

CORNELL COOPERATIVE
EXTENSION ASSOCIATION
OF ONEIDA COUNTY

FINANCIAL STATEMENTS
December 31, 2018 and 2017

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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, 2018 and 2017, 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.

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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, 2018 and 2017, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, Cornell Cooperative Extension Association of Oneida County has implemented the provisions of Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

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 26 to 28 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 30, 2019, 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.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

May 30, 2019

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 710,381	\$ 505,291
Accounts Receivable	735,097	689,167
Accounts Receivable - Related Party	10,321	3,687
Prepaid Expenses and Other Current Assets	10,850	5,439
	<hr/>	<hr/>
Total Current Assets	1,466,649	1,203,584
PROPERTY AND EQUIPMENT, NET	47,836	44,804
OTHER ASSETS		
Investments	163,587	153,393
Deposits	162,595	135,969
	<hr/>	<hr/>
Total Other Assets	326,182	289,362
TOTAL ASSETS	<u><u>\$ 1,840,667</u></u>	<u><u>\$ 1,537,750</u></u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

LIABILITIES AND NET ASSETS

	2018	2017
CURRENT LIABILITIES		
Accounts Payable	\$ 245,309	\$ 193,894
Accounts Payable - Related Party	185,596	118,855
Accrued Liabilities	95,638	80,346
Deferred Revenue	21,868	7,625
Agency Funds	<u>3,600</u>	<u>3,600</u>
Total Current Liabilities	552,011	404,320
NET ASSETS		
Without Donor Restrictions	1,183,025	1,059,549
With Donor Restrictions	<u>105,631</u>	<u>73,881</u>
Total Net Assets	<u>1,288,656</u>	<u>1,133,430</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,840,667</u></u>	<u><u>\$ 1,537,750</u></u>

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2018 and 2017

	2018	2017
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenue:		
Grants, Contracts and Program Fees	\$ 3,811,911	\$ 3,670,420
CACFP Provider Funds	503,100	505,882
In-Kind Donations	1,349,778	1,079,573
Contributions	24,301	25,005
Interest	3,489	2,789
Advertising Publications/Newspaper	8,100	4,183
Enterprises	5,957	2,726
Fund Raising Sales	20,093	34,838
Miscellaneous Income	1,700	3,118
Net Assets Released from Restrictions	41,297	29,790
Total Support and Revenue	5,769,726	5,358,324
Expenses:		
Program Services:		
Agriculture and Rural Sustainability	526,715	305,958
Sustaining Production Agriculture	467,290	341,822
Environmental Stewardship	135,300	121,318
4-H/Youth Development	211,903	229,517
Nutrition and Health	2,287,731	2,313,104
Strengthening Families	1,596,129	1,557,499
Total Program Services	5,225,068	4,869,218
Supporting Services:		
Management and General	422,674	425,997
Total Expenses	5,647,742	5,295,215
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS	\$ 121,984	\$ 63,109

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2018 and 2017

	2018	2017
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS	\$ 121,984	\$ 63,109
OTHER NON-OPERATING		
Unrealized Gain (Loss) on Investments	<u>1,492</u>	<u>(1,270)</u>
Change in Net Assets Without Donor Restrictions	123,476	61,839
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	66,432	35,000
Unrealized Gain on Investments	6,615	0
Net Assets Released from Restrictions	<u>(41,297)</u>	<u>(29,790)</u>
Change in Net Assets With Donor Restrictions	<u>31,750</u>	<u>5,210</u>
CHANGE IN TOTAL NET ASSETS	155,226	67,049
NET ASSETS		
Balance, Beginning of Year	<u>1,133,430</u>	<u>1,066,381</u>
Balance, End of Year	<u><u>\$ 1,288,656</u></u>	<u><u>\$ 1,133,430</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018 with Comparative
Totals for Year Ended December 31, 2017

