

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**FINANCIAL STATEMENTS
and
INDEPENDENT AUDITOR'S REPORT**

December 31, 2012 and 2011

**GREENE COUNTY
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INDEPENDENT AUDITOR'S REPORT

Chairman and Agency Board
Greene County Industrial Development Agency
Coxsackie, New York

Report on the Financial Statements

We have audited the accompanying statements of net position of the Greene County Industrial Development Agency (Agency), a component unit of Greene County, New York, as of December 31, 2012 and 2011, and the related statements of revenues, expenses, and changes in net position, 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2012 and 2011, and the changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the Agency's basic financial statements. The combining statements of net position and combining statements of revenues, expenses, and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of net position and combining statements of revenues, expenses, and changes in net position are fairly stated, in all material respects, in relation to the basic 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 March 19, 2013, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 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 the Agency's internal control over financial reporting and compliance.

Bollam Sheedy Torani & Co LLP

Albany, New York
March 19, 2013

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

STATEMENTS OF NET POSITION

	December 31,	
	2012	2011
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,710,619	\$ 1,959,162
Accounts receivable	116,458	90,708
Due from other governments	-	11,000
Due from state and federal governments	-	6,011
Installment sale receivable, current portion	475,000	525,000
Rents receivable	4,773	-
Prepaid expenses	13,210	13,210
Total current assets	3,320,060	2,605,091
OTHER ASSETS		
Due from state and federal governments	123,180	123,180
Installment sale receivable, long-term portion	-	475,000
Capital assets, net	7,515,585	7,489,956
	7,638,765	8,088,136
	\$ 10,958,825	\$ 10,693,227
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Line-of-credit	\$ -	\$ 123,180
Current installment of bond payable	100,000	100,000
Accounts payable	11,299	33,962
Accrued liabilities	51,524	46,049
Due to other governments	4,774	4,774
Deferred revenue	23,155	12,436
Total current liabilities	190,752	320,401
LONG-TERM LIABILITIES		
Bond payable, less current portion	283,800	400,000
Total liabilities	474,552	720,401
COMMITMENTS AND CONTINGENCIES		
NET POSITION		
Investment in capital assets, net of related debt	7,131,785	6,989,956
Unrestricted	3,352,488	2,982,870
	10,484,273	9,972,826
	\$ 10,958,825	\$ 10,693,227

The accompanying Notes to Financial Statements are an integral part of these statements.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Years Ended December 31,	
	2012	2011
OPERATING REVENUES		
Charges for services	\$ 1,046,565	\$ 309,239
Athens Power fees	167,216	214,076
Grants for operations	31,530	98,492
Rent	12,974	-
Other income	22,131	49,404
Total operating revenues	1,280,416	671,211
OPERATING EXPENSES		
Personal services	217,065	309,686
Employee benefits	92,035	109,137
Professional service contracts	193,398	88,714
Supplies and maintenance	27,243	31,382
Other operating expenses	128,361	414,497
Operating grant expenses	34,030	84,712
Energy incentive grants	-	15,000
Depreciation	13,562	11,873
Total operating expenses	705,694	1,065,001
Operating income (loss)	574,722	(393,790)
NONOPERATING REVENUES (EXPENSES)		
Interest income	6,660	7,919
Interest expense	(19,496)	(27,847)
Gifts and donations	-	315,000
Greene Land Trust Stewardship	(56,898)	(59,178)
Gain (loss) on sale of capital assets	6,459	(229,317)
Total nonoperating revenues (expenses)	(63,275)	6,577
CHANGE IN NET POSITION	511,447	(387,213)
NET POSITION, <i>beginning of year</i>	9,972,826	10,360,039
NET POSITION, <i>end of year</i>	\$ 10,484,273	\$ 9,972,826

