

CORNELL COOPERATIVE
EXTENSION ASSOCIATION
OF ONEIDA COUNTY

FINANCIAL STATEMENTS
December 31, 2017 and 2016

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Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS CORNELL COOPERATIVE EXTENSION ASSOCIATION OF ONEIDA COUNTY

Report on the Financial Statements

We have audited the accompanying financial statements of **CORNELL COOPERATIVE EXTENSION ASSOCIATION OF ONEIDA COUNTY**, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, 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 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.

443 North Franklin Street • Syracuse, NY 13204-1441 • (315) 471-9171 • Fax (315) 471-8555

1120 Corporate Drive • Auburn, NY 13021-1634 • (315) 253-6273 • Fax (315) 253-0890

4350 Middle Settlement Road • New Hartford, NY 13413-5328 • (315) 732-2991 • Fax (315) 732-0282

<http://www.dbbllc.com>

Auditor's Responsibility – Continued

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 Cornell Cooperative Extension Association of Oneida County as of December 31, 2017 and 2016, 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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information shown on pages 25 to 27 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2018, on our consideration of Cornell Cooperative Extension Association of Oneida County'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 Cornell Cooperative Extension Association of Oneida County'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 Cornell Cooperative Extension Association of Oneida County's internal control over financial reporting and compliance.

Dermoddy, Burke & Brown

DERMODDY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

May 24, 2018

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

ASSETS

	2017	2016
CURRENT ASSETS		
Cash	\$ 505,291	\$ 666,250
Accounts Receivable	689,167	570,252
Accounts Receivable - Related Party	3,687	7,678
Prepaid Expenses and Other Current Assets	<u>5,439</u>	<u>7,566</u>
Total Current Assets	1,203,584	1,251,746
PROPERTY AND EQUIPMENT, NET	44,804	50,068
OTHER ASSETS		
Investments	153,393	153,063
Deposits	<u>135,969</u>	<u>157,809</u>
Total Other Assets	<u>289,362</u>	<u>310,872</u>
TOTAL ASSETS	<u><u>\$ 1,537,750</u></u>	<u><u>\$ 1,612,686</u></u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

LIABILITIES AND NET ASSETS

	2017	2016
CURRENT LIABILITIES		
Accounts Payable	\$ 193,894	\$ 175,148
Accounts Payable - Related Party	118,855	179,697
Accrued Liabilities	80,346	86,642
Deferred Revenue	7,625	101,218
Agency Funds	<u>3,600</u>	<u>3,600</u>
Total Current Liabilities	404,320	546,305
NET ASSETS		
Unrestricted	1,059,549	997,710
Temporarily Restricted	73,517	68,307
Permanently Restricted	<u>364</u>	<u>364</u>
Total Net Assets	<u>1,133,430</u>	<u>1,066,381</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,537,750</u></u>	<u><u>\$ 1,612,686</u></u>

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2017 and 2016

	2017	2016
CHANGE IN UNRESTRICTED NET ASSETS		
Revenue, Gains and Other Support:		
Grants, Contracts and Program Fees	\$ 3,670,420	\$ 3,834,394
CACFP Provider Funds	505,882	554,594
In-Kind Donations	1,079,573	1,180,315
Contributions	25,005	21,198
Interest	2,789	2,357
Advertising Publications/Newspaper	4,183	5,490
Enterprises	2,726	3,327
Fund Raising Sales	34,838	37,132
Miscellaneous Income	3,118	0
Net Assets Released from Restriction	29,790	21,918
 Total Support and Revenue	 5,358,324	 5,660,725
Expenses:		
Program Services:		
Agriculture and Rural Sustainability	273,942	351,869
Sustaining Production Agriculture	340,772	348,344
Environmental Stewardship and Water Quality	122,368	122,174
4-H/Youth Development	229,517	229,994
Nutrition and Health	2,949,744	2,971,743
Strengthening Families	952,875	982,984
 Total Program Services	 4,869,218	 5,007,108
Supporting Services:		
Management and General	425,997	524,324
 Total Expenses	 5,295,215	 5,531,432
 CHANGE IN UNRESTRICTED NET ASSETS FROM OPERATIONS	 \$ 63,109	 \$ 129,293

