

COUNTY OF ROCKLAND  
INDUSTRIAL DEVELOPMENT AGENCY

INDEPENDENT AUDIT REPORT

DECEMBER 31, 2012



Korn Rosenbaum LLP  
Certified Public Accountants  
26 Firemens Memorial Drive  
Suite 110  
Pomona, New York 10970  
Telephone: 845-354-4646  
Fax: 845-354-6705  
website: www.krpj.com  
email: info@krpj.com

David W. Wemmer, CPA  
Kathleen M. Haubner, CPA  
Murray L. Korn, CPA  
(1924 - 2007)  
Irwin I. Rosenbaum, CPA  
(1926 - 2009)  
William S. Phillips, CPA  
Thomas F. Jauntig, Jr. CPA

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

To the Member of the County of Rockland  
Industrial Development Agency  
Pearl River, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of County of Rockland Industrial Development Agency (a component unit of the County of Rockland), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Rockland Industrial Development 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 County of Rockland Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 County of Rockland Industrial Development 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*.

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

A handwritten signature in cursive script that reads "Korn Rosenbaum LLP".

Korn Rosenbaum LLP

Pomona, NY

March 15, 2013



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
County of Rockland Industrial Development Agency  
Pearl River, New York

We have audited the accompanying financial statements of County of Rockland Industrial Development Agency (a component unit of the County of Rockland), which comprise the statement of financial position as of December 31, 2012 and December 31, 2011, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from County of Rockland Industrial Development Agency's 2011 financial statements and, in our report dated April 26, 2012, we expressed an unqualified opinion on those 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 of 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 audit. We conducted our audit 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 of 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 and 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the supplementary information presented on page 13 is required by the New York State Authority Budget Office. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Opinion**

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2013, on our consideration of County of Rockland Industrial Development 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 County of Rockland Industrial Development Agency's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Korn Rosenbaum LLP".

Korn Rosenbaum LLP  
Pomona, NY  
March 15, 2013

**COUNTY OF ROCKLAND INDUSTRIAL DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

The following Management's Discussion and Analysis (MD&A) of the County of Rockland Industrial Development Corporation's (the CORIDA's) financial statements provides an overview of the CORIDA's financial activities for the years ended December 31, 2012 and 2011. The MD&A should be read in conjunction with the CORIDA's financial statements and related notes, which follow the MD&A.

The purpose of the CORIDA is to provide financial assistance to small job creating businesses that demonstrate a need for financing which cannot be met entirely from conventional financing sources.

**FINANCIAL HIGHLIGHTS**

- The CORIDA's net assets increased by \$198,520 in 2012 and decreased by \$50,672 in 2011, as a result of the individual year's operations.
- The assets of the CORIDA exceeded its liabilities by \$289,249 and \$90,729 at December 31, 2012 and 2011, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The statements of net assets and the statements of revenues, expenses, and changes in net assets report information about the CORIDA as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting. Revenue and expenses are recorded when earned and incurred, respectively, regardless of when cash is received or paid.

These two statements report the CORIDA's net assets and changes in them from one year to the next. The CORIDA's net assets, the difference between assets and liabilities, are one way to measure the CORIDA's financial health, or financial position. Over time, increases or decreases in the CORIDA's net assets are one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other factors, such as changes in the CORIDA's income and the fluctuation of the CORIDA's expenses, to assess the overall health of the CORIDA.

## **NOTES TO FINANCIAL STATEMENTS**

The financial statements also include the notes to the financial statements, which explain certain information in the financial statements. They are essential to a full understanding of the information provided in the financial statements.

## **OTHER INFORMATION FOR 2012**

- The CORIDA hired a full time Executive Director.
- Internal Control policy was adopted by the CORIDA.
- Total revenues increased by \$293,117 from 2011 as the result of project fees.
- Total expenses increased by \$43,925 mainly due to the hiring of the Executive Director.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide financial statement users with a general overview of the CORIDA's finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact the County of Rockland Industrial Development Corporation's Executive Director at 2 Blue Hill Plaza, Third Floor, Pearl River, New York, 10965.

COUNTY OF ROCKLAND  
INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENT OF NET ASSETS  
AS OF DECEMBER 31,

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Equivalents	\$ 290,446	\$ 94,029
<u>TOTAL ASSETS</u>	<u>\$ 290,446</u>	<u>\$ 94,029</u>
 <u>LIABILITIES</u>		
Accrued Expenses	\$ 1,197	\$ 3,300
<u>TOTAL LIABILITIES</u>	<u>\$ 1,197</u>	<u>\$ 3,300</u>
 <u>NET ASSETS</u>		
Unrestricted	<u>289,249</u>	<u>90,729</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 290,446</u>	<u>\$ 94,029</u>

See accompanying notes.

