

**C**ENTRAL NEW YORK REGIONAL  
MARKET AUTHORITY

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*FINANCIAL STATEMENTS*  
March 31, 2012 and 2011

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying statements of net assets of **CENTRAL NEW YORK REGIONAL MARKET AUTHORITY** (the Authority) as of March 31, 2012 and 2011, and the related 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 Authority'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 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 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 Authority as of March 31, 2012 and 2011, and the changes in its net assets 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 our report dated June 19, 2012 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, 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.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 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 the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively compromise the Authority's financial statements as a whole. The accompanying supplementary information included in the report shown on page 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Authority's 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 audit 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 financial statements as a whole.

*Dermody, Burke & Brown*

**DERMODY, BURKE & BROWN, CPAs, LLC**

Auburn, NY

June 19, 2012

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## CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2012 and 2011

#### Introduction

Central New York Regional Market Authority's Management's Discussion and Analysis for the year ended March 31, 2012 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 2012 financial report, which follows this report.

#### Financial Highlights

The Authority's net assets increased by approximately \$118,000 as a result of this year's operations.

The undesignated net assets also increased from \$801,807 to \$922,542. This increase of approximately \$121,000 continues to place the Authority in a more stable financial position.

#### 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.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Years Ended March 31, 2012 and 2011

**Statements of Net Assets**

**TABLE 1**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Cash	\$ 1,019,342	\$ 909,628
Accounts Receivable	2,827	6,472
Property, Plant and Equipment, Net	4,835,284	4,868,028
Closing Costs, Net	<u>10,963</u>	<u>12,240</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,868,416</u></b>	<b><u>\$ 5,796,368</u></b>
<b>LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 31,320	\$ 30,909
Accounts Payable and Accrued Liabilities	35,427	51,785
Deferred Revenue	12,816	11,682
Security Deposit Reserve	62,347	63,066
Long-Term Debt, Net of Current Portion	<u>596,121</u>	<u>626,588</u>
Total Liabilities	738,031	784,030
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	4,207,843	4,210,531
Unrestricted Net Assets	<u>922,542</u>	<u>801,807</u>
Total Net Assets	<u>5,130,385</u>	<u>5,012,338</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,868,416</u></b>	<b><u>\$ 5,796,368</u></b>

Total assets increased approximately \$72,000 in 2012 as a result of the following:

- Cash increased in the current year due to an increase in the Capital Reserve account along with the increases from cash provided by the year's operations.

Total liabilities remain relatively stable in 2012. Significant items include the following:

- The Authority assumed no new debt obligations in 2012.
- Long-term debt principal payment totaled \$30,056 in 2012.
- Accounts payable and accrued liabilities decreased by approximately \$16,000 due to large open invoices at March 31, 2011. For March 31, 2012, the accounts payables were minor.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Years Ended March 31, 2012 and 2011

**Review of Revenues**

**TABLE 2**

	<b>2012</b>	<b>2011</b>
Rent Revenue - Buildings and Land	\$ 593,941	\$ 595,585
Rent Revenue - Farmer's Market	734,646	733,008
Truck Scales	9,729	9,848
Utilities	87,242	82,511
Interest Income	10,293	5,435
Truck Delivery	22,644	21,454
Advertising - Promotion	12,758	22,098
Mobile Market Sales	9,511	7,186
Grant Income	0	660
Reimbursements	53,915	34,089
Miscellaneous	4,493	1,019
	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	<b><u><u>\$ 1,539,172</u></u></b>	<b><u><u>\$ 1,512,893</u></u></b>

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

The Farm Fresh Mobile Market has increased revenue as a result of a change in its operations from prior years.

Reimbursements increased in the current year due to a new project in 2012.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Years Ended March 31, 2012 and 2011

**Review of Expenses**

**TABLE 3**

	<b>2012</b>	<b>2011</b>
Payroll and Related Benefits	\$ 546,780	\$ 533,009
Mobile Market Payroll	1,899	5,930
Repairs and Maintenance	65,138	54,998
Office Expense	25,634	28,731
Utilities	189,303	228,076
Legal and Professional	28,614	35,479
Security	192,477	198,009
Insurance	62,447	56,272
Advertising	71,559	69,505
Bad Debt Expense	2,792	2,393
Mobile Market Expenses	8,253	5,237
Reimbursements	52,411	22,061
Other Operating Expenses	32,216	31,689
Interest Expense	21,391	17,273
Depreciation	<u>120,211</u>	<u>114,163</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 1,421,125</u></u>	<u><u>\$ 1,402,825</u></u>

Total expenses for 2012 increased by approximately \$19,000 compared to 2011.

