

**Greene County  
Industrial Development Agency  
(A Component Unit of Greene County, New York)**

Financial Statements

December 31, 2013 and 2012

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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 financial statements of the Greene County Industrial Development Agency (Agency), a component unit of Greene County, New York, which comprise the statement of net position as of December 31, 2013, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year 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 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 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, 2013, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Prior Year Financial Statements*

The financial statements of the Agency, as of and for the year ended December 31, 2012, were audited by Bollam, Sheedy, Torani & Co. LLP which merged with Sax Macy Fromm & Co., PC to form SaxBST LLP on January 1, 2014. Bollam, Sheedy, Torani & Co. LLP's report dated March 19, 2013, expressed an unmodified opinion on those statements.

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the 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 financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the Agency's financial statements. The combining statement of net position and combining statement of revenues, expenses, and changes in net position are presented for purposes of additional analysis and are not a required part of the 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 financial statements. Such information for 2013 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 2013 combining statement of net position and combining statement of revenues, expenses, and changes in net position are fairly stated, in all material respects, in relation to the financial statements as a whole. The 2012 supplementary information was audited by Bollam, Sheedy, Torani & Co. LLP and their report, dated March 19, 2013, expressed an unmodified opinion on such information 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 March 8, 2014, 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.

SaxBST LLP

Albany, New York  
March 8, 2014

**Greene County  
Industrial Development Agency  
(A Component Unit of Greene County, New York)**

Statements of Net Position

	December 31,	
	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 3,259,438	\$ 2,710,619
Accounts receivable	146,244	116,458
Installment sale receivable, current portion	-	475,000
Rents receivable	4,775	4,773
Prepaid expenses	5,243	13,210
Total current assets	3,415,700	3,320,060
<b>OTHER ASSETS</b>		
Due from other governments	123,180	123,180
Capital assets		
Non-depreciable	7,190,018	7,172,018
Depreciable, net	335,968	343,567
	7,649,166	7,638,765
	<b>\$ 11,064,866</b>	<b>\$ 10,958,825</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Current installment of bond payable	\$ -	\$ 100,000
Current portion of notes payable	54,332	-
Accounts payable	10,159	11,299
Accrued liabilities	54,175	51,524
Due to other governments	4,774	4,774
Unearned revenue	12,436	23,155
Total current liabilities	135,876	190,752
<b>LONG-TERM LIABILITIES, less current portion</b>		
Note payable	570,668	-
Bond payable	-	283,800
Total long-term liabilities	570,668	283,800
Total liabilities	706,544	474,552
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET POSITION</b>		
Net investment in capital assets	7,525,986	7,131,785
Unrestricted	2,832,336	3,352,488
	10,358,322	10,484,273
	<b>\$ 11,064,866</b>	<b>\$ 10,958,825</b>

See accompanying Notes to Financial Statements.

**Greene County  
Industrial Development Agency  
(A Component Unit of Greene County, New York)**

Statements of Revenues, Expenses, and Changes in Net Position

	<b>Years Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 308,506	\$ 1,046,565
Athens Power fees	194,646	167,216
Grants for operations	1,500	31,530
Rent	22,366	12,974
Other income	17,152	22,131
Total operating revenues	544,170	1,280,416
<b>OPERATING EXPENSES</b>		
Personal services	196,840	217,065
Employee benefits	68,721	92,035
Professional service contracts	56,896	193,398
Supplies and maintenance	19,141	27,243
Other operating expenses	234,941	128,361
Operating grant expenses	28,800	34,030
Depreciation	14,625	13,562
Total operating expenses	619,964	705,694
<b>Operating income (loss)</b>	<b>(75,794)</b>	<b>574,722</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	7,047	6,660
Interest expense	(2,286)	(19,496)
Greene Land Trust Stewardship	(54,918)	(56,898)
Gain on sale of capital assets	-	6,459
Total nonoperating expenses	(50,157)	(63,275)
<b>CHANGE IN NET POSITION</b>	<b>(125,951)</b>	<b>511,447</b>
<b>NET POSITION, beginning of year</b>	10,484,273	9,972,826
<b>NET POSITION, end of year</b>	<b>\$ 10,358,322</b>	<b>\$ 10,484,273</b>

See accompanying Notes to Financial Statements.

