



**Onondaga Civic Development Corporation**  
**Financial Statements**  
**December 31, 2010 and 2009**

**Onondaga Civic Development Corporation**  
**Table of Contents**  
**December 31, 2010**

---

	<b>Page(s)</b>
Independent Auditors Report	1
Management's Discussion and Analysis (unaudited)	2 - 3
Financial Statements	4 - 6
Notes to the Financial Statements	7 - 11



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Onondaga Civic Development Corporation

We have audited the accompanying financial statements of the business-type activities of the Onondaga Civic Development Corporation as of and for the year ended December 31, 2010, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Onondaga Civic Development Corporations management. Our responsibility is to express opinions 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Onondaga Civic Development Corporation, as of December 31, 2010, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 3 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. 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.

*Green & Seifter CPAs*

Syracuse, New York  
February 18, 2011

**Onondaga Civic Development Corporation**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2010 (unaudited)**

---

As management of the Onondaga Civic Development Corporation ("OCDC"), we offer readers of this Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements.

**FINANCIAL HIGHLIGHTS**

- OCDC began operations in late 2009 but didn't have any significant activities related to its mission until 2010.
- OCDC receives revenues from project and application fees. During 2010, the Corporation received two new applications and received project fees from three projects that resulted in a total of \$1,199,500 of fees collected in 2010.
- The Corporation assisted with three projects during 2010, whereby a total amount of \$118,480,000 of debt was issued on behalf of such projects whereby the Corporation receives a 1% fee of such bond amounts. This debt is considered conduit debt and is not recorded on the financial statements of the Corporation since the bonds are not obligations of the Corporation and the Corporation has no obligation to pay such bonds, even in default.
- The Corporation's net assets increased by \$1,103,009 in 2010 primarily due to the three project fees that the Corporation collected in 2010. Other than ordinary business expenses, OCDC did not spend any significant amounts on economic growth activities during 2010.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The Statement of Activities presents information showing how the Corporation's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Both of the government-wide financial statements report only business-type (proprietary) activities, since none of the Corporation's activities are considered to be governmental activities supported primarily by taxes.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other component units of state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Corporation does not have any finance-related legal requirements for funds, as such maintains its books and records consistent with other proprietary funds, which is on a basis consistent with business-type activities. The Corporation's financial statements are considered a proprietary fund (enterprise fund) which is the same information as presented within the Statements of Financial Position and Statements of Activities.

**Onondaga Civic Development Corporation  
Management's Discussion and Analysis  
For the Year Ended December 31, 2010 (unaudited)**

---

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 7 through 11 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of the Corporation's financial position. In the case of the OCDC, assets exceeded liabilities by \$1,092,482 as of December 31, 2010. This entire net asset balance represents cash and cash equivalents which may be used by the Corporation for future economic development needs as more fully described in the Corporations mission statement.

The Corporation's only fund is treated as a proprietary (business-type) fund. The following are summarized versions of the government-wide financial statements for 2010 and 2009:

<b>Net Assets</b>		
	<b>2010</b>	<b>2009</b>
Cash and cash equivalents	\$ 1,093,908	\$ 1,500
Total assets	\$ 1,093,908	\$ 1,500
Accounts payable	\$ 1,426	\$ 12,027
Total liabilities	\$ 1,426	\$ 12,027
Unrestricted net assets	\$ 1,092,482	\$ (10,527)
<b>Change in Net Assets</b>		
	<b>2010</b>	<b>2009</b>
<b>Revenue and other support:</b>		
Project fees	\$ 1,199,500	\$ -
Application fees	1,000	1,500
Interest income	1,475	-
Total revenue and other support	1,201,975	1,500
<b>Expenses:</b>		
Onondaga County Office of Economic Development	\$ 75,000	\$ -
Professional services	21,122	12,027
Insurance	1,126	-
Travel, meetings and conferences	910	-
Office expenses	793	-
Miscellaneous	15	-
Total expenses	98,966	12,027
<b>Change in unrestricted net assets</b>	1,103,009	(10,527)
Unrestricted net assets at beginning of year	(10,527)	-
<b>Unrestricted net assets at end of year</b>	<b>\$ 1,092,482</b>	<b>\$ (10,527)</b>

**REQUEST FOR INFORMATION**

This financial report is designed to provide readers with a general overview of the Corporation's finances. If you have questions about this report or need additional information, contact the Corporation's board at the Onondaga Civic Development Corporation, 421 Montgomery Street, 14<sup>th</sup> floor, Syracuse, NY 13202.

