

**UPPER MOHAWK VALLEY MEMORIAL
AUDITORIUM AUTHORITY**

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010



BARONE, HOWARD & Co., CPAs, PC
CERTIFIED PUBLIC ACCOUNTANTS

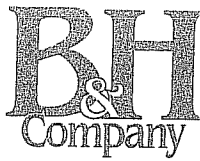
Financial Statements and
Other Financial Information

UPPER MOHAWK VALLEY MEMORIAL
AUDITORIUM AUTHORITY

December 31, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

To the Authority Members
Upper Mohawk Valley Memorial Auditorium Authority
400 Oriskany Street West
Utica, New York 13502

We have audited the accompanying statements of financial position of Upper Mohawk Valley Memorial Auditorium Authority as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year financial statements of the Authority as of December 31, 2010, were audited by us and in our report dated May 31, 2011 we expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits 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 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, Upper Mohawk Valley Memorial Auditorium Authority's financial statements do not reflect all the cost of its building and all of its equipment. Generally accepted accounting principles require these assets to be capitalized and depreciated over the assets' useful lives.

In our opinion, except for the effect of not capitalizing the cost of its building and all of its equipment, as described in the third paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Upper Mohawk Valley Memorial Auditorium Authority as of December 31, 2011 and 2010, and the results of its operations and 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 our report dated March 30, 2012, on our consideration of Upper Mohawk Valley Memorial Auditorium Authority'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.

Barone, Howard + Co., CPAs, P.C.

BARONE, HOWARD & Co., CPAs, P.C.

March 30, 2012

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Management Discussion and Analysis (Unaudited)
For the years ended December 31, 2011 and 2010

This section of the Authority's financial statements presents management's overview and analysis of the Authority's financial performance for the year ended December 31, 2011. This section should be read in conjunction with the financial statements which follow this section.

Financial Highlights

The change in net assets for 2011 was \$168,032. It was \$270,249 less than the prior year. The change from the prior year was primarily caused by receipt of a \$218,900 government grant received in 2010 to help pay for the new chiller project.

Ice rentals increased \$5,882. Special events and concessions income all decreased \$82,144 over 2010. Advertising income increased by \$49,642 over 2010.

Increases in expenses in other areas and the beginning of the bond repayment were noted. Utilities decreased due to energy saving improvements made.

In 2011 new energy efficient water heaters were installed. Additional costs of the chiller project were capitalized. Design work continues on the energy efficient lighting and façade projects.

Future operating results depends upon how much success the Authority has in attracting events to use the facility. In addition to these activities the Authority is expected to continue to need operating subsidies from the Mohawk Valley Water Authority.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The notes to the financial statements also contain more detail on some of the information presented in the financial statements. The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Financial Position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statement of Activities presents information showing how the Authority's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recorded in this statement for some items that will result in cash flows in future periods.

The financial statements can be found on pages 7 to 9 of this report. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided within financial statements. The notes to the financial statements can be found on pages 10 to 15 of this report.

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Management Discussion and Analysis (Unaudited)
For the years ended December 31, 2011 and 2010

Financial Analysis

This section summarizes information and data as related to the Statements of Financial Position as of December 31, 2011 and 2010, and the Statement of Activities for those years then ended.

Statement of Financial Position

Table I shows all of the assets and liabilities of the Authority and is presented on the accrual basis. Total net assets increased \$168,032 from the prior year due to the operating gain for the year ending December 31, 2011. See the Financial Highlights section for some of the details relating to this gain.

Table I
Net Assets

	2011	2010
Current assets	\$ 1,259,554	\$ 1,207,475
Capital and other assets	<u>1,721,356</u>	<u>1,630,920</u>
Total Assets	<u>\$ 2,980,910</u>	<u>\$ 2,838,395</u>
Current liabilities	\$ 240,925	\$ 204,015
Long-term liabilities	<u>267,143</u>	<u>329,570</u>
Total Liabilities	<u>\$ 508,068</u>	<u>\$ 533,585</u>
Total Net Assets	<u>\$ 2,472,842</u>	<u>\$ 2,304,810</u>

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Management Discussion and Analysis (Unaudited)
For the years ended December 31, 2011 and 2010

Statement of Activities

Table 2 summarizes the revenue and operating expenses of the Authority and is also presented on the accrual basis. Revenues decreased over the prior year by \$278,849. Expenses decreased approximately \$8,711. These changes are more fully described in the Financial Highlights section.