The accompanying Notes to Financial Statements are an integral part of these statements.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2012	2011
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from customers	\$ 1,266,904	\$ 574,789
Cash paid to suppliers and other vendors	(405,695)	(992,906)
Cash paid for salaries and employee benefits	(303,625)	(478,894)
	<u>557,584</u>	<u>(897,011)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
Interest income	6,660	7,919
Payments on installment agreement	525,000	512,000
	<u>531,660</u>	<u>519,919</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(48,779)	(119,161)
Proceeds from the sale of capital assets	26,766	260,000
Interest expense paid	(19,496)	(27,847)
Payments on line-of-credit	(123,180)	-
Payments of bond principal	(116,200)	-
Payments toward stewardship	(56,898)	(59,178)
	<u>(337,787)</u>	<u>53,814</u>
Net increase (decrease) in cash	751,457	(323,278)
CASH, beginning of year	<u>1,959,162</u>	<u>2,282,440</u>
CASH, end of year	<u>\$ 2,710,619</u>	<u>\$ 1,959,162</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 574,722	\$ (393,790)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	13,562	11,873
(Increase) decrease in		
Accounts receivable	(25,750)	(23,745)
Due from other governments	17,011	16,057
Rents receivable	(4,773)	-
Prepaid expenses	-	(3,850)
Increase (decrease) in		
Accounts payable and accrued expenses	(17,188)	(59,888)
Deferred revenue	-	(88,734)
Due to other governments	-	(354,934)
	<u>\$ 557,584</u>	<u>\$ (897,011)</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Noncash transactions		
Received as a donation, property	\$ -	\$ 315,000

The accompanying Notes to Financial Statements are an integral part of these statements.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Purpose

The Greene County Industrial Development Agency (Agency) was created on March 7, 1972, by the Greene County Legislature under the Laws of New York State to promote economic growth in Greene County, New York (County). The Agency is exempt from federal, state, and local income taxes and is a component unit of Greene County, New York.

The Agency's present function is to promote, develop, and encourage job opportunities and economic welfare for the people of New York State by assisting with improving and maintaining manufacturing, warehousing, commercial facilities, tourist attractions, and a diverse mix of other businesses located in Greene County. This is primarily accomplished through administering payment in lieu of tax agreements (PILOTs), providing shovel ready sites for land sales and bond agreements, and allowing exemption of sales tax and mortgage recording taxes in relation to projects.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

b. Basis of Accounting

The Agency's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to the Agency is determined by its measurement focus. The transactions of the Agency are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statements of net position. Net position is segregated into specific components, as follows:

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation reduced by outstanding debt balances, and
- *Unrestricted net position* consists of assets and liabilities that do not meet the definition of "net investment in capital assets."

Revenues are recognized when earned, and expenses are recognized when incurred. The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues are determined based on the services provided by the Agency. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

To help organize its internal accounting structure, the Agency departmentalizes the various functions of the Agency. These departments, or "funds" as the Agency refers to them, are as follows:

Operating Fund - This fund is used to account for the ongoing office operations and payroll of the Agency, as well as manages the Athens Generating Company revenue and provides for power grants community projects.

Park Fund - This fund accounts for the development of various business parks associated with job growth within Greene County.

Maintenance Fund - This fund accounts for the infrastructure and environmental mitigation upgrades restricted through various PILOT agreements.

**GREENE COUNTY
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**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

b. Basis of Accounting - Continued

Accelerator Fund - This fund accounts for the revenues and expenditures associated with incubator office space and training facilities.

These “funds,” or departments, are combined for financial statement reporting purposes.

c. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Fair Value Measurement

Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an “exit” price) in the principal or most advantageous market for the asset or liability between market participants on the measurement date.

e. Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts, if any, by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management considers accounts receivable to be fully collectible; accordingly, there is no allowance for doubtful accounts.

Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. During the years ended December 31, 2012 and 2011, the Agency did not write off any accounts receivable.

f. Capital Assets

Capital assets are recorded at cost, except for contributed property and equipment, which are recorded at fair market value or the contributor’s net book value if fair market value is not readily ascertainable. Capital assets are reported net of accumulated depreciation in these financial statements. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. The Agency uses a capitalization threshold of \$5,000 to analyze expenditures for capitalization. When capital assets are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to operations. Capital assets as of December 31, 2012 and 2011, consist of land and land improvements, building, equipment, and infrastructure.

The Agency evaluated prominent events or changes in circumstances affecting capital assets to determine if impairment of any capital assets has occurred. A capital asset is considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. There were no impaired capital assets at December 31, 2012 and 2011.