	Program Services				
	Agriculture and Rural Sustainability	Sustaining Production Agriculture	Environmental Stewardship	4-H/ Youth Development	Nutrition and Health
Salaries	\$ 232,051	\$ 226,945	\$ 72,067	\$ 101,429	\$ 815,654
In-Kind Payroll Taxes and Fringe Benefits	143,779	140,615	44,653	62,845	505,379
Unemployment Insurance	315	315	90	270	2,829
Workers' Compensation Insurance	1,347	1,441	395	1,185	8,252
Staff Development	704	2,421	937	94	6,114
Accrued Vacation Adjustment	0	0	0	0	0
Awards and Prizes	0	0	241	7,053	0
Trips and Tours	0	0	0	1,898	0
Telephone	1,445	2,219	244	680	12,854
Postage	332	2,028	441	1,068	8,121
Supplies	711	2,062	92	877	8,288
Liability Insurance	1,155	1,116	275	1,384	10,351
Rent - Building	6,444	6,445	1,841	5,523	41,171
Equipment Leases	328	257	74	199	1,208
Travel and Mileage Reimbursement	7,691	8,269	2,153	3,802	32,830
Small Equipment	852	1,966	0	840	4,382
Printing and Publications	751	2,394	806	1,946	4,737
Publicity and Advertising	469	2,525	296	1,325	211,949
Conferences and Conventions	887	3,347	3,951	1,584	0
Program Participation	36,977	0	0	0	6,174
Association and SBN Services	3,073	3,009	913	2,321	13,174
Teaching and Classroom Supplies	33,455	1,158	3,997	1,324	60,767
Repairs and Maintenance	337	533	96	458	1,482
Miscellaneous	0	0	0	0	0
Enterprise	0	882	15	1,193	0
Contracted Services	53,462	56,943	716	366	522,877
Audit Fee	0	0	0	0	2,423
Fees, Licenses and Memberships	150	135	25	988	6,377
Bank Fees	0	3	0	27	17
Fund Raising	0	262	982	11,224	321
Total Before Depreciation	526,715	467,290	135,300	211,903	2,287,731
Depreciation	0	0	0	0	0
TOTAL FUNCTIONAL EXPENSES	\$ 526,715	\$ 467,290	\$ 135,300	\$ 211,903	\$ 2,287,731

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

		Supporting Services	Total Expenses	
Strengthening Families	Total	Management and General	2018	2017
\$ 543,048	\$ 1,991,194	\$ 187,272	\$ 2,178,466	\$ 1,976,877
336,473	1,233,744	116,034	1,349,778	1,079,573
1,260	5,079	1,423	6,502	4,388
5,335	17,955	3,952	21,907	27,202
3,578	13,848	3,900	17,748	32,768
0	0	5,399	5,399	(9,604)
14,134	21,428	237	21,665	11,061
0	1,898	0	1,898	10,900
7,362	24,804	5,069	29,873	28,557
10,599	22,589	435	23,024	26,932
6,074	18,104	8,787	26,891	26,267
3,395	17,676	2,015	19,691	20,057
21,172	82,596	13,806	96,402	96,958
323	2,389	474	2,863	3,730
12,638	67,383	7,948	75,331	73,907
5,583	13,623	6,010	19,633	11,773
14,907	25,541	5,425	30,966	33,916
33,238	249,802	9,405	259,207	294,490
12,920	22,689	7,346	30,035	27,214
503,547	546,698	0	546,698	518,384
9,568	32,058	6,195	38,253	33,857
9,722	110,423	147	110,570	151,335
760	3,666	2,836	6,502	5,661
0	0	67	67	0
482	2,572	0	2,572	2,390
14,844	649,208	10,149	659,357	727,713
4,846	7,269	0	7,269	22,851
8,492	16,167	3,377	19,544	16,317
49	96	696	792	679
11,780	24,569	625	25,194	27,427
1,596,129	5,225,068	409,029	5,634,097	5,283,580
0	0	13,645	13,645	11,635
\$ 1,596,129	\$ 5,225,068	\$ 422,674	\$ 5,647,742	\$ 5,295,215

