

CENTRAL NEW YORK REGIONAL
MARKET AUTHORITY

FINANCIAL STATEMENTS
March 31, 2015 and 2014

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Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

Report on the Financial Statements

We have audited the accompanying financial statements of **CENTRAL NEW YORK REGIONAL MARKET AUTHORITY** (the Authority), which comprise the statements of net position as of March 31, 2015 and 2014, 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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of March 31, 2015 and 2014, and the changes in its net 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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 10, 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 Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Central New York Regional Market Authority's basic financial statements. The schedule of operating expenses on page 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of operating expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Authority's internal control over financial reporting and compliance.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

June 16, 2015

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2015 and 2014

Introduction

Central New York Regional Market Authority's Management's Discussion and Analysis for the year ended March 31, 2015 provides an introduction to the major activities that had an effect on the operations of the Authority and it also addresses the financial performance and status of the Authority. The information contained within the Management's Discussion and Analysis (MD&A) should be used and considered in conjunction with all of the information contained within the 2015 financial report, which follows this report.

Financial Highlights

The Authority's net position increased by approximately \$178,000 as a result of this year's operations.

During 2015 the Authority sold a piece of land. There was a gain on the sale of approximately \$140,000.

The undesignated net position also increased from a deficit of \$(7,696) to \$217,058. This increase of approximately \$225,000 is due to an increase in net position of approximately \$178,000 and a decrease in the net investment in capital assets of approximately \$46,000.

Using this Annual Statement

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The Central New York Regional Market Authority is treated as a Proprietary Fund for auditing purposes. It has in the past and will continue to use the accrual basis of accounting. The accrual basis of accounting provides both *short-term* and *long-term* information about the Authority's *overall* financial status.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2015 and 2014

Statements of Net Position

TABLE 1

	2015	2014
ASSETS		
Cash	\$ 330,208	\$ 111,798
Cash Held for Others	21,504	22,068
Accounts Receivable	18,719	12,479
Property, Plant and Equipment, Net	<u>6,398,834</u>	<u>6,514,606</u>
TOTAL ASSETS	<u><u>\$ 6,769,265</u></u>	<u><u>\$ 6,660,951</u></u>
LIABILITIES		
Current Portion of Long-Term Debt	\$ 72,197	\$ 69,891
Accounts Payable and Accrued Liabilities	66,518	62,825
Funds Held for Others	21,504	22,068
Security Deposit Reserve	59,937	61,696
Long-Term Debt	<u>957,008</u>	<u>1,029,168</u>
TOTAL LIABILITIES	<u><u>\$ 1,177,164</u></u>	<u><u>\$ 1,245,648</u></u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Rent	<u><u>\$ 5,414</u></u>	<u><u>\$ 7,452</u></u>
NET POSITION		
Net Investment in Capital Assets	\$ 5,369,629	\$ 5,415,547
Unrestricted Net Position	<u>217,058</u>	<u>(7,696)</u>
TOTAL NET POSITION	<u><u>\$ 5,586,687</u></u>	<u><u>\$ 5,407,851</u></u>

Total assets increased approximately \$108,000 in 2015 as a result of the following:

- Cash increased due to the proceeds from the sale of an asset in the current year and due to revenues exceeding expenditures.
- Property, plant and equipment decreased due to depreciation expense exceeding fixed asset additions.

Total liabilities decreased approximately \$68,000 in 2015. Significant items include the following:

- Long-term debt principal payments totaled \$69,854 in 2015.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2015 and 2014

Review of Revenues

TABLE 2

	2015	2014
Rent Revenue - Buildings and Land	\$ 618,705	\$ 619,169
Rent Revenue - Retail Market	853,070	828,646
Truck Scales	8,676	10,185
Utilities	79,077	81,565
Interest Income	13,056	8,082
Truck Delivery	20,580	20,622
Advertising - Promotion	59,000	40,615
Mobile Market Sales	7,584	14,483
Reimbursements	19,635	35,951
Miscellaneous	7,803	3,373
Gain on Sale of Asset	<u>140,356</u>	<u>0</u>
TOTAL REVENUES	<u><u>\$ 1,827,542</u></u>	<u><u>\$ 1,662,691</u></u>

Rent revenue from the Retail Market increased in the current year. This is due to the steady growth of the Retail Market, continued high occupancy and nominal rent increases.