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2017 and 2016

	2017	2016
CHANGE IN UNRESTRICTED NET ASSETS FROM OPERATIONS	\$ 63,109	\$ 129,293
OTHER NON-OPERATING		
Unrealized Loss on Investments	<u>(1,270)</u>	<u>(2,153)</u>
Change in Unrestricted Net Assets	61,839	127,140
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	35,000	25,000
Unrealized Gain on Investments	0	189
Net Assets Released from Restriction	<u>(29,790)</u>	<u>(21,918)</u>
Change in Temporarily Restricted Net Assets	<u>5,210</u>	<u>3,271</u>
CHANGE IN TOTAL NET ASSETS	67,049	130,411
NET ASSETS		
Balance, Beginning of Year	<u>1,066,381</u>	<u>935,970</u>
Balance, End of Year	<u><u>\$ 1,133,430</u></u>	<u><u>\$ 1,066,381</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017 with Comparative
Totals for Year Ended December 31, 2016

	Program Services				
	Agriculture and Rural Sustainability	Sustaining Production Agriculture	Environmental Stewardship and Water Quality	4-H/ Youth Development	Nutrition and Health
Salaries	\$ 123,793	\$ 191,768	\$ 60,747	\$ 110,730	\$ 811,107
In-Kind Payroll Taxes and Fringe Benefits	67,603	104,725	33,174	60,470	442,946
Unemployment Insurance	220	307	88	219	1,755
Workers' Compensation Insurance	1,287	1,742	516	1,321	10,687
Staff Development	837	1,947	1,293	0	5,580
Accrued Vacation Adjustment	0	0	0	0	0
Awards and Prizes	0	0	329	8,108	700
Trips and Tours	0	0	0	10,900	0
Telephone	1,894	2,357	217	604	13,218
Postage	271	1,994	766	1,944	8,656
Supplies	557	805	422	970	8,685
Liability Insurance	501	702	200	1,027	11,915
Rent - Building	2,761	8,285	1,941	3,682	33,443
Equipment Leases	186	253	400	191	2,022
Travel and Mileage Reimbursement	6,502	6,207	2,544	3,462	37,340
Small Equipment	719	1,492	1,248	44	1,875
Printing and Publications	490	1,392	743	1,890	7,689
Publicity and Advertising	0	2,080	755	428	236,793
Conferences and Conventions	1,284	1,066	1,679	1,892	220
Program Participation	0	0	0	0	518,384
Association and SBN Services	1,649	2,324	664	2,227	13,351
Teaching and Classroom Supplies	263	569	5,105	2,540	135,161
Repairs and Maintenance	228	901	68	201	1,533
Miscellaneous	0	0	0	0	0
Enterprise	0	1,149	8	1,233	0
Contracted Services	62,751	7,681	8,419	1,619	627,578
Audit Fee	0	0	0	0	15,234
Fees, Licenses and Memberships	146	763	332	941	2,098
Bank Fees	0	0	0	0	40
Fund Raising	0	263	710	12,874	1,734
	<u>273,942</u>	<u>340,772</u>	<u>122,368</u>	<u>229,517</u>	<u>2,949,744</u>
Total Before Depreciation	273,942	340,772	122,368	229,517	2,949,744
Depreciation and Amortization	0	0	0	0	0
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 273,942</u></u>	<u><u>\$ 340,772</u></u>	<u><u>\$ 122,368</u></u>	<u><u>\$ 229,517</u></u>	<u><u>\$ 2,949,744</u></u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

		Supporting Services	Total Expenses	
Strengthening Families	Total	Management and General	2017	2016
\$ 473,901	\$ 1,772,046	\$ 204,831	\$ 1,976,877	\$ 2,202,903
258,797	967,715	111,858	1,079,573	1,180,315
1,097	3,686	702	4,388	4,205
6,263	21,816	5,386	27,202	20,344
13,349	23,006	9,516	32,522	29,676
0	0	(9,604)	(9,604)	(10,539)
1,326	10,463	598	11,061	7,624
0	10,900	0	10,900	2,010
6,539	24,829	3,728	28,557	34,029
12,777	26,408	524	26,932	21,850
9,179	20,618	5,895	26,513	30,258
3,559	17,904	2,153	20,057	18,239
22,913	73,025	23,933	96,958	94,500
135	3,187	543	3,730	4,346
10,081	66,136	7,771	73,907	92,661
1,744	7,122	4,052	11,174	20,279
15,974	28,178	6,337	34,515	23,022
45,187	285,243	9,247	294,490	375,783
15,640	21,781	5,433	27,214	23,028
0	518,384	0	518,384	557,955
7,991	28,206	5,651	33,857	36,778
7,219	150,857	454	151,311	58,065
749	3,680	2,005	5,685	4,073
0	0	0	0	107
0	2,390	0	2,390	2,679
11,834	719,882	7,831	727,713	614,410
7,617	22,851	0	22,851	14,420
8,506	12,786	3,531	16,317	18,921
0	40	639	679	624
10,498	26,079	1,348	27,427	27,447
952,875	4,869,218	414,362	5,283,580	5,510,012
0	0	11,635	11,635	21,420
\$ 952,875	\$ 4,869,218	\$ 425,997	\$ 5,295,215	\$ 5,531,432