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	Program Services			
	Agriculture and Rural Sustainability	Sustaining Production Agriculture	Environmental Stewardship	4-H/ Youth Development
Salaries	\$ 155,809	\$ 192,818	\$ 59,697	\$ 110,730
In-Kind Payroll Taxes and Fringe Benefits	67,603	104,725	33,174	60,470
Unemployment Insurance	220	307	88	219
Workers' Compensation Insurance	1,287	1,742	516	1,321
Staff Development	837	1,947	1,293	0
Accrued Vacation Adjustment	0	0	0	0
Awards and Prizes	0	0	329	8,108
Trips and Tours	0	0	0	10,900
Telephone	1,894	2,357	217	604
Postage	271	1,994	766	1,944
Supplies	557	805	422	970
Liability Insurance	501	702	200	1,027
Rent - Building	2,761	8,285	1,941	3,682
Equipment Leases	186	253	400	191
Travel and Mileage Reimbursement	6,502	6,207	2,544	3,462
Small Equipment	719	1,492	1,248	44
Printing and Publications	490	1,392	743	1,890
Publicity and Advertising	0	2,080	755	428
Conferences and Conventions	1,284	1,066	1,679	1,892
Program Participation	0	0	0	0
Association and SBN Services	1,649	2,324	664	2,227
Teaching and Classroom Supplies	263	569	5,105	2,540
Repairs and Maintenance	228	901	68	201
Miscellaneous	0	0	0	0
Enterprise	0	1,149	8	1,233
Contracted Services	62,751	7,681	8,419	1,619
Audit Fee	0	0	0	0
Fees, Licenses and Memberships	146	763	332	941
Bank Fees	0	0	0	0
Fund Raising	0	263	710	12,874
	<hr/>	<hr/>	<hr/>	<hr/>
Total Before Depreciation	305,958	341,822	121,318	229,517
Depreciation	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 305,958</u>	<u>\$ 341,822</u>	<u>\$ 121,318</u>	<u>\$ 229,517</u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

			<u>Supporting Services</u>	<u>Total Expenses</u>
Nutrition and Health	Strengthening Families	Total	Management and General	2017
\$ 746,524	\$ 506,468	\$ 1,772,046	\$ 204,831	\$ 1,976,877
402,451	299,292	967,715	111,858	1,079,573
1,623	1,229	3,686	702	4,388
9,996	6,954	21,816	5,386	27,202
5,460	13,715	23,252	9,516	32,768
0	0	0	(9,604)	(9,604)
700	1,326	10,463	598	11,061
0	0	10,900	0	10,900
12,556	7,201	24,829	3,728	28,557
8,001	13,432	26,408	524	26,932
8,439	9,179	20,372	5,895	26,267
10,191	5,283	17,904	2,153	20,057
33,443	22,913	73,025	23,933	96,958
1,884	273	3,187	543	3,730
34,415	13,006	66,136	7,771	73,907
2,463	1,755	7,721	4,052	11,773
3,871	19,193	27,579	6,337	33,916
236,793	45,187	285,243	9,247	294,490
220	15,640	21,781	5,433	27,214
10,146	508,238	518,384	0	518,384
12,434	8,908	28,206	5,651	33,857
135,161	7,243	150,881	454	151,335
1,450	808	3,656	2,005	5,661
0	0	0	0	0
0	0	2,390	0	2,390
623,394	16,018	719,882	7,831	727,713
7,617	15,234	22,851	0	22,851
2,098	8,506	12,786	3,531	16,317
40	0	40	639	679
1,734	10,498	26,079	1,348	27,427
2,313,104	1,557,499	4,869,218	414,362	5,283,580
0	0	0	11,635	11,635
\$ 2,313,104	\$ 1,557,499	\$ 4,869,218	\$ 425,997	\$ 5,295,215

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Total Net Assets	\$ 155,226	\$ 67,049
Adjustments to Reconcile Change in Total Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	13,645	11,635
Unrealized (Gain) Loss on Investments	(8,107)	1,270
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(45,930)	(118,915)
Accounts Receivable - Related Party	(6,634)	3,991
Prepaid Expenses and Other Current Assets	(5,411)	2,127
Deposits	(26,626)	21,840
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	51,415	18,746
Accounts Payable - Related Party	66,741	(60,842)
Accrued Liabilities	15,292	(6,296)
Deferred Revenue	14,243	(93,593)
	223,854	(152,988)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(2,087)	(1,600)
Capital Expenditures	(16,677)	(6,371)
	(18,764)	(7,971)
Net Change in Cash	205,090	(160,959)
Cash, Beginning of Year	505,291	666,250
Cash, End of Year	\$ 710,381	\$ 505,291

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

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, 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.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial Statement Presentation

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles, which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the board of directors. The board of directors has designated net assets in the amount of \$1,085,468 and \$954,570 at December 31, 2018 and 2017, respectively. See also Note 7.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. At December 31, 2018 and 2017, donor restricted net assets restricted by time and purpose were \$105,267 and \$73,517, respectively. The Association had donor restricted net assets in perpetuity of \$364 at both December 31, 2018 and 2017. See also Note 7.