**Greene County  
Industrial Development Agency  
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Statements of Cash Flows

	<b>Years Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 677,340	\$ 1,266,904
Cash paid to suppliers and other vendors	(340,918)	(405,695)
Cash paid for salaries and employee benefits	(254,943)	(303,625)
	<b>(81,479)</b>	<b>557,584</b>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		
Interest income	7,047	6,660
Payments on installment agreement	475,000	525,000
	<b>482,047</b>	<b>531,660</b>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(35,745)	(48,779)
Proceeds from notes payable	625,000	-
Proceeds from the sale of capital assets	-	26,766
Interest expense paid	(2,286)	(19,496)
Payments on line-of-credit	-	(123,180)
Payments of bond principal	(383,800)	(116,200)
Payments toward stewardship	(54,918)	(56,898)
	<b>148,251</b>	<b>(337,787)</b>
<b>Net increase (decrease) in cash</b>	<b>548,819</b>	<b>751,457</b>
<b>CASH, beginning of year</b>	<b>2,710,619</b>	<b>1,959,162</b>
<b>CASH, end of year</b>	<b>\$ 3,259,438</b>	<b>\$ 2,710,619</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (75,794)	\$ 574,722
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	14,625	13,562
(Increase) decrease in		
Accounts receivable	(29,786)	(25,750)
Due from other governments	-	17,011
Rents receivable	(2)	(4,773)
Prepaid expenses	7,967	-
Increase (decrease) in		
Accounts payable and accrued expenses	1,511	(17,188)
	<b>\$ (81,479)</b>	<b>\$ 557,584</b>

See accompanying Notes to Financial Statements.

**Greene County  
Industrial Development Agency  
(A Component Unit of Greene County, New York)**

Notes to Financial Statements  
December 31, 2013 and 2012

**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.

*b. Basis of Accounting and Financial Statement Presentation*

The Agency's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). 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.

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

*b. Basis of Accounting - Continued*

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

*Accelerator Fund* - This fund accounts for the revenues and expenditures associated with incubator office space and training facilities. The Accelerator Fund was closed as of December 31, 2013.

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

*c. 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. 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, 2013 and 2012, the Agency did not write off any accounts receivable.

*e. 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, 2013 and 2012, 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, 2013 and 2012.

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

*e. 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

*f. 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 is expensed when paid.

*g. 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 properties' 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.

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

*h. New Accounting Pronouncements*

GASB 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 statements 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.

GASB Statement No. 66, *Technical Corrections*. This statement establishes clarifications on two recently issued statements, No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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.

The Agency fully adopted GASB Statements No. 65 and No. 66 as of January 1, 2013, and there was no significant impact to the financial statements.

*i. Reclassification*

Certain reclassifications were made to the prior year amounts in order to conform to the current year presentation.

*j. Subsequent Events*

The Agency has evaluated subsequent events for potential recognition or disclosure through March 8, 2014, the date the financial statements were available to be issued.

**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.

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 2 - Cash - Continued**

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

	December 31, 2013			December 31, 2012		
	Balance	FDIC Insurance	Pledge Collateral	Balance	FDIC Insurance	Pledge Collateral
National Bank of Coxsackie	\$ 303,456	\$ 250,000	\$ 124,024	\$ 500,225	\$ 250,000	\$ 395,446
First Niagara Bank	1,057,346	251,645	805,784	861,518	254,013	612,151
Greene County Commercial Bank	1,898,636	250,000	2,057,977	1,348,876	250,000	1,875,618
	<u>\$3,259,438</u>	<u>\$ 751,645</u>	<u>\$2,987,785</u>	<u>\$2,710,619</u>	<u>\$ 754,013</u>	<u>\$2,883,215</u>

**Note 3 - Due From Other Governments**

Due from other governments consists of funding from the New York State Department of Transportation (NYS DOT) for preliminary engineering phases to incorporate improvements to the State Route 9W/81 intersection. Total amounts due the NYS DOT were \$123,180 for December 31, 2013 and 2012. Receipt of NYS DOT receivable is dependent upon completion of certain activities by the County. Accordingly, the receivable has been reclassified within other assets.

**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 2013. 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, was paid on May 1, 2013.

