



Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

Report on the Financial Statements

We have audited the accompanying financial statements of **CENTRAL NEW YORK REGIONAL MARKET AUTHORITY** (the Authority), which comprise the statements of net position as of March 31, 2019 and 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility – Continued

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of March 31, 2019 and 2018, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, on pages 4 to 9 and 34 to 35, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Central New York Regional Market Authority's basic financial statements. The schedule of operating expenses on page 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2019, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

June 11, 2019

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2019 and 2018

Introduction

Central New York Regional Market Authority's Management's Discussion and Analysis for the year ended March 31, 2019 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 2019 financial report, which follows this report.

Financial Highlights

The Authority's net position increased by approximately \$72,000 as a result of this year's operations.

The unrestricted net position decreased from \$581,193 to \$355,284.

Using this Annual Statement

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

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

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

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2019 and 2018

Statements of Net Position

TABLE 1

	2019	2018
ASSETS		
Cash	\$ 520,198	\$ 723,783
Cash Held for Others	33,708	31,721
Accounts Receivable	13,382	17,617
Property, Plant and Equipment, Net	<u>6,519,110</u>	<u>6,260,502</u>
TOTAL ASSETS	<u><u>\$ 7,086,398</u></u>	<u><u>\$ 7,033,623</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related - ERS	<u>\$ 125,237</u>	<u>\$ 113,097</u>
LIABILITIES		
Current Portion of Long-Term Debt	\$ 39,049	\$ 41,196
Accounts Payable and Accrued Liabilities	72,513	46,074
Funds Held for Others	33,708	31,721
Security Deposit Reserve	54,546	54,546
Long-Term Debt	<u>841,158</u>	<u>966,260</u>
TOTAL LIABILITIES	<u><u>\$ 1,040,974</u></u>	<u><u>\$ 1,139,797</u></u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related - ERS	\$ 130,979	\$ 40,702
Deferred Rent	<u>12,902</u>	<u>11,736</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>\$ 143,881</u></u>	<u><u>\$ 52,438</u></u>
NET POSITION		
Net Investment in Capital Assets	\$ 5,671,496	\$ 5,373,292
Unrestricted	<u>355,284</u>	<u>581,193</u>
TOTAL NET POSITION	<u><u>\$ 6,026,780</u></u>	<u><u>\$ 5,954,485</u></u>

Total assets increased approximately \$53,000 in 2019 as a result of the following:

- Cash decreased in the current year due to purchases of property, plant and equipment.
- Property, plant and equipment increased due to fixed asset additions exceeding depreciation expense.

Total deferred outflows of resources increased approximately \$12,000 due to the pension calculation.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2019 and 2018

Statements of Net Position – Continued

Total liabilities decreased approximately \$99,000 in 2019. Significant items include the following:

- Note payable principal payments totaled \$37,449 in 2019.
- Decrease in the net pension liability by approximately \$88,000 in 2019.

Total deferred inflows of resources increased approximately \$91,000 due to the pension calculation.

Review of Revenues

TABLE 2

	2019	2018
Rent Revenue - Buildings and Land	\$ 636,959	\$ 629,234
Rent Revenue - Retail Market	877,697	900,173
Utilities	93,020	90,212
Interest Income	11,283	8,626
Truck Delivery	13,483	16,686
Advertising - Promotion	14,963	10,369
Reimbursements	3,732	7,101
Construction Reimbursement	12,000	0
Miscellaneous	9,446	9,971
	<u>9,446</u>	<u>9,971</u>
TOTAL REVENUES	<u>\$ 1,672,583</u>	<u>\$ 1,672,372</u>

Rent revenue from the retail market decreased in the current year. This is due to the decrease of revenue from the flea market.

Rent revenue – building and land and utilities increased from the prior year due to the new poultry building.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2019 and 2018

Review of Expenses

TABLE 3

	2019	2018
Payroll and Related Benefits	\$ 631,654	\$ 619,020
Repairs and Maintenance	58,142	76,017
Office Expense	23,540	32,963
Utilities	178,803	178,931
Legal and Professional	68,702	38,288
Security	189,571	224,611
Operating Insurance	70,348	60,064
Advertising	51,563	30,274
Bad Debt Expense	7,148	6,365
Reimbursements	1,289	0
Other Operating Expenses	30,570	26,230
Interest Expense	43,638	32,112
Depreciation and Amortization	<u>245,320</u>	<u>230,585</u>
TOTAL EXPENSES	<u><u>\$ 1,600,288</u></u>	<u><u>\$ 1,555,460</u></u>

Total expenses for 2019 increased by approximately \$45,000 compared to 2018.