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. 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, 2018 and 2017, there were no cash equivalents.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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 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 charged to expense for the years ended December 31, 2018 and 2017 was \$13,645 and \$11,635, respectively.

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 \$51,589 and \$46,190 at December 31, 2018 and 2017, 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.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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 net assets without donor restrictions and net assets with donor restrictions based on the absence or existence and type of donor-imposed restrictions as required.

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets.

Contributions are considered available for general use unless specifically restricted by the donor and are recorded when received. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restriction in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Management and general expenses are allocated to the various divisions in the form of internal charges based on space occupied, time expended, budgeted allowable share of overhead, etc.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

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 \$1,349,778 and \$1,079,573 for the years ended December 31, 2018 and 2017, 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 2017 amounts have been reclassified to conform to 2018 presentation. These reclassifications had no impact on the total assets, liabilities, net assets or change in net assets.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Association has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Subsequent Events

Management has evaluated subsequent events through May 30, 2019, 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.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

Financial Assets:

Cash	\$ 710,381
Accounts Receivable	735,097
Accounts Receivable - Related Party	10,321
Investments	<u>163,587</u>
 Total Financial Assets	 1,619,386

Less:

Board Designated Net Assets	(1,085,468)
Net Assets with Donor Restrictions	<u>(105,631)</u>
	<u>(1,191,099)</u>

**Financial Assets Available to Meet Cash Needs
for General Expenditures Within One Year**

\$ 428,287

The Association has a goal to maintain financial assets to meet 60 days of normal budgeted operating expenses which approximate \$714,000. The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management the Association invests cash in excess of daily requirements in various short-term investments and marketable securities. If deemed necessary, the Board of Directors can release net assets from board designation. As more fully described in Note 9, the Association has a line-of-credit which can be drawn upon as needed.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2018	2017
Building Improvements	\$ 17,566	\$ 17,566
Furniture, Computers, and Equipment	<u>283,227</u>	<u>266,550</u>
	300,793	284,116
Less: Accumulated Depreciation	<u>252,957</u>	<u>239,312</u>
Net Property and Equipment	<u><u>\$ 47,836</u></u>	<u><u>\$ 44,804</u></u>

NOTE 5 – 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.

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.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 5 – INVESTMENTS – Continued

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).

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

December 31, 2018

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Cash Equivalents	\$ 11,357	\$ 0	\$ 0	\$ 11,357
Mutual Funds - Money Market	40,243	0	0	40,243
Mutual Funds - Government	55,194	0	0	55,194
NYS 4-H Investments	0	0	56,793	56,793
	\$ 106,794	\$ 0	\$ 56,793	\$ 163,587
Total Investments	\$ 106,794	\$ 0	\$ 56,793	\$ 163,587

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
	\$ 106,273	\$ 0	\$ 47,120	\$ 153,393
Total Investments	\$ 106,273	\$ 0	\$ 47,120	\$ 153,393

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 5 – 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.

At December 31, these investments consist of the following:

	2018	2017
Harvey B. Bowman Estate Fund	\$ 42,746	\$ 34,104
4-H Private Support Fund	<u>14,047</u>	<u>13,016</u>
Total	<u>\$ 56,793</u>	<u>\$ 47,120</u>

The increase of \$9,673 from 2017 to 2018 in the Level 3 investments is due mainly to changes in market conditions of the underlying assets as determined by the NYS 4-H Foundation.