**GREENE COUNTY
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**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

f. Capital Assets - Continued

Depreciation is provided for in amounts to relate the cost of depreciable assets to operations over their estimated useful lives, using the straight-line method. The estimated useful lives established to determine depreciation are as follows:

	<u>Estimated Useful Life</u>
Equipment	5 years
Infrastructure (sidewalks)	15 years
Commercial building	39 years

g. Accrued Compensated Absences

All full-time employees meeting certain conditions are provided with vacation, sick pay, and certain other leave credits based on the terms of employment. Accumulated unpaid vacation and other leave credits are accrued when incurred and are reported in accrued liabilities in these financial statements. Sick pay does not vest with the employee and are expensed when paid.

h. Payment in Lieu of Taxes (PILOT)

The Agency enters into and administers PILOT agreements for various unrelated business entities located in Greene County. Under the terms of the PILOT agreements, title to property owned by the unrelated business entity is transferred to the Agency for a certain period of time. During the period in which the Agency holds title, the business entity pays a PILOT to the Agency based on a calculation defined by the specific agreement. The PILOTs allow the companies to make payments that are less than the property taxes that would be paid on the related property's assessed value. Once the PILOT is received, the Agency remits the PILOT to the respective taxing authorities. Certain requirements, as defined by each agreement, are to be met by the company to be able to maintain its PILOT. These requirements, as stated in the PILOT agreement, can be comprised of reaching and maintaining certain employment goals and paying its PILOT in a timely fashion. At the completion of the PILOT, title to the property is transferred back to the third-party business owner, and the property goes back on the tax rolls.

As part of the PILOT program, the Agency generates fees for administering the PILOT agreement. These fees are reported as "charges for services" in these financial statements. The Agency also administers bonds for several projects and receives an administrative fee upon issuance of the bond.

PILOT receipts and PILOT payments are accounted for as pass-through transactions and are not included in the revenues or expenses of the Agency. The Agency is responsible for collecting and remitting the funds, and the County of Greene, New York ultimately bears the risk of loss if PILOT payments are not paid to the Agency by the respective companies.

i. New Accounting Pronouncements

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates into the GASB's authoritative literature certain accounting and financial reporting pronouncements issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

The Agency fully adopted GASB Statements No. 62 and 63 as of January 1, 2012. There was no significant impact to the financial statements, as a result of adopting these statements.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

j. Subsequent Events

The Agency has evaluated subsequent events that provide additional evidence about conditions that existed at the financial statement date through March 19, 2013, the date the financial statements were available to be issued.

k. Reclassification

Certain 2011 amounts have been reclassified to conform with the 2012 presentation.

NOTE 2 - CASH

The Agency's investment policies are governed by State statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of New York State or its localities, and Certificates of Participation.

In accordance with the provisions of Section 10 of General Municipal Law of New York State, all Agency deposits, including certificates of deposit and special time deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, shall be collateralized by a pledge of eligible securities, letters of credit, or surety bonds.

The Agency's deposits were fully insured or collateralized and consisted of the following:

	December 31, 2012			December 31, 2011		
	Balance	FDIC Insurance	Pledge Collateral	Balance	FDIC Insurance	Pledge Collateral
National Bank of Coxsackie	\$ 500,225	\$ 250,000	\$ 395,446	\$ 239,406	\$ 250,000	\$ 276,922
First Niagara Bank	861,518	254,013	612,151	793,289	263,554	531,174
Greene County Commercial Bank	1,348,876	250,000	1,875,618	926,467	250,000	1,123,529
	<u>\$ 2,710,619</u>	<u>\$ 754,013</u>	<u>\$ 2,883,215</u>	<u>\$ 1,959,162</u>	<u>\$ 763,554</u>	<u>\$ 1,931,625</u>

NOTE 3 - DUE FROM STATE AND FEDERAL GOVERNMENTS

Due from state and federal governments consist of the following:

	December 31,	
	2012	2011
Funding by the New York State Department of Transportation for the preliminary engineering phases to incorporate improvements to the State Route 9W/81 intersection	\$ 123,180	\$ 123,180
Grant from the Center for Economic Growth for operating expenses for the Accelerator Fund	-	6,011
	<u>\$ 123,180</u>	<u>\$ 129,191</u>

Receipt of the New York State Department of Transportation receivable is dependent upon completion of certain activities by the County. Accordingly, the receivable has been reclassified within other assets.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 4 - INSTALLMENT SALE RECEIVABLE

During December 2006, the Agency entered into a \$4,012,000 land sale agreement with Preferred Property Development LLC (LLC), an unrelated party, for the sale of certain property located in the Greene Business and Technology Park. Terms of the original agreement called for periodic payments of principal during the period May 2007 through May 2011. No interest was charged on outstanding balances.

