

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

Financial Statements

December 31, 2014 and 2013

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Financial Statements

December 31, 2014 and 2013

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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 statements of net position as of December 31, 2014 and 2013, 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 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, 2014 and 2013, 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 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 audits were conducted for the purpose of forming an opinion on the Agency's 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 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 has been subjected to the auditing procedures applied in the audits 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 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 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, 2015, 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 19, 2015



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

Statements of Net Position

	December 31,	
	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	\$ 9,176,679	\$ 3,259,438
Accounts receivable	140,010	146,244
Rents receivable	-	4,775
Prepaid expenses	18,748	5,243
Total current assets	9,335,437	3,415,700
OTHER ASSETS		
Due from other governments	3,773	123,180
Real property held for sale or development	7,171,845	7,190,018
Capital assets		
Depreciable, net	40,094	335,968
	7,215,712	7,649,166
	\$ 16,551,149	\$ 11,064,866
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 56,244	\$ 54,332
Accounts payable	25,093	10,159
Accrued liabilities	58,644	54,175
Due to other governments	4,774	4,774
Unearned revenue	12,436	12,436
Total current liabilities	157,191	135,876
LONG-TERM LIABILITIES		
Note payable, less current portion	514,423	570,668
Total liabilities	671,614	706,544
COMMITMENTS AND CONTINGENCIES		
NET POSITION		
Investment in capital assets	40,094	335,968
Unrestricted	15,839,441	10,022,354
	15,879,535	10,358,322
	\$ 16,551,149	\$ 11,064,866

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

	Years Ended December 31,	
	2014	2013
OPERATING REVENUES		
Charges for services	\$ 668,770	\$ 308,506
Athens Power fees	275,303	194,646
Grants for operations	7,070	1,500
Rent	10,555	22,366
Gain on sale of property held for development	5,556,871	-
Other income	49,948	17,152
Total operating revenues	6,568,517	544,170
OPERATING EXPENSES		
Personal services	207,601	196,840
Employee benefits	74,001	68,721
Professional service contracts	27,125	56,896
Supplies and maintenance	5,614	19,141
Other operating expenses	478,171	234,941
Operating grant expenses	7,527	28,800
Depreciation	5,249	14,625
Total operating expenses	805,288	619,964
Operating income (loss)	5,763,229	(75,794)
NONOPERATING REVENUES (EXPENSES)		
Interest income	14,354	7,047
Interest expense	(25,139)	(2,286)
Greene Land Trust Stewardship	(49,633)	(54,918)
Loss on sale of capital assets	(181,598)	-
Total nonoperating revenues (expenses)	(242,016)	(50,157)
CHANGE IN NET POSITION	5,521,213	(125,951)
NET POSITION, <i>beginning of year</i>	10,358,322	10,484,273
NET POSITION, <i>end of year</i>	\$ 15,879,535	\$ 10,358,322

See accompanying Notes to Financial Statements.

**Greene County
Industrial Development Agency**
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Statements of Cash Flows

	Years Ended December 31,	
	2014	2013
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from customers	\$ 1,142,062	\$ 677,340
Cash paid to suppliers and other vendors	(503,503)	(340,918)
Cash paid for salaries and employee benefits	(290,638)	(254,943)
Cash paid to purchase property held for development	(509,858)	5,082
Cash received from sale of property held for development	6,084,902	6,459
	5,922,965	(93,020)
NET CASH PROVIDED (USED) BY NONCAPITAL AND RELATED ACTIVITIES		
Payments toward stewardship	(49,633)	(54,918)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
Interest income	14,354	7,047
Payments on installment agreement	-	475,000
	14,354	482,047
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(973)	(24,204)
Proceeds from notes payable	-	625,000
Proceeds from the sale of capital assets	110,000	-
Interest expense paid	(25,139)	(2,286)
Payments on notes payable	(54,333)	-
Payments of bond principal	-	(383,800)
	29,555	214,710
Net increase in cash	5,917,241	548,819
CASH, beginning of year	3,259,438	2,710,619
CASH, end of year	\$ 9,176,679	\$ 3,259,438
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 5,763,229	\$ (75,794)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	5,249	14,625
(Increase) decrease in		
Accounts receivable	6,234	(29,786)
Due from other governments	119,407	-
Rents receivable	4,775	(2)
Prepaid expenses	(13,505)	7,967
Property held for development	18,173	(11,541)
Increase (decrease) in		
Accounts payable and accrued expenses	19,403	1,511
	\$ 5,922,965	\$ (93,020)