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016

	Program Services			
	Agriculture and Rural Sustainability	Sustaining Production Agriculture	Environmental Stewardship and Water Quality	4-H/ Youth Development
Salaries	\$ 168,289	\$ 193,452	\$ 52,485	\$ 116,503
In-Kind Payroll Taxes and Fringe Benefits	90,169	103,652	28,121	62,422
Unemployment Insurance	294	294	84	237
Workers' Compensation Insurance	510	2,462	421	1,264
Staff Development	104	1,640	1,929	288
Accrued Vacation Adjustment	0	0	0	0
Awards and Prizes	0	0	376	6,051
Trips and Tours	0	0	0	2,010
Telephone	1,589	2,104	382	689
Postage	252	2,078	372	1,238
Supplies	4,374	1,271	973	1,718
Liability Insurance	761	1,613	503	1,577
Rent - Building	2,762	10,125	1,840	5,522
Equipment Leases	144	361	72	205
Travel and Mileage Reimbursement	12,120	6,670	10,107	4,893
Small Equipment	136	28	722	299
Printing and Publications	498	1,813	329	1,510
Publicity and Advertising	725	2,630	5,204	72
Conferences and Conventions	2,257	1,963	1,000	2,530
Program Participation	0	0	0	0
Association and SBN Services	1,811	3,766	1,079	2,687
Teaching and Classroom Supplies	678	262	2,891	995
Repairs and Maintenance	34	157	19	275
Miscellaneous	0	0	0	0
Enterprise	0	984	275	1,420
Contracted Services	64,200	10,613	11,971	231
Audit Fee	0	0	0	0
Fees, Licenses and Memberships	162	280	54	351
Bank Fees	0	0	0	0
Fund Raising	0	126	965	15,007
	<hr/>	<hr/>	<hr/>	<hr/>
Total Before Depreciation	351,869	348,344	122,174	229,994
Depreciation and Amortization	0	0	0	0
TOTAL FUNCTIONAL EXPENSES	<u>\$ 351,869</u>	<u>\$ 348,344</u>	<u>\$ 122,174</u>	<u>\$ 229,994</u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

Nutrition and Health	Strengthening Families	Total	Supporting Services	Total Expenses 2016
\$ 893,365	\$ 515,433	\$ 1,939,527	\$ 263,376	\$ 2,202,903
478,665	276,169	1,039,198	141,117	1,180,315
1,625	883	3,417	788	4,205
6,608	5,202	16,467	3,877	20,344
6,654	16,461	27,076	2,600	29,676
0	0	0	(10,539)	(10,539)
0	854	7,281	343	7,624
0	0	2,010	0	2,010
12,173	8,907	25,844	8,185	34,029
2,549	14,275	20,764	1,086	21,850
8,768	7,993	25,097	5,161	30,258
7,113	3,218	14,785	3,454	18,239
37,430	19,331	77,010	17,490	94,500
2,516	369	3,667	679	4,346
30,554	11,452	75,796	16,865	92,661
9,116	5,065	15,366	4,913	20,279
9,684	7,620	21,454	1,568	23,022
329,373	31,934	369,938	5,845	375,783
1,448	7,780	16,978	6,050	23,028
557,955	0	557,955	0	557,955
10,174	8,792	28,309	8,469	36,778
47,721	5,355	57,902	163	58,065
314	2,254	3,053	1,020	4,073
0	0	0	107	107
0	0	2,679	0	2,679
502,788	14,203	604,006	10,404	614,410
9,614	4,806	14,420	0	14,420
5,521	9,413	15,781	3,140	18,921
15	0	15	609	624
0	5,215	21,313	6,134	27,447
2,971,743	982,984	5,007,108	502,904	5,510,012
0	0	0	21,420	21,420
\$ 2,971,743	\$ 982,984	\$ 5,007,108	\$ 524,324	\$ 5,531,432