The agreement was amended to change certain attributes of the agreement. In accordance with the amendment to the agreement, final payment on the receivable, totaling \$475,000, is due May 1, 2013.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets during the year:

	December 31, 2012			
	Balance at December 31, 2011	Additions	Disposition/ Sale	Balance at December 31, 2012
Nondepreciable capital assets				
Land	\$ 4,866,448	\$ -	\$ -	\$ 4,866,448
Land improvements/development	2,266,380	59,498	20,308	2,305,570
Total	<u>7,132,828</u>	<u>59,498</u>	<u>20,308</u>	<u>7,172,018</u>
Depreciable capital assets				
Building	315,000	-	-	315,000
Equipment	16,027	-	-	16,027
Infrastructure	54,646	-	-	54,646
	<u>385,673</u>	<u>-</u>	<u>-</u>	<u>385,673</u>
Less accumulated depreciation	(28,545)	(13,561)	-	(42,106)
Depreciable capital assets, net	<u>357,128</u>	<u>(13,561)</u>	<u>-</u>	<u>343,567</u>
Capital assets, net	<u>\$ 7,489,956</u>	<u>\$ 45,937</u>	<u>\$ 20,308</u>	<u>\$ 7,515,585</u>
	December 31, 2011			
	Balance at December 31, 2010	Additions	Disposition/ Sale	Balance at December 31, 2011
Nondepreciable capital assets				
Land	\$ 5,166,448	\$ -	\$ 300,000	\$ 4,866,448
Land improvements/development	2,147,219	159,764	40,603	2,266,380
Total	<u>7,313,667</u>	<u>159,764</u>	<u>340,603</u>	<u>7,132,828</u>
Depreciable capital assets				
Building	200,000	315,000	200,000	315,000
Equipment	16,027	-	-	16,027
Infrastructure	54,646	-	-	54,646
	<u>270,673</u>	<u>315,000</u>	<u>200,000</u>	<u>385,673</u>
Less accumulated depreciation	(27,355)	(11,873)	10,683	(28,545)
Depreciable capital assets, net	<u>243,318</u>	<u>303,127</u>	<u>189,317</u>	<u>357,128</u>
Capital assets, net	<u>\$ 7,556,985</u>	<u>\$ 462,891</u>	<u>\$ 529,920</u>	<u>\$ 7,489,956</u>

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 6 - LINE-OF-CREDIT

The Agency has available a \$1,000,000 line-of-credit with the Bank of Greene County. The current line-of-credit is renewable February 1, 2013. Interest on borrowings is charged at *The Wall Street Journal* Prime Rate Index plus .25%, but not less than 5.25% (5.25% at December 31, 2012 and 2011). The line-of-credit is secured by the Agency's assets. The outstanding balance on this line-of-credit was \$-0- and \$123,180 as of December 31, 2012 and 2011, respectively.

NOTE 7 - BOND PAYABLE

On December 30, 2009, the Agency issued a \$500,000 Tax Exempt Industrial Development Revenue Bond, Series 2009A, with a maturity date of January 1, 2015. The bond was issued in connection with the development of lots in the Fountain Flats (Fernlea Nurseries) property. The Agency was required to make interest only payments until December 2011. Interest is charged at a fixed rate of 4.2%. The bond is secured by the property noted above, and if the Agency sells any of the land prior to its scheduled paydown of principal, 60% of the proceeds will be required to be paid to reduce the bond. Once scheduled repayments of principal commence, the annual payments of principal will be the greater of (1) the scheduled principal amount or (2) 60% of the proceeds of sold lots.

A schedule of the Agency's future minimum maturities of the bond payable is as follows:

	Principal	Interest	Total
For the year ending December 31, 2013	\$ 100,000	\$ 11,920	\$ 111,920
2014	100,000	7,720	107,720
2015	183,800	-	183,800
	<u>\$ 383,800</u>	<u>\$ 19,640</u>	<u>\$ 403,440</u>

NOTE 8 - DUE TO OTHER GOVERNMENTS AND DEFERRED REVENUE

At December 31, 2012, the Agency recognized the January 2013 power payment collected from Athens Power during 2012 as deferred revenue and as due to other governments for the payment due the Town of Athens. The Agency also recognized deferred revenue related to repairs performed by a tenant. The repairs are being issued as a credit to the tenant over the term of the lease (see Note 10).