**Note 5 - Capital Assets**

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

	December 31, 2013			
	Balance at December 31, 2012	Additions	Disposition/ Sale	Balance at December 31, 2013
Nondepreciable capital assets				
Land	\$ 4,866,448	\$ -	\$ -	\$ 4,866,448
Land improvements/development	2,305,570	18,000	-	2,323,570
Total	<u>7,172,018</u>	<u>18,000</u>	<u>-</u>	<u>7,190,018</u>
Depreciable capital assets				
Building	315,000	-	-	315,000
Equipment	16,027	7,026	-	23,053
Infrastructure	54,646	-	-	54,646
	<u>385,673</u>	<u>7,026</u>	<u>-</u>	<u>392,699</u>
Less accumulated depreciation	<u>(42,106)</u>	<u>(14,625)</u>	<u>-</u>	<u>(56,731)</u>
Depreciable capital assets, net	<u>343,567</u>	<u>(7,599)</u>	<u>-</u>	<u>335,968</u>
Capital assets, net	<u>\$ 7,515,585</u>	<u>\$ 10,401</u>	<u>\$ -</u>	<u>\$ 7,525,986</u>

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 5 - Capital Assets - Continued**

	December 31, 2012			Balance at December 31, 2012
	Balance at December 31, 2011	Additions	Disposition/ Sale	
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	<u>(28,545)</u>	<u>(13,561)</u>	<u>-</u>	<u>(42,106)</u>
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>

**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, 2014. 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, 2013 and 2012). The line-of-credit is secured by the Agency's assets. The outstanding balance on this line-of-credit was \$-0- as of December 31, 2013 and 2012.

**Note 7 - Long-Term Debt**

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. The bond was paid in full during 2013.

On November 8, 2013, the Agency entered into an agreement with the Bank of Greene County for a long-term note payable with a maturity date of December 1, 2023. The Agency is required to make monthly interest and principal payments of \$6,044. Interest is charged at a fixed rate of 2.99%.

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 7 - Long-Term Debt - Continued**

Payments on long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
For the year ending December 31,			
2014	\$ 54,332	\$ 18,201	\$ 72,533
2015	56,002	16,530	72,532
2016	57,724	14,808	72,532
2017	59,499	13,033	72,532
2018	61,329	11,204	72,533
2019 to 2023	<u>336,114</u>	<u>26,549</u>	<u>362,663</u>
	<u>\$ 625,000</u>	<u>\$ 100,325</u>	<u>\$ 725,325</u>

**Note 8 - Due to Other Governments and Unearned Revenue**

At December 31, 2013, the Agency recognized the January 2014 power payment collected from Athens Power during 2013 as unearned 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, 2013 and 2012, the Agency had no outstanding conduit debt.

**Note 10 - 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 Coxsackie 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.

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 10 - Related Party Transactions - Continued**

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 2013 and 2012, the Agency remitted \$54,918 and \$56,898, respectively, to the Greene Land Trust related to these costs.

The Executive Director, during 2013 and 2012, was also the Executive Director of the Greene Land Trust.

**Note 11 - 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>
2013	\$ 20,970
2012	48,992
2011	37,441

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

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 12 - 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 December 2015 and July 2018. Total payments under these agreements were approximately \$19,000 and \$35,000 for the years ended December 31, 2013 and 2012, respectively.

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

For the year ending December 31,	
2014	\$ 17,750
2015	20,750
2016	23,750
2017	<u>2,000</u>
	<u>\$ 64,250</u>

*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, 2013, the Agency incurred costs of \$18,000 related to these options, which were included in capital asset additions. 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.

**Note 13 - New Accounting Pronouncements Not Yet Adopted**

In 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.

**Greene County  
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Notes to Financial Statements  
December 31, 2013 and 2012

**Note 13 - New Accounting Pronouncements Not Yet Adopted - Continued**

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement established accounting and financial reporting standards related to government combinations and disposals of government operations. Government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement provides specific accounting and financial reporting guidance for combinations in this environment and improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement provides financial reporting and disclosure guidance to those governments that extend and receive nonexchange financial guarantees, thereby enhancing comparability of financial statements among governments.

