

**WAYNE COUNTY CIVIC FACILITY
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2021

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Wayne County Civic Facility Development Corporation (the Corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wayne County Civic Facility Development Corporation as of December 31, 2021 and 2020, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Wayne County Civic Facility Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wayne County Civic Facility Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wayne County Civic Facility Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wayne County Civic Facility Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of Wayne County Civic Facility Development 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 solely 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 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
March 29, 2022

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash	\$ 200,947	\$ 204,809
Prepaid expenses	<u>-</u>	<u>356</u>
Total current assets	<u>200,947</u>	<u>205,165</u>
Total Assets	<u>\$ 200,947</u>	<u>\$ 205,165</u>
NET ASSETS		
Net Assets Without Donor Restrictions	<u>\$ 200,947</u>	<u>\$ 205,165</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Agency fees	\$ _____ -	\$ <u>74,577</u>
Management and General Expenses		
Insurance expense	356	1,397
Professional fees	<u>3,862</u>	<u>3,350</u>
Total management and general expenses	<u>4,218</u>	<u>4,747</u>
Change in Net Assets	(4,218)	69,830
Net Assets Without Donor Restrictions - Beginning	<u>205,165</u>	<u>135,335</u>
Net Assets Without Donor Restrictions - Ending	<u>\$ 200,947</u>	<u>\$ 205,165</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (4,218)	\$ 69,830
Change in prepaid expenses	<u>356</u>	<u>683</u>
Net Change in Cash	(3,862)	70,513
Cash - Beginning	<u>204,809</u>	<u>134,296</u>
Cash - Ending	<u>\$ 200,947</u>	<u>\$ 204,809</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.

Basis of Presentation - The Corporation's financial statements are presented in accordance with the provisions of Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." As a result, the Corporation reports information regarding its net assets and changes therein in the following categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general 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. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Corporation or are required to be held in perpetuity. As of December 31, 2021 and 2020, all net assets are classified as without donor restriction.

Liquidity - The Corporation has \$200,947 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.

Cash and Cash Equivalents - For the purposes of the statements of financial position 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.

Revenue Recognition - Under ASU No. 2014-09 (Topic 606) – Revenue from contracts with customers ("ASU 2014-09" or "Topic 606"), revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for these goods or services.

Contributions - The Corporation's financial statements are presented in accordance with the provisions of ASU 2018-08, "Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made". ASU 2018-08 provides clarification for determining if grants and contracts should be considered contributions or exchange transactions, as well as guidance for determining if a contribution is conditional.

WAYNE COUNTY CIVIC FACILITY DEVELOPMENT CORPORATION
Notes to Financial Statements

Expense Allocation - The costs of providing programs and other activities have been adequately detailed in the statement of activities. Allocations of management and general expenses among program and supporting services is not considered significant to the operations of the Corporation therefore, no such allocation has been provided.

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.

In accordance with ASC 740-10-50, *Accounting for Uncertainty in Income Taxes*, the Corporation recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. Management believes that the Corporation is currently operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no liability for unrecognized tax benefits has been included on the Corporation's financial statements.

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 entered into a conduit financing arrangement where the primary function of the Corporation is to arrange financing through the issuance of Industrial Revenue Bonds (the Bonds) between Newark-Wayne Community Hospital and the bond holders. As conduit financing arrangements, the assets and liabilities resulting from the transactions are not recorded in these financial statements. During 2020, Industrial Revenue Bonds in the amount of \$267,540,000 were issued, and as a result the existing Industrial Revenue Bonds were redeemed. The Corporation is not a party in the newly issued Industrial Revenue Bonds. For the year ended December 31, 2020, the Corporation received a bond fee amounting to \$74,577.

Note 3. Functional Expenses

The costs of providing the programs and other activities have been summarized on a functional basis as follows:

	<u>2021</u>	<u>2020</u>
Program expenses	\$ -	\$ -
Management and general	4,218	4,747
Total expenses	<u>\$ 4,218</u>	<u>\$ 4,747</u>

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, which comprise the statements of financial position as of December 31, 2021, 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 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wayne County Civic Facility Development Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Wayne County Civic Facility Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wayne County Civic Facility Development 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 Corporation'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 and significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wayne County Civic Facility Development 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 financial statements. 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
March 29, 2022