At December 31, 2011, the Agency recognized the January 2012 power payment collected from Athens Power during 2011 as deferred revenue and as due to other governments for the payment due the Town of Athens.

NOTE 9 - CONDUIT DEBT OBLIGATIONS

From time to time, the Agency has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Agency, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2012 and 2011, the Agency had no outstanding conduit debt.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 10 - RENTAL INCOME

The Agency entered into an agreement on January 30, 2012, to lease a building under a noncancelable operating lease. The building and related improvements are valued at \$327,600 and are included in capital assets, net. Accumulated depreciation as of December 31, 2012, was \$14,730. The lease expires January 14, 2017. The lease agreement provides a specific monthly payment plus reimbursement of certain operating costs.

The following is a summary of minimum future rentals under the noncancelable operating lease:

	<u>Principal</u>
For the year ending December 31, 2013	\$ 14,750
2014	17,750
2015	20,750
2016	23,750
2017	2,000
	<u>\$ 79,000</u>

NOTE 11 - RELATED PARTY TRANSACTIONS

During 2003, an environmental impact assessment of the Agency's Greene Business and Technology Park was performed. During the assessment, local, state, and federal conservation and environmental interests raised the issue of the possible impacts development of the land would have to the habitats of several bird species in the area. Due to conditions set forth in permits issued by the United States Army Corps of Engineers and New York State Department of Environmental Conservation, a substantial parcel of the Agency's land was subdivided and identified as a grassland. This parcel, now known as Cocksackie Creek Grassland Preserve, was conveyed to Greene Land Trust, a related party due to its affiliation with the County, in an agreement dated September 25, 2006. The Greene Land Trust is a 501(c)3 not-for-profit organization established in 2004. Title to the land was transferred to the Greene Land Trust during 2010, and the related cost of the land totaling \$483,836, was removed from the financial statements of the Agency. This transfer of land has been reported as "Greene Land Trust land donation" in these financial statements.

The Greene Land Trust is responsible for maintaining the conveyed property in accordance with terms, covenants, and conditions set forth by the aforementioned agreement and permits. The term of the agreement is twenty years during which the Agency shall pay stewardship fees, maintenance, and related operating expenses. Greene Land Trust is required to prepare and submit an annual budget for the Agency to review and approve. During 2012 and 2011, the Agency remitted \$56,898 and \$59,178, respectively, to the Greene Land Trust related to these costs.

The Executive Director of the Agency, during a portion of 2011, was also a Board Member of the Greene Land Trust. The Interim Executive Director, during a portion of 2011 and during 2012, was also the Executive Director of the Greene Land Trust.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 12 - NEW YORK STATE RETIREMENT SYSTEMS

a. Plan Description

The Agency participates in the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multi-employer retirement systems. The ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

b. Funding Policy

The ERS is noncontributory except for (1) employees who joined the ERS after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and (2) employees who join after January 1, 2010, who will contribute 3% of their salary for their entire career. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed as proportions of payroll of members, which so be used in computing the employers' contributions. The required contributions for the current year and the two preceding years were:

	<u>ERS</u>
2012	\$ 52,195
2011	48,992
2010	37,441

Contributions made to the ERS were equal to 100% of the contributions required for each year.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

a. Operating Leases

The Agency leases office space and certain equipment under operating leases. These leases require monthly payments ranging from \$285 to \$2,800 plus a portion of taxes and maintenance costs and expire between July 2013 and December 2013. Total payments under these agreements were approximately \$35,000 and \$41,000 for the years ended December 31, 2012 and 2011, respectively.

A schedule of the Agency's future commitments on lease agreements is as follows:

For the year ending December 31, 2013	<u><u>\$ 18,791</u></u>
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b. Option Agreements

The Agency has several option agreements to purchase land in future periods. The agreements vary and may include an annual option payment or the payment of real estate taxes. These options or related costs are expensed when paid, unless the cost is to be applied to the purchase price. During the year ended December 31, 2012, the Agency incurred costs of \$23,585 related to these options, of which \$18,000 was included in capital asset additions. During the year ended December 31, 2011, the Agency incurred costs of \$24,258 related to these options, of which \$18,000 was included in capital asset additions.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2012 and 2011**

NOTE 14 - RISKS AND UNCERTAINTIES

Geographic and Economic Concentration

The Agency's revenue structure is dependent upon charges for services as a result of economic development within Greene County, New York, as well as the potential of income from the sale or lease of land at the Greene Business and Technology Park.

NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

During March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of major fund calculations and limiting the use of the term deferred in the financial statements. This statement is effective for periods beginning after December 15, 2012, with earlier application encouraged.

During March 2012, GASB issued Statement No. 66, *Technical Corrections - an Amendment of Statements No. 10 and No. 62*. This statement establishes clarification on two recently issued statements; No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement resolves conflicting guidance created as a result of the issuance of these two statements. This statement is effective for periods beginning after December 15, 2012, with earlier application encouraged.

During June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement.

The scope of this statement also addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have certain characteristics as defined in the statement. It establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. This statement is effective for periods beginning after June 15, 2014, with early implementation encouraged.

Management has not estimated the extent of the potential impact of these statements on the Agency's financial statements.

GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)

SUPPLEMENTARY INFORMATION - COMBINING STATEMENTS OF NET POSITION

December 31, 2012

	<u>Operating Fund</u>	<u>Park Fund</u>	<u>Maintenance Fund</u>	<u>Accelerator Fund</u>	<u>Elimination Entries</u>	<u>Total</u>
ASSETS						
CURRENT ASSETS						
Cash	\$ 1,375,584	\$ 550,158	\$ 740,976	\$ 43,901	\$ -	\$ 2,710,619
Accounts receivable	-	115,200	-	1,258	-	116,458
Due from other governments	-	-	-	-	-	-
Due from other funds	525,057	-	221,470	-	(746,527)	-
Installment sale receivable, current portion	-	475,000	-	-	-	475,000
Rents receivable	-	4,773	-	-	-	4,773
Prepaid expenses	13,210	-	-	-	-	13,210
Total current assets	<u>1,913,851</u>	<u>1,145,131</u>	<u>962,446</u>	<u>45,159</u>	<u>(746,527)</u>	<u>3,320,060</u>
OTHER ASSETS						
Due from state and federal governments	-	123,180	-	-	-	123,180
Capital assets, net	502	7,514,183	-	900	-	7,515,585
	<u>502</u>	<u>7,637,363</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>7,638,765</u>
	<u>\$ 1,914,353</u>	<u>\$ 8,782,494</u>	<u>\$ 962,446</u>	<u>\$ 46,059</u>	<u>\$ (746,527)</u>	<u>\$ 10,958,825</u>
LIABILITIES AND NET POSITION						
CURRENT LIABILITIES						
Current installment of bond payable	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Accounts payable	291	3,165	7,843	-	-	11,299
Accrued liabilities	51,024	500	-	-	-	51,524
Due to other governments	4,774	-	-	-	-	4,774
Due to other funds	-	559,714	45,166	141,647	(746,527)	-
Deferred revenue	12,436	10,719	-	-	-	23,155
Total current liabilities	<u>68,525</u>	<u>674,098</u>	<u>53,009</u>	<u>141,647</u>	<u>(746,527)</u>	<u>190,752</u>
LONG-TERM LIABILITIES						
Bond payable, less current installment	-	283,800	-	-	-	283,800
Total liabilities	<u>68,525</u>	<u>957,898</u>	<u>53,009</u>	<u>141,647</u>	<u>(746,527)</u>	<u>474,552</u>
COMMITMENTS AND CONTINGENCIES						
NET POSITION						
Net investment in capital assets	502	7,130,383	-	900	-	7,131,785
Unrestricted	1,845,326	694,213	909,437	(96,488)	-	3,352,488
	<u>1,845,828</u>	<u>7,824,596</u>	<u>909,437</u>	<u>(95,588)</u>	<u>-</u>	<u>10,484,273</u>
	<u>\$ 1,914,353</u>	<u>\$ 8,782,494</u>	<u>\$ 962,446</u>	<u>\$ 46,059</u>	<u>\$ (746,527)</u>	<u>\$ 10,958,825</u>

