

**WAYNE COUNTY CIVIC FACILITY
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2019

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION

TABLE OF CONTENTS

<u>AUDITED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 5
STATEMENTS OF FINANCIAL POSITION	6
STATEMENTS OF ACTIVITIES	7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9 - 10
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	11 - 12

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wayne County Civic Facility Development Corporation
Lyons, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Wayne County Civic Facility Development Corporation (the Corporation), a blended component unit of the County of Wayne, New York, which comprise the statements of financial position as of December 31, 2019 and 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne County Civic Facility Development Corporation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis on pages 3 - 5, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the 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 solely 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 the effectiveness of the Corporation's 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 Wayne County Civic Facility Development Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Rochester, New York
April 30, 2020

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018

As management of the Wayne County Civic Facility Development Corporation (the "Corporation") we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the periods ended December 31, 2019 and 2018. This narrative should be read in conjunction with the Corporation's audited financial statements.

Financial Highlights

- There were no debt issuance transactions completed by the Corporation in 2019 or 2018. The Corporation completed its first transaction in 2011: \$19,775,000 of Industrial Revenue Bonds were issued for the expansion/modernization and renovation of certain departments of the Newark-Wayne Hospital in Newark, New York.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. This report includes the independent auditors' report, financial statements, and notes to financial statements that will enhance the reader's understanding of the financial condition of the Corporation.

Required Financial Statements - The financial statements are prepared using the accrual basis of accounting. The financial statements include:

Statements of Financial Position - Presents all assets, liabilities and net assets of the Corporation at December 31, 2019 and 2018. The statements provide information about the amounts and investments in resources (assets).

Statements of Activities - Presents the financial activity for the periods ended December 31, 2019 and 2018 and displays how this activity changed the Corporation's net assets. The statements provide information on the Corporation's operations and can be used to determine if the Corporation has recovered all of its costs through grants, user fees and other charges.

Statements of Cash Flows - Presents the cash provided and used in operating activities during 2019 and 2018 and how it affected the cash balance at December 31, 2019 and 2018, respectively.

Notes to Financial Statements - Provides information regarding the Corporation and explains in more detail the information included in the financial statements.

Financial Analysis

The Corporation's net assets may serve over time as a useful indicator of its financial position. In the case of the Corporation, assets exceeded liabilities by \$135,335 at December 31, 2019.

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018

The Corporation's major asset is cash. A condensed version of the Corporation's statements of financial position follows:

Table 1
Condensed Statements of Financial Position
(In Thousands of Dollars)

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2017</u>	<u>Dollar Change</u>	<u>% Change</u>
Assets							
Cash	\$ 134.3	\$ 138.8	\$ (4.5)	(3.2)	\$ 143.2	\$ (4.4)	(3.1)
Other assets	<u>1.0</u>	<u>1.0</u>	<u>-</u>	<u>-</u>	<u>1.1</u>	<u>(0.1)</u>	<u>(9.1)</u>
Total assets	<u>\$ 135.3</u>	<u>\$ 139.8</u>	<u>\$ (4.5)</u>	<u>(3.2)</u>	<u>\$ 144.3</u>	<u>\$ (4.5)</u>	<u>(3.1)</u>
Net Assets							
Net assets without donor restrictions	<u>\$ 135.3</u>	<u>\$ 139.8</u>	<u>\$ (4.5)</u>	<u>(3.2)</u>	<u>\$ 144.3</u>	<u>\$ (4.5)</u>	<u>(3.1)</u>
Total net assets	<u>\$ 135.3</u>	<u>\$ 139.8</u>	<u>\$ (4.5)</u>	<u>(3.2)</u>	<u>\$ 144.3</u>	<u>\$ (4.5)</u>	<u>(3.1)</u>

- Cash and net assets decreased as a result of the operating deficit for the year.

A condensed version of the Corporation's statements of activities follows:

Table 2
Condensed Statements of Activities
(In Thousands of Dollars)

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2017</u>	<u>Dollar Change</u>	<u>% Change</u>
Revenues	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
Management and General Expenses							
Insurance expense	1.3	1.4	(0.1)	(7.1)	1.4	-	-
Professional fees	<u>3.2</u>	<u>3.1</u>	<u>0.1</u>	<u>3.2</u>	<u>3.0</u>	<u>0.1</u>	<u>-</u>
Total management and general expenses	<u>4.5</u>	<u>4.5</u>	<u>-</u>	<u>-</u>	<u>4.4</u>	<u>0.1</u>	<u>2.3</u>
Change in Net Assets	(4.5)	(4.5)	-	-	(4.4)	(0.1)	(2.3)
Net Assets Without Donor Restrictions - Beginning	<u>139.8</u>	<u>144.3</u>	<u>(4.5)</u>	<u>(3.1)</u>	<u>148.7</u>	<u>(4.4)</u>	<u>(3.0)</u>
Net Assets Without Donor Restrictions - Ending	<u>\$ 135.3</u>	<u>\$ 139.8</u>	<u>\$ (4.5)</u>	<u>(3.2)</u>	<u>\$ 144.3</u>	<u>\$ (4.5)</u>	<u>(3.1)</u>

- No project activity is reported for 2019 and 2018. Expenses are incurred for the ongoing support of operations.