Reimbursements decreased in the current year due to less projects in progress.

In the current year the Authority sold a piece of property for a gain of \$140,356.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2015 and 2014

Review of Expenses

TABLE 3

	2015	2014
Payroll and Related Benefits	\$ 617,909	\$ 546,661
Mobile Market Payroll	6,210	4,286
Repairs and Maintenance	119,066	80,448
Office Expense	30,535	29,304
Utilities	206,888	212,486
Legal and Professional	35,446	40,401
Security	213,341	202,690
Insurance	79,906	72,863
Advertising	63,418	69,558
Bad Debt Expense	0	2,815
Mobile Market Expenses	6,458	8,344
Reimbursements	13,512	29,161
Other Operating Expenses	27,940	31,294
Interest Expense	32,268	32,302
Debt Issuance Costs	0	32,270
Depreciation	<u>195,809</u>	<u>186,687</u>
TOTAL EXPENSES	<u><u>\$ 1,648,706</u></u>	<u><u>\$ 1,581,570</u></u>

Total expenses for 2015 increased by approximately \$67,000 compared to 2014.

- Repairs and maintenance increase approximately \$40,000 in the current year due to an increase in the general maintenance of the facility, along with a large repairs noted on the scale and fencing.
- Salaries increased by approximately \$71,000 in the current year due to raises, increased NYS retirement payments and one additional employee.
- Debt issuance costs decreased by approximately \$32,000 in the current year due to new debt in the prior year

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2015 and 2014

Summary of Changes in Fixed Assets

TABLE 4

	2015	2014	Total Percent Change
			2014-2015
Land	\$ 1,457,006	\$ 1,457,006	0.0%
Office Equipment	244,588	244,588	0.0%
Operating Equipment	520,861	507,147	2.6%
Buildings	4,345,847	4,332,155	0.3%
Permanent Improvements	3,727,613	3,678,546	1.3%
Utilities	319,830	319,830	0.0%
Less: Accumulated Depreciation	<u>4,216,911</u>	<u>4,024,666</u>	<u>4.6%</u>
Total	<u>\$ 6,398,834</u>	<u>\$ 6,514,606</u>	<u>-1.8%</u>

Decreases to property, plant and equipment include the following highlights:

- Operating equipment increased with the trade in of a bobcat and skid steer for two newer items.
- Depreciation expense of \$195,809 was recorded in the current year.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2015 and 2014

Summary of Changes in Debt

TABLE 5

	2015	2014	Total Percent Change
			2014-2015
Notes Payable:			
YNY DED-IIDP	\$ 75,498	\$ 75,498	0.0%
First Pioneer Farm Credit	<u>953,707</u>	<u>1,023,561</u>	<u>-7.3%</u>
Total Notes Payable	<u>\$ 1,029,205</u>	<u>\$ 1,099,059</u>	<u>-6.8%</u>

Decrease to debt includes the following highlights:

- The Authority paid \$69,854 in principal on debt in 2015.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2015 and 2014

Economic Factors and Next Year's Budget

For the fiscal year ending March 31, 2016, most lease rates will continue to increase by approximately CPI.

Payroll and benefits will continue to increase due to the normal increases but probably at a lower rate due to not adding any additional employees.

Revenues from the retail market are not expected to have a significant increase due to the fact that almost all the farmer stalls are already under license.

Maintenance and repairs expenses are expected to be more in line with previous years expenses since several major repairs and upgrades were accomplished last year.

The Authority will once again have the opportunity to build its cash position provided no major projects are undertaken.