NOTE 6 – 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 \$162,595 and \$135,969 for the years ended December 31, 2018 and 2017, respectively.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 7 – NET ASSETS

Net assets without donor restrictions consist of the following at December 31:

	2018	2017
Net Assets Without Donor Restrictions:		
Undesignated Net Assets	\$ 97,557	\$ 104,979
Board Designated Funds:		
General	429,640	402,493
Agriculture and Rural Sustainability	42,849	32,815
Sustaining Production Agriculture	22,347	27,952
Environmental Stewardship	43,865	37,940
4-H/Youth Development	70,915	73,762
Nutrition and Health	3,200	1,321
Strengthening Families	268,418	207,351
Association	131,398	116,131
Plant	72,836	54,805
Total Board Designated Net Assets	1,085,468	954,570
Total Net Assets Without Donor Restrictions	\$ 1,183,025	\$ 1,059,549

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 7 – NET ASSETS – Continued

Net assets with donor restrictions consist of the following at December 31:

	2018	2017
Net Assets Restricted by Purpose or Time:		
Harvey B. Bowman Estate Fund	\$ 44,772	\$ 36,130
Animal Science	2,500	2,500
Community Foundation Farm and Food	51,444	0
Community Foundation Waterville Grant	4,293	4,293
Community Foundation Parenting Grant	0	1,839
Community Foundation Lead Window Grant	0	5,061
Community Foundation Farm to Consumer Grant	<u>2,258</u>	<u>23,694</u>
 Total Net Assets Restricted by Purpose or Time	 105,267	 73,517
Net Assets Restricted in Perpetuity:		
Carly Stratton Endowment Fund	<u>364</u>	<u>364</u>
 Total Net Assets With Donor Restrictions	 <u>\$ 105,631</u>	 <u>\$ 73,881</u>

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.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 8 – RELATED PARTY TRANSACTIONS – Continued

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.

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

	2018	2017
Grant Revenue	<u>\$ 208,097</u>	<u>\$ 215,339</u>
Accounts Receivable	<u>\$ 10,321</u>	<u>\$ 3,687</u>
Salaries Reimbursed	<u>\$ 2,178,466</u>	<u>\$ 1,976,877</u>
In-Kind Payroll Taxes and Fringe Benefits	<u>\$ 1,349,778</u>	<u>\$ 1,079,573</u>
Unemployment Insurance/Association Services/ Shared Business Network Services	<u>\$ 44,755</u>	<u>\$ 38,245</u>
Accounts Payable	<u>\$ 185,596</u>	<u>\$ 118,855</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, 2018 and 2017, the Association had recognized income of \$58,464 and \$75,735 included in grants, contracts and program fees on the statements of activities.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE 9 – LINE-OF-CREDIT

At December 31, 2018 and 2017, the Association had a \$250,000 unsecured line-of-credit with a bank. The terms of the line-of-credit provide for interest at prime. The prime rate was 5.50% and 4.50% at December 31, 2018 and 2017, respectively. There was no outstanding balance as of December 31, 2018 and 2017. The line-of-credit matured January 31, 2019.

In March 2019, the Association obtained a new line-of credit with a bank. The terms of the agreement provide for borrowings up to \$750,000 with interest at prime and is secured by all the Association's assets. The line-of-credit matures on September 30, 2019.

NOTE 10 – 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, 2018

	December 31, 2017 Balance	Increase/ (Decrease) in Net Assets	December 31, 2018 Balance
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Undesignated Net Assets	\$ 104,979	\$ (7,422)	\$ 97,557
Designated - General:			
Initial Payment	135,969	26,626	162,595
Legal Fund	20,000	0	20,000
Capital Purchases	30,000	0	30,000
Bank of NY Mellon	30,251	0	30,251
Investments	106,273	521	106,794
Fund Development Seed Money	50,000	0	50,000
Employee Benefits	20,000	0	20,000
Strategic Plan	10,000	0	10,000
Total Designated - General	402,493	27,147	429,640
Designated - Agriculture and Rural Sustainability:			
Rust to Green	28,064	(6,472)	21,592
Lamness Grant	3,494	(3,494)	0
Women of Agriculture Conference	1,257	0	1,257
Ambassadors in AG	0	20,000	20,000
Total Designated - Agriculture and Rural Sustainability	32,815	10,034	42,849
Designated - Sustaining Production Agriculture:			
Farm Fest	8,500	0	8,500
Annie's Project	19,452	(5,605)	13,847
Total Designated - Sustaining Production Agriculture	27,952	(5,605)	22,347
Designated - Environmental Stewardship:			
Master Gardeners	37,940	5,925	43,865