COUNTY OF ROCKLAND  
INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31.

	<u>2012</u>	<u>2011</u>
<u>CHANGES IN UNRESTRICTED NET ASSETS:</u>		
<u>REVENUES AND GAINS</u>		
Administrative Fees	\$ 324,397	\$ 61,745
Application Fees	5,000	1,000
Investment Income	433	360
Other Income	26,392	-
<u>TOTAL UNRESTRICTED REVENUES AND GAINS</u>	<u>\$ 356,222</u>	<u>\$ 63,105</u>
<u>EXPENSES</u>		
Salaries	\$ 76,996	\$ 29,527
Payroll Taxes	6,037	2,465
Other Fringe Benefits	6,141	428
Advertising	3,700	-
Administrative Support	33,658	65,800
Insurance	4,349	1,919
Pension	7,050	5,419
Meetings/Conference Expenses	3,137	282
Office Supplies/Payroll Service Fees	3,936	1,290
Other Administrative Expenses	750	1,066
Community Outreach	-	1,261
Professional Services	11,342	3,300
Legal Notices/Legal Fees	606	1,020
<u>TOTAL EXPENSES</u>	<u>\$ 157,702</u>	<u>\$ 113,777</u>
	-	-
<u>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</u>	<u>\$ 198,520</u>	<u>\$ (50,672)</u>
Unrestricted Net Assets - Beginning of Year	90,729	141,401
Unrestricted Net Assets - End of Year	<u>\$ 289,249</u>	<u>\$ 90,729</u>

See accompanying notes.

COUNTY OF ROCKLAND  
INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets - Unrestricted	\$ 198,520	\$ (50,672)
Adjustments to Reconcile Excess Revenues over Expenditures to Net Cash Provided by Operating Activities:		
Decrease (Increase) in Accounts Receivable	-	15,000
Increase (Decrease) in Accrued Expenses	(2,103)	(93,463)
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$ 196,417</u>	<u>\$ (129,135)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NET (DECREASE) INCREASE IN CASH</u>	<u>\$ 196,417</u>	<u>\$ (129,135)</u>
CASH - BEGINNING OF YEAR	<u>94,029</u>	<u>223,164</u>
CASH - END OF YEAR	<u>\$ 290,446</u>	<u>\$ 94,029</u>
 <u>SUPPLEMENTAL CASH FLOW INFORMATION:</u>		
Cash Paid for Interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

COUNTY OF ROCKLAND  
INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The books of the County of Rockland Industrial Development Agency (IDA) are maintained on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

NOTE B INDUSTRIAL DEVELOPMENT AGENCY BONDS

Certain industrial development revenue bonds and notes issued by the Industrial Development Agency are secured property which is leased to companies and is retired by lease payments. The bonds and notes which are special purpose non-recourse moral obligation bonds, and are not obligations of the County or the State. Furthermore, they are non-recourse as to the Agency. The bondholders and Mortgagees' sole recourse in a default is against the underlying project. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts, as its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as trustees and fiscal agents. For providing this service, the Agency receives administrative fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

NOTE C ORGANIZATION

The Agency was created in 1981 by the Legislature of Rockland County under the provision of Chapter 24, Article 18A and Section 925-1 of the 1969 Laws of New York State for the purpose of encouraging economic growth in the County of Rockland. The Agency, considered a component unit of the County of Rockland, is a separate entity and operates independently of the County of Rockland.

COUNTY OF ROCKLAND  
INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012 AND 2011

NOTE D INVESTMENTS

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. The Agency is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at (105%) of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of the State and its municipalities and school districts.

The IDA's cash accounts are fully insured and/or collateralized as required by its investment policy.

NOTE E EMPLOYEE BENEFIT PLANS

The County of Rockland Industrial Development Agency also participates in the New York State and Local Employees' Retirement System. This is a cost sharing multiple public employer retirement system. The System 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 of control of their funds. The system 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, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