Request for Information

This report is presented as a broad overview of the financial condition of the Central New York Regional Market Authority. Questions related to the report or the Authority in general should be sent to the Executive Director, Central New York Regional Market Authority, 2100 Park Street, Syracuse, New York 13208.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION

March 31, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash	\$ 330,208	\$ 111,798
Cash Held for Others	21,504	22,068
Accounts Receivable	<u>18,719</u>	<u>12,479</u>
Total Current Assets	370,431	146,345
PROPERTY, PLANT AND EQUIPMENT, NET	<u>6,398,834</u>	<u>6,514,606</u>
TOTAL ASSETS	<u>6,769,265</u>	<u>6,660,951</u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF NET POSITION

March 31, 2015 and 2014

LIABILITIES AND NET POSITION

	2015	2014
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	72,197	69,891
Accounts Payable and Accrued Liabilities	66,518	62,825
Funds Held for Others	21,504	22,068
Security Deposit Reserve	59,937	61,696
	<hr/>	<hr/>
Total Current Liabilities	220,156	216,480
LONG-TERM DEBT, NET OF CURRENT PORTION	<hr/>	<hr/>
	957,008	1,029,168
TOTAL LIABILITIES	<hr/>	<hr/>
	1,177,164	1,245,648
DEFERRED INFLOWS OF RESOURCES		
Deferred Rent	5,414	7,452
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	5,414	7,452
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<hr/>	<hr/>
	1,182,578	1,253,100
NET POSITION		
Net Investment in Capital Assets	5,369,629	5,415,547
Unrestricted Net Position	217,058	(7,696)
	<hr/>	<hr/>
TOTAL NET POSITION	<hr/>	<hr/>
	\$ 5,586,687	\$ 5,407,851

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended March 31, 2015 and 2014

	2015	2014
OPERATING REVENUE		
RENT REVENUE - Buildings and Land		
Commercial Leases	\$ 471,826	\$ 474,992
Land Leases	<u>146,879</u>	<u>144,177</u>
Total Rent Revenue - Buildings and Land	618,705	619,169
RENT REVENUE - Retail Market		
Farmer's Saturday/Wholesale Leases	230,095	220,645
Farmer's Saturday Daily	41,175	33,740
Farmer's Thursday Lease	20,268	23,996
Farmer's Thursday Daily	5,621	4,725
Flea Market	236,719	233,409
Dealer Saturday Lease	153,042	144,988
Dealer Saturday Daily	3,285	4,245
Dealer Thursday Lease	20,145	17,130
Dealer Thursday Daily	1,755	1,200
Food Concession	44,280	40,254
Commercial Saturday Lease	73,829	89,836
Commercial Saturday Daily	19,075	11,715
Commercial Thursday Lease	1,616	1,188
Commercial Thursday Daily	<u>2,165</u>	<u>1,575</u>
Total Rent Revenue - Retail Market	<u>853,070</u>	<u>828,646</u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended March 31, 2015 and 2014

