

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**FINANCIAL STATEMENTS  
and  
INDEPENDENT AUDITOR'S REPORT**

**December 31, 2011 and 2010**

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

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BOLLAM, SHEEDY, TORANI & CO. LLP  
Certified Public Accountants  
Albany, New York

**INDEPENDENT AUDITOR'S REPORT**

Chairman and Agency Board  
Greene County Industrial Development Agency  
Coxsackie, New York

We have audited the accompanying statements of net assets of the Greene County Industrial Development Agency (Agency), a component unit of Greene County, New York, as of December 31, 2011 and 2010, and the statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our 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, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management has omitted the management's discussion and analysis and budgetary comparison information. Such information is not a required part of the financial statements but is supplemental information required by accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental information on pages 15 and 16 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Bollam Sheedy Torani & Co. LLP*

Albany, New York  
March 23, 2012

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**STATEMENTS OF NET ASSETS**

	<b>December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,959,162	\$ 2,282,440
Accounts receivable	90,708	66,963
Due from other governments	11,000	-
Due from state and federal governments	129,191	156,248
Installment sale receivable, current portion	525,000	512,000
Prepaid expenses	13,210	9,360
Total current assets	2,728,271	3,027,011
<b>OTHER ASSETS</b>		
Installment sale receivable, long-term portion	475,000	1,000,000
Capital assets, net	7,489,956	7,556,985
	7,964,956	8,556,985
	<b>\$ 10,693,227</b>	<b>\$ 11,583,996</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line-of-credit	\$ 123,180	\$ 123,180
Current installment of bond payable	100,000	-
Accounts payable	33,962	37,629
Accrued liabilities	46,049	102,270
Due to other governments	4,774	359,708
Deferred revenue	12,436	101,170
Total current liabilities	320,401	723,957
<b>LONG-TERM LIABILITIES</b>		
Bond payable, less current portion	400,000	500,000
Total liabilities	720,401	1,223,957
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	6,989,956	7,056,985
Unrestricted	2,982,870	3,303,054
	9,972,826	10,360,039
	<b>\$ 10,693,227</b>	<b>\$ 11,583,996</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

	<b>Years Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 309,239	\$ 272,955
Athens Power fees	214,076	179,522
Grants for operations	98,492	168,003
Other income	49,404	49,410
Total operating revenues	<u>671,211</u>	<u>669,890</u>
<b>OPERATING EXPENSES</b>		
Personal services	309,686	430,994
Employee benefits	109,137	96,803
Professional service contracts	88,714	90,830
Supplies and maintenance	31,382	70,795
Other operating expenses	414,497	401,629
Operating grant expenses	84,712	161,803
Energy incentive grants	15,000	17,000
Depreciation	11,873	11,383
Total operating expenses	<u>1,065,001</u>	<u>1,281,237</u>
<b>Operating loss</b>	<u><b>(393,790)</b></u>	<u><b>(611,347)</b></u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	7,919	12,421
Interest expense	(27,847)	(25,728)
Gifts and donations	315,000	69,744
Greene Land Trust land donation	-	(483,836)
Greene Land Trust Stewardship	(59,178)	(47,877)
Loss of sale of capital assets	(229,317)	-
Total nonoperating revenues (expenses)	<u>6,577</u>	<u>(475,276)</u>
<b>CHANGE IN NET ASSETS</b>	<u><b>(387,213)</b></u>	<u><b>(1,086,623)</b></u>
<b>NET ASSETS, <i>beginning of year</i></b> , as originally reported	10,360,039	11,428,113
<b>Prior period adjustments</b>	<u>-</u>	<u>18,549</u>
<b>NET ASSETS, <i>beginning of year</i></b> , as restated	<u>10,360,039</u>	<u>11,446,662</u>
<b>NET ASSETS, <i>end of year</i></b>	<u><b>\$ 9,972,826</b></u>	<u><b>\$ 10,360,039</b></u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 574,789	\$ 693,085
Cash paid to suppliers and other vendors	(992,906)	(627,261)
Cash paid for salaries and employee benefits	(478,894)	(303,698)
	<b>(897,011)</b>	<b>(237,874)</b>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
Interest income	7,919	12,421
Payments on installment agreement	512,000	500,000
	<b>519,919</b>	<b>512,421</b>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(119,161)	(166,202)
Proceeds from the sale of capital assets	260,000	-
Interest expense paid	(27,847)	(25,728)
Proceeds from line-of-credit	-	123,180
Payments toward stewardship	(59,178)	(47,877)
	<b>53,814</b>	<b>(116,627)</b>
<b>Net increase (decrease) in cash</b>	<b>(323,278)</b>	<b>157,920</b>
<b>CASH, beginning of year</b>	<b>2,282,440</b>	<b>2,124,520</b>
<b>CASH, end of year</b>	<b>\$ 1,959,162</b>	<b>\$ 2,282,440</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (393,790)	\$ (611,347)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	11,873	11,383
(Increase) decrease in		
Accounts receivable	(23,745)	48,084
Due from other governments	16,057	(37,325)
Prepaid expenses	(3,850)	3,196
Increase (decrease) in		
Accounts payable and accrued expenses	(59,888)	(4,994)
Deferred revenue	(88,734)	12,436
Due to other governments	(354,934)	340,693
	<b>\$ (897,011)</b>	<b>\$ (237,874)</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Noncash transactions		
Received as a gift, a parcel of land	\$ -	\$ 69,744
Received as a donation, property	315,000	-
Donated a parcel of land to Greene Land Trust (Note 10)	-	483,836

The accompanying Notes to Financial Statements are an integral part of these statements.