- Payroll and related benefits increased in the current year for two reasons, the normal pay increases to the employees of the Authority and the addition of one person to assist with additional vendor and customer related programs on the retail markets.
- Utilities decreased in the current year. This was due to the addition of solar panels and LED lighting.
- Reimbursements increased in the current year due to a new project in 2011 - 2012.



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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Years Ended March 31, 2012 and 2011

**Summary of Changes in Fixed Assets**

**TABLE 4**

	<b>2012</b>	<b>2011</b>	<b>Total Percent Change</b>
			<b>2010-2011</b>
Land	\$ 1,457,006	\$ 1,457,006	0.0%
Office Equipment	243,085	236,512	2.7%
Operating Equipment	485,574	480,229	1.1%
Buildings	4,332,155	4,332,155	0.0%
Permanent Improvements	1,710,345	1,665,612	2.6%
Utilities	319,830	319,830	0.0%
Less: Accumulated Depreciation	<u>3,712,711</u>	<u>3,623,316</u>	<u>2.4%</u>
Total	<u>\$ 4,835,284</u>	<u>\$ 4,868,028</u>	<u>-0.7%</u>

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

- Operating equipment continues to be updated with the replacement of several pieces of equipment and the purchase of others that add to the ability to keep maintenance and repair projects in-house, and to maintain a facility that is neat, clean and up to date.

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## CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2012 and 2011

#### **Economic Factors and Next Year's Budget**

For the fiscal year ending March 31, 2013, most lease rates will continue to increase by approximately CPI.

Payroll and benefits will continue to increase due to the normal increases in pay and increased benefits cost.

Management is expecting revenues from our retail market to increase again next year due to the continued growth of the newly formed F-line.

The staff of the Authority will continue to keep increases in expenses in check to allow for continued financial growth.

The Authority will be undertaking a capital improvement project on the wholesale building in 2012 - 2013.

There are no other significant changes in income or expenses for staffing that are certain as of March 31, 2012.

#### **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**

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**STATEMENTS OF NET ASSETS**

March 31, 2012 and 2011

	<b>ASSETS</b>	
	<b>2012</b>	<b>2011</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,019,342	\$ 909,628
Accounts Receivable	<u>2,827</u>	<u>6,472</u>
Total Current Assets	1,022,169	916,100
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	4,835,284	4,868,028
<b>CLOSING COSTS, NET</b>	<u>10,963</u>	<u>12,240</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,868,416</u></u>	<u><u>\$ 5,796,368</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long-Term Debt	\$ 31,320	\$ 30,909
Accounts Payable and Accrued Liabilities	35,427	51,785
Deferred Income	12,816	11,682
Security Deposit Reserve	<u>62,347</u>	<u>63,066</u>
Total Current Liabilities	141,910	157,442
<b>LONG-TERM DEBT, NET OF CURRENT PORTION</b>	596,121	626,588
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	4,207,843	4,210,531
Unrestricted Net Assets	<u>922,542</u>	<u>801,807</u>
Total Net Assets	<u>5,130,385</u>	<u>5,012,338</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 5,868,416</u></u>	<u><u>\$ 5,796,368</u></u>

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See notes to financial statements.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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

Years Ended March 31, 2012 and 2011

	<b>2012</b>	<b>2011</b>
OPERATING REVENUE		
RENT REVENUE - Buildings and Land		
Commercial Leases	\$ 451,469	\$ 455,158
Land Leases	<u>142,472</u>	<u>140,427</u>
Total Rent Revenue - Buildings and Land	593,941	595,585
RENT REVENUE - Farmer's Market		
Farmer's Saturday/Wholesale Leases	163,445	163,146
Farmer's Saturday Daily	39,309	26,785
Farmer's Thursday Lease	21,648	21,598
Farmer's Thursday Daily	3,897	3,390
Flea Market	227,089	214,415
NYS Dealer Saturday Lease	63,507	62,898
NYS Dealer Saturday Daily	815	2,640
NYS Thursday Lease	7,325	6,016
NYS Dealer Thursday Daily	1,620	2,475
Out of State Saturday/Thursday Lease	66,763	74,646
Out of State Dealer Saturday Daily	2,855	1,715
Food Concession	40,917	50,682
Commercial Retail Lease	<u>95,456</u>	<u>102,602</u>
Total Rent Revenue - Farmer's Market	<u>734,646</u>	<u>733,008</u>