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

**Greene County  
Industrial Development Agency  
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Supplementary Information - Combining Statements of Net Position

		December 31, 2013					
		Operating Fund	Park Fund	Maintenance Fund	Accelerator Fund	Elimination Entries	Total
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash		\$ 1,304,755	\$ 387,884	\$ 1,566,799	\$ -	\$ -	\$ 3,259,438
Accounts receivable		1,500	144,000	744	-	-	146,244
Due from other funds		521,375	-	122,953	-	(644,328)	-
Rents receivable		-	4,775	-	-	-	4,775
Prepaid expenses		5,243	-	-	-	-	5,243
Total current assets		<u>1,832,873</u>	<u>536,659</u>	<u>1,690,496</u>	<u>-</u>	<u>(644,328)</u>	<u>3,415,700</u>
<b>OTHER ASSETS</b>							
Due from other governments		-	123,180	-	-	-	123,180
Capital assets, net							
Non-depreciable		-	7,190,018	-	-	-	7,190,018
Depreciable		7,118	328,850	-	-	-	335,968
Total other assets		<u>7,118</u>	<u>7,642,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,649,166</u>
		<b><u>\$ 1,839,991</u></b>	<b><u>\$ 8,178,707</u></b>	<b><u>\$ 1,690,496</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (644,328)</u></b>	<b><u>\$ 11,064,866</u></b>
<b>LIABILITIES AND NET POSITION</b>							
<b>CURRENT LIABILITIES</b>							
Notes payable		\$ -	\$ -	\$ 54,332	\$ -	\$ -	\$ 54,332
Accounts payable		744	6,805	2,610	-	-	10,159
Accrued liabilities		53,675	500	-	-	-	54,175
Due to other governments		4,774	-	-	-	-	4,774
Due to other funds		-	592,475	51,853	-	(644,328)	-
Unearned revenue		12,436	-	-	-	-	12,436
Total current liabilities		<u>71,629</u>	<u>599,780</u>	<u>108,795</u>	<u>-</u>	<u>(644,328)</u>	<u>135,876</u>
<b>LONG-TERM LIABILITIES</b>							
Note payable, less current installment		-	-	570,668	-	-	570,668
Total liabilities		<u>71,629</u>	<u>599,780</u>	<u>679,463</u>	<u>-</u>	<u>(644,328)</u>	<u>706,544</u>
<b>COMMITMENTS AND CONTINGENCIES</b>							
<b>NET POSITION</b>							
Net investment in capital assets		7,118	7,518,868	-	-	-	7,525,986
Unrestricted		1,761,244	60,059	1,011,033	-	-	2,832,336
		<u>1,768,362</u>	<u>7,578,927</u>	<u>1,011,033</u>	<u>-</u>	<u>-</u>	<u>10,358,322</u>
		<b><u>\$ 1,839,991</u></b>	<b><u>\$ 8,178,707</u></b>	<b><u>\$ 1,119,828</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (644,328)</u></b>	<b><u>\$ 11,064,866</u></b>

December 31, 2012						
ASSETS	Operating Fund	Park Fund	Maintenance Fund	Accelerator Fund	Elimination Entries	Total
<b>CURRENT ASSETS</b>						
Cash	\$ 1,375,584	\$ 550,158	\$ 740,976	\$ 43,901	\$ -	\$ 2,710,619
Accounts receivable	-	115,200	-	1,258	-	116,458
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>
<b>OTHER ASSETS</b>						
Due from state and federal governments	-	123,180	-	-	-	123,180
Capital assets, net						
Non-depreciable	-	7,172,018	-	-	-	7,172,018
Depreciable	502	342,165	-	900	-	343,567
Total other assets	<u>502</u>	<u>7,637,363</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>7,638,765</u>
	<b><u>\$ 1,914,353</u></b>	<b><u>\$ 8,782,494</u></b>	<b><u>\$ 962,446</u></b>	<b><u>\$ 46,059</u></b>	<b><u>\$ (746,527)</u></b>	<b><u>\$ 10,958,825</u></b>
<b>LIABILITIES AND NET POSITION</b>						
<b>CURRENT LIABILITIES</b>						
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)	-
Unearned 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>
<b>LONG-TERM LIABILITIES</b>						
Bond payable, less current installment	<u>-</u>	<u>283,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,800</u>
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>
<b>COMMITMENTS AND CONTINGENCIES</b>						
<b>NET POSITION</b>						
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>
	<b><u>\$ 1,914,353</u></b>	<b><u>\$ 8,782,494</u></b>	<b><u>\$ 962,446</u></b>	<b><u>\$ 46,059</u></b>	<b><u>\$ (746,527)</u></b>	<b><u>\$ 10,958,825</u></b>