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Total Net Assets	\$ 67,049	\$ 130,411
Adjustments to Reconcile Change in Total Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation and Amortization	11,635	21,420
Unrealized Loss on Investments	1,270	1,964
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(118,915)	182,733
Accounts Receivable - Related Party	3,991	(3,782)
Prepaid Expenses and Other Current Assets	2,127	545
Deposits	21,840	(21,718)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	18,746	17,995
Accounts Payable - Related Party	(60,842)	(36,025)
Accrued Liabilities	(6,296)	(376)
Deferred Revenue	(93,593)	75,242
	(152,988)	368,409
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,600)	(1,437)
Capital Expenditures	(6,371)	(18,551)
	(7,971)	(19,988)
Net Cash Used In Investing Activities	(7,971)	(19,988)
Net Change in Cash	(160,959)	348,421
Cash, Beginning of Year	666,250	317,829
Cash, End of Year	\$ 505,291	\$ 666,250

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 1 – NATURE OF OPERATIONS

Nature of Activities

Cornell Cooperative Extension Association of Oneida County (the Association) is a subordinate governmental agency consisting of an unincorporated organization of residents of Oneida County in cooperation with Cornell University and the United States Department of Agriculture, and in accordance with subdivision 8(b) of Section 224 of NYS County Law, as amended.

The Association was formed to identify and find solutions to improve homes, families, farms, businesses and communities through education and research. The Association cooperates fully with Cornell University to provide the residents of Oneida County with the educational programs of the New York State Colleges of Agriculture, Life Sciences and Human Ecology and subjects relating thereto.

The major program areas of the Association are Agriculture and Rural Sustainability, Sustaining Production Agriculture, Environmental Stewardship and Water Quality, 4-H/Youth Development, Nutrition and Health, and Strengthening Families.

The Association receives funding from local, state and federal government sources and must comply with the existing regulations of these funding sources. The Association also receives contributions from the community and from fund raising efforts.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Association's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Tax Status

The Association is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Association is part of a group tax exemption with Cornell University (see Note 8, Related Party Transactions). Accordingly, no provision for federal income taxes is required in the financial statements. Management is unaware of any unrelated activities that may be subject to unrelated business income tax or any activities that would jeopardize the Association's exempt status.

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts, money market accounts and all highly liquid investments purchased with maturities of three months or less. The Association maintains its cash in bank accounts, which at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents. At December 31, 2017 and 2016, there were no cash equivalents.

Accounts Receivable

Accounts receivable consists mainly of amounts due from various local, state and federal governmental agencies as a result of providing services to individuals and families in the local community. Payment for these services was not received by the Association at year end. The management of the Association reviews the collectability of the accounts receivable on a monthly basis, and has determined that no reserve for doubtful accounts needs to be established.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. It is the Association's policy to capitalize expenditures for these items equal to or in excess of \$1,000. Depreciation and amortization is computed using the straight-line method over the estimated economic useful lives of the assets.

When property and equipment are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recorded in the statements of activities.

Expenditures for repairs and maintenance not considered to substantially lengthen property lives are charged to expense as incurred. Depreciation and amortization charged to expense for the years ended December 31, 2017 and 2016 was \$11,635 and \$21,420, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Accrued Vacation

Complying with policies established by Cornell University, an accrual for paid vacation earned but not taken at the statement of financial position date is recorded. Vacation accrual commences with the first day of continuous employment, and the maximum accrual of paid vacation may not exceed 10 days. The accrued vacation amounted to \$46,190 and \$55,794 at December 31, 2017 and 2016, respectively.

Deferred Revenue

Deferred revenue consists of money received in advance for upcoming programs and events. These advances will be recognized as revenue when services are provided.

Fund Accounting

The accounts of the Association are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. However, fund balances are reclassified and presented in these statements as unrestricted, temporarily restricted or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions as required.

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs benefited.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

In-Kind Revenue and Expenses

In-kind donations are recorded at fair market value and are recorded as both revenue and expenses. In-kind donations consist of payroll taxes and fringe benefits of \$1,079,573 and \$1,180,315 for the years ended December 31, 2017 and 2016, respectively.

No amounts have been reflected in the statements for donated services, as they do not meet the requirements for recognition; however, a substantial number of volunteers have donated significant amounts of their time to program services.

Concentrations of Revenue

The Association receives substantially all of its funding from governmental contracts and grants. Large program budget cuts by these funding agencies could have a significant impact upon funding of program services.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain 2016 amounts have been reclassified to conform to 2017 presentation. These reclassifications had no impact on the total assets, liabilities, net assets or change in net assets.