	2015	2014
OTHER OPERATING REVENUE		
Truck Scales	8,676	10,185
Truck Delivery	20,580	20,622
Mobile Market Sales	7,584	14,483
Electricity Sales	71,220	73,455
Reimbursements	19,635	35,951
Gas Sales	5,556	5,820
Water and Sewer Sales	2,301	2,290
Miscellaneous Income	7,803	3,373
Advertising - Promotion	59,000	40,615
	<u>202,355</u>	<u>206,794</u>
Total Other Operating Revenue		
	202,355	206,794
TOTAL OPERATING REVENUE	1,674,130	1,654,609
OPERATING EXPENSES	<u>1,616,438</u>	<u>1,549,268</u>
INCOME FROM OPERATIONS	57,692	105,341
OTHER INCOME (EXPENSE)		
Interest Income	13,056	8,082
Gain on Sale of Asset	140,356	0
Interest Expense	<u>(32,268)</u>	<u>(32,302)</u>
	121,144	(24,220)
Net Other Expense		
	121,144	(24,220)
INCREASE IN NET POSITION	178,836	81,121
NET POSITION		
Balance, Beginning of Year, Restated	<u>5,407,851</u>	<u>5,326,730</u>
Balance, End of Year	<u>\$ 5,586,687</u>	<u>\$ 5,407,851</u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Operating Activities	\$ 1,667,890	\$ 1,655,215
Cash Paid to Suppliers and Employees	<u>(1,420,733)</u>	<u>(1,469,127)</u>
Net Cash Provided By Operating Activities	247,157	186,088
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Capital Acquisitions	(80,037)	(160,157)
Gain on Sale of Assets	140,356	0
Debt Issuance Costs	0	32,270
Principal Payments	(69,854)	(63,939)
Interest Paid	<u>(32,268)</u>	<u>(32,302)</u>
Net Cash Used In Financing Activities	<u>(41,803)</u>	<u>(224,128)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest	<u>13,056</u>	<u>8,082</u>
Net Cash Provided By Investing Activities	<u>13,056</u>	<u>8,082</u>
Net Change in Cash	218,410	(29,958)
Cash, Beginning of Year	<u>111,798</u>	<u>141,756</u>
Cash, End of Year	<u><u>\$ 330,208</u></u>	<u><u>\$ 111,798</u></u>
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Capital Acquisitions through Acquired Debt	<u><u>\$ 0</u></u>	<u><u>\$ 566,813</u></u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income from Operations	\$ 57,692	\$ 105,341
Adjustments to Reconcile Increase in Net Position to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	195,809	186,687
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(6,240)	606
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	3,693	(109,911)
Deferred Rent	(2,038)	4,459
Security Deposit Reserve	(1,759)	(1,094)
Net Cash Provided By Operating Activities	<u>\$ 247,157</u>	<u>\$ 186,088</u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 1 – NATURE OF OPERATIONS

Central New York Regional Market Authority (the “Authority”) is a public benefit company established to develop markets for the buying and selling of farm products.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority’s financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds.

In accordance with GASB standards, the accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. As required by GASB standards, the transactions of the Authority are accounted for on a flow of economic resources measurement focus and accrual basis of accounting.

Basis of Presentation

GASB required the classification of net position into three components defined as follows:

- *Net Investment in Capital Assets* are the amounts expended by the Authority for the acquisition of capital assets, net of accumulated depreciation and related debt.
- *Restricted Net Position* – This component of net assets consists of amounts which have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This component consists of remaining net assets, which can be further categorized as designated or undesignated. Designated assets are not governed by statute or contract but are committed for specific purposes pursuant to Authority policy and/or Board directives. Designated assets include funds and assets committed to working capital.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, and then unrestricted resources as they are needed.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

The deposit and investment of Authority monies is governed by provisions in its enabling legislation and by an Investment Policy adopted by the Authority during 2008.

Statutes authorize the Authority to invest in bank maintained tenant security accounts, municipal money markets and municipal certificates of deposits. At the present time the investments are primarily in certificates of deposits.

For purposes of the statements of cash flows, the Authority has adopted the direct method of reporting net cash flows from operating activities and considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. At March 31, 2015 and 2014, there were no cash equivalents.

Property, Plant and Equipment

Property, plant and equipment are reported at cost. Cost of current repairs and minor replacements of parts are charged to maintenance and expense accounts as incurred.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the property, plant and equipment accounts), depreciation methods, and estimated useful lives of property, plant and equipment reported on the Authority's financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Office Equipment	<u>\$ 10,000</u>	Straight-Line	10
Operating Equipment	<u>\$ 10,000</u>	Straight-Line	10 – 20
Buildings	<u>\$ 20,000</u>	Straight-Line	20 – 50
Permanent Improvements	<u>\$ 20,000</u>	Straight-Line	15 – 50
Utilities	<u>\$ 20,000</u>	Straight-Line	10 – 30

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounts Receivable

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. Charges against operations were \$-0- and \$2,815 for the years ended March 31, 2015 and 2014, respectively.