See accompanying Notes to Financial Statements.

**Greene County
Industrial Development Agency**
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Notes to Financial Statements
December 31, 2014 and 2013

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. Since debt was not used to acquire the Agency's capital asset, this component of net position is presented as "Investment in capital assets."
- *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 nonoperating 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.

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Notes to Financial Statements
December 31, 2014 and 2013

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

b. Basis of Accounting and Financial Statement Presentation - Continued

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

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

c. Estimates

The preparation of financial statements in accordance with U.S. GAAP 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, 2014 and 2013, 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, 2014 and 2013, consist of 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, 2014 and 2013.

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Notes to Financial Statements
December 31, 2014 and 2013

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. Real Property Held for Sale or Development

Real property held for sale or development includes various real estate parcels in the County carried at historic cost or the estimated market value of the property at the time of transfer to the Agency or historical value. These properties are typically purchased by the Agency or transferred from the County. The Agency also owns or has rights to several real estate parcels which are carried at no cost.

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 is 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 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.

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Notes to Financial Statements
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Note 1 - Organization and Summary of Significant Accounting Policies - Continued

h. Payment in Lieu of Taxes (PILOT) - Continued

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 Standards

Effective January 1, 2014, the Agency adopted the following new accounting standards:

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement establishes 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.

The adoption of these accounting standards did not significantly impact the Agency's financial statements.

j. Reclassification

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

k. Subsequent Events

The Agency has evaluated subsequent events for potential recognition or disclosure through March 19, 2015, 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.

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Notes to Financial Statements
December 31, 2014 and 2013

Note 2 - Cash - Continued

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, 2014			December 31, 2013		
	Balance	FDIC Insurance	Pledge Collateral	Balance	FDIC Insurance	Pledge Collateral
National Bank of Coxsackie	\$ 2,205,917	\$ 250,000	\$ 2,380,052	\$ 303,456	\$ 250,000	\$ 124,024
First Niagara Bank	243,564	250,000	-	1,057,346	251,645	805,784
Greene County Commercial Bank	6,727,198	250,000	7,352,071	1,898,636	250,000	2,057,977
	<u>\$ 9,176,679</u>	<u>\$ 750,000</u>	<u>\$ 9,732,123</u>	<u>\$ 3,259,438</u>	<u>\$ 751,645</u>	<u>\$ 2,987,785</u>

Note 3 - Capital Assets and Real Property Held for Sale or Development

a. Capital Assets

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

	December 31, 2014			
	Balance at December 31, 2013	Additions	Disposition/ Sale	Balance at December 31, 2014
Depreciable capital assets				
Building	\$ 315,000	\$ -	\$ (315,000)	\$ -
Equipment	23,053	973	-	24,026
Infrastructure	54,646	-	-	54,646
	<u>392,699</u>	<u>973</u>	<u>(315,000)</u>	<u>78,672</u>
Less accumulated depreciation	<u>(56,731)</u>	<u>(5,249)</u>	<u>23,402</u>	<u>(38,578)</u>
Capital assets, net	<u>\$ 335,968</u>	<u>\$ (4,276)</u>	<u>\$ (291,598)</u>	<u>\$ 40,094</u>
	December 31, 2013			
	Balance at December 31, 2012	Additions	Disposition/ Sale	Balance at December 31, 2013
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>
Capital assets, net	<u>\$ 343,567</u>	<u>\$ (7,599)</u>	<u>\$ -</u>	<u>\$ 335,968</u>