December 31, 2011

	<u>Operating Fund</u>	<u>Park Fund</u>	<u>Maintenance Fund</u>	<u>Accelerator Fund</u>	<u>Elimination Entries</u>	<u>Total</u>
ASSETS						
CURRENT ASSETS						
Cash	\$ 847,518	\$ 262,703	\$ 800,762	\$ 48,179	\$ -	\$ 1,959,162
Accounts receivable	-	89,706	-	1,002	-	90,708
Due from other governments	11,000	-	-	-	-	11,000
Due from state and federal governments	-	-	-	6,011	-	6,011
Due from other funds	441,550	2,033	100,000	-	(543,583)	-
Installment sale receivable, current portion	-	525,000	-	-	-	525,000
Prepaid expenses	13,210	-	-	-	-	13,210
Total current assets	<u>1,313,278</u>	<u>879,442</u>	<u>900,762</u>	<u>55,192</u>	<u>(543,583)</u>	<u>2,605,091</u>
OTHER ASSETS						
Due from state and federal governments	-	123,180	-	-	-	123,180
Installment purchase receivable, long-term portion	-	475,000	-	-	-	475,000
Capital assets, net	975	7,487,308	-	1,673	-	7,489,956
	<u>975</u>	<u>8,085,488</u>	<u>-</u>	<u>1,673</u>	<u>-</u>	<u>8,088,136</u>
	<u>\$ 1,314,253</u>	<u>\$ 8,964,930</u>	<u>\$ 900,762</u>	<u>\$ 56,865</u>	<u>\$ (543,583)</u>	<u>\$ 10,693,227</u>
LIABILITIES AND NET POSITION						
CURRENT LIABILITIES						
Line-of-credit	\$ -	\$ 123,180	\$ -	\$ -	\$ -	\$ 123,180
Current installment of bond payable	-	100,000	-	-	-	100,000
Accounts payable	1,688	18,444	13,830	-	-	33,962
Accrued liabilities	45,917	-	-	132	-	46,049
Due to other governments	4,774	-	-	-	-	4,774
Due to other funds	-	402,019	40,564	101,000	(543,583)	-
Deferred revenue	12,436	-	-	-	-	12,436
Total current liabilities	<u>64,815</u>	<u>643,643</u>	<u>54,394</u>	<u>101,132</u>	<u>(543,583)</u>	<u>320,401</u>
LONG-TERM LIABILITIES						
Bond payable, less current installment	-	400,000	-	-	-	400,000
Total liabilities	<u>64,815</u>	<u>1,043,643</u>	<u>54,394</u>	<u>101,132</u>	<u>(543,583)</u>	<u>720,401</u>
COMMITMENTS AND CONTINGENCIES						
NET POSITION						
Net investment in capital assets	975	6,987,308	-	1,673	-	6,989,956
Unrestricted	1,248,463	933,979	846,368	(45,940)	-	2,982,870
	<u>1,249,438</u>	<u>7,921,287</u>	<u>846,368</u>	<u>(44,267)</u>	<u>-</u>	<u>9,972,826</u>
	<u>\$ 1,314,253</u>	<u>\$ 8,964,930</u>	<u>\$ 900,762</u>	<u>\$ 56,865</u>	<u>\$ (543,583)</u>	<u>\$ 10,693,227</u>

See Independent Auditor's Report.

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**SUPPLEMENTARY INFORMATION -
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

	Year Ended December 31, 2012				
	Operating Fund	Park Fund	Maintenance Fund	Accelerator Fund	Total
OPERATING REVENUES					
Charges for services	\$ 752,500	\$ -	\$ 294,065	\$ -	\$ 1,046,565
Athens Power fees	167,216	-	-	-	167,216
Grants for operations	13,749	-	-	17,781	31,530
Rent	-	12,974	-	-	12,974
Other income	-	16,482	-	5,649	22,131
Total operating revenues	<u>933,465</u>	<u>29,456</u>	<u>294,065</u>	<u>23,430</u>	<u>1,280,416</u>
OPERATING EXPENSES					
Personal services	217,065	-	-	-	217,065
Employee benefits	92,035	-	-	-	92,035
Professional service contracts	22,285	-	171,113	-	193,398
Supplies and maintenance	6,281	-	-	20,962	27,243
Other operating expenses	26,875	66,225	-	35,261	128,361
Operating grant expenses	16,249	-	-	17,781	34,030
Depreciation	474	12,315	-	773	13,562
Total operating expenses	<u>381,264</u>	<u>78,540</u>	<u>171,113</u>	<u>74,777</u>	<u>705,694</u>
Operating income (loss)	<u>552,201</u>	<u>(49,084)</u>	<u>122,952</u>	<u>(51,347)</u>	<u>574,722</u>
INTERFUND ACTIVITY					
Community and Environmental Division	<u>42,861</u>	<u>(36,226)</u>	<u>(6,635)</u>	<u>-</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	1,328	1,656	3,650	26	6,660
Interest expense	-	(19,496)	-	-	(19,496)
Greene Land Trust Stewardship	-	-	(56,898)	-	(56,898)
Gain (loss) on sale of capital assets	-	6,459	-	-	6,459
Total nonoperating revenues (expenses)	<u>1,328</u>	<u>(11,381)</u>	<u>(53,248)</u>	<u>26</u>	<u>(63,275)</u>
CHANGE IN NET POSITION	596,390	(96,691)	63,069	(51,321)	511,447
NET POSITION, beginning of year	<u>1,249,438</u>	<u>7,921,287</u>	<u>846,368</u>	<u>(44,267)</u>	<u>9,972,826</u>
NET POSITION, end of year	<u>\$ 1,845,828</u>	<u>\$ 7,824,596</u>	<u>\$ 909,437</u>	<u>\$ (95,588)</u>	<u>\$ 10,484,273</u>