Funds Held for Others

The Authority holds funds for customers and vendors that have purchased tokens. These funds are reported as cash held for others in the statements of net position and the related liability is reported as funds held for others.

Taxes

As a public benefit company, the Authority is exempt from federal and state income taxes, as well as state and local property and sales taxes.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through June 16, 2015, the date the financial statements were available to be issued. There are no items that would require disclosure as a result of this evaluation.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 3 – CASH

Cash balances at March 31, 2015 and 2014 consisted of the following accounts:

	2015	2014
Cash in Bank Checking	\$ 22,805	\$ 3,709
Cash in Bank Savings	140,659	5,150
Board Designated Contingency Account	31,026	31,026
Board Designated Capital Reserve	97,100	32,100
Renter's Security Deposit	59,937	61,696
Petty Cash	185	185
	<hr/>	<hr/>
Total	\$ 351,712	\$ 133,866
	<hr/> <hr/>	<hr/> <hr/>
Cash	\$ 330,208	\$ 111,798
Cash Held for Others	21,504	22,068
	<hr/>	<hr/>
Total	\$ 351,712	\$ 133,866
	<hr/> <hr/>	<hr/> <hr/>

Cash of the Authority at March 31, 2015 and 2014 consists of the following:

	Carrying Value	Bank Balance
March 31, 2015		
Cash:		
Cash on Hand	\$ 185	\$ 0
Bank Accounts	351,527	364,505
	<hr/>	<hr/>
Total Cash	\$ 351,712	\$ 364,505
	<hr/> <hr/>	<hr/> <hr/>
March 31, 2014		
Cash:		
Cash on Hand	\$ 185	\$ 0
Bank Accounts	133,681	158,310
	<hr/>	<hr/>
Total Cash	\$ 133,866	\$ 158,310
	<hr/> <hr/>	<hr/> <hr/>

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 3 – CASH – Continued

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposits are secured by \$345,720 from the Federal Depository Insurance Corporation plus \$18,785 of pledged collateral at March 31, 2015. For the Authority, all pledged collateral and all investments are classified in the highest category by being held in bank trust departments in the Authority's name.

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

Activity for property, plant and equipment and changes in accumulated depreciation for the year ended March 31, 2015 is as follows:

	Balance March 31, 2014	Additions	Deductions	Balance March 31, 2015
Land	\$ 1,457,006	\$ 0	\$ 0	\$ 1,457,006
Office Equipment	244,587	0	0	244,587
Operating Equipment	507,147	25,136	11,422	520,861
Buildings	4,332,155	13,692	0	4,345,847
Permanent Improvements	3,678,547	49,067	0	3,727,614
Utilities	319,830	0	0	319,830
	<hr/> 10,539,272	<hr/> 87,895	<hr/> 11,422	<hr/> 10,615,745
Less: Accumulated Depreciation	<hr/> 4,024,666	<hr/> 195,809	<hr/> 3,564	<hr/> 4,216,911
Net Property, Plant and Equipment	<hr/> <u>\$ 6,514,606</u>	<hr/> <u>\$ (107,914)</u>	<hr/> <u>\$ 7,858</u>	<hr/> <u>\$ 6,398,834</u>

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT – Continued

Activity for property, plant and equipment and changes in accumulated depreciation for the year ended March 31, 2014 is as follows:

	Balance March 31, 2013	Additions	Deductions	Balance March 31, 2014
Land	\$ 1,457,006	\$ 0	\$ 0	\$ 1,457,006
Office Equipment	243,085	1,502	0	244,587
Operating Equipment	490,579	64,074	47,506	507,147
Buildings	4,332,155	0	0	4,332,155
Permanent Improvements	1,972,839	1,705,708	0	3,678,547
Utilities	319,830	0	0	319,830
Construction in Progress	1,038,579	0	1,038,579	0
	<u>9,854,073</u>	<u>1,771,284</u>	<u>1,086,085</u>	<u>10,539,272</u>
Less: Accumulated Depreciation	<u>3,847,480</u>	<u>186,687</u>	<u>9,501</u>	<u>4,024,666</u>
Net Property, Plant and Equipment	<u><u>\$ 6,006,593</u></u>	<u><u>\$ 1,584,597</u></u>	<u><u>\$ 1,076,584</u></u>	<u><u>\$ 6,514,606</u></u>

Depreciation charged to expense at March 31, 2015 and 2014 was \$195,809 and \$186,687, respectively.

NOTE 5 – SHORT-TERM DEBT

The Authority and its bank entered into a line-of-credit agreement which provides for maximum borrowing of up to \$100,000 at an interest rate of prime plus .75%. The line-of-credit agreement is renewable annually. At March 31, 2015 and 2014, there were no borrowings under the line-of-credit agreement. The prime interest rate was 3.25% at March 31, 2015 and 2014.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 6 – LONG-TERM DEBT

Long-term debt is made up of the following obligations:

	Balance at March 31, 2014	Additions	Reductions	Balance at March 31, 2015
Notes Payable:				
YNY DED-IIDP	\$ 75,498	\$ 0	\$ 0	\$ 75,498
First Pioneer Farm Credit	1,023,561	0	69,854	953,707
	<u>1,099,059</u>	<u>0</u>	<u>69,854</u>	<u>1,029,205</u>
Total Notes Payable	<u>\$ 1,099,059</u>	<u>\$ 0</u>	<u>\$ 69,854</u>	<u>\$ 1,029,205</u>

Note payable to YNY DED-IIDP at an interest rate of 4%. Original grant with 50% loan, repayment and interest accrual held in abeyance.

In April 2013, the Authority refinanced the remaining portion of the note payable and received \$566,813 in new debt. Note payable to First Pioneer Farm Credit at an interest rate of 3.25% with monthly payments of \$8,510 through April 2026. The note is secured by real estate.

Changes in long-term liabilities are as follows:

	Principal Payments on Notes	Interest Payable	Total Debt Service on Notes
2016	\$ 72,197	\$ 29,925	\$ 102,122
2017	74,578	27,544	102,122
2018	77,038	25,084	102,122
2019	79,580	22,542	102,122
2020	82,205	19,917	102,122
Thereafter	568,109	59,356	627,465
YNY DED-IIDP	75,498	0	75,498
	<u>1,029,205</u>	<u>\$ 184,368</u>	<u>\$ 1,213,573</u>
Less: Current Portion	<u>72,197</u>		
Total	<u>\$ 957,008</u>		

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 7 – BENEFIT PLANS

Pension

The Authority participates in the New York State and Local Employees' Retirement System (ERS) "Plan". This is a cost sharing multiple employer defined benefit retirement plan overseen by the Comptroller of the State of New York. The Plan offers a wide range of benefits that are related to years of service and final average salary, vesting of retirement benefits, death, and disability. 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 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 Systems issue a publicly available financial report that includes audited financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, Alfred E. Smith State Office Building, Albany, New York 12244.

Funding Policies

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in the System contribute 3% of their salary throughout their active membership. The Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund. Employees who join on or after April 1, 2012 (Tier 6) will contribute 3% of their reportable salary. Beginning April 1, 2013 the contribution rate for Tier 6 members will vary based on each member's annual compensation varying between 3-6%.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 7 – BENEFIT PLANS – Continued

The Authority is required to contribute at an actuarially determined rate. The required and actual contributions for the current year and two preceding years are as follows:

	Annual Contributions
2013	\$ 10,049
2014	\$ 9,364
2015	\$ 9,024

The Authority's contributions made to the System were equal to 100% of the contributions required for each year. Effective May 14, 2003, the System requires a minimum employer contribution of 4.5% annually of the System's fund value at April 1st of the previous fiscal year.