**Onondaga Civic Development Corporation**

**Statements of Financial Position**

---

	<b>ASSETS</b>	
	<b>December 31,</b>	
	<b>2010</b>	<b>2009</b>
<b>Current assets:</b>		
Cash and cash equivalents	<u><u>\$ 1,093,908</u></u>	<u><u>\$ 1,500</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Accounts payable	<u><u>\$ 1,426</u></u>	<u><u>\$ 12,027</u></u>
<b>Unrestricted net assets</b>	<u><u>1,092,482</u></u>	<u><u>(10,527)</u></u>
	<u><u>\$ 1,093,908</u></u>	<u><u>\$ 1,500</u></u>

The accompanying notes are an integral part of the financial statements

**Onondaga Civic Development Corporation**

**Statements of Activities**

---

---

	<b>Years ended December 31,</b>	
	<b>2010</b>	<b>2009</b>
<b>Revenue and other support:</b>		
Project fees	<b>\$ 1,199,500</b>	\$ -
Application fees	<b>1,000</b>	1,500
Interest income	<b>1,475</b>	-
Total revenue and other support	<b>1,201,975</b>	1,500
<b>Expenses:</b>		
Onondaga County Office of Economic Development	<b>75,000</b>	-
Professional services	<b>21,122</b>	12,027
Insurance	<b>1,126</b>	-
Travel, meetings and conferences	<b>910</b>	
Office expenses	<b>793</b>	
Miscellaneous	<b>15</b>	
Total expenses	<b>98,966</b>	12,027
<b>Change in unrestricted net assets</b>	<b>1,103,009</b>	(10,527)
Unrestricted net assets at beginning of year	<b>(10,527)</b>	-
<b>Unrestricted net assets at end of year</b>	<b>\$ 1,092,482</b>	\$ (10,527)

The accompanying notes are an integral part of the financial statements

**Onondaga Civic Development Corporation**  
**Statements of Cash Flows – Proprietary fund**

	<b>Years ended December 31,</b>	
	<b>2010</b>	<b>2009</b>
Cash flows from operating activities:		
Inflows -		
Project fees	\$ 1,199,500	\$ -
Application fees	1,000	1,500
Interest received	1,475	-
Outflows -		
Onondaga County Office of Economic Development	(75,000)	-
Professional services	(31,723)	-
Other services	(2,844)	-
Net cash provided by operating activities*	<b>1,092,408</b>	<b>1,500</b>
Cash - Beginning of year	<b>1,500</b>	<b>-</b>
Cash - end of year	<b>\$ 1,093,908</b>	<b>\$ 1,500</b>

**\*Reconciliation of change in net assets to net cash provided by operating activities:**

Change in net assets:	\$ 1,103,009	\$ (10,527)
Changes in operating assets and liabilities:		
Accounts payable	(10,601)	12,027
Net cash provided by operating activities	<b>\$ 1,092,408</b>	<b>\$ 1,500</b>

The accompanying notes are an integral part of the financial statements

# Onondaga Civic Development Corporation

## Notes to Financial Statements

---

### 1. Summary of Significant Accounting Policies

#### Nature of Operations

The Onondaga Civic Development Corporation (“OCDC” / “Corporation”) was organized to stimulate economic growth and/or lessen the burdens of government through facilitating investments that will promote job creation/retention, improve the quality of life of Onondaga County citizens, generate prosperity, and/or encourage economic vibrancy for Onondaga County as a whole, by using available incentives including the issuance of negotiable bonds for Onondaga County’s non profit organizations as set forth more fully in Section 1411(a) of the Not-for-Profit Laws of the State of New York.

The Corporation began operations on October 6, 2009. References to the prior year periods ended December 31, 2009 are for the period beginning October 6, 2009 through December 31, 2009.

OCDC is a not-for-profit corporation but has subjected itself to rules and regulations of the New York State Public Authorities Act of 2009. The Corporation will provide various reports to New York State officials on a frequent basis. Failure to follow these regulations or to provide accurate and timely information to the New York State officials could impair the ability for the Corporation to act under the laws of the State of New York.

#### Basis of Presentation

OCDC is considered a governmental entity for accounting and financial reporting purposes. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In accordance with GASB Statement No. 34, the Corporation’s financial statements apply all applicable GASB pronouncements as well as FASB statements and interpretations, APB opinions, and ARBs of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. In addition, in accordance with GASB 34, the Corporation has elected to apply all FASB statements and interpretations issued after November 30, 1989, except for those that pronouncements conflict with or contradict GASB pronouncements.

#### Governance

OCDA is managed by a Board of Directors which establishes the general policies governing the organization. The Board of Directors is comprised of seven voting directors of which three are appointed by the Chairman of the Onondaga County Legislature, three are appointed by the Onondaga County Executive and one additional director is jointly appointed by the Onondaga County Legislature and County Executive all subject to confirmation by the Onondaga County Legislature.

# Onondaga Civic Development Corporation

## Notes to Financial Statements

---

### 1. Summary of Significant Accounting Policies (continued)

#### **Annual Budgets**

OCDC is required to provide to the New York State authorities budget office an annual budget on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year. This budget is submitted to the authorities budget office and can be found on the Corporation's website at [www.syracusecentral.com/business\\_resources/ocdc.html](http://www.syracusecentral.com/business_resources/ocdc.html).