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See notes to financial statements.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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

Years Ended March 31, 2012 and 2011

	2012	2011
OTHER OPERATING REVENUE		
Truck Scales	9,729	9,848
Truck Delivery	22,644	21,454
Mobile Market Sales	9,511	7,186
Electricity Sales	81,279	75,718
Reimbursements	53,915	34,089
Gas Sales	3,795	4,202
Water and Sewer Sales	2,168	2,591
Grant Income	0	660
Miscellaneous Income	4,493	1,019
Advertising - Promotion	12,758	22,098
	<u>200,292</u>	<u>178,865</u>
Total Other Operating Revenue		
	200,292	178,865
TOTAL OPERATING REVENUE	1,528,879	1,507,458
OPERATING EXPENSES	<u>1,399,734</u>	<u>1,385,552</u>
INCOME FROM OPERATIONS	129,145	121,906
OTHER INCOME (EXPENSE)		
Interest Income	10,293	5,435
Interest Expense	<u>(21,391)</u>	<u>(17,273)</u>
	<u>(11,098)</u>	<u>(11,838)</u>
Net Other Expense		
	(11,098)	(11,838)
INCREASE IN NET ASSETS	118,047	110,068
NET ASSETS		
Balance, Beginning of Year	<u>5,012,338</u>	<u>4,902,270</u>
Balance, End of Year	<u>\$ 5,130,385</u>	<u>\$ 5,012,338</u>

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See notes to financial statements.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**STATEMENTS OF CASH FLOWS**

Years Ended March 31, 2012 and 2011

	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Operating Activities	\$ 1,532,524	\$ 1,507,339
Cash Paid to Suppliers and Employees	<u>(1,295,466)</u>	<u>(1,244,774)</u>
Net Cash Provided By Operating Activities	237,058	262,565
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payments for Capital Acquisitions	(86,190)	(91,624)
Principal Payments	(30,056)	(29,010)
Interest Paid	<u>(21,391)</u>	<u>(17,273)</u>
Net Cash Used In Financing Activities	<u>(137,637)</u>	<u>(137,907)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts of Interest	<u>10,293</u>	<u>5,435</u>
Net Cash Provided By Investing Activities	<u>10,293</u>	<u>5,435</u>
Net Increase in Cash	109,714	130,093
Cash, Beginning of Year	<u>909,628</u>	<u>779,535</u>
Cash, End of Year	<u><u>\$ 1,019,342</u></u>	<u><u>\$ 909,628</u></u>

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See notes to financial statements.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**STATEMENTS OF CASH FLOWS**

Years Ended March 31, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Income from Operations	\$ 129,145	\$ 121,906
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	120,211	114,163
Increase in Operating Assets:		
Accounts Receivable	3,645	(119)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	(16,358)	19,789
Deferred Income	1,134	11,024
Security Deposit Reserve	(719)	(4,198)
Net Cash Provided By Operating Activities	<u>\$ 237,058</u>	<u>\$ 262,565</u>

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See notes to financial statements.

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## CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

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### NOTES TO FINANCIAL STATEMENTS

March 31, 2012 and 2011

#### NOTE 1 – NATURE OF OPERATIONS

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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

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##### **Basis of Presentation**

The financial statements of the Authority 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 Authority has adopted GASB Statement No. 20, “Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting”, GASB Statement No. 29, “The Use of Not-for-Profit Accounting and Financial Accounting Principles by Governmental Entities”, and GASB Statement No. 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.”

The more significant accounting policies of the Authority are described below.

##### **Method of Accounting**

The Authority classifies net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in Capital Assets, Net of Related Debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Assets – This component of net assets consists of constraints placed on net asset use through external constraints 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 Assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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.



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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2012 and 2011

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

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**Method of Accounting – Continued**

The financial statements of the Authority are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. The Authority follows the pronouncements of only applicable Financial Accounting Standards Board (“FASB”) Statements and Interpretations, issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

**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, 2012 and 2011, 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:

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
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

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2012 and 2011

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued**

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**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 \$2,792 and \$2,393 for the years ended March 31, 2012 and 2011, respectively.