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**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. The Agency is exempt from federal, state, and local income taxes and is a Public Authority of New York State regulated by the Public Authority Accountability Act of 2005 and the Public Authorities Reform Act of 2009. The Agency 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.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

*b. Basis of Accounting*

The Agency's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America. 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 assets. Net assets are segregated into specific components, as follows:

- *Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation reduced by outstanding debt balances;
- *Unrestricted net assets* consist of assets and liabilities that do not meet the definition of "invested in capital assets, net of related debt."

Revenues are recognized when earned and expenses are recognized when incurred. The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues are determined based on the services provided by the Agency. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

To help organize its internal accounting structure, the Agency departmentalizes the various functions of the Agency. These departments, or "funds" as the Agency refers to them, are as follows:

*Operating Fund* - This fund is used to account for the ongoing office operations and payroll of the Agency, as well as manages the Athens Generating Company revenue and provides for power grants community projects.

*Park Fund* - This fund accounts for the development of various business parks associated with job growth within Greene County.

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

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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*b. Basis of Accounting - Continued*

*Accelerator Fund* - This fund accounts for the revenues and expenditures associated with incubator office space and training facilities.

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

*c. Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

*d. Fair Value Measurement*

Fair value is defined as an exchange price that would be received for an asset or paid to transfer a liability (an “exit” price) in the principal or most advantageous market for the asset or liability between market participants on the measurement date.

*e. 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, 2011 and 2010, the Agency did not write off any accounts receivable.

*f. Capital Assets*

Capital assets are recorded at cost, except for contributed property and equipment, which is 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 December 31, 2011 and 2010, consist of land and land improvements, building, equipment, and infrastructure.

The Agency evaluated prominent events or changes in circumstances affecting capital assets to determine if impairment of any capital assets has occurred. A capital asset is considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. There were no impaired capital assets at December 31, 2011 and 2010.



**GREENE COUNTY  
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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*f. 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

*g. Payment in Lieu of Taxes (PILOT)*

The Agency enters into and administers PILOT agreements for various unrelated business entities located in Greene County. Under the terms of the PILOT agreements, title to property owned by the unrelated business entity is transferred to the Agency for a certain period of time. During the period in which the Agency holds title, the business entity pays a PILOT to the Agency based on a calculation defined by the specific agreement. The PILOTs allow the companies to make payments that are less than the property taxes that would be paid on the related property's assessed value. Once the PILOT is received, the Agency remits the PILOT to the respective taxing authorities. Certain requirements, as defined by each agreement, are to be met by the company to be able to maintain its PILOT. These requirements, as stated in the PILOT agreement, can be comprised of reaching and maintaining certain employment goals and paying its PILOT in a timely fashion. At the completion of the PILOT, title to the property is transferred back to the third-party business owner, and the property goes back on the tax rolls.

As part of the PILOT program, the Agency generates fees for administering the PILOT agreement. These fees are reported as "charges for services" in these financial statements. The Agency also administers bonds for several projects and receives an administrative fee upon issuance of the bond.

PILOT receipts and PILOT payments are accounted for as pass-through transactions and are not included in the revenues or expenses of the Agency. The Agency is responsible for collecting and remitting the funds, and the County of Greene, New York ultimately bears the risk of loss if PILOT payments are not paid to the Agency by the respective companies.

*h. Reclassifications*

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

*i. Subsequent Events*

The Agency has evaluated subsequent events that provide additional evidence about conditions that existed at the financial statement date through March 23, 2012, 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 Agency deposits, including certificates of deposit and special time deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, shall be collateralized by a pledge of eligible securities, letters of credit, or surety bonds.