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

	<b>Year Ended December 31, 2013</b>				
	<b>Operating Fund</b>	<b>Park Fund</b>	<b>Maintenance Fund</b>	<b>Accelerator Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 10,000	\$ -	\$ 298,506	\$ -	\$ 308,506
Athens Power fees	194,646	-	-	-	194,646
Grants for operations	1,500	-	-	-	1,500
Rent	-	22,366	-	-	22,366
Other income	264	16,888	-	-	17,152
Total operating revenues	<u>206,410</u>	<u>39,254</u>	<u>298,506</u>	<u>-</u>	<u>544,170</u>
<b>OPERATING EXPENSES</b>					
Personal services	196,840	-	-	-	196,840
Employee benefits	68,721	-	-	-	68,721
Professional service contracts	26,554	-	30,342	-	56,896
Supplies and maintenance	10,807	-	8,334	-	19,141
Other operating expenses	73,250	161,691	-	-	234,941
Operating grant expenses	-	28,800	-	-	28,800
Depreciation	1,410	12,315	-	900	14,625
Total operating expenses	<u>377,582</u>	<u>202,806</u>	<u>38,676</u>	<u>900</u>	<u>619,964</u>
<b>Operating income (loss)</b>	<u>(171,172)</u>	<u>(163,552)</u>	<u>259,830</u>	<u>(900)</u>	<u>(75,794)</u>
<b>INTERFUND ACTIVITY</b>					
Community and Environmental Division	87,964	(81,277)	(6,687)	-	-
Transfers in (out)	3,514	-	(100,000)	96,486	-
Net interfund activity	<u>91,478</u>	<u>(81,277)</u>	<u>(106,687)</u>	<u>96,486</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	2,228	1,446	3,371	2	7,047
Interest expense	-	(2,286)	-	-	(2,286)
Greene Land Trust Stewardship	-	-	(54,918)	-	(54,918)
Total nonoperating revenues (expenses)	<u>2,228</u>	<u>(840)</u>	<u>(51,547)</u>	<u>2</u>	<u>(50,157)</u>
<b>CHANGE IN NET POSITION</b>	<b>(77,466)</b>	<b>(245,669)</b>	<b>101,596</b>	<b>95,588</b>	<b>(125,951)</b>
<b>NET POSITION, beginning of year</b>	<u>1,845,828</u>	<u>7,824,596</u>	<u>909,437</u>	<u>(95,588)</u>	<u>10,484,273</u>
<b>NET POSITION, end of year</b>	<u><b>\$ 1,768,362</b></u>	<u><b>\$ 7,578,927</b></u>	<u><b>\$ 1,011,033</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 10,358,322</b></u>

**Year Ended December 31, 2012**

	<u>Operating Fund</u>	<u>Park Fund</u>	<u>Maintenance Fund</u>	<u>Accelerator Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
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>
<b>OPERATING EXPENSES</b>					
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
Energy incentive grants	-	-	-	-	-
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>
<b>Operating income (loss)</b>	<u><b>552,201</b></u>	<u><b>(49,084)</b></u>	<u><b>122,952</b></u>	<u><b>(51,347)</b></u>	<u><b>574,722</b></u>
<b>INTERFUND ACTIVITY</b>					
Community and Environmental Division	<u>42,861</u>	<u>(36,226)</u>	<u>(6,635)</u>	<u>-</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
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>
<b>CHANGE IN NET POSITION</b>	<b>596,390</b>	<b>(96,691)</b>	<b>63,069</b>	<b>(51,321)</b>	<b>511,447</b>
<b>NET POSITION, beginning of year</b>	<u>1,249,438</u>	<u>7,921,287</u>	<u>846,368</u>	<u>(44,267)</u>	<u>9,972,826</u>
<b>NET POSITION, end of year</b>	<u><b>\$ 1,845,828</b></u>	<u><b>\$ 7,824,596</b></u>	<u><b>\$ 909,437</b></u>	<u><b>\$ (95,588)</b></u>	<u><b>\$ 10,484,273</b></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, 2013, 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 8, 2014.

**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*.

**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.

SaxBST LLP

Albany, New York  
March 8, 2014