**Closing Costs**

During 2006 the Authority entered into a new mortgage obligation for the acquisition of land and a building. Closing costs associated with this debt obligation were \$19,158. The closing cost will be amortized over 15 years. Amortization charged to expense was \$1,277 for both the years ended 2012 and 2011.

**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 19, 2012, the date the financial statements were available to be issued. There are no items that would require disclosure as a result of this evaluation.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2012 and 2011

**NOTE 3 – CUSTODIAL CREDIT AND CONCENTRATION OF CREDIT RISK**

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Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance.

The Authority's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ <u>          0</u>
Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name.	\$ <u>  701,347</u>

**NOTE 4 – CASH AND CASH EQUIVALENTS**

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Cash balances at March 31, 2012 and 2011 consisted of the following accounts:

	<b>2012</b>	<b>2011</b>
Cash in Bank Checking	\$ 5,463	\$ 36,435
Cash in Bank Savings	357,401	280,996
Board Designated Contingency Account	31,026	31,026
Board Designated Capital Reserve	562,920	497,920
Renter's Security Deposit	62,347	63,066
Petty Cash	<u>185</u>	<u>185</u>
Total	<u>\$ 1,019,342</u>	<u>\$ 909,628</u>

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2012 and 2011

**NOTE 4 – CASH AND CASH EQUIVALENTS – Continued**

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Cash and cash equivalents of the Authority at March 31, 2012 and 2011 consist of the following:

	<b>Carrying Value</b>	<b>Bank Balance</b>
<b>March 31, 2012</b>		
Cash and Cash Equivalents:		
Cash on Hand	\$ 185	\$ 0
Bank Accounts	<u>1,019,157</u>	<u>1,054,528</u>
Total Cash and Cash Equivalents	<u><u>\$ 1,019,342</u></u>	<u><u>\$ 1,054,528</u></u>
<b>March 31, 2011</b>		
Cash and Cash Equivalents:		
Cash on Hand	\$ 185	\$ 0
Bank Accounts	<u>909,443</u>	<u>970,431</u>
Total Cash and Cash Equivalents	<u><u>\$ 909,628</u></u>	<u><u>\$ 970,431</u></u>

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 \$353,182 from the Federal Depository Insurance Corporation plus \$701,346 of pledged collateral at December 31, 2012. 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.

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**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2012 and 2011

**NOTE 5 – PROPERTY, PLANT AND EQUIPMENT**

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Activity for property, plant and equipment and changes in accumulated depreciation for the years ended March 31, 2012 and 2011 is as follows:

	<b>Balance March 31, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance March 31, 2012</b>
Land	\$ 1,457,006	\$ 0	\$ 0	\$ 1,457,006
Office Equipment	236,512	6,573	0	243,085
Operating Equipment	481,565	64,534	60,525	485,574
Buildings	4,332,155	0	0	4,332,155
Permanent Improvements	1,665,612	44,733	0	1,710,345
Utilities	319,830	0	0	319,830
	<hr/>	<hr/>	<hr/>	<hr/>
	8,492,680	115,840	60,525	8,547,995
Less: Accumulated Depreciation	<hr/>	<hr/>	<hr/>	<hr/>
	3,624,652	118,934	30,875	3,712,711
	<hr/>	<hr/>	<hr/>	<hr/>
Net Property, Plant and Equipment	<u>\$ 4,868,028</u>	<u>\$ (3,094)</u>	<u>\$ 29,650</u>	<u>\$ 4,835,284</u>

Depreciation charged to expense at March 31, 2012 and 2011 was \$118,934 and \$112,886, respectively.

**NOTE 6 – SHORT-TERM DEBT**

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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, 2012 and 2011, there were no borrowings under the line-of-credit agreement. The prime interest rate was 3.25% at March 31, 2012 and 2011.

**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2012 and 2011

**NOTE 7 – LONG-TERM DEBT**

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

Note payable to First Pioneer Farm Credit at an interest rate of 3.75% with monthly payments of \$4,287 through January 2026. The note is secured by real estate.