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

SCHEDULE OF NET ASSETS

Year Ended December 31, 2018

	December 31, 2017 Balance	Increase/ (Decrease) in Net Assets	December 31, 2018 Balance
NET ASSETS WITHOUT DONOR RESTRICTIONS - Continued			
Designated - 4-H/Youth Development:			
4-H Activities	13,016	1,031	14,047
4-H Horse Program	6,014	112	6,126
Dog Therapy	2,370	337	2,707
STEM Initiative Fund	50,000	(6,258)	43,742
Boonville Fair	2,281	1,784	4,065
NYS Fair	81	147	228
Total Designated - 4-H/Youth Development	73,762	(2,847)	70,915
Designated - Nutrition and Health:			
American Heart Association	1,321	1,879	3,200
Designated - Strengthening Families:			
CCR&R	202,856	40,982	243,838
Child Care Scholarship	4,495	85	4,580
Parenting Education	0	20,000	20,000
Total Designated - Strengthening Families	207,351	61,067	268,418
Designated - Association:			
Contract Services	50,000	25,000	75,000
Marketing and Promotion	25,000	(4,000)	21,000
Professional Development	25,000	0	25,000
NY EDEN	16,131	(5,733)	10,398
Total Designated - Association	116,131	15,267	131,398

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

SCHEDULE OF NET ASSETS
Year Ended December 31, 2018

	December 31, 2017 Balance	Increase/ (Decrease) in Net Assets	December 31, 2018 Balance
NET ASSETS WITHOUT DONOR RESTRICTIONS - Continued			
Designated - Plant			
Net Plant	44,805	3,031	47,836
Leasehold Improvements	10,000	0	10,000
Computer and Technology Upgrades	0	15,000	15,000
Total Designated - Plant	54,805	18,031	72,836
Total Board Designated Net Assets	954,570	130,898	1,085,468
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 1,059,549	\$ 123,476	\$ 1,183,025
NET ASSETS WITH DONOR RESTRICTIONS			
Net Assets with Temporary Donor Restrictions:			
Harvey B. Bowman Estate Fund	\$ 36,130	\$ 8,642	\$ 44,772
Animal Science	2,500	0	2,500
Community Foundation Farm and Food	0	51,444	51,444
Community Foundation Waterville Grant	4,293	0	4,293
Community Foundation Parenting Grant	1,839	(1,839)	0
Community Foundation Lead Window Grant	5,061	(5,061)	0
Community Foundation Farm to Consumer Grant	23,694	(21,436)	2,258
	73,517	31,750	105,267
Net Assets With Donor Restriction Held in Perpetuity:			
Carly Stratton Endowment Fund	364	0	364
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 73,881	\$ 31,750	\$ 105,631

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

SINGLE AUDIT REPORT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2018

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Contract Number	Federal CFDA Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Rural Business Cooperative Service		10.351	\$ 47,946	\$ 0
SNAP Cluster:				
Passed-Through New York State Office of Temporary and Disability Assistance: Supplemental Nutrition Assistance Program	C021764	10.561	1,173,297	428,332
Passed-Through New York State Department of Health: Supplemental Nutrition Assistance Program	C33044GG- 3450000	10.561	198,592	37,254
Total SNAP Cluster			1,371,889	465,586
Passed-Through New York State Department of Health: Child and Adult Care Food Program	2904	10.558	580,395	0
Total U.S. Department of Agriculture			2,000,230	465,586
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
CCDF Cluster:				
Passed-Through State of New York Office of Children and Family Services:				
Child Care and Development Block Grant	C026655	93.575	311,501	0
Child Care and Development Block Grant	C028214	93.575	112,272	0
Child Care and Development Block Grant	C028241	93.575	202,946	0
Total Child Care and Development Block Grant			626,719	0
Passed-Through City of Utica: Child Care and Development Block Grant	*	93.575	15,671	0
Total CCDF Cluster			642,390	0
Total U.S. Department of Health and Human Services			642,390	0
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,642,620	\$ 465,586

* 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, 2018

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, 2018, 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 30, 2019.

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.

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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 30, 2019



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, 2018. 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.

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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, 2018.

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 30, 2019

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ONEIDA COUNTY**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2018

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:
 - Supplemental Nutrition Assistance Program, CFDA No. 10.561
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, 2017, 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.