

**ROCKLAND COUNTY ECONOMIC ASSISTANCE CORPORATION**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2018 AND 2017**

**ROCKLAND COUNTY ECONOMIC ASSISTANCE CORPORATION  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2018 AND 2017**

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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  
Rockland County Economic Assistance Corporation  
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 Rockland County Economic Assistance Corporation (a public benefit corporation), which comprise the statement of financial position as of December 31, 2018 and the related statements of activities and changes in net assets for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rockland County Economic Assistance Corporation'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 Rockland County Economic Assistance Corporation'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 Rockland County Economic Assistance Corporation'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 26, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Rockland County Economic Assistance Corporation  
New City, New York

We have audited the accompanying comparative financial statements of Rockland County Economic Assistance Corporation (a public benefit corporation), which comprise the statement of financial position as of December 31, 2018 and December 31, 2017, 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 polices used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe 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 Rockland County Economic Assistance Corporation as of December 31, 2018 and December 31, 2017, and the changes in net assets and its cash flow for the year 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 page 5 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. In addition, the supplementary information presented beginning on page 10 is required by the New York State Authority Budget Office. 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, on our consideration of Rockland County Economic Assistance Corporation'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 Rockland County Economic Assistance Corporation's internal control over financial reporting and compliance.

*RRC CPAs P.C.*

RRC CPAs P.C.

Orangeburg, NY

March 26, 2019

**ROCKLAND COUNTY ECONOMIC ASSISTANCE CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

The following Management's Discussion and Analysis (MD&A) of the Rockland County Economic Assistance Corporation (the RCEAC's) financial statements provides an overview of the RCEAC's financial activities for the years ended December 31, 2018 and 2017. The MD&A should be read in conjunction with the RCEAC's financial statements and related notes, which follow the MD&A.

The purpose of the RCEAC 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 RCEAC's net assets decreased by \$6,418 and \$3,613 in December 31, 2018 and 2017 respectively, as the results of the individual year's operations.
- The assets of RCEAC's exceeded its liability by \$66,059 and \$72,477 at December 31, 2018 and 2017 respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The statements of financial position and statement of activities report information about the RCEAC 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 two statements report the RCEAC's financial position and changes in net assets from one year to the next. The RCEAC's net assets, the difference between assets and liabilities, are one way to measure the RCEAC's financial health, or financial position. Over time, increases or decreases in the RCEAC'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 RCEAC's income and the fluctuation of the RCEAC's expenses, to assess the overall health of the RCEAC.

**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 2017**

- Total revenues decreased by \$879 in 2018 as a result of a decrease in application fees and interest income.
- Total expenses increased by \$1,926 in 2018 as a result of an increase in office expenses.

**REQUEST FOR INFORMATION**

This financial report is designed to provide financial statement users with a general overview of the RCEAC'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 Rockland County Economic Assistance Corporation's Executive Director at 67 North Main Street, 3<sup>rd</sup> Floor, New City New York, 10956.

**ROCKLAND COUNTY ECONOMIC ASSISTANCE CORPORATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31,**

**ASSETS**

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ <u>71,759</u>	\$ <u>78,177</u>
 TOTAL ASSETS	 <u>71,759</u>	 <u>78,177</u>

**LIABILITIES AND NET ASSETS**

LIABILITIES

Accounts Payable	<u>5,700</u>	<u>5,700</u>
 TOTAL LIABILITIES	 5,700	 5,700

NET ASSETS

Unrestricted	<u>66,059</u>	<u>72,477</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 71,759</u>	 <u>\$ 78,177</u>

**ROCKLAND COUNTY ECONOMIC ASSISTANCE CORPORATION  
STATEMENT OF ACTIVITIES  
DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
<u>CHANGES IN UNRESTRICTED NET ASSETS</u>		
REVENUES, GAINS, AND OTHER SUPPORT		
Application Fees	\$ -	\$ 500
Interest	<u>68</u>	<u>447</u>
TOTAL UNRESTRICTED REVENUES AND GAINS	68	947
EXPENSES		
Office Expenses	3,163	-
Professional Services	<u>3,323</u>	<u>4,560</u>
TOTAL EXPENSES	6,486	4,560
INCREASE(DECREASE) IN UNRESTRCITED NET ASSETS	(6,418)	(3,613)
Unrestricted Net Assets - Beginning of Year	<u>72,477</u>	<u>76,090</u>
Unrestricted Net Assets - End of Year	<u>\$ 66,059</u>	<u>\$ 72,477</u>

**ROCKLAND COUNTY ECONOMIC ASSISTANCE CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<u>2018</u>	<u>2017</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	(6,418)	(3,613)
Adjustments to reconcile change in net assets to net cash provided by operating activities	<u>          -</u>	<u>          -</u>
Net Cash Provided By/(Used in) operating activities	(6,418)	(3,613)
Net Decrease in Cash	(6,418)	(3,613)
Cash - Beginning of Year	<u>      78,177</u>	<u>      81,790</u>
Cash - End of Year	<u>\$      71,759</u>	<u>\$      78,177</u>

**ROCKLAND COUNTY ECONOMIC ASSISTANCE CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

The Rockland County Economic Assistance Corporation (the Agency), was created in 2011 by the Legislature of Rockland County, for the purpose of encouraging economic growth for not-for-profit entities in the County of Rockland. The Agency, although established by the County of Rockland Legislature, is a separate entity and operates 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 state requirements.

**NOTE C – EVALUATION OF SUBSEQUENT EVENTS**

The Agency has evaluated subsequent events through March 26, 2019, the date which the financial statements were available to be issued.