Debt service over the remaining term of the bonds is summarized as follows:

	<b>Balance at March 31, 2010</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance at March 31, 2011</b>
Notes Payable:				
YNY DED-IIDP	\$ 75,498	\$ 0	\$ 0	\$ 75,498
First Pioneer Farm Credit	<u>581,999</u>	<u>0</u>	<u>30,056</u>	<u>551,943</u>
Total Notes Payable	<u><u>\$ 657,497</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 30,056</u></u>	<u><u>\$ 627,441</u></u>

Changes in long-term liabilities are as follows:

	<b>Principal Payments on Notes</b>	<b>Interest Payable</b>	<b>Total Debt Service on Notes</b>
2013	\$ 31,320	\$ 20,131	\$ 51,451
2014	32,515	18,936	51,451
2015	33,755	17,696	51,451
2016	35,043	16,408	51,451
2017	36,380	15,071	51,451
Thereafter	<u>382,930</u>	<u>66,430</u>	<u>449,360</u>
	551,943	<u>\$ 154,672</u>	<u>\$ 706,615</u>
Less: Current Portion	<u>31,320</u>		
Total	<u><u>\$ 520,623</u></u>		

**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2012 and 2011

**NOTE 8 – BENEFIT PLANS**

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**Pension**

The Authority participates in the New York State and Local Employees' Retirement System (ERS) "Plan". This is a defined benefit, cost sharing multiple public employer-employee 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.

The ERS is noncontributory except for employees who joined the System after July 27, 1976, and have less than 10 years of eligible service and contribute 3% of their salary. Under the authority of the New York State and Local Employees' Retirement System, the Comptroller shall certify annually the rates expressed as proportions of members' payroll, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. Effective October 1, 2000, all employees who joined the ERS after July 27, 1976 who have either ten or more years of membership, or who have ten years credited service are no longer required to contribute 3% of their salary.

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:

	<b>Annual Contributions</b>
2010	<u>\$ 5,746</u>
2011	<u>\$ 6,498</u>
2012	<u>\$ 13,858</u>

The Authority's contributions made to the System were equal to 100% of the contributions required for each year.

## CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

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### NOTES TO FINANCIAL STATEMENTS

March 31, 2012 and 2011

#### NOTE 8 – BENEFIT PLANS – Continued

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##### 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 \$3,665 and \$3,312 in 2012 and 2011, respectively.

#### NOTE 9 – NET ASSETS

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The Authority's net assets represent the excess of assets over liabilities and are categorized as follows:

- *Invested 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 Assets* are the net assets that have been restricted as in use through external constraints 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 Assets* are the 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.



**CENTRAL NEW YORK REGIONAL MARKET AUTHORITY**

**OTHER FINANCIAL INFORMATION**

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**SCHEDULES OF OPERATING EXPENSES**

Years Ended March 31, 2012 and 2011

	<b>2012</b>	<b>2011</b>
Payroll	\$ 373,988	\$ 370,573
Mobile Market Payroll	1,899	5,930
Payroll Taxes	83,457	71,625
Repairs to Building	21,995	16,196
Repairs to Grounds	17,183	18,305
Repairs to Equipment	10,839	7,555
Fuel and Oil Expenses	4,005	7,095
Operating Expenses	8,594	11,869
Maintenance Supplies	15,121	12,942
Mobile Market Expenses	8,253	5,237
Office Equipment	14,730	13,439
Telephone	5,231	5,219
Association Licensing Fees	3,807	3,297
Reimbursements	52,411	22,061
Miscellaneous Expenses	8,173	6,732
Security	192,477	198,009
Trash Removal	5,673	10,073
Operating Insurance	62,447	56,272
Health and Life Plan	80,688	82,009
Dental Plan	4,814	5,036
Advertising and Promotion	71,559	69,505
Travel	11,642	9,791
Legal and Professional	28,614	35,479
Payroll Processing	3,833	3,766
Electricity	120,763	144,942
Gas	16,792	26,562
Water and Sewer	47,743	49,477
Depreciation and Amortization	120,211	114,163
Bad Debt Expense	2,792	2,393
	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,399,734</b>	<b>\$ 1,385,552</b>

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See notes to financial statements.

**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***

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

We have audited the financial statements of the Central New York Regional Market Authority (the Authority), as of and for the year ended March 31, 2012, and have issued our report thereon dated June 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 the 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 the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of significant 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.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 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 and use of the board of directors, management and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

*DERMODY, BURKE & BROWN*

**DERMODY, BURKE & BROWN, CPAs, LLC**

Auburn, NY

June 19, 2012

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

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

We have examined Central New York Regional Market Authority's (the Authority) compliance with Section 2925(3)(f) of the New York State Public Authorities Law during the year ended March 31, 2012. 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, 2012.

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**

Auburn, NY

June 19, 2012