**GREENE COUNTY  
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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 2 - CASH - Continued**

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

	December 31, 2011			December 31, 2010		
	Balance	FDIC Insurance	Pledge Collateral	Balance	FDIC Insurance	Pledge Collateral
National Bank of Coxsackie	\$ 239,406	\$ 250,000	\$ 276,922	\$ 18,439	\$ 250,000	\$ -
First Niagara Bank	793,289	263,554	531,174	992,123	250,000	738,285
Greene County Commercial Bank	926,467	250,000	1,123,529	1,271,878	250,000	1,130,001
	<u>\$ 1,959,162</u>	<u>\$ 763,554</u>	<u>\$ 1,931,625</u>	<u>\$ 2,282,440</u>	<u>\$ 750,000</u>	<u>\$ 1,868,286</u>

**NOTE 3 - DUE FROM STATE AND FEDERAL GOVERNMENTS**

Due from state and federal governments consist of the following:

	December 31,	
	2011	2010
Funding by the New York State Department of Transportation for the preliminary engineering phases to incorporate improvements to the State Route 9W/81 intersection	\$ 123,180	\$ 123,180
Grant from the Center for Economic Growth for operating expenses for the Accelerator Fund	6,011	13,068
Grant from the New York Office for Small Cities for an agricultural incubator study	-	20,000
	<u>\$ 129,191</u>	<u>\$ 156,248</u>

**NOTE 4 - INSTALLMENT SALE RECEIVABLE**

During December 2006, the Agency entered into a \$4,012,000 land sale agreement with Preferred Property Development LLC (LLC), an unrelated party, for the sale of certain property located in the Greene Business and Technology Park. Terms of the original agreement called for periodic payments of principal during the period May 2007 through May 2011. No interest was charged on outstanding balances.

Subsequent to December 2006, the agreement was amended to change certain attributes of the agreement. In accordance with the amendment to the agreement, final payment on the receivable is due May 1, 2013, with \$525,000 and \$475,000 to be received by the Agency in 2012 and 2013, respectively.

**GREENE COUNTY  
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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 5 - CAPITAL ASSETS**

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

	December 31, 2011			
	Balance at December 31, 2010	Additions	Disposition/ Sale	Balance at December 31, 2011
Nondepreciable capital assets				
Land	\$ 5,166,448	\$ -	\$ 300,000	\$ 4,866,448
Land improvements/development	2,147,219	159,764	40,603	2,266,380
Total	<u>7,313,667</u>	<u>159,764</u>	<u>340,603</u>	<u>7,132,828</u>
Depreciable capital assets				
Building	200,000	315,000	200,000	315,000
Equipment	16,027	-	-	16,027
Infrastructure	54,646	-	-	54,646
	<u>270,673</u>	<u>315,000</u>	<u>200,000</u>	<u>385,673</u>
Less accumulated depreciation	<u>(27,355)</u>	<u>(11,873)</u>	<u>10,683</u>	<u>(28,545)</u>
Depreciable capital assets, net	<u>243,318</u>	<u>303,127</u>	<u>189,317</u>	<u>357,128</u>
Capital assets, net	<u>\$ 7,556,985</u>	<u>\$ 462,891</u>	<u>\$ 529,920</u>	<u>\$ 7,489,956</u>
	December 31, 2010			
	Balance at December 31, 2009	Additions	Disposition/ Sale	Balance at December 31, 2010
Nondepreciable capital assets				
Land	\$ 5,580,540	\$ 69,744	\$ 483,836	\$ 5,166,448
Land improvements/development	1,981,017	166,202	-	2,147,219
Total	<u>7,561,557</u>	<u>235,946</u>	<u>483,836</u>	<u>7,313,667</u>
Depreciable capital assets				
Building	200,000	-	-	200,000
Equipment	16,027	-	-	16,027
Infrastructure	54,646	-	-	54,646
	<u>270,673</u>	<u>-</u>	<u>-</u>	<u>270,673</u>
Less accumulated depreciation	<u>(15,972)</u>	<u>(11,383)</u>	<u>-</u>	<u>(27,355)</u>
Depreciable capital assets, net	<u>254,701</u>	<u>(11,383)</u>	<u>-</u>	<u>243,318</u>
Capital assets, net	<u>\$ 7,816,258</u>	<u>\$ 224,563</u>	<u>\$ 483,836</u>	<u>\$ 7,556,985</u>

**NOTE 6 - LINE-OF-CREDIT**

The Agency has available a \$1,000,000 line-of-credit with Bank of Greene County. The current line-of-credit is renewable February 1, 2012. Interest is charged at *The Wall Street Journal* Prime Rate Index plus .25%, but not less than 5.25% (5.25% at December 31, 2011 and 2010). The line-of-credit is secured by the Agency's assets.

**GREENE COUNTY  
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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 7 - BOND PAYABLE**

On December 30, 2009, the Agency issued a \$500,000 Tax Exempt Industrial Development Revenue Bond, Series 2009A, with a maturity date of January 1, 2015. The bond was issued in connection with the development of lots in the Fountain Flats (Fernlea Nurseries) property. The Agency was required to make interest only payments until December 2011. Interest is charged at a fixed rate of 4.2%. The bond is secured by the property noted above, and if the Agency sells any of the land prior to its scheduled paydown of principal, 60% of the proceeds will be required to be paid to reduce the bond. Once scheduled repayments of principal commence, the annual payments of principal will be the greater of (1) the scheduled principal amount or (2) 60% of the proceeds of sold lots.