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Notes to Financial Statements
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Note 3 - Capital Assets and Real Property Held for Sale or Development - Continued

b. Property Held for Development

The following is a summary of changes in real property held for sale or development during the year:

	December 31, 2014			
	Balance at December 31, 2013	Additions	Disposition/ Sale	Balance at December 31, 2014
Property held for development				
Land	\$ 4,866,448	\$ 435,000	\$ 428,789	\$ 4,872,659
Land improvements/development	2,323,570	74,858	99,242	2,299,186
Total	\$ 7,190,018	\$ 509,858	\$ 528,031	\$ 7,171,845
	December 31, 2013			
	Balance at December 31, 2012	Additions	Disposition/ Sale	Balance at December 31, 2013
Property held for development				
Land	\$ 4,866,448	\$ -	\$ -	\$ 4,866,448
Land improvements/development	2,305,570	18,000	-	2,323,570
Total	\$ 7,172,018	\$ 18,000	\$ -	\$ 7,190,018

Note 4 - Line-of-Credit

The Agency has available a \$260,000 line-of-credit with the Bank of Greene County. The current line-of-credit is renewable February 1, 2015. 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, 2014 and 2013). 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, 2014 and 2013.

Note 5 - Long-Term Debt

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

Payments on long-term debt are as follows:

	Principal	Interest	Total Payment
For the year ending December 31,			
2015	\$ 56,244	\$ 16,288	\$ 72,532
2016	57,949	14,583	72,532
2017	59,706	12,827	72,533
2018	61,516	11,017	72,533
2019	63,381	9,152	72,533
2020 to 2023	271,871	16,804	288,675
	\$ 570,667	\$ 80,671	\$ 651,338

**Greene County
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Notes to Financial Statements
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Note 6 - Due to Other Governments and Unearned Revenue

At December 31, 2014, the Agency recognized the January 2015 power payment collected from Athens Power during 2014 as unearned revenue and as due to other governments for the payment due the Town of Athens.

Note 7 - 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, 2014 and 2013, the Agency had no outstanding conduit debt.

Note 8 - 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 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.

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 2014 and 2013, the Agency remitted \$49,633 and \$54,918, respectively, to the Greene Land Trust related to these costs.

The Executive Director of the Agency was also the Executive Director of the Greene Land Trust during 2014 and 2013.

**Greene County
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Notes to Financial Statements
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Note 9 - 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>
2014	\$ 37,238
2013	20,970
2012	48,992

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

Note 10 - 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 \$1,400 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 for the years ended December 31, 2014 and 2013.

**Greene County
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Notes to Financial Statements
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Note 10 - Commitments and Contingencies - Continued

a. Operating Leases - Continued

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

	Principal
For the year ending December 31,	
2015	\$ 19,240
2016	2,104
2017	2,104
2018	1,052
	\$ 24,500

b. Option Agreements

The Agency has an option agreement to purchase land in future periods. The agreement includes an annual option payment. This option and the related costs are expensed when paid, unless the cost is to be applied to the purchase price. During the years ended December 31, 2014 and 2013, the Agency incurred costs of \$57,400 and \$18,000, respectively, related to the option, which were included in property held for development additions. Options are expensed when the Agency determines that they are no longer pursuing the property.

Note 11 - New Accounting Pronouncements Not Yet Adopted

In June 2013, 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
Industrial Development Agency
(A Component Unit of Greene County, New York)

Notes to Financial Statements
December 31, 2014 and 2013

Note 11 - New Accounting Pronouncements Not Yet Adopted - Continued

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement amends paragraph 137 of statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement are required to be applied simultaneously with the provisions of statement No. 68.