Table 2
Changes in Net Assets

	2011	2010
Revenues		
Oneida County PILOT payments	\$ 605,000	\$ 605,000
Grant	-	218,900
Event, rental and interest income	476,532	512,083
Capitalization fund income	32,376	56,874
	<u>\$ 1,113,908</u>	<u>\$ 1,392,857</u>
Operating Expenses		
Operations	\$ 816,995	\$ 835,000
Interest	11,092	3,263
Depreciation	117,789	116,313
	<u>\$ 945,876</u>	<u>\$ 954,576</u>
Change in net assets	<u><u>\$ 168,032</u></u>	<u><u>\$ 438,281</u></u>

Capital Asset and Debt Administration

This section includes a description of significant capital assets and long-term debt activity during the year.

Capital Assets

The Authority owns property and equipment located in the City of Utica. The following schedule shows the investment in these properties:

Property and Equipment:	Cost
Building and improvements	\$ 2,099,820
Equipment	426,266
Total	<u>2,526,086</u>
Accumulated depreciation	809,774
Property and equipment, net	<u><u>\$ 1,716,312</u></u>

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Management Discussion and Analysis (Unaudited)
For the years ended December 31, 2011 and 2010

Long-Term Debt

The Authority has long-term debt associated with this property. Details of these debt instruments are more fully described in the footnotes to the financial statements.

ECONOMIC FACTORS AND FUTURE OUTLOOK

Major Shows

The Upper Mohawk Valley Memorial Auditorium Authority expects to continue hosting many annual shows, including The Harlem Globetrotters, WWE Wrestling, Monster Trucks, The Shrine Circus as well as athletic competitions and other events. In 2011, this diversity accounted for a total of 72 events, with attendance totaling 122,866.

Major Planned Capital Expenditures

Arena lighting will be improved to provide increased efficiency and increased energy savings. The lower bowl seating will be replaced in 2012. Furtherer adjustments and improvements are planned to the ice chiller system to enable it to reach peak efficiency.

Change in PILOT Payment Amount

The Auditorium PILOT payment, paid in monthly installments from the Mohawk Valley Water Authority, totaled \$605,000 in 2011. This amount will increase by 10% to \$665,500 from 2012 through 2016. From 2017 through 2021, the PILOT will increase by 10% to \$732,050.

Other Factors

2011 interest income decreased \$543 over 2010. The Auditorium's greater operating revenue has led to historically larger bank balances, and interest earned.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those who have an interest in this Authority's finances. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to the Upper Mohawk Valley Memorial Auditorium Authority, 400 Oriskany Street West, Utica, New York 13502.

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Statements of Financial Position
December 31, 2011 and 2010

	2011	2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,237,286	\$ 981,636
Accounts receivable	13,481	1,603
Grants receivable	-	218,900
Prepaid expenses	8,787	5,336
Total current assets	<u>1,259,554</u>	<u>1,207,475</u>
Property and equipment, at cost:		
Building and improvements	2,099,820	2,033,152
Office equipment	426,266	284,709
	<u>2,526,086</u>	<u>2,317,861</u>
Less accumulated depreciation	809,774	692,546
Property and equipment, net	<u>1,716,312</u>	<u>1,625,315</u>
Other assets:		
Bond issuance costs	5,044	5,605
	<u>5,044</u>	<u>5,605</u>
Total Assets	<u>\$ 2,980,910</u>	<u>\$ 2,838,395</u>
LIABILITIES AND FUND BALANCES		
Current liabilities:		
Accounts payable	\$ 85,120	\$ 21,254
Accrued liabilities	7,750	7,299
Debt payable - current portion	62,449	63,988
Deferred revenue	85,606	111,474
Total current liabilities	<u>240,925</u>	<u>204,015</u>
Long-term liabilities:		
Debt payable	267,143	329,570
	<u>267,143</u>	<u>329,570</u>
Fund balances:		
Fund balance - Committed	118,993	93,616
Fund balance - Unassigned	2,353,849	2,211,194
Total fund balances	<u>2,472,842</u>	<u>2,304,810</u>
Total Liabilities and Fund Balances	<u>\$ 2,980,910</u>	<u>\$ 2,838,395</u>

