receivable	5,700	5,700
Prepaid Expenses	850	750
TOTAL CURRENT ASSETS	2,546,444	2,586,204
TOTAL ASSETS	\$ 2,546,444	\$ 2,586,204
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accrued Expenses	\$ 4,670	\$ 1,290
TOTAL CURRENT LIABILITIES	4,670	1,290
TOTAL LIABILITIES	4,670	1,290
NET ASSETS - WITHOUT DONOR RESTRICTIONS	2,541,774	2,584,914
TOTAL LIABILITIES AND NET ASSETS	\$ 2,546,444	\$ 2,586,204

**COUNTY OF ROCKLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,**

	2019	2018
REVENUES, GAINS, AND OTHER SUPPORT		
Agency Fees	\$ 195,232	\$ 59,774
Investment Income	<u>24,862</u>	<u>17,635</u>
 TOTAL REVENUES, GAINS AND OTHER SUPPORT	 <u>220,094</u>	 <u>77,409</u>
 EXPENSES		
Salaries	144,113	140,061
Payroll Taxes	10,525	10,189
Other fringe benefits	9,452	9,456
Advertising	-	1,700
Administrative Support	161	180
Dues	2,885	2,250
Insurance	4,945	6,222
Pension	16,694	16,207
Meetings/Conference Expenses/Travel	11,721	12,851
Office Supplies/Payroll Service Fees	1,333	1,834
Information Technology	13,719	14,220
Professional Services	10,606	12,172
Legal Notices/Legal Fees	1,080	3,033
Rent	<u>36,000</u>	<u>36,000</u>
 TOTAL EXPENSES	 <u>263,234</u>	 <u>266,375</u>
 CHANGE IN NET ASSETS	 (43,140)	 (188,966)
NET ASSETS, BEGINNING OF YEAR - WITHOUT DONOR RESTR	<u>2,584,914</u>	<u>2,773,880</u>
NET ASSETS, END OF YEAR - WITHOUT DONOR RESTRICTION	<u>\$ 2,541,774</u>	<u>\$ 2,584,914</u>

COUNTY OF ROCKLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ (43,140)	\$ (188,966)
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
(Increase)/Decrease in Operating Assets:		
Prepaid Expenses	(100)	(750)
Increase/(Decrease) in Operating Liabilities:		
Accrued Expenses	3,380	1,290
<u>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</u>	<u>(39,860)</u>	<u>(188,426)</u>
<u>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(39,860)	(188,426)
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>2,579,754</u>	<u>2,768,180</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 2,539,894</u>	<u>\$ 2,579,754</u>

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Rockland Industrial Development Agency (the Agency), was created in 1981 by the Legislature of Rockland County under the provision of Chapter 25, Article 18A and Section 925-1 of the 1969 Laws of New York State. Its purpose is to develop economically sound commerce and industry by providing financial incentives and inducements that will result in business establishment, relocation to or expansion in Rockland County. The Agency, considered a component unit of the County of Rockland, is a separate entity and operated independently of the County of Rockland.

BASIS OF ACCOUNTING

The books of the Agency are maintained on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

CASH AND CASH EQUIVALENTS

The Agency considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

USE OF ESTIMATES

The preparation of the financial statement in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – INVESTMENT POLICIES

The Agency's investment policies are governed by State statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at (105%) of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of the State and its municipalities and school districts.

The Agency's cash accounts are fully insured and/or collateralized as required by its investment policy.

**COUNTY OF ROCKLAND
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NOTES TO FINANCIAL STATEMENTS
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NOTE C – INDUSTRIAL DEVELOPMENT AGENCY BONDS

Certain industrial development revenue bonds and notes issued by the Agency are secured property which is leased to companies and is retired by lease payments. The bonds and notes which are special purpose non-recourse moral obligation bonds, and are not obligations of the County or the State. Furthermore, they are non-recourse as to the Agency. The bondholders and Mortgagees' sole recourse in a default is against the underlying project. The Agency does not record assets or liabilities, resulting from completed bond and note issues in its accounts as its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as trustees and fiscal agents. For providing this service, the Agency receives administrative fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

NOTE D – EMPLOYEE BENEFIT PLANS

The Agency also participates in the New York State and Local Employees' Retirement System. This is a cost sharing multiple public employee retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of Systems. The Comptroller shall adopt and may amend rules and regulation for the administration and transaction of the business of the Systems and for the custody of control of their funds. The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

NOTE E – LEASE OBLIGATION

The Agency has subleased space at 67 N. Main Street, New City, NY from Montalbano, Condon and Frank. The subleased premises are \$3,000.00 per month from the commencement date of January 26, 2018 through the last day of the month prior to the five-year anniversary of the commencement date. Minimum future rent payments as of December 31, 2019 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2020	\$ 36,000
2021	<u>\$ 1,000</u>
Total	<u>\$ 37,000</u>

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE F – EVALUATION OF SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through March 23, 2020, the date which the financial statements were available to be issued.