Subsequent Events

Management has evaluated subsequent events through May 24, 2018, which is the date the financial statements were available to be issued. There were no items requiring adjustment of the financial statements or additional disclosure.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2017	2016
Building Improvements	\$ 17,566	\$ 17,566
Furniture, Computers, and Equipment	<u>266,550</u>	<u>260,179</u>
	284,116	277,745
Less: Accumulated Depreciation and Amortization	<u>239,312</u>	<u>227,677</u>
Net Property and Equipment	<u><u>\$ 44,804</u></u>	<u><u>\$ 50,068</u></u>

NOTE 4 – INVESTMENTS

The Association follows the provisions of an accounting standard, which pertains to certain statement of financial position items measured at fair value on a recurring basis and defines fair value, establishes a framework for measuring fair value and expands disclosures about such measurements.

The standard defines fair value as the exit price or the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 4 – INVESTMENTS – Continued

The accounting standard establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value:

Cash and Cash Equivalents – Valued at carrying cost, which approximates fair value (Level 1 inputs).

Mutual Funds – Valued at quoted net asset values of the shares held on the last business day of the fiscal year (Level 1 inputs).

NYS 4-H Investments – Fair value of investments was determined by the New York State 4-H Foundation based on the market value of the underlying investments (Level 3 inputs).

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 4 – INVESTMENTS – Continued

Investments measured at fair value on a recurring basis are summarized below by input level:

Investments at Fair Value as of December 31, 2017

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 11,325	\$ 0	\$ 0	\$ 11,325
Mutual Funds - Money Market	39,694	0	0	39,694
Mutual Funds - Government	55,254	0	0	55,254
NYS 4-H Investments	0	0	47,120	47,120
Total Investments	\$ 106,273	\$ 0	\$ 47,120	\$ 153,393

Investments at Fair Value as of December 31, 2016

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 11,311	\$ 0	\$ 0	\$ 11,311
Mutual Funds - Money Market	39,515	0	0	39,515
Mutual Funds - Government	55,117	0	0	55,117
NYS 4-H Investments	0	0	47,120	47,120
Total Investments	\$ 105,943	\$ 0	\$ 47,120	\$ 153,063

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 4 – INVESTMENTS – Continued

NYS 4-H Foundation Investments

The Association has established two funds with the New York State 4-H Foundation entitled the "Harvey B. Bowman Estate Fund" and "4-H Private Support Fund." The New York State 4-H Foundation provides for the administration and investment of the board restricted funds, which are included in the Association's long-term investment pool. The Association's long-term investment pool is subject to market risk. Any potential risk is intended to be mitigated by broad diversification within the various funds.

NYS 4-H Foundation Investments consist of the following at December 31:

	2017	2016
Harvey B. Bowman Estate Fund	\$ 34,104	\$ 34,104
4-H Private Support Fund	<u>13,016</u>	<u>13,016</u>
Total	<u>\$ 47,120</u>	<u>\$ 47,120</u>

NOTE 5 – DEPOSITS

Cornell University provides specified services to the Association including payment of the salaries of the Association's employees. Cornell University is reimbursed for these advances. However, to assist Cornell University with its cash flow, the Association must maintain a non-interest bearing deposit with Cornell University. The amount of the deposit is determined on an annual basis. The deposit was \$135,969 and \$157,809 for the years ended December 31, 2017 and 2016, respectively.

NOTE 6 – LINE-OF-CREDIT

At December 31, 2017 and 2016, the Association had a \$250,000 unsecured line-of-credit with a bank. There was no outstanding balance as of December 31, 2017 and 2016. The terms of the line-of-credit provide for interest at prime. The prime rate was 4.50% and 3.75% at December 31, 2017 and 2016, respectively. The line-of-credit matures September 30, 2018.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 7 – DESIGNATION/RESTRICTION OF NET ASSETS

The Association's Board of Directors has chosen to place the following limitations on unrestricted net assets:

	2017	2016
General Funds	\$ 104,979	\$ 15,134
Designated - General	352,493	349,003
Designated - Agriculture and Rural Sustainability	32,815	92,083
Designated - Sustaining Production Agriculture	27,952	23,114
Designated - Environmental Stewardship and Water Quality	37,940	40,621
Designated - 4-H/Youth Development	123,762	103,032
Designated - Nutrition and Health	1,321	0
Designated - Strengthening Families	207,351	191,155
Designated - Association	116,131	108,500
Designated - Plant	54,805	75,068
	<u>54,805</u>	<u>75,068</u>
Unrestricted Net Assets	<u>\$ 1,059,549</u>	<u>\$ 997,710</u>

Temporarily restricted net assets are amounts received from donors that must be used for a specific purpose. Temporarily restricted net assets are available for the following purposes:

