

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY**

TABLE OF CONTENTS

DECEMBER 31, 2020 AND 2019

	<u>Page</u>
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	1 – 2
Independent Auditor’s Report	3 – 4
Management’s Discussion and Analysis (Unaudited)	5 – 6
Basic Financial Statements:	
Statements of Net Position	7
Statements of Activities	8
Statements of Cash Flows	9
Notes to Financial Statements	10 – 11

**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
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 statements of net position as of December 31, 2020 and 2019 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2021.

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 County of Rockland Industrial Development Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 County of Rockland Industrial Development Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Rockland Industrial Development Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RRC CPAs P.C.

RRC CPAs, P.C.
Orangeburg, NY 10962
March 22, 2021

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 financial statements of the governmental activities of County of Rockland Industrial Development Agency (a public benefit corporation) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise County of Rockland Industrial Development Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 net positions of the governmental activities of County of Rockland Industrial Development Agency as of December 31, 2020 and 2019, and the changes in net positions, and cash flows 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 22, 2021, on our consideration of County of the 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 22, 2021

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020 AND 2019

County of Rockland Industrial Development Agency's (the Agency) management team offers the readers of the financial statements this narrative overview and analysis of the financial activities of the Agency for the year ended December 31, 2020 and 2019.

The Agency's financial statements are composed of this Management's Discussion and Analysis (MD&A) and the basic financial statements. This discussion and analysis of the financial statements provides an overview of the Agency's financial activities for the years ended December 31, 2020 and 2019. The MD&A should be read in conjunction with the Agency's financial statements and related notes, which follow the MD&A.

FINANCIAL HIGHLIGHTS

- The CORIDA's fund balances decreased by \$85,6567 and \$43,140 in 2020 and 2019 respectively, as the results of the operations.
- The fund balances of the CORIDA exceeded its liability by \$2,456,107 and \$2,541,774 at December 31, 2020 and 2019, respectively.
- Agency fee revenue went down by \$27,807 due to limited business activities resulted by COVID-19 worldwide pandemic, which was first reported in United States in January of 2020.
- Total expense increased by \$19,907 primarily due to increased legal fees and employment costs. The legal fee increase is attributable to services rendered to prepare a new employment contract and to restructure the Agency's Payment In Lieu Of Tax agreements for various projects. The increase in the employment cost is due to a year-end bonus of \$5,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenue and expenses are recorded when earned and incurred, respectively, regardless of when cash is received or paid.

The financial statements report the Agency's fund balances as of years ended and changes in them for the years ended. The Agency's fund balances, the difference between assets and liabilities, are one way to measure the Agency's financial health or financial position. Over time, increases or decreases in the Agency's fund balances 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 Agency's income and the fluctuation of the Agency's expenses, to assess the overall health of the Agency.

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2020 AND 2019**

NOTES TO FINANCIAL STATEMENTS

Included in the financial statements are 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.

REQUEST FOR INFORMATION

This financial report is designed to provide financial statement users with a general overview of the Agency's finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact 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
STATEMENTS OF NET POSITION
DECEMBER 31, 2020 AND 2019**

	2020	2019
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 2,457,637	\$ 2,539,894
Accounts Receivable	-	5,700
Other Receivable	1,570	-
Prepaid Expenses	-	850
Total Assets	\$ 2,459,207	\$ 2,546,444
<u>LIABILITIES AND FUND BALANCE</u>		
Current Liabilities:		
Accrued Expenses	\$ 3,100	\$ 4,670
Total Liabilities	3,100	4,670
Fund Balances:		
General Fund	2,456,107	2,541,774
Total Liabilities and Fund Balances	\$ 2,459,207	\$ 2,546,444

The accompanying notes are an integral part of the financial statements.

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY**

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Revenues, Gains, and Other Support:		
Agency Fees	\$ 167,425	\$ 195,232
Interest Income	30,050	24,862
Total Revenues, Gains, and Other Support	<u>197,475</u>	<u>220,094</u>
Expenses:		
Dues and Subscription	1,700	2,885
Information Technology	14,550	13,719
Insurance	5,636	4,945
Meetings, Conference, and Travel Expenses	11,649	11,721
Office Expenses	1,737	1,494
Other Fringe Benefits	9,432	9,452
Payroll Taxes	10,906	10,525
Pension	17,194	16,694
Professional Services	26,052	11,686
Rent	36,000	36,000
Salary	148,286	144,113
Total Expenses	<u>283,141</u>	<u>263,234</u>
Changes in Fund Balance	(85,667)	(43,140)
Fund Balances, Beginning of Year	<u>2,541,774</u>	<u>2,584,914</u>
Fund Balances, End of Year	<u>\$ 2,456,107</u>	<u>\$ 2,541,774</u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY**

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities		
Changes in Fund Balances	\$ (85,667)	\$ (43,140)
Adjustments to Reconcile Changes in Fund Balances to Net Cash Used in Operating Activities:		
(Increase)/Decrease in Operating Assets:		
Accounts Receivable	5,700	-
Other Receivable	(1,570)	-
Prepaid Expenses	850	(100)
Increase/(Decrease) in Operating Liabilities:		
Accrued Expenses	(1,570)	3,380
Net Cash Used in Operating Activities	(82,257)	(39,860)
Cash and Cash Equivalents, Beginning of Year	2,539,894	2,579,754
Cash and Cash Equivalents, End of Year	\$ 2,457,637	\$ 2,539,894

The accompanying notes are an integral part of the financial statements.

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE A – NATURE OF ACTIVITIES

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.

The mission of the Agency 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.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

Cash and cash equivalents presented in the balance sheet and statement of cash flows include all cash balances and highly liquid investments, which are readily convertible to cash with original maturities of three months or less.

The Agency maintains its cash accounts with significant financial institutions to mitigate its credit risk. The Agency monitors its account balances and the financial institutions involved as a method of reducing its risk. At various times during the year, the Agency's cash balances exceeded the Federal Deposit Insurance Corporation's (FDIC) limit. The Agency had no FDIC unsecured cash balance at the bank as of December 31, 2020. As of December 31, 2019, the Agency's unsecured cash balance at bank amounted to \$853,775.

Use of Estimates

The preparation of the financial statements 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.

Reclassifications

Certain accounts for the year ended December 31, 2019 have been reclassified in the comparative financial statements to conform to the presentation for the year ended December 31, 2020. These reclassifications had no effect on retained earnings or net income as previously reported.

**COUNTY OF ROCKLAND
INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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 – LEASE OBLIGATION

The Agency subleases office space at 67 N. Main Street, New City, NY from Montalbano, Condon and Frank. Commenced on January 26, 2018, the monthly rent payment is \$3,000. The five-year lease term expired subsequent to the year ended December 31, 2020. The Agency currently rents the office space on month-to-month basis.

NOTE E – EVALUATION OF SUBSEQUENT EVENTS

Events that occur after the balance sheet date, but before the financial statements were available for issuance, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions, which existed at the balance sheet date, are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes.

Management has evaluated activities of the Agency through March 22, 2021, which is the date the financial statements are available for issuance, and has determined there are no subsequent events that require disclosure under accounting principles generally accepted in the United States of America, except as noted herewith.