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Statements of Activities
For the years ended December 31, 2011 and 2010

	2011	2010
Revenues:		
PILOT payments - Oneida County	\$ 605,000	\$ 605,000
Special events	171,133	222,090
Ice rentals	126,146	120,264
Concessions income	109,250	140,437
Capitalization fund income	32,376	56,874
Advertising income	60,140	10,498
Grant revenue	-	218,900
Other income	-	8,388
Interest income	9,863	10,406
Total revenues	<u>1,113,908</u>	<u>1,392,857</u>
Operating expenses:		
Salaries	375,350	360,523
Payroll taxes	39,140	33,074
Employee benefits	31,320	29,817
Utilities	181,171	193,735
Insurance	49,812	47,502
Repairs and maintenance	45,537	34,175
Contracted building maintenance	17,492	23,604
Management fees	29,418	28,983
Trash and snow removal	13,999	14,801
Professional fees	10,145	9,779
Telephone	3,797	4,566
Supplies	6,414	29,231
Designated expenses	3,381	14,583
Office supplies	2,493	3,019
Web site	1,179	1,638
Membership dues	2,357	1,816
Advertising	3,340	3,028
Uniforms	-	394
Bank charges	124	143
Miscellaneous	526	589
Interest expense	11,092	3,263
Depreciation and amortization	117,789	116,313
Total operating expenses	<u>945,876</u>	<u>954,576</u>
Change in fund balances	168,032	438,281
Fund balances, beginning of year	2,304,810	1,866,529
Fund balances, end of year	<u>\$ 2,472,842</u>	<u>\$ 2,304,810</u>

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Statements of Cash Flows
For the years ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Changes in fund balances	<u>\$ 168,032</u>	<u>\$ 438,281</u>
Adjustments to reconcile change in fund balances to net cash provided (used) by operating activities:		
Depreciation and amortization	117,789	116,313
(Increase) decrease in:		
Accounts receivable	(11,878)	34,954
Grants receivable	218,900	(218,900)
Prepaid expenses	(3,451)	1,312
Increase (decrease) in:		
Accounts payable	63,865	(3,603)
Accrued liabilities	451	(10,889)
Deferred revenue	<u>(25,868)</u>	<u>(45,889)</u>
Total adjustments	<u>359,808</u>	<u>(126,702)</u>
Net cash provided by operating activities	<u>527,840</u>	<u>311,579</u>
Cash flows from investing activities		
Cash payments for the purchase of property	<u>(208,224)</u>	<u>(428,311)</u>
Net cash used by investing activities	<u>(208,224)</u>	<u>(428,311)</u>
Cash flows from capital related financing:		
Principal payments on long-term debt	(63,966)	(39,938)
Proceeds from issuance of long-term debt	-	238,000
Cost of issuance of a bond	-	(5,605)
Net cash provided (used) by capital related financing	<u>(63,966)</u>	<u>192,457</u>
Net increase in cash and cash equivalents	255,650	75,725
Cash and cash equivalents, beginning of year	<u>981,636</u>	<u>905,911</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,237,286</u></u>	<u><u>\$ 981,636</u></u>

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Notes to Financial Statements
For the years ended December 31, 2011 and 2010

Note 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Activities

The Upper Mohawk Valley Memorial Auditorium Authority was established in 1996 as a public benefit corporation under New York State law to own and manage the activities of the former City of Utica's Memorial Auditorium. On December 19, 1996, the City of Utica sold the entire facility and its contents to the Authority for one dollar. At that same time all of the operations of the auditorium facility became the responsibility of the Authority. The Authority has a seven-member board, which is responsible for the overall direction of the Auditorium. An outside firm manages the day-to-day operations. The Auditorium is a 6,500-seat arena. It hosts a variety of events, ranging from ice hockey and basketball tournaments to concerts and trade shows.

Basis of Accounting

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The activities of the Authority are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The Authority uses the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

The Authority grants credit to businesses, organizations and individuals in the Central New York region. The Authority generally requires no collateral from its customers.