- Legal and professional increased approximately \$30,000 in the current year.
- Security decreased approximately \$35,000 in the current year due to a change in the way security is managed.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2019 and 2018

Summary of Changes in Fixed Assets

TABLE 4

	2019	2018	Total Percent Change
			2018-2019
Land	\$ 1,457,006	\$ 1,457,006	0.0%
Office Equipment	249,693	249,693	0.0%
Operating Equipment	597,088	584,693	2.1%
Buildings	4,641,229	4,345,847	6.4%
Permanent Improvements	4,348,258	4,122,738	5.2%
Utilities	319,830	319,830	0.0%
Construction in Progress	0	29,369	100.0%
Less: Accumulated Depreciation	<u>(5,093,994)</u>	<u>(4,848,674)</u>	<u>-4.8%</u>
Total	<u><u>\$ 6,519,110</u></u>	<u><u>\$ 6,260,502</u></u>	<u><u>4.0%</u></u>

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

- Depreciation and amortization expense of \$245,320 was recorded in the current year.
- Permanent improvements increased by approximately \$226,000 due to roof replacement on the Market Place Diner and steel storage containers.
- Buildings increased by approximately \$295,000 due to the construction of the poultry building.
- Operating equipment increased due to a snow plow blade purchased in the current year.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2019 and 2018

Summary of Changes in Notes Payable

TABLE 5

	2019	2018	Total Percent Change
			2018-2019
Notes Payable:			
YNY DED-IIDP	\$ 75,498	\$ 75,498	0.0%
First Pioneer Farm Credit	<u>772,116</u>	<u>811,712</u>	<u>-5.1%</u>
Total Notes Payable	<u>\$ 847,614</u>	<u>\$ 887,210</u>	<u>-4.7%</u>

Decrease to Notes Payable includes the following highlights:

- The Authority paid \$39,596 in principal on debt in 2019.

Economic Factors and Next Year's Budget

For the fiscal year ending March 31, 2020, most lease rates will continue to increase by approximately CPI.

Payroll and benefits should be consistent for the next year.

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

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.

AUDITED FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION

March 31, 2019 and 2018

	ASSETS	
	2019	2018
CURRENT ASSETS		
Cash	\$ 520,198	\$ 723,783
Cash Held for Others	33,708	31,721
Accounts Receivable	<u>13,382</u>	<u>17,617</u>
Total Current Assets	567,288	773,121
PROPERTY, PLANT AND EQUIPMENT, NET	<u>6,519,110</u>	<u>6,260,502</u>
TOTAL ASSETS	<u>\$ 7,086,398</u>	<u>\$ 7,033,623</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related - ERS	<u>\$ 125,237</u>	<u>\$ 113,097</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 125,237</u>	<u>\$ 113,097</u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

LIABILITIES AND NET POSITION

	2019	2018
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 39,049	\$ 41,196
Accounts Payable and Accrued Liabilities	72,513	46,074
Funds Held for Others	33,708	31,721
Security Deposit Reserve	54,546	54,546
	<hr/>	<hr/>
Total Current Liabilities	199,816	173,537
LONG-TERM DEBT		
Notes Payable	808,565	846,014
Net Pension Liability - ERS	32,593	120,246
	<hr/>	<hr/>
Total Long-Term Debt	841,158	966,260
	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 1,040,974	\$ 1,139,797
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Pension Related - ERS	\$ 130,979	\$ 40,702
Deferred Rent	12,902	11,736
	<hr/>	<hr/>
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 143,881	\$ 52,438
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NET POSITION		
Net Investment in Capital Assets	\$ 5,671,496	\$ 5,373,292
Unrestricted	355,284	581,193
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TOTAL NET POSITION	\$ 6,026,780	\$ 5,954,485
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See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended March 31, 2019 and 2018

	2019	2018
OPERATING REVENUE		
RENT REVENUE - Buildings and Land		
Commercial Leases	\$ 486,822	\$ 478,612
Land Leases	<u>150,137</u>	<u>150,622</u>
Total Rent Revenue - Buildings and Land	636,959	629,234
RENT REVENUE - Retail Market		
Farmer's Saturday/Wholesale License	241,781	246,156
Farmer's Saturday Daily	31,974	37,765
Farmer's Thursday License	15,845	17,669
Farmer's Thursday Daily	2,410	3,785
Flea Market	254,041	268,758
Dealer Saturday License	180,649	173,905
Dealer Saturday Daily	5,740	5,265
Dealer Thursday License	19,443	18,116
Dealer Thursday Daily	1,050	1,300
Food Concession	45,508	47,309
Commercial Saturday License	53,608	52,910
Commercial Saturday Daily	22,860	24,740
Commercial Thursday License	1,668	1,640
Commercial Thursday Daily	<u>1,120</u>	<u>855</u>
Total Rent Revenue - Retail Market	<u>877,697</u>	<u>900,173</u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended March 31, 2019 and 2018