#### **Concentration of Credit Risk**

Financial instruments that potentially subject the Corporation to concentration of credit risk consist principally of cash and cash equivalents. The Corporation places its temporary cash investments with limited financial institutions and at various times these investments exceed the Federal Deposit Insurance Corporation limits.

#### **Cash and Cash Equivalents**

The Corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents.

All deposits of the Corporation, including certificates of deposit and special time deposits in excess of the amount insured under the Federal Deposit Insurance Act (FDIC) shall be secured by eligible collateral. Eligible collateral is defined as consisting of any one, or combination, of the following: (a) pledge of eligible securities with an aggregate market value as provided by General Municipal Law equal to the aggregate amount of deposits or (b) by an eligible surety bond payable to the Corporation for an amount equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The Corporation has an excess amount of \$836,140 held in single bank in excess of the FDIC insured amounts as of December 31, 2010. This excess amount is collateralized by securities held by the pledging financial institution.

#### **Income Taxes and Uncertain Tax Positions**

The Corporation is a not-for-profit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a) of the Code. The Corporation also believes that none of its activities are subject to unrelated business income tax, therefore no provision for such income tax has been made in the financial statements for the years ended December 31, 2010 and 2009.

In accordance with the disclosure provisions of FASB ASC Sub-Topic 740-19 which addresses accounting for uncertainties in income taxes, as of and for the years ended December 31, 2010 and 2009, the Corporation has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Corporations' Form 990's are still open for IRS possible examination.

# Onondaga Civic Development Corporation

## Notes to Financial Statements

---

### 1. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition

The Corporation recognizes project fee revenue related to a bond closing at the time of the bond closing. All project fees are considered to be operating revenues.

#### Use of 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 and for the reporting period and as of the financial statement date. Actual results may differ from these estimates.

#### Risks and Uncertainties

Investment securities (including cash equivalents) are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the Statements of Financial Position and the Statements of Activities.

### 2. Investments

The Corporation has a written investment policy. This investment policy allows the Corporation to invest in a variety of appropriate investment vehicles, including but not limited to special time deposits, certificates of deposits, obligations of the United States of America, obligations guaranteed by agencies of the United States of America and obligations of the State of New York. All investments held on behalf of the Corporation shall be held in the custody of a bank or trust company and shall be held pursuant to a written custodial agreement. As of December 31, 2010, all of the assets of the Corporation are invested within either a general checking account or a money market account which are considered cash and cash equivalents for financial statement reporting.

The Corporation has adopted the Financial Accounting Standards Board Accounting Standards Codification Topic 820 (ASC 820), which requires enhanced disclosures about financial instruments carried at fair value. Although not considered investments, all cash and cash equivalents are stated at fair value and are considered "level one" inputs, which is defined by ASC 820 hierarchy as financial instruments whose fair values are based upon quoted market prices reported on the last day of the fiscal year.

# Onondaga Civic Development Corporation

## Notes to Financial Statements

---

### 2. Investments (continued)

#### Fair Value Measurement

In accordance with the FASB ASC Topic 820 which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access. All cash and cash equivalents are considered level 1 for financial reporting purposes.
- Level 2** Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

While the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

### 3. Conduit Debt Obligations

OCDC has the ability to issue bonds which are deemed to be limited obligations of the Corporation. These bonds are considered to be limited obligations as the payments for such bonds are pledged from a source outside the Corporation which has the obligation to pay the principal and interest of such bonds. These bonds are paid solely from the net revenues and other funds of the Corporation pledged under terms of each individual bond indenture agreement. Since the Corporation does not have any obligation to repay the principal and interest of such bonds, the bonds are not reflected on the statement of net assets as long-term debt. As of December 31, 2010 and 2009, the Corporation has issued bonds with an aggregate principal amount outstanding of \$119,950,000 and \$0, respectively.

# Onondaga Civic Development Corporation

## Notes to Financial Statements

---

### **4. Related Party Transactions**

The Corporation has entered into an agreement with Onondaga County to provide staffing and other support costs for all of the Corporation's activities. The contract totaled \$75,000 and \$0 in 2010 and 2009, respectively. This contract is all-inclusive for employee salaries and related fringe benefits, as such no salaries or benefits are recorded individually on the financial statements of the Corporation. Under terms of the contract, Onondaga County is the legally responsible entity to make such fringe benefit and salary payments. It is expected that Onondaga County will renew such contract for fiscal year 2011.

### **5. Commitments**

OCDC entered into a lease agreement whereby OCDC will be co-locating with the City of Syracuse Economic Development Department to further the economic development mission of OCDC. The lease is for space located within the newly constructed Washington Station located within historic Armory Square. Washington Station is one the signature "green" buildings in Onondaga County. OCDC will take possession of its space in mid-2011.

### **6. Subsequent Events**

In preparing financial statements, management of the Corporation has evaluated events and transactions for potential recognition or disclosure through March 3, 2011, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.