Property and Equipment

Prior to 1998, the Authority recorded equipment acquisitions and major building improvements as expenditures in the current period. Generally accepted accounting principles require these assets to be capitalized and depreciated over the assets' useful lives. Effective in 1998, the Authority capitalized equipment and building improvements at cost and recorded depreciation using the straight-line method based upon estimated useful lives of the assets.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Notes to Financial Statements - continued
For the years ended December 31, 2011 and 2010

Note 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Balance

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance to be properly reported within one of the fund balance categories as follows:

- 1) Nonspendable, such as fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- 2) Restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external providers, or through enabling legislation.
- 3) Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Authority.
- 4) Assigned fund balance classification is intended to be used by the Authority for specific purposes but do not meet the criteria to be classified as restricted or committed.
- 5) Unassigned fund balance that is residual classification for the Authority's general fund and include all spendable amounts not contained in the other classifications.

Budgets and Budgetary Accounting

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) The Authority Treasurer submits estimates of required resources for the next fiscal year to the Authority not more than ninety days and not less than sixty days before the commencement of the fiscal year.
- 2) The Authority approves the budget. The Authority must approve subsequent revisions that materially alter appropriations.

Advertising Costs

Advertising costs are expensed as incurred.

Reclassifications

Certain accounts in the 2010 financial statements have been reclassified to conform to the current year's presentation.

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Notes to Financial Statements - continued
For the years ended December 31, 2011 and 2010

Note 2 OPERATING CONSIDERATION

The Authority is assisted with its financial activities by receiving an annual payment from the Mohawk Valley Water Authority. The payment increases by 10% every 6th year. The payment, which is a payment in lieu of taxes, is provided for under New York State Public Authorities Law Section 1226-r (3) (c). The payment is intended to provide the necessary funding to assist the Upper Mohawk Valley Memorial Auditorium Authority in meeting its operating expenses.

The payments are as follows for each year:

1997 - 2001	\$ 500,000
2002 - 2006	550,000
2007 - 2011	605,000
2012 - 2016	665,500
2017 - 2021	732,050
2022 - 2026	805,225
2027 - 2031	885,781
2032 - 2036	974,359

Note 3 PROPERTY AND EQUIPMENT

Property and equipment and the related accumulation of depreciation consists of the following as of December 31:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Depreciation Expense</u>
Building and improvements	\$ 2,099,820	\$ 633,225	\$ 95,505
Equipment	426,266	176,549	21,723
Total	<u>\$ 2,526,086</u>	<u>\$ 809,774</u>	<u>\$ 117,228</u>

Note 4 BOND ISSUANCE COSTS

Costs associated with issuance of the bond were \$5,605. Amortization expense of \$561 began in 2011 and will continue over the life of the bond.

Note 5 DEFERRED REVENUE

The Authority received payments at year-end that pertain to next year's activities. These amounts are shown as deferred revenue at year-end.

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Notes to Financial Statements - continued
For the years ended December 31, 2011 and 2010

Note 6 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Authority to concentrations of credit risk consist principally of cash and cash equivalent amounts in financial institutions, which from time to time exceed the Federal Depository Insurance coverage limit.

The Authority has an agreement with the Bank of Utica which provides additional collateral to protect the funds held by the bank. The collateral was secured by municipal notes as follows:

Par	Issuer	Maturity	Market
1,000,000	City of New York	11/15/2014	\$ 1,118,100
1,000,000	City of New York	12/1/2016	<u>1,074,150</u>
			<u><u>\$ 2,192,250</u></u>

Note 7 DESIGNATED NET ASSETS

The Authority has established a Capitalization Fund (CAP Fund) whereby collections from events held at the auditorium are internally reserved and used to keep the auditorium facility in good working order. The Authority held \$118,993 and \$93,616 in capitalization funds that are available for future improvements to the auditorium facility at December 31, 2011 and 2010, respectively.

Note 8 MANAGEMENT CONTRACT

Venue Services, Inc manages the day-to-day operations of the auditorium facility. Venue Services, Inc. is technically the employer of the people that operate the auditorium. The Authority reimburses Venue Services, Inc. for the operating costs of the auditorium.

Additionally, the Authority pays Venue Services, Inc. a management fee, pursuant to an agreement from 2010 to 2012, as follows:

	Yearly Total
2010	\$ 28,983
2011	29,418
2012	29,859

Incentive payments are payable during 2011 and 2012 based on the results of the annual financial statements each year.