	2017	2016
Vail Memorial	\$ 0	\$ 421
Kress/Field Memorial	0	497
Harvey B. Bowman Estate Fund	36,130	36,130
Planow Memorial	0	2,960
4-H Trips and Tours	0	8,760
Animal Science	2,500	2,500
Community Foundation Waterville Grant	4,293	11,727
Community Foundation Parenting Grant	1,839	5,312
Community Foundation Lead Window Grant	5,061	0
Community Foundation Farm to Consumer Grant	23,694	0
	<u>23,694</u>	<u>0</u>
Temporarily Restricted Net Assets	<u>\$ 73,517</u>	<u>\$ 68,307</u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 7 – DESIGNATION/RESTRICTION OF NET ASSETS –

Continued

Permanently Restricted

In 2001, the Board of Directors decided to establish an endowment fund to help further the exempt purpose of the Association. Donations to the fund are restricted by the donors. The endowment fund earnings are unrestricted and available for general operating purposes. The balance of the endowment was \$364 at both December 31, 2017 and 2016.

NOTE 8 – RELATED PARTY TRANSACTIONS

Cornell University

The Association has entered into an agreement with Cornell University, an educational Corporation of the State of New York. Cornell University has been designated an agent of the State of New York for the cooperative management of the Association. Services include the supervision and support of the professional staff employed, and the certification of the expenditure of state funds provided within Oneida County to bring educational programs of its colleges to the people of Oneida County.

Cornell University agrees to provide program and staff supervision, along with Cornell University staff assistance in the planning, development and conduct of the Association. Cornell University provides training, information and advice concerning Associational and business management, and coordinates the recruitment and selection process for educators employed by the Association.

The Association also agrees to employ staff selected from qualified candidates recommended by Cornell University. The Association will adopt and abide by appropriate personnel policies for educators and other employees, provide bonds for officers and employees of the Association, maintain adequate third party liability insurance, adhere to financial management policies as issued by Cornell University, and provide to Cornell University reimbursements for unemployment insurance and Association services.

Cornell University also provides the administration of payroll, in-kind payroll taxes and fringe benefits, unemployment insurance, and association services. Monthly transfers occur between Cornell University and the Association to reimburse the University for these costs. Cornell University bills the Association for the prior month's expenditures on the Association's behalf.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 8 – RELATED PARTY TRANSACTIONS – Continued

The following is a summary of transactions and balances as of December 31:

	2017	2016
Grant Revenue	<u>\$ 215,339</u>	<u>\$ 211,001</u>
Accounts Receivable	<u>\$ 3,687</u>	<u>\$ 7,678</u>
Salaries Reimbursed	<u>\$ 1,976,877</u>	<u>\$ 2,202,903</u>
In-Kind Payroll Taxes and Fringe Benefits	<u>\$ 1,079,573</u>	<u>\$ 1,180,315</u>
Unemployment Insurance/Association Services/ Shared Business Network Services	<u>\$ 38,245</u>	<u>\$ 40,983</u>
Accounts Payable	<u>\$ 118,855</u>	<u>\$ 179,697</u>

Cooperative Extension Shared Business Network Agreement

The Association has entered into separate agreements with eight other Cooperative Extensions to provide IT, Human Resource and finance support. Under the terms of the agreements, which are renewed annually, the Association is paid based on an approved formula. At December 31, 2017 and 2016, the Association had recognized income of \$75,735 and \$65,386 included in grants, contracts and program fees on the statements of activities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE 9 – EMPLOYEE BENEFITS

Retirement Plans

The Association participates in the New York State and Local Employees' Retirement System (NYSERS) and the Federal Employees' Retirement System (FERS). Cooperative Extension agents participate in the FERS and all other staff participates in the NYSERS. These systems are cost sharing multiple-employer, public employee retirement systems. The systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

The payroll for employees covered by the systems is aggregated and reported with the payroll of Cornell University and all other Cooperative Extension Associations of New York State. Separate payroll calculations for the pension plans of the Cooperative Extension Associations are not maintained by Cornell University. For a more detailed explanation, refer to the plan's Summary Plan Description.