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

Greene County
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Supplementary Information - Combining Statements of Net Position

	December 31, 2014				
	Operating Fund	Park Fund	Maintenance Fund	Elimination Entries	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 2,103,024	\$ 5,376,989	\$ 1,696,666	\$ -	\$ 9,176,679
Accounts receivable	-	140,010	-	-	140,010
Due from other funds	89,304	-	122,953	(212,257)	-
Prepaid expenses	18,748	-	-	-	18,748
Total current assets	<u>2,211,076</u>	<u>5,516,999</u>	<u>1,819,619</u>	<u>(212,257)</u>	<u>9,335,437</u>
OTHER ASSETS					
Due from other governments	-	3,773	-	-	3,773
Real property held for sale or development	-	7,171,845	-	-	7,171,845
Capital assets, net					
Depreciable	5,485	34,609	-	-	40,094
Total other assets	<u>5,485</u>	<u>7,210,227</u>	<u>-</u>	<u>-</u>	<u>7,215,712</u>
	<u>\$ 2,216,561</u>	<u>\$ 12,727,226</u>	<u>\$ 1,819,619</u>	<u>\$ (212,257)</u>	<u>\$ 16,551,149</u>
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
Notes payable	\$ -	\$ -	\$ 56,244	\$ -	\$ 56,244
Accounts payable	1,512	21,201	2,380	-	25,093
Accrued liabilities	58,644	-	-	-	58,644
Due to other governments	4,774	-	-	-	4,774
Due to other funds	-	206,213	6,044	(212,257)	-
Unearned revenue	12,436	-	-	-	12,436
Total current liabilities	<u>77,366</u>	<u>227,414</u>	<u>64,668</u>	<u>(212,257)</u>	<u>157,191</u>
LONG-TERM LIABILITIES					
Note payable, less current installment	-	-	514,423	-	514,423
Total liabilities	<u>77,366</u>	<u>227,414</u>	<u>579,091</u>	<u>(212,257)</u>	<u>671,614</u>
COMMITMENTS AND CONTINGENCIES					
NET POSITION					
Investment in capital assets	5,485	34,609	-	-	40,094
Unrestricted	2,133,710	12,465,203	1,240,528	-	15,839,441
	<u>2,139,195</u>	<u>12,499,812</u>	<u>1,240,528</u>	<u>-</u>	<u>15,879,535</u>
	<u>\$ 2,216,561</u>	<u>\$ 12,727,226</u>	<u>\$ 1,819,619</u>	<u>\$ (212,257)</u>	<u>\$ 16,551,149</u>