A schedule of the Agency's future minimum maturities of the bond payable is as follows:

	Principal	Interest	Total
For the year ending December 31, 2012	\$ 100,000	\$ 16,800	\$ 116,800
2013	100,000	12,600	112,600
2014	100,000	8,400	108,400
2015	200,000	-	200,000
	\$ 500,000	\$ 37,800	\$ 537,800

**NOTE 8 - DUE TO OTHER GOVERNMENTS AND DEFERRED REVENUE**

At December 31, 2011, the Agency recognized the January 2012 power payment collected from Athens Power during 2011 as deferred revenue and as due to other governments for the payment due the Town.

At December 31, 2010, the Agency recognized the Athens Power 2011 PILOT fee collected during 2010 as deferred revenue and as due to other governments for the payment due the County, Town, and School. The Agency also recognized the January 2011 power payment collected from Athens Power during 2010 as deferred revenue and as due to other governments for the payment due the Town.

**NOTE 9 - CONDUIT DEBT OBLIGATIONS**

From time to time, the Agency has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Agency, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2011 and 2010, the Greene County Industrial Development Agency had no outstanding conduit debt.

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 10 - RELATED PARTY TRANSACTIONS**

During 2003, an environmental impact assessment of the Agency's Greene Business and Technology Park was performed. During the assessment, local, state, and federal conservation and environmental interests raised the issue of the possible impacts development of the land would have to the habitats of several bird species in the area. Due to conditions set forth in permits issued by the United States Army Corps of Engineers and New York State Department of Environmental Conservation, a substantial parcel of the Agency's land was subdivided and identified as a grassland. This parcel, now known as Cocksackie Creek Grassland Preserve, was conveyed to Greene Land Trust, a related party due to its affiliation with the County, in agreement dated September 25, 2006. The Greene Land Trust is a 501(c)3 not-for-profit organization established in 2004. Title to the land was transferred to the Greene Land Trust during 2010, and the related cost of the land totaling \$483,836, was removed from the financial statements of the Agency. This transfer of land has been reported as "Greene Land Trust land donation" in these financial statements.

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 2011 and 2010, the Agency remitted \$59,178 and \$47,877, respectively, to the Greene Land Trust related to these costs.

The Executive Director of the Agency, during 2010 and a portion of 2011, was also a Board Member of the Greene Land Trust. An employee of the Agency is also the Executive Director of the Greene Land Trust.

**NOTE 11 - NEW YORK STATE RETIREMENT SYSTEMS**

*a. Plan Description*

The Agency participates in the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multi-employer retirement systems. The ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

*b. Funding Policy*

The ERS is noncontributory except for (1) employees who joined the ERS after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and (2) employees who join after January 1, 2010, who will contribute 3% of their salary for their entire career. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed as proportions of payroll of members, which so be used in computing the employers' contributions. The required contributions for the current year and the two preceding years were:

	<u>ERS</u>
2011	\$ 48,992
2010	37,441
2009	36,304

**GREENE COUNTY  
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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 11 - NEW YORK STATE RETIREMENT SYSTEMS - Continued**

*b. Funding Policy - Continued*

Chapter 49 of the Laws of 2003 of the State of New York was enacted which made the following changes to the ERS:

- Requires minimum contributions by employers of 4.5% of payroll every year, including years in which the investment performance would make a lower contribution possible.
- Changes the cycle of annual billing such that the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1<sup>st</sup> (e.g., billings due February 2011 would be based on the pension value as of March 31, 2010).

Chapter 260 of the Laws of 2004 of the State of New York was enacted and allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5% of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5% of employees' covered pensionable salaries.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the ERS fiscal years ended March 31, 2005 through 2008.

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

**NOTE 12 - PRIOR PERIOD ADJUSTMENTS**

During 2010, the Agency made certain prior period adjustments to correct certain account balances reported in prior periods.

These prior period adjustments and their effect on net assets at December 31, 2009, are as follows:

	As Originally Stated	Debit (Credit) Adjustment	As Restated
<b>Assets</b>			
Due from state and federal governments	\$ 118,923	\$ 64,722	\$ 183,645
Accounts receivable	21,525	28,800	50,325
<b>Liabilities</b>			
Accrued liabilities	-	(57,763)	(57,763)
Deferred revenue	(88,734)	(17,210)	(105,944)
<b>Net assets</b>	<b>11,428,113</b>	<b>\$ 18,549</b>	<b>11,446,662</b>

**GREENE COUNTY  
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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

*a. Operating Leases*

The Agency leases office space and certain equipment under operating leases. These leases require monthly payments ranging from \$285 to \$2,800 plus a portion of taxes and maintenance costs and expire between October 2012 and July 2013. The office space has a five-year renewal option. Total payments under these agreements were approximately \$41,000 and \$39,000 for the years ended December 31, 2011 and 2010, respectively.