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Management's Discussion and Analysis
For the Years Ended December 31, 2019 and 2018

Another important factor in the consideration of fiscal condition is the Corporation's cash position and statements of cash flows. A condensed version of the Corporation's statements of cash flows follows:

Table 3
Condensed Statements of Cash Flows
(In Thousands of Dollars)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash Flow from Operating Activities			
Change in net assets	\$ (4.4)	\$ (4.5)	\$ (4.4)
Change in prepaid expenses	<u>(0.1)</u>	<u>0.1</u>	<u>-</u>
Net cash flows from operating activities	<u>(4.5)</u>	<u>(4.4)</u>	<u>(4.4)</u>
Net change in cash	(4.5)	(4.4)	(4.4)
Cash - Beginning	<u>138.8</u>	<u>143.2</u>	<u>147.6</u>
Cash - Ending	<u>\$ 134.3</u>	<u>\$ 138.8</u>	<u>\$ 143.2</u>

- Cash decreased as a result of the decrease in net assets for the year.

Capital Assets

The Corporation has no capital assets.

Long-Term Debt

The Corporation has no long-term debt.

Contacting the Corporation

This financial report is designed to provide a general overview of the Corporation's finances for interested individuals. Questions regarding this report or requests for additional information should be directed to Wayne County Civic Facility Development Corporation, 9 Pearl Street, Lyons, New York 14489, Attention: Executive Director.

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash	\$ 134,296	\$ 138,832
Prepaid expenses	<u>1,039</u>	<u>939</u>
Total current assets	<u>135,335</u>	<u>139,771</u>
Total Assets	<u>\$ 135,335</u>	<u>\$ 139,771</u>
NET ASSETS		
Net Assets Without Donor Restrictions	<u>\$ 135,335</u>	<u>\$ 139,771</u>

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

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Statements of Activities
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Management and General Expenses		
Insurance expense	\$ 1,286	\$ 1,386
Professional fees	<u>3,150</u>	<u>3,100</u>
Total management and general expenses	<u>4,436</u>	<u>4,486</u>
Change in Net Assets	(4,436)	(4,486)
Net Assets Without Donor Restrictions - Beginning	<u>139,771</u>	<u>144,257</u>
Net Assets Without Donor Restrictions - Ending	<u>\$ 135,335</u>	<u>\$ 139,771</u>

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

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (4,436)	\$ (4,486)
Change in prepaid expenses	<u>(100)</u>	<u>134</u>
Net Change in Cash	(4,536)	(4,352)
Cash - Beginning	<u>138,832</u>	<u>143,184</u>
Cash - Ending	<u>\$ 134,296</u>	<u>\$ 138,832</u>

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

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies and Nature of Organization

Nature of Organization - The Wayne County Civic Facility Development Corporation (the Corporation) was incorporated on May 20, 2011 for the purpose of supporting the operation of not-for-profit corporations and institutions in Wayne County to increase employment opportunities for its residents. The Corporation serves as Wayne County's designated economic development entity on behalf of issuers of bonds, notes and other instruments to support projects undertaken by not-for-profit corporations and institutions within the County.

Measurement Focus and Basis of Accounting - The Corporation prepares its financial statements on the accrual basis of accounting.

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. Actual results could differ from those estimates.

Financial Reporting Entity - Governmental Accounting Standards Board ("GASB") Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14* is effective for period beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended.

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

As a result of the implementation of GASB 80, the Corporation is a blended component unit of the County of Wayne, New York.

Basis of Presentation - In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." ASU 2016-14 contains several provisions that change the presentation of and disclosures within the financial statements of a not-for-profit entity. These changes include an updated net asset classification scheme from three classes to two classes, quantitative and qualitative disclosures regarding liquidity and disclosure of expenses by functional classification. The Corporation did not have any net assets with donor restrictions for the years ended December 31, 2019 and 2018.

Net Assets Without Donor Restriction - Net assets without donor restriction represent net assets that are not subject to donor imposed stipulations and are generally available for support of the Corporation's activities. The Board of Directors has discretionary control over these resources to carry out the operations of the Corporation in accordance with its by-laws.

Liquidity - The Corporation has \$134,296 of financial assets available within one year of the statement of financial position date consisting of cash. None of these financial assets are subject to donor or contractual restricts that make them unavailable for general expenditures within one year of the statement of financial position date.

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Notes to Financial Statements

Cash and Cash Equivalents - For the purposes of the statements of net assets and cash flows, cash and cash equivalents include deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Corporation maintains cash and cash equivalents at financial institutions which periodically may exceed insured limits.

Related Parties - The Corporation is related through common management with the Wayne County Industrial Development Agency (IDA), Wayne Economic Development Corporation (EDC), which also promote economic development in the County.

Income Taxes - The Corporation is a not-for-profit corporation incorporated under Section 1411 of the Not-for-Profit Corporation Law but is treated for tax reporting purposes as an entity exempt from tax under Section 115 of the Internal Revenue Code as an instrumentality of government. Accordingly the Corporation is not required to file tax returns.

Subsequent Events - Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

Note 2. Industrial Revenue Bonds

The Corporation has entered into the following conduit financing arrangements where the primary function of the Corporation is to arrange financing through the issuance of Industrial Revenue Bonds between the company identified below and the bond holders. As conduit financing arrangements, the assets and liabilities resulting from the transactions are not recorded in these financial statements.

Although not part of the accounting system, accounting principles generally accepted in the United States of America requires disclosure of these transactions as follows:

<u>Company</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Outstanding End of Year</u>
Newark-Wayne Community Hospital - Series 2011A	2011	2041	\$ 9,290,000
Newark-Wayne Community Hospital - Series 2011C	2011	2021	<u>1,200,000</u>
Total			<u>\$ 10,490,000</u>

Note 3. Subsequent Events

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

INDEPENDENT AUDITORS' 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
Wayne County Civic Facility Development Corporation
Lyons, 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 Wayne County Civic Facility Development Corporation (the Corporation), which comprise the statements 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 April 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 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 the Corporation's financial statements are free of 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Rochester, New York
April 30, 2020