Post-Employment Benefits

In addition to the retirement benefits described above, the Authority provides post-employment health insurance coverage to its retired employees and their survivors. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the Authority. Currently one retiree meets these eligibility requirements. The cost of AARP health care benefits is recognized as an expense as costs are incurred and includes the one non-retiree. The amount paid was approximately \$3,285 for both the years ended 2015 and 2014.

In order to fully comply with all other post-employment benefit disclosures the Authority must get an actuarial report. This has not been completed for the years ending March 31, 2015 or March 31, 2014. It was noted that the liability would not be material to the financial statements of the Authority.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 8 – NEW ACCOUNTING PRONOUNCEMENTS

In June 2012, GASB issued Statement No. 68, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27*. GASB No. 68 changes how governments calculate and report the costs and obligations associated with pensions and improve the decision usefulness of reported pension information and increase the transparency, consistency, and comparability of pension information. Statement No. 68 will take effect for periods beginning after June 15, 2014. The Authority is currently assessing impact of this statement on its financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This Statement amends 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. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The guidance amends GASB Statement No. 68 and is required to be applied simultaneously with the provisions of GASB Statement No. 68, which is effective for financial statements of the Authority for the year ending March 31, 2016.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

OTHER FINANCIAL INFORMATION

SCHEDULES OF OPERATING EXPENSES

Years Ended March 31, 2015 and 2014

	2015	2014
Payroll	\$ 396,514	\$ 375,565
Mobile Market Payroll	6,210	4,286
Payroll Taxes	105,663	73,786
Repairs to Building	46,286	39,196
Repairs to Grounds	47,869	19,689
Repairs to Equipment	10,678	8,093
Fuel and Oil Expenses	5,455	9,439
Operating Expenses	8,506	8,505
Maintenance Supplies	14,233	13,470
Mobile Market Expenses	6,458	8,344
Office Equipment	17,294	17,074
Telephone	6,394	6,063
Association Licensing Fees	4,204	4,306
Reimbursements	13,512	29,161
Miscellaneous Expenses	6,405	5,619
Security	213,341	202,690
Trash Removal	6,847	6,167
Operating Insurance	79,906	72,863
Health and Life Plan	104,326	90,897
Dental Plan	7,206	2,945
Advertising and Promotion	63,418	69,558
Travel	8,825	12,864
Legal and Professional	35,446	40,401
Payroll Processing	4,200	3,468
Electricity	104,371	111,883
Gas	29,586	28,556
Water and Sewer	67,476	62,608
Depreciation and Amortization	195,809	186,687
Debt Issuance Costs	0	32,270
Bad Debt Expense	0	2,815
TOTAL OPERATING EXPENSES	\$ 1,616,438	\$ 1,549,268

See notes to financial statements.



Dermody, Burke & Brown, CPAs, LLC

**INDEPENDENT AUDITORS' 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***

**BOARD OF DIRECTORS
CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Central New York Regional Market Authority (the Authority), which comprise the statement of net position as of March 31, 2015, and the related statements of revenue, 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 June 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Auburn, NY

June 16, 2015



Dermody, Burke & Brown, CPAs, LLC

**INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE WITH SECTION 2925(3)(F) OF THE
NEW YORK STATE PUBLIC AUTHORITIES LAW**

**BOARD OF DIRECTORS
CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

We have examined Central New York Regional Market Authority's (the Authority) compliance with its own investment policies, applicable laws and regulations related to investments, and the New York State Office of the State Comptroller Investment Guidelines for Public Authorities, Section 2925(3)(f) for the year ended March 31, 2015. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements during the year ended March 31, 2015.

This report is intended solely for the information and use of management, the board of directors, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these parties.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

June 16, 2015

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