## **Schedules of Supplemental Information**

**COUNTY OF ROCKLAND  
INDUSTRIAL DEVELOPMENT AGENCY  
BONDS AND STRAIGHT LEASE WORKSHEET**

Project Year	Project Number	Name	Company	ST-340	# Jobs	# Construction Jobs	Annual Salary of jobs to be created	Annualized salary range	Annual salary of jobs retained	NO PILOT	PILOT Local Town & Village	PILOT County	PILOT School
1999	3901-09-01-A	BOND											
2002	3901-02-01-A	Izkowitz, Michael	Assisted Living at Northern Riverview		44	0				NO PILOT			
2005	3901-05-02-A	Kenny, VP, Cathleen	Northern Manor Geriatric Center, Inc.		262	0				NO PILOT			
2006	3901-06-03-A	Kenny, VP, Cathleen	Dominican College (Rosary Hall/H&S Ctr)		258	0			29,981.00	NO PILOT			
1998	3901-08-04-A	Edner, Lonnie	Dominican College		94	0				NO PILOT			
2000	3901-00-03-A	Camplone, Mark	Shock Tech		123	0	33,500.00	27,000 to 45,000	55,000.00	NO PILOT			
2000	3901-00-04-A	Hayden, Anne	Jawnton, Inc.		213	0	35,200.00	25,000 to 50,000	35,200.00	NO PILOT			
2001	3901-01-03-A	Gussack, David	Interco America		210	0	54,739.95	24,960 - 140,000	51,521.80	NO PILOT			
2004	3901-04-03-A	Donald L. Abrams	Gussack Realty Company		18	0	18,720.00	18,000 to 19,000	43,516.00	NO PILOT	88,812.81	25,411.23	259,326.22
2006	3901-06-02-A	Sammis, William	Cardiovascular Research Foundation		627,795	0			122,467.00	NO PILOT	86,715.25	22,241.47	201,694.41
2006	3901-06-02-A	Wegman, Karen	Pooled - Learning Disabled		65	0	27,900.00		32,951.69	NO PILOT			
2007	3901-07-01-A	Mahoney, James	Nyack Library		38.21	0	7,900.00	5,000 to 10,000	18,200.00	NO PILOT			
2008	3901-07-03-A	Downey, Daniel	JCC-Y of Rockland		158	0			15,823.00	NO PILOT			
2010	3901-10-05-A	Avanti, Bairam	ADH Health Products, Inc.		72.75	0	30,000.00	25,000 to 30,000	35,000.00	NO PILOT			
<b>LEASE</b>													
2003	3901-03-01-A	Bogdewicz, Walter	Avon Products, Inc.		337	0					153,854.80	16,190.20	308,955.00
2005	3901-05-03-A	Amar, Raja R.	Portables Unlimited, Inc.		26	0			55,000.00		10,792.76		
2005	3901-05-04-A	Rosen, Daniel S.	Sentry Industries, Inc.		28	0	25,000.00	24,000 to 28,000	30,000.00		4,258.63	2,965.80	37,656.51
2008	3901-08-01-A	Sasson, Uri	Uram Associates		5	0			?				
2008	3901-08-04-A	Wertheimer, George	Manhattan Beer Distributors, LLC		249	0	42,382.00	16,640 to 85,000		NO PILOT			
2008	3901-08-05-A	Rosenblum, Barry	Central Plumbing		4	0			52,408.00	NO PILOT	20,362.09	32,866.41	347,539.35
2009	3901-09-02-A	DeRiggi, Esq., Brendan	Lipis Pharmaceuticals USA Inc.		27	0			78,090.00	NO PILOT			
2009	3901-09-03-A	Angiolillo, Joseph	ICCO Cheese Company, Inc.		72	2	19,000.00	16,640 to 35,360	55,895.32		12,042.84	4,507.40	43,101.71
2010	3901-10-01-A	O'Muirithe, Cormach	United Structural Works		63	0	49,500.00	49,500 to 54,500	49,500.00	NO PILOT	27,173.08	7,535.35	84,673.14
2010	3901-10-06-A	Poyntz, Michael	Hunter Douglas, Inc.		89	0	55,000.00	26,000 to 95,000	137,167.12	NO PILOT			
2010	3901-10-02-A	Piscitelli, Nick	Magnum Development/Zagwear		27	0			111,593.00	NO PILOT	32,774.12	9,562.94	107,456.78
2010	3901-10-03-A	Hayden, Anne	Interco America		93	0				NO PILOT			
2010	3901-10-04-A	Goldstein, Joshua	Empire Executive Inn		3	1	40,000.00	40,000 to 40,000	26,378.00		13,506.18	11,358.13	120,031.29
2011	3901-11-01-A	Reisen, Daniel	DER Specialty Products, LLC		25	2	42,000.00	30,000 to 55,000	164,000.00		8,780.55	2,512.30	25,638.49
2011	3901-11-02-A	Curti, William Scott	Curti's Landscaping Inc./Route 303		630.88	0	50,000.00	30,000 to 130,000	41,000.00				24,746.98
2011	3901-11-03-A	Tropper, Elisha	Cambridge Security Seals LLC		0	0	100,000.00	75,000 to 125,000	70,000.00		18,975.60	4,434.18	38,504.87
2011	3901-11-04-A	Hamza Ess A	Vilane Pharmaceuticals, Inc.		111	14	44,116.00	27,369 to 117,895	100,000.00				39,098.70
2012	3901-12-01-A	Hammer, William	Raymour & Flanigan		0	0			n/a	NO PILOT			
2012	3901-12-02-A	Simon Property Group	Simon Property Group		0	164				NO PILOT			