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

For the period ending December 31, 2012	\$ 31,413
2013	<u>1,991</u>
	<u><u>\$ 33,404</u></u>

*b. Option Agreements*

The Agency has several option agreements to purchase land in future periods. The agreements vary and may include an annual option payment or the payment of real estate taxes. These options or related costs are expensed when paid, unless the cost is to be applied to the purchase price. During the year ended December 31, 2011, the Agency incurred costs of \$24,258 related to these options, of which \$18,000 was included in capital asset additions. During the year ended December 31, 2010, there were no costs incurred related to these options.

**NOTE 14 - RISKS AND UNCERTAINTIES**

*Geographic and Economic Concentration*

The Agency's revenue structure is dependent upon charges for services as a result of economic development within Greene County, New York, as well as the potential of income from the sale or lease of land at the Greene Business and Technology Park.

**NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED**

During December 2010, GASB issued GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting pronouncements issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

This statement also supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that statement for enterprise funds and business-type activities to apply post-November 30, 1989, FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989, FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this statement.

GASB Statement No. 62 is effective for financial statements for periods beginning after December 15, 2011; however, early adoption is encouraged.

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

**GREENE COUNTY  
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**NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 15 - NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED - Continued**

During June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. This statement is effective for all state and local governments for periods beginning after December 15, 2011. The Agency has not yet adopted this statement.

**NOTE 16 - MANAGEMENT'S PLAN**

The Agency has experienced operating losses in each of the last two years, and its net assets have decreased \$1,474,000 during that time.

The Agency's Board recognizes the need to generate new and consistent revenue streams to maintain operations. The Agency has developed a strategy to develop alternative energy, wetland banks, ground leases, and rental space in Agency-owned buildings to provide long-term funding to support the cost of staff and overall office functions. A solar project is underway and a wetland banking strategy is under development. Building opportunities with potential rental income are fleshed out regularly with success anticipated in the near future. The Agency is in the process of implementing a strategy to reduce costs and track project expenses to improve project sustainability. As a part of this strategy the roles of staff members have been adjusted which has allowed the Agency to reduce the number of full time staff members.

**NOTE 17 - SUBSEQUENT EVENT**

During January 2012, the Agency entered into a lease agreement to lease certain property owned by the Agency. The initial term of the lease is five years and includes monthly rent payments ranging from \$1,000 to \$2,000.



**GREENE COUNTY**  
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**SUPPLEMENTAL INFORMATION - COMBINING STATEMENTS OF IN NET ASSETS**

December 31, 2011

	<u>Operating Fund</u>	<u>Park Fund</u>	<u>Maintenance Fund</u>	<u>Accelerator Fund</u>	<u>Elimination Entries</u>	<u>Total</u>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 847,518	\$ 262,703	\$ 800,762	\$ 48,179	\$ -	\$ 1,959,162
Accounts receivable	-	89,706	-	1,002	-	90,708
Due from other governments	11,000	-	-	-	-	11,000
Due from state and federal governments	-	123,180	-	6,011	-	129,191
Due from other funds	441,550	2,033	100,000	-	(543,583)	-
Installment sale receivable, current portion	-	525,000	-	-	-	525,000
Prepaid expenses	13,210	-	-	-	-	13,210
Total current assets	<u>1,313,278</u>	<u>1,002,622</u>	<u>900,762</u>	<u>55,192</u>	<u>(543,583)</u>	<u>2,728,271</u>
<b>OTHER ASSETS</b>						
Installment purchase receivable, long-term portion	-	475,000	-	-	-	475,000
Capital assets, net	975	7,487,308	-	1,673	-	7,489,956
	<u>975</u>	<u>7,962,308</u>	<u>-</u>	<u>1,673</u>	<u>-</u>	<u>7,964,956</u>
	<u><b>\$ 1,314,253</b></u>	<u><b>\$ 8,964,930</b></u>	<u><b>\$ 900,762</b></u>	<u><b>\$ 56,865</b></u>	<u><b>\$ (543,583)</b></u>	<u><b>\$ 10,693,227</b></u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Line-of-credit	\$ -	\$ 123,180	\$ -	\$ -	\$ -	\$ 123,180
Current installment of bond payable	-	100,000	-	-	-	100,000
Accounts payable	1,688	18,444	13,830	-	-	33,962
Accrued liabilities	45,917	-	-	132	-	46,049
Due to other governments	4,774	-	-	-	-	4,774
Due to other funds	-	402,019	40,564	101,000	(543,583)	-
Deferred revenue	12,436	-	-	-	-	12,436
Total current liabilities	<u>64,815</u>	<u>643,643</u>	<u>54,394</u>	<u>101,132</u>	<u>(543,583)</u>	<u>320,401</u>
<b>LONG-TERM LIABILITIES</b>						
Bond payable, less current installment	-	400,000	-	-	-	400,000
Total liabilities	<u>64,815</u>	<u>1,043,643</u>	<u>54,394</u>	<u>101,132</u>	<u>(543,583)</u>	<u>720,401</u>
<b>COMMITMENTS AND CONTINGENCIES</b>						
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	975	6,987,308	-	1,673	-	6,989,956
Unrestricted	1,248,463	933,979	846,368	(45,940)	-	2,982,870
	<u>1,249,438</u>	<u>7,921,287</u>	<u>846,368</u>	<u>(44,267)</u>	<u>-</u>	<u>9,972,826</u>
	<u><b>\$ 1,314,253</b></u>	<u><b>\$ 8,964,930</b></u>	<u><b>\$ 900,762</b></u>	<u><b>\$ 56,865</b></u>	<u><b>\$ (543,583)</b></u>	<u><b>\$ 10,693,227</b></u>