Year Ended December 31, 2011

	Operating Fund	Park Fund	Maintenance Fund	Accelerator Fund	Total
OPERATING REVENUES					
Charges for services	\$ 22,000	\$ -	\$ 287,239	\$ -	\$ 309,239
Athens Power fees	214,076	-	-	-	214,076
Grants for operations	63,840	19,780	-	14,872	98,492
Rent	-	-	-	-	-
Other income	6,661	33,497	-	9,246	49,404
Total operating revenues	<u>306,577</u>	<u>53,277</u>	<u>287,239</u>	<u>24,118</u>	<u>671,211</u>
OPERATING EXPENSES					
Personal services	309,686	-	-	-	309,686
Employee benefits	109,137	-	-	-	109,137
Professional service contracts	31,631	25,000	32,083	-	88,714
Supplies and maintenance	22,157	-	-	9,225	31,382
Other operating expenses	114,683	251,081	1,070	47,663	414,497
Operating grant expenses	69,840	-	-	14,872	84,712
Energy incentive grants	15,000	-	-	-	15,000
Depreciation	472	10,128	-	1,273	11,873
Total operating expenses	<u>672,606</u>	<u>286,209</u>	<u>33,153</u>	<u>73,033</u>	<u>1,065,001</u>
Operating income (loss)	<u>(366,029)</u>	<u>(232,932)</u>	<u>254,086</u>	<u>(48,915)</u>	<u>(393,790)</u>
INTERFUND ACTIVITY					
Community and Environmental Division	<u>409,750</u>	<u>(371,219)</u>	<u>(38,531)</u>	<u>-</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,664	1,001	4,081	173	7,919
Interest expense	-	(27,847)	-	-	(27,847)
Gifts and donations	-	315,000	-	-	315,000
Greene Land Trust Stewardship	-	-	(59,178)	-	(59,178)
Gain (loss) on sale of capital assets	-	(229,317)	-	-	(229,317)
Total nonoperating revenues (expenses)	<u>2,664</u>	<u>58,837</u>	<u>(55,097)</u>	<u>173</u>	<u>6,577</u>
CHANGE IN NET POSITION	46,385	(545,314)	160,458	(48,742)	(387,213)
NET POSITION, beginning of year	<u>1,203,053</u>	<u>8,466,601</u>	<u>685,910</u>	<u>4,475</u>	<u>10,360,039</u>
NET POSITION, end of year	<u>\$ 1,249,438</u>	<u>\$ 7,921,287</u>	<u>\$ 846,368</u>	<u>\$ (44,267)</u>	<u>\$ 9,972,826</u>

See Independent Auditor's Report.

**INDEPENDENT AUDITOR'S 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***

Chairman and Agency Board
Greene County Industrial Development Agency
Coxsackie, New York

We have audited, 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, the statement of net position of the Greene County Industrial Development Agency (Agency), a component unit of Greene County, New York, as of December 31, 2012, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*.

We noted a certain matter that we reported to management of the Agency in a separate letter dated March 19, 2013.

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bollam Sheedy Torani & Co. CP

Albany, New York
March 19, 2013

**GREENE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A Component Unit of Greene County, New York)**

**SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements? _____ Yes X No

Section II - Financial Statement Findings

None.

Section III - Compliance Findings

None.