

The Greene Local Development Corporation

(A Component Unit of Greene County, New York)

Financial Statements

December 31, 2015

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Independent Auditor's Report

Chairman and Corporation Board
The Greene Local Development Corporation
Coxsackie, New York

Report on the Financial Statements

We have audited the accompanying financial statements of The Greene Local Development Corporation (Corporation), a component unit of Greene County, New York, which comprise the statement of net position as of December 31, 2015, 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 Corporation as of December 31, 2015, 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 Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on page 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2016, on our consideration of the Corporation'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 Corporation's internal control over financial reporting and compliance.

SaxBST LLP

Albany, New York
March 21, 2016



The Greene Local Development Corporation

(A Component Unit of Greene County, New York)

Management Discussion and Analysis December 31, 2015

The following Management's Discussion and Analysis (MD&A) provides an introduction and overview of the financial activities and performance of The Greene Local Development Corporation (Corporation) for the year ended December 31, 2015, as mandated by Governmental Accounting Standards Board (GASB) Statement No. 34. This information should be reviewed in conjunction with the financial statements of the Corporation.

Overview of Financial Statements

The Corporation's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the GASB. The Corporation is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets, if any, are capitalized and are depreciated over their useful lives. See the notes to the financial statements for a summary of the Corporation's significant accounting policies.

The *Statement of Net Position* presents information on the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Corporation's financial position.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Corporation's net position changed during the most recent years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods.

The *Statement of Cash Flows* relates to the flows of cash. Consequently, only transactions that affect the Corporation's cash accounts are recorded in this statement. A reconciliation is provided at the bottom of the statement of cash flows to assist in the understanding the difference between cash flows from operating activities and operating income.

Highlights

- The Corporation is a related party to the Greene County Industrial Development Agency (IDA) and is the vehicle by which the IDA can be assisted in the accomplishment of its mission under circumstances where factors such as environmental contamination or financial risk may represent undesirable liability to the IDA. The Corporation was formed and operates consistent with Section 2827-a of the NYS Public Authorities Law.
- The Corporation had no activity in 2015. The IDA reinstated the Corporation in March of 2015.

Financial Analysis of the Corporation

- The Corporation currently has a cash asset of \$20,197 which was transferred from the IDA in May of 2015. The IDA was holding these funds for the Corporation as restricted funds.

Contacting the Corporation's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact April Ernst, Project Manager.

The Greene Local Development Corporation

(A Component Unit of Greene County, New York)

Statement of Net Position

	<u>December 31, 2015</u>
ASSETS	
CURRENT ASSETS	
Cash	<u>\$ 20,197</u>
NET POSITION	
NET POSITION	
Unrestricted	<u>\$ 20,197</u>

See accompanying Notes to Financial Statements.

The Greene Local Development Corporation

(A Component Unit of Greene County, New York)

Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended December 31, 2015
NONOPERATING REVENUES (EXPENSES)	
Transfer from Greene County Industrial Development Agency	<u>\$ 20,197</u>
CHANGE IN NET POSITION	20,197
NET POSITION, <i>beginning of year</i>	<u>-</u>
NET POSITION, <i>end of year</i>	<u><u>\$ 20,197</u></u>

See accompanying Notes to Financial Statements.

The Greene Local Development Corporation

(A Component Unit of Greene County, New York)

Statement of Cash Flows

	<u>Year Ended December 31, 2015</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	
Transfer from Greene County Industrial Development Agency	<u>\$ 20,197</u>
Net increase in cash	20,197
CASH, <i>beginning of year</i>	<u>-</u>
CASH, <i>end of year</i>	<u><u>\$ 20,197</u></u>

See accompanying Notes to Financial Statements.

The Greene Local Development Corporation

(A Component Unit of Greene County, New York)

Notes to Financial Statements December 31, 2015

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization and Purpose

The Greene Local Development Corporation (Corporation) was created on March 19, 2015, by the Greene County Industrial Development Agency (IDA) under the Laws of New York State to promote economic growth in Greene County, New York (County). The Corporation is exempt from federal, state, and local income taxes and is a component unit of the County.

b. Basis of Accounting and Financial Statement Presentation

The Corporation'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 Corporation is determined by its measurement focus. The transactions of the Corporation 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 statement of net position. Under the measurement focus 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.
- *Restricted net position* consists of assets with externally placed constraints net of liabilities that will be liquidated from these assets.
- *Unrestricted net position* consists of assets and liabilities that do not meet the definition of "net investment in capital assets" or "restricted."

Revenues are recognized when earned, and expenses are recognized when incurred. The Corporation distinguishes operating revenues and expenses from nonoperating items. Operating revenues are determined based on the services provided by the Corporation. 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.

c. Subsequent Events

The Corporation has evaluated subsequent events for potential recognition or disclosure through March 21, 2016, the date the financial statements were available to be issued.

Note 2 - Cash

In accordance with the provisions of Section 10 of General Municipal Law of New York State, all Corporation 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 Corporation's deposits were fully insured as of December 31, 2015.

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Notes to Financial Statements December 31, 2015

Note 3 - Related Party Transactions

The Greene County Industrial Development Agency

In March 2015, the IDA reinstated the Corporation. The Corporation was formed and operates consistent with Section 2827-a of the NYS Public Authorities Law.

In May, the bank account that was restricted by the IDA for the Corporation was fully transferred to the Corporation in the amount of \$20,197.

**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 Corporation Board
The Greene Local Development Corporation
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 Local Development Corporation (Corporation), a component unit of Greene County, New York, as of December 31, 2015, 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, and have issued our report thereon dated March 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SaxBST LLP

Albany, New York
March 21, 2016