December 31, 2010

	<u>Operating Fund</u>	<u>Park Fund</u>	<u>Maintenance Fund</u>	<u>Accelerator Fund</u>	<u>Elimination Entries</u>	<u>Total</u>
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 1,053,946	\$ 58,822	\$ 1,075,895	\$ 93,777	\$ -	\$ 2,282,440
Accounts receivable	300	66,612	-	51	-	66,963
Due from other governments	-	-	-	-	-	-
Due from state and federal governments	-	143,180	-	13,068	-	156,248
Due from other funds	260,562	-	100,000	-	(360,562)	-
Installment sale receivable, current portion	-	512,000	-	-	-	512,000
Prepaid expenses	9,360	-	-	-	-	9,360
Total current assets	<u>1,324,168</u>	<u>780,614</u>	<u>1,175,895</u>	<u>106,896</u>	<u>(360,562)</u>	<u>3,027,011</u>
<b>OTHER ASSETS</b>						
Installment purchase receivable, long-term portion	-	1,000,000	-	-	-	1,000,000
Capital assets, net	1,447	7,552,592	-	2,946	-	7,556,985
	<u>1,447</u>	<u>8,552,592</u>	<u>-</u>	<u>2,946</u>	<u>-</u>	<u>8,556,985</u>
	<u><b>\$ 1,325,615</b></u>	<u><b>\$ 9,333,206</b></u>	<u><b>\$ 1,175,895</b></u>	<u><b>\$ 109,842</b></u>	<u><b>\$ (360,562)</b></u>	<u><b>\$ 11,583,996</b></u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Line-of-credit	\$ -	\$ 123,180	\$ -	\$ -	\$ -	\$ 123,180
Current installment of bond payable	-	-	-	-	-	-
Accounts payable	3,214	26,000	4,180	4,235	-	37,629
Accrued liabilities	102,138	-	-	132	-	102,270
Due to other governments	4,774	-	354,934	-	-	359,708
Due to other funds	-	217,425	42,137	101,000	(360,562)	-
Deferred revenue	12,436	-	88,734	-	-	101,170
Total current liabilities	<u>122,562</u>	<u>243,425</u>	<u>489,985</u>	<u>105,367</u>	<u>(360,562)</u>	<u>600,777</u>
<b>LONG-TERM LIABILITIES</b>						
Bond payable	-	500,000	-	-	-	500,000
Total liabilities	<u>122,562</u>	<u>743,425</u>	<u>489,985</u>	<u>105,367</u>	<u>(360,562)</u>	<u>1,100,777</u>
<b>COMMITMENTS AND CONTINGENCIES</b>						
<b>NET ASSETS</b>						
Investment in capital assets, net of related debt	1,447	7,052,592	-	2,946	-	7,056,985
Unrestricted	1,201,606	1,414,009	685,910	1,529	-	3,303,054
	<u>1,203,053</u>	<u>8,466,601</u>	<u>685,910</u>	<u>4,475</u>	<u>-</u>	<u>10,360,039</u>
	<u><b>\$ 1,325,615</b></u>	<u><b>\$ 9,210,026</b></u>	<u><b>\$ 1,175,895</b></u>	<u><b>\$ 109,842</b></u>	<u><b>\$ (360,562)</b></u>	<u><b>\$ 11,460,816</b></u>

See Independent Auditor's Report.

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**SUPPLEMENTAL INFORMATION -  
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