Health Insurance and Other Benefits

The Association provides health care cost assistance and life insurance to all of its eligible employees. Employees may elect to participate in the Association's plan, which sponsors an indemnity health insurance plan or health maintenance association and life insurance coverage.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

OTHER FINANCIAL INFORMATION

SCHEDULE OF NET ASSETS

Year Ended December 31, 2017

	December 31, 2016 Balance	Increase/ (Decrease) in Net Assets	December 31, 2017 Balance
UNRESTRICTED			
General Funds	\$ 15,134	\$ 89,845	\$ 104,979
Designated - General:			
Initial Payment	157,809	(21,840)	135,969
Legal Fund	20,000	0	20,000
Capital Purchases	25,000	5,000	30,000
Bank of NY Mellon	30,251	0	30,251
Investments	105,943	330	106,273
Employee Benefits	0	20,000	20,000
Strategic Plan	10,000	0	10,000
Total Designated - General	<u>349,003</u>	<u>3,490</u>	<u>352,493</u>
Designated - Agriculture and Rural Sustainability:			
AG Development Specialist	20,000	(20,000)	0
City of Utica Community Development Block Grant	20,155	(20,155)	0
Rust to Green	51,928	(23,864)	28,064
Lamness Grant	0	3,494	3,494
Women of Agriculture Conference	0	1,257	1,257
Total Designated - Agriculture and Rural Sustainability	<u>92,083</u>	<u>(59,268)</u>	<u>32,815</u>
Designated - Sustaining Production Agriculture:			
Farm Fest	8,500	0	8,500
Annie's Project	14,614	4,838	19,452
Total Designated - Sustaining Production Agriculture	<u>23,114</u>	<u>4,838</u>	<u>27,952</u>
Designated - Environmental Stewardship and Water Quality:			
Master Gardeners	28,762	9,178	37,940
Grow to Learn	1,256	(1,256)	0
Pet/Child Garden	5,603	(5,603)	0
One World Garden	5,000	(5,000)	0
Total Designated - Environmental Stewardship and Water Quality	<u>40,621</u>	<u>(2,681)</u>	<u>37,940</u>

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

SCHEDULE OF NET ASSETS

Year Ended December 31, 2017

	December 31, 2016 Balance	Increase/ (Decrease) in Net Assets	December 31, 2017 Balance
UNRESTRICTED - Continued			
Designated - 4-H/Youth Development:			
4-H Activities	13,016	0	13,016
4-H Horse Program	5,390	624	6,014
Camp Investment	48,788	1,212	50,000
Dog Therapy	3,000	(630)	2,370
STEM Initiative Fund	10,000	40,000	50,000
Youth Development Fund	20,389	(20,389)	0
Boonville Fair	1,704	577	2,281
Vernon Downs	695	(695)	0
NYS Fair	50	31	81
Total Designated - 4-H/Youth Development	103,032	20,730	123,762
Designated - Nutrition and Health:			
American Heart Association	0	1,321	1,321
Designated - Strengthening Families:			
CCR&R	181,130	21,726	202,856
Child Care Scholarship	5,025	(530)	4,495
Parenting Education	5,000	(5,000)	0
Total Designated - Strengthening Families	191,155	16,196	207,351
Designated - Association:			
Contract Services	50,000	0	50,000
Marketing and Promotion	12,500	12,500	25,000
Professional Development	20,000	5,000	25,000
NY EDEN	26,000	(9,869)	16,131
Total Designated - Association	108,500	7,631	116,131

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

SCHEDULE OF NET ASSETS

Year Ended December 31, 2017

	December 31, 2016 Balance	Increase/ (Decrease) in Net Assets	December 31, 2017 Balance
UNRESTRICTED - Continued			
Designated - Plant			
Net Plant	50,068	(5,263)	44,805
Leasehold Improvements	25,000	(15,000)	10,000
Total Designated - Plant	75,068	(20,263)	54,805
TOTAL UNRESTRICTED	\$ 997,710	\$ 61,839	\$ 1,059,549
TEMPORARILY RESTRICTED			
Vail Memorial	\$ 421	\$ (421)	\$ 0
Kresse/Field Memorial	497	(497)	0
Harvey B. Bowman Estate Fund	36,130	0	36,130
Planow Memorial	2,960	(2,960)	0
4-H Trip and Tours	8,760	(8,760)	0
Animal Science	2,500	0	2,500
Community Foundation Waterville Grant	11,727	(7,434)	4,293
Community Foundation Parenting Grant	5,312	(3,473)	1,839
Community Foundation Lead Window Grant	0	5,061	5,061
Community Foundation Farm to Consumer Grant	0	23,694	23,694
TOTAL TEMPORARILY RESTRICTED	\$ 68,307	\$ 5,210	\$ 73,517
PERMANENTLY RESTRICTED			
Carly Stratton Endowment Fund	\$ 364	\$ 0	\$ 364
TOTAL PERMANENTLY RESTRICTED	\$ 364	\$ 0	\$ 364