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Notes to Financial Statements - continued
For the years ended December 31, 2011 and 2010

Note 9 COMMITMENTS

Utica College Agreement

The Authority entered into a ground lease with Utica College in May 2001 for the college's construction of a locker room. The lease is for 20 years ending May 31, 2021 and calls for an annual rental of \$10 payable annually on each anniversary of the commencement of the lease. Utica College has financed all the construction costs. Utica College may renew this ground lease for four additional terms of five years each subject to the mutual agreement of both parties. Simultaneously, the Authority entered into a facility lease with Utica College for 10 years ending September 30, 2011. As of December 31, 2011, Utica College was in negotiation with the Authority for renewal of the facility lease. It is expected that the lease will in fact be extended for an additional 5 year period.

Utica College will rent the auditorium ice for agreed upon rates and times. Utica College has the option to renew this lease under the same terms and conditions for two additional terms of five years each. Subsequently, Utica College may renew this facility lease for four additional periods of five years each, subject to re-negotiation.

In the event that Utica College does not elect to renew the facility lease at the end of ten years, the Authority will pay Utica College 25% of the cost of construction of the locker room not to exceed total construction costs of \$800,000. Hence, maximum liability for the Authority would be \$200,000. If Utica College fails to renew the facility lease at the end of fifteen years, the Authority will pay Utica College 12.5% of the cost of construction not to exceed total construction costs of \$800,000. Hence, maximum liability after fifteen years would then be \$100,000.

Note 10 NEW YORK POWER AUTHORITY ENERGY SERVICES AGREEMENT

On August 22, 2003, Oneida County entered into an energy saving services agreement with the New York Power Authority (NYPA). As part of this agreement, the auditorium facility received upgrades to their lighting, heating, ventilation and air conditioning equipment. The cost of these improvements was initially paid by Oneida County. The Authority agreed to repay Oneida County \$287,086 at a variable interest rate over 120 months. Payments began in 2005. Remaining future principal loan repayment requirements are as follows:

2012	\$ 27,120
2013	28,536
2014	25,129
2015	18,478
Total	<u>\$ 99,263</u>

UPPER MOHAWK VALLEY MEMORIAL AUDITORIUM AUTHORITY
Notes to Financial Statements - continued
For the years ended December 31, 2011 and 2010

Note 11 NOTE PAYABLE:

On February 1, 2007, the Authority received a note payable from Rome Savings Bank for \$70,000 at 4.75% to purchase ice equipment. Future principal loan repayment requirements are as follows:

2012	\$ 15,329
2013	-
Total	\$ 15,329

Note 12 BOND PAYABLE:

On September 15, 2010, the Authority issued a tax exempt \$238,000 bond for the chiller project. Interest rates range from 3.75% to 4% over the life of the bond. Future principal loan repayment requirements are as follows:

2012	\$ 20,000
2013	20,000
2014	20,000
2015	25,000
2016	25,000
2017	25,000
2018	25,000
2019	25,000
2020	30,000
Total	\$ 215,000

Note 13 SUBSEQUENT EVENTS

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through March 30, 2012 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or discussed in the notes to the financial statements.

SUPPLEMENTAL INFORMATION



BARONE, HOWARD & Co., CPAs, PC
CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Authority Members
Upper Mohawk Valley Memorial Auditorium Authority
400 Oriskany Street West
Utica, New York 13502

We have audited the financial statements of Upper Mohawk Valley Memorial Auditorium Authority as of and for the year ended December 31, 2011 and have issued our report thereon dated March 30, 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

In planning and performing our audit, we considered Upper Mohawk Valley Memorial Auditorium Authority'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 Upper Mohawk Valley Memorial Auditorium Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Upper Mohawk Valley Memorial Auditorium Authority'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.

To the Authority Members
Upper Mohawk Valley Memorial Auditorium Authority
400 Oriskany Street West
Utica, New York 13502

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Upper Mohawk Valley Memorial Auditorium Authority's financial statements are free of material misstatements, 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.

This report is intended solely for the information of the Authority Members, management and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.

Barone, Howard & Co., CPAs, P.C.

BARONE, HOWARD & Co., CPAs, P.C.
March 30, 2012