	<b>Year Ended December 31, 2011</b>				
	<b>Operating Fund</b>	<b>Park Fund</b>	<b>Maintenance Fund</b>	<b>Accelerator Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 22,000	\$ -	\$ 287,239	\$ -	\$ 309,239
Athens Power fees	214,076	-	-	-	214,076
Grants for operations	63,840	19,780	-	14,872	98,492
Other income	6,661	33,497	-	9,246	49,404
Total operating revenues	<u>306,577</u>	<u>53,277</u>	<u>287,239</u>	<u>24,118</u>	<u>671,211</u>
<b>OPERATING EXPENSES</b>					
Personal services	309,686	-	-	-	309,686
Employee benefits	109,137	-	-	-	109,137
Professional service contracts	31,631	25,000	32,083	-	88,714
Supplies and maintenance	22,157	-	-	9,225	31,382
Other operating expenses	114,683	251,081	1,070	47,663	414,497
Operating grant expenses	69,840	-	-	14,872	84,712
Energy incentive grants	15,000	-	-	-	15,000
Depreciation	472	10,128	-	1,273	11,873
Total operating expenses	<u>672,606</u>	<u>286,209</u>	<u>33,153</u>	<u>73,033</u>	<u>1,065,001</u>
<b>Operating income (loss)</b>	<u><b>(366,029)</b></u>	<u><b>(232,932)</b></u>	<u><b>254,086</b></u>	<u><b>(48,915)</b></u>	<u><b>(393,790)</b></u>
<b>INTERFUND ACTIVITY</b>					
Community and Environmental Division	409,750	(371,219)	(38,531)	-	-
<b>NONOPERATING REVENUES (EXPENDITURES)</b>					
Interest income	2,664	1,001	4,081	173	7,919
Interest expense	-	(27,847)	-	-	(27,847)
Gifts and donations	-	315,000	-	-	315,000
Greene Land Trust land donation	-	-	-	-	-
Greene Land Trust Stewardship	-	-	(59,178)	-	(59,178)
Loss on sale of capital assets	-	(229,317)	-	-	(229,317)
Total nonoperating revenues (expenditures)	<u>2,664</u>	<u>58,837</u>	<u>(55,097)</u>	<u>173</u>	<u>6,577</u>
<b>Net income (loss)</b>	<u><b>46,385</b></u>	<u><b>(545,314)</b></u>	<u><b>160,458</b></u>	<u><b>(48,742)</b></u>	<u><b>(387,213)</b></u>
<b>NET ASSETS, beginning of year, as originally reported</b>	<u>1,203,053</u>	<u>8,466,601</u>	<u>685,910</u>	<u>4,475</u>	<u>10,360,039</u>
<b>NET ASSETS, end of year</b>	<u><b>\$ 1,249,438</b></u>	<u><b>\$ 7,921,287</b></u>	<u><b>\$ 846,368</b></u>	<u><b>\$ (44,267)</b></u>	<u><b>\$ 9,972,826</b></u>

**Year Ended December 31, 2010**

	<b>Operating Fund</b>	<b>Park Fund</b>	<b>Maintenance Fund</b>	<b>Accelerator Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 68,500	\$ -	\$ 204,455	\$ -	\$ 272,955
Athens Power fees	179,522	-	-	-	179,522
Grants for operations	-	103,458	-	64,545	168,003
Other income	18,162	22,492	-	8,756	49,410
Total operating revenues	<u>266,184</u>	<u>125,950</u>	<u>204,455</u>	<u>73,301</u>	<u>669,890</u>
<b>OPERATING EXPENSES</b>					
Personal services	430,994	-	-	-	430,994
Employee benefits	96,803	-	-	-	96,803
Professional service contracts	30,730	60,100	-	-	90,830
Supplies and maintenance	28,195	-	29,055	13,545	70,795
Other operating expenses	155,647	193,702	-	52,280	401,629
Operating grant expenses	-	97,258	-	64,545	161,803
Energy incentive grants	17,000	-	-	-	17,000
Depreciation	1,239	8,771	-	1,373	11,383
Total operating expenses	<u>760,608</u>	<u>359,831</u>	<u>29,055</u>	<u>131,743</u>	<u>1,281,237</u>
<b>Operating income (loss)</b>	<b><u>(494,424)</u></b>	<b><u>(233,881)</u></b>	<b><u>175,400</u></b>	<b><u>(58,442)</u></b>	<b><u>(611,347)</u></b>
<b>INTERFUND ACTIVITY</b>					
Community and Environmental Division	<u>152,737</u>	<u>(110,600)</u>	<u>(42,137)</u>	<u>-</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENDITURES)</b>					
Interest income	6,260	1,075	4,983	103	12,421
Interest expense	-	(25,728)	-	-	(25,728)
Gifts and donations	-	69,744	-	-	69,744
Greene Land Trust land donation	-	(483,836)	-	-	(483,836)
Greene Land Trust Stewardship	-	-	(47,877)	-	(47,877)
Total nonoperating revenues (expenditures)	<u>6,260</u>	<u>(438,745)</u>	<u>(42,894)</u>	<u>103</u>	<u>(475,276)</u>
<b>Net income (loss)</b>	<b><u>(335,427)</u></b>	<b><u>(783,226)</u></b>	<b><u>90,369</u></b>	<b><u>(58,339)</u></b>	<b><u>(1,086,623)</u></b>
<b>NET ASSETS, beginning of year, as originally reported</b>	1,613,453	9,156,305	595,541	62,814	11,428,113
<b>Prior period adjustments</b>	<u>(74,973)</u>	<u>93,522</u>	<u>-</u>	<u>-</u>	<u>18,549</u>
<b>ADJUSTED NET ASSETS, beginning of year, as restated</b>	<u>1,538,480</u>	<u>9,249,827</u>	<u>595,541</u>	<u>62,814</u>	<u>11,446,662</u>
<b>NET ASSETS, end of year</b>	<b><u>\$ 1,203,053</u></b>	<b><u>\$ 8,466,601</u></b>	<b><u>\$ 685,910</u></b>	<b><u>\$ 4,475</u></b>	<b><u>\$ 10,360,039</u></b>

See Independent Auditor's Report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Chairman and Agency Board  
Greene County Industrial Development Agency  
Coxsackie, New York

We have audited the financial statements of the Greene County Industrial Development Agency (Agency) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 23, 2012. 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.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 11-01 through 10-05.