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

SINGLE AUDIT REPORTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2017

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Contract Number	Federal CFDA Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Passed-Through University of Delaware: Cooperative Extension Service	39393	10.500	\$ 15,987	\$ 0
Passed-Through New York State Office of Temporary and Disability Assistance: SNAP Cluster Supplemental Nutrition Assistance Program	C021764	10.561	1,477,413	549,931
Passed-Through New York State Department of Health: SNAP Cluster Supplemental Nutrition Assistance Program	C33044GG-3450000	10.561	<u>18,991</u>	<u>0</u>
Total SNAP Cluster			1,496,404	549,931
Passed-Through New York State Department of Health: Child and Adult Care Food Program	2904	10.558	<u>590,905</u>	<u>0</u>
Total U.S. Department of Agriculture			2,103,296	549,931
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-Through State of New York Office of Children and Family Services: CCDF Cluster Child Care and Development Block Grant	C026655	93.575	611,020	0
Passed-Through Herkimer, Madison, Oneida Consortium: TANF Cluster Temporary Assistance for Needy Families	*	93.558	<u>3,465</u>	<u>0</u>
Total U.S. Department of Health and Human Services			<u>614,485</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,717,781</u></u>	<u><u>\$ 549,931</u></u>

* The Pass Through Entity did not provide a pass through contract number.

See notes to schedule of expenditures of federal awards.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2017

NOTE 1 – BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal award activity of Cornell Cooperative Extension Association of Oneida County and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cornell Cooperative Extension Association of Oneida County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Cornell Cooperative Extension Association of Oneida County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



Dermody, Burke & Brown, CPAs, LLC

**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***

**BOARD OF DIRECTORS
CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

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 **CORNELL COOPERATIVE EXTENSION ASSOCIATION OF ONEIDA COUNTY**, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 24, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cornell Cooperative Extension Association of Oneida County'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 Cornell Cooperative Extension Association of Oneida County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cornell Cooperative Extension Association of Oneida County'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.

443 North Franklin Street • Syracuse, NY 13204-1441 • (315) 471-9171 • Fax (315) 471-8555

1120 Corporate Drive • Auburn, NY 13021-1634 • (315) 253-6273 • Fax (315) 253-0890

4350 Middle Settlement Road • New Hartford, NY 13413-5328 • (315) 732-2991 • Fax (315) 732-0282

<http://www.dbbllc.com>

Internal Control Over Financial Reporting – Continued

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 Cornell Cooperative Extension Association of Oneida County'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

May 24, 2018



Dermody, Burke & Brown, CPAs, LLC

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**BOARD OF DIRECTORS
CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

Report on Compliance for Each Major Federal Program

We have audited **CORNELL COOPERATIVE EXTENSION ASSOCIATION OF ONEIDA COUNTY'S** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Cornell Cooperative Extension Association of Oneida County's major federal program for the year ended December 31, 2017. Cornell Cooperative Extension Association of Oneida County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cornell Cooperative Extension Association of Oneida County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cornell Cooperative Extension Association of Oneida County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

443 North Franklin Street • Syracuse, NY 13204-1441 • (315) 471-9171 • Fax (315) 471-8555

1120 Corporate Drive • Auburn, NY 13021-1634 • (315) 253-6273 • Fax (315) 253-0890

4350 Middle Settlement Road • New Hartford, NY 13413-5328 • (315) 732-2991 • Fax (315) 732-0282

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Auditor's Responsibility – Continued

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cornell Cooperative Extension Association of Oneida County's compliance.

Opinion on Each Major Federal Program

In our opinion, Cornell Cooperative Extension Association of Oneida County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of Cornell Cooperative Extension Association of Oneida County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cornell Cooperative Extension Association of Oneida County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cornell Cooperative Extension Association of Oneida County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance – Continued

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

May 24, 2018

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2017

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Cornell Cooperative Extension Association of Oneida County.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Cornell Cooperative Extension Association of Oneida County were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award program for Cornell Cooperative Extension Association of Oneida County expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award program that are required to be reported in accordance with 2 CFR section 200.516(a) for Cornell Cooperative Extension Association of Oneida County.
7. The program tested as a major program was:
 - Child and Adult Care Food Program, CFDA No. 10.558
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. Cornell Cooperative Extension Association of Oneida County qualified as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

None

D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION

The audit for the year ended December 31, 2016, disclosed no findings that were required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Due to there being no audit findings in the current year or prior year, there is no corrective action plan to report.