	December 31, 2013				
	Operating Fund	Park Fund	Maintenance Fund	Elimination Entries	Total
ASSETS					
CURRENT ASSETS					
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	-	122,951	(644,326)	-
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>1,690,494</u>	<u>(644,326)</u>	<u>3,415,700</u>
OTHER ASSETS					
Due from state and federal governments	-	123,180	-	-	123,180
Real property held for sale or development	-	7,190,018	-	-	7,190,018
Capital assets, net					
Depreciable	7,118	328,850	-	-	335,968
Total other assets	<u>7,118</u>	<u>7,642,048</u>	<u>-</u>	<u>-</u>	<u>7,649,166</u>
	<u>\$ 1,839,991</u>	<u>\$ 8,178,707</u>	<u>\$ 1,690,494</u>	<u>\$ (644,326)</u>	<u>\$ 11,064,866</u>
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
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	51,851	(644,326)	-
Unearned revenue	12,436	-	-	-	12,436
Total current liabilities	<u>71,629</u>	<u>599,780</u>	<u>108,793</u>	<u>(644,326)</u>	<u>135,876</u>
LONG-TERM LIABILITIES					
Notes payable, less current installment	-	-	570,668	-	570,668
Total liabilities	<u>71,629</u>	<u>599,780</u>	<u>679,461</u>	<u>(644,326)</u>	<u>706,544</u>
COMMITMENTS AND CONTINGENCIES					
NET POSITION					
Investment in capital assets	7,118	328,850	-	-	335,968
Unrestricted	1,761,244	7,250,077	1,011,033	-	10,022,354
	<u>1,768,362</u>	<u>7,578,927</u>	<u>1,011,033</u>	<u>-</u>	<u>10,358,322</u>
	<u>\$ 1,839,991</u>	<u>\$ 8,178,707</u>	<u>\$ 1,690,494</u>	<u>\$ (644,326)</u>	<u>\$ 11,064,866</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, 2014				
	Operating Fund	Park Fund	Maintenance Fund	Accelerator Fund	Total
OPERATING REVENUES					
Charges for services	\$ 376,000	\$ -	\$ 292,770	\$ -	\$ 668,770
Athens Power fees	275,303	-	-	-	275,303
Grants for operations	7,070	-	-	-	7,070
Rent	500	10,055	-	-	10,555
Gain on sale of property held for development	-	5,083,675	-	-	5,083,675
Other income	5,198	34,930	9,820	-	49,948
Total operating revenues	<u>664,071</u>	<u>5,128,660</u>	<u>302,590</u>	<u>-</u>	<u>6,095,321</u>
OPERATING EXPENSES					
Personal services	207,601	-	-	-	207,601
Employee benefits	74,001	-	-	-	74,001
Professional service contracts	17,135	-	9,990	-	27,125
Supplies and maintenance	5,614	-	-	-	5,614
Other operating expenses	65,769	412,371	31	-	478,171
Operating grant expenses	7,500	-	-	-	7,500
Depreciation	1,633	3,643	-	-	5,276
Total operating expenses	<u>379,253</u>	<u>416,014</u>	<u>10,021</u>	<u>-</u>	<u>805,288</u>
Operating income (loss)	<u>284,818</u>	<u>4,712,646</u>	<u>292,569</u>	<u>-</u>	<u>5,290,033</u>
INTERFUND ACTIVITY					
Community and Environmental Division	<u>83,260</u>	<u>(83,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,755	6,840	4,759	-	14,354
Interest expense	-	(6,939)	(18,200)	-	(25,139)
Greene Land Trust Stewardship	-	-	(49,633)	-	(49,633)
Gain on sale of capital assets	-	291,598	-	-	291,598
Total nonoperating revenues (expenses)	<u>2,755</u>	<u>291,499</u>	<u>(63,074)</u>	<u>-</u>	<u>231,180</u>
CHANGE IN NET POSITION	<u>370,833</u>	<u>4,920,885</u>	<u>229,495</u>	<u>-</u>	<u>5,521,213</u>
NET POSITION, <i>beginning of year</i>	<u>1,768,362</u>	<u>7,578,927</u>	<u>1,011,033</u>	<u>-</u>	<u>10,358,322</u>
NET POSITION, <i>end of year</i>	<u>\$ 2,139,195</u>	<u>\$ 12,499,812</u>	<u>\$ 1,240,528</u>	<u>\$ -</u>	<u>\$ 15,879,535</u>

Year Ended December 31, 2013

	Operating Fund	Park Fund	Maintenance Fund	Accelerator Fund	Total
OPERATING REVENUES					
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>
OPERATING EXPENSES					
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>
Operating income (loss)	<u>(171,172)</u>	<u>(163,552)</u>	<u>259,830</u>	<u>(900)</u>	<u>(75,794)</u>
INTERFUND ACTIVITY					
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>
NONOPERATING REVENUES (EXPENSES)					
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>
CHANGE IN NET POSITION	<u>(77,466)</u>	<u>(245,669)</u>	<u>101,596</u>	<u>95,588</u>	<u>(125,951)</u>
NET POSITION, <i>beginning of year</i>	<u>1,845,828</u>	<u>7,824,596</u>	<u>909,437</u>	<u>(95,588)</u>	<u>10,484,273</u>
NET POSITION, <i>end of year</i>	<u>\$ 1,768,362</u>	<u>\$ 7,578,927</u>	<u>\$ 1,011,033</u>	<u>\$ -</u>	<u>\$ 10,358,322</u>

See Independent Auditor's Report.



**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, 2014, 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, 2015.

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 19, 2015