We noted a certain matter that we reported to management of the Agency in a separate letter dated March 23, 2012.

The Agency's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Agency's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and members of the Agency Board and is not intended to be and should not be used by anyone other than these specified parties.

*Bollam Sheedy Torani & Co. LLP*

Albany, New York  
March 23, 2012

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended December 31, 2011**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes      X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None Reported

Noncompliance material to financial statements? \_\_\_\_\_ Yes      X   No

**Section II - Financial Statement Findings**

None

**Section III - Compliance Findings**

**11-01. Posting and Maintaining Reports on Public Authority Websites**

*Criteria:* The New York State Authority Budget Office (ABO) issued Policy Guidance on April 12, 2010, in response to The Public Authorities Reform Act (PARA) of 2009. This guidance states that effective immediately, public authorities are required to make specific information available to the public through the internet.

*Condition:* A portion of the required Agency reports and policies are currently not available to the public through the internet.

*Effect:* The Agency is not in compliance with PARA requirements.

*Cause:* The Agency did not oversee proper maintenance of its website.

*Recommendation:* Using available ABO guidance, the Agency should update its website and schedule periodic maintenance and review to ensure required information is available to the public in a timely manner.

*View of Responsible Officials:* The Agency is in the process of updating its website and bringing the website maintenance in-house to be able to maintain and update files in a timely manner to be in compliance with ABO requirements.

**11-02. Acknowledgement of Fiduciary Duty**

*Criteria:* Section 2824 of Public Authority Law states that all Board members of public authorities are required to execute and sign an acknowledgement of fiduciary duty at the time the member takes his or her oath of office.

*Condition:* The Agency does not have signed acknowledgements from all of its Board members.

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended December 31, 2011**

**Section III - Compliance Findings - Continued**

**11-02. Acknowledgement of Fiduciary Duty - Continued**

*Effect:* The Agency was not in compliance with Section 2824 of Public Authorities Law.

*Cause:* All of the Board members did not sign the necessary acknowledgement in a timely manner.

*Recommendation:* The Agency should provide Board members with the necessary acknowledgement and ensure that all documents have been properly executed.

*View of Responsible Officials:* The Agency is aware that not all of the required acknowledgements were obtained during 2011, however, as of March 23, 2012, all acknowledgements have been obtained.

**11-03. Budget Report Filed in the Public Authorities Reporting Information System (PARIS)**

*Criteria:* In accordance with Section 2801 of Public Authorities Law, local authorities must file a budget report 60 days prior to the start of the fiscal year.

*Condition:* The Agency's budget information was not available to the public when required.

*Effect:* The Agency was not in compliance with Section 2801 of Public Authorities Law.

*Cause:* The Agency did not update and certify the budget in PARIS by the deadline.

*Recommendation:* The Agency should approve its budget and assign an individual to file the report prior to the ABO deadline.

*View of Responsible Officials:* The Agency believes this was an isolated incident that occurred due to major staff and Board changes during the second half of 2011. The Agency plans on filing the budget in a timely manner in the future.

**11-04. Annual Investment Report**

*Criteria:* In accordance with Section 2925 of Public Authorities Law, local authorities must prepare and approve an investment report on an annual basis.

*Condition:* The Agency's annual investment report was not prepared or made available to the public.

*Effect:* The Agency was not in compliance with Section 2925 of Public Authorities Law.

*Cause:* The Agency did not prepare an annual investment report.

*Recommendation:* The Agency should assign an individual to prepare the annual investment report.

*View of Responsible Officials:* The Agency has elected new Board members to the Finance Committee and an annual investment report will be prepared and approved in accordance with the ABO requirements.

**GREENE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A Component Unit of Greene County, New York)**

**SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended December 31, 2011**

**Section III - Compliance Findings - Continued**

**11-05. Board Training**

*Criteria:* In accordance with Section 2824 of Public Authorities Law, individuals appointed to the Board are to participate in state approved training regarding their legal fiduciary, financial, and ethical responsibilities within one year of appointment to the Board.

*Condition:* Some of the Agency's Board members may not be aware of these responsibilities as a member of the Board.

*Effect:* The Agency was not in compliance with Section 2824 of Public Authorities Law.

*Cause:* Not all of the Agency's Board members have attended the required training.

*Recommendation:* The Agency should ensure that all Board members attend the required training.

*View of Responsible Officials:* The Agency is aware that not all of the Board members attended the required training in a timely manner, however, as of March 23, 2012, all members have attended the training.