	2019	2018
OTHER OPERATING REVENUE		
Truck Delivery	13,483	16,686
Electricity Sales	83,871	82,119
Reimbursements	3,732	7,101
Gas Sales	6,628	5,633
Water and Sewer Sales	2,521	2,460
Miscellaneous Income	9,446	9,971
Construction Reimbursement	12,000	0
Advertising - Promotion	14,963	10,369
	<u>146,644</u>	<u>134,339</u>
Total Other Operating Revenue	<u>146,644</u>	<u>134,339</u>
TOTAL OPERATING REVENUE	1,661,300	1,663,746
OPERATING EXPENSES	<u>1,556,650</u>	<u>1,523,348</u>
INCOME FROM OPERATIONS	104,650	140,398
OTHER INCOME (EXPENSE)		
Interest Income	11,283	8,626
Interest Expense	<u>(43,638)</u>	<u>(32,112)</u>
	<u>(32,355)</u>	<u>(23,486)</u>
Net Other Expense	<u>(32,355)</u>	<u>(23,486)</u>
INCREASE IN NET POSITION	72,295	116,912
NET POSITION		
Balance, Beginning of Year	<u>5,954,485</u>	<u>5,837,573</u>
Balance, End of Year	<u>\$ 6,026,780</u>	<u>\$ 5,954,485</u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 1,665,535	\$ 1,683,217
Cash Paid to Suppliers and Employees	<u>(1,293,241)</u>	<u>(1,285,770)</u>
Net Cash Provided By Operating Activities	372,294	397,447
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Capital Acquisitions	(503,928)	(302,971)
Principal Payments	(39,596)	(34,434)
Interest Paid	<u>(43,638)</u>	<u>(32,112)</u>
Net Cash Used In Financing Activities	<u>(587,162)</u>	<u>(369,517)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest	<u>11,283</u>	<u>8,626</u>
Net Cash Provided By Investing Activities	<u>11,283</u>	<u>8,626</u>
Net Change in Cash	(203,585)	36,556
Cash, Beginning of Year	<u>723,783</u>	<u>687,227</u>
Cash, End of Year	<u><u>\$ 520,198</u></u>	<u><u>\$ 723,783</u></u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income from Operations	\$ 104,650	\$ 140,398
Adjustments to Reconcile Increase in Net Position to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	245,320	230,585
Charges for Bad Debt	7,148	6,365
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(2,913)	13,106
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	26,439	(10,172)
Deferred Rent	1,166	(922)
Security Deposit Reserve	0	(1,953)
Pension Related Deferrals and Liabilities	(9,516)	20,040
Net Cash Provided By Operating Activities	<u>\$ 372,294</u>	<u>\$ 397,447</u>

See notes to financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 1 – NATURE OF OPERATIONS

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

Basis of Presentation

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

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

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

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

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

Statutes authorize the Authority to invest in bank maintained tenant security accounts, municipal money markets and municipal certificates of deposits. At various times throughout the year the Authority primarily invests 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 both March 31, 2019 and 2018, there were no cash equivalents.

Property, Plant and Equipment

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

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

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

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounts Receivable

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. Charges against operations for the years ended March 31, 2019 and 2018 was \$7,148 and \$6,365, respectively.

Deferred Outflows and Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows and inflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will therefore not be recognized as an outflow of resources (expense) until then. The Authority reports deferred contributions to pension plan, which is related to contributions subsequent to the measurement date of the pension plan. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period and will therefore not be recognized as an inflow of resources (revenue) until then. The Authority reports deferred inflows related to deferred rent in the statements of net position and deferred inflows from the pension plan.

Funds Held for Others

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

Income Tax Status

As a public benefit corporation, 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.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New York State and Local Employee's Retirement System (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported in the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the statutes governing the System. Investments are reported at fair value.

Deferred Rent Revenue

Deferred rent revenue represents rent payments received in advance of the rent period.

Revenue Recognition

The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Water service revenues are recognized based on actual customer water usage, including estimates for unbilled periods. Other operating revenues are recognized when service has been rendered and collection is reasonably assured. The Authority's operating expenses include operations and maintenance expenses.

Subsequent Events

Management has evaluated subsequent events through June 11, 2019, the date the financial statements were available to be issued. There are no items that would require disclosure as a result of this evaluation.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash balances at March 31, 2019 and 2018 consisted of the following accounts:

	2019	2018
Cash in Bank Checking	\$ 47,356	\$ 60,186
Cash in Bank Savings	451,819	640,587
Renter's Security Deposit	54,546	54,546
Petty Cash	185	185
	<hr/>	<hr/>
Total	\$ 553,906	\$ 755,504
	<hr/>	<hr/>
Cash	\$ 520,198	\$ 723,783
Cash Held for Others	33,708	31,721
	<hr/>	<hr/>
Total	\$ 553,906	\$ 755,504
	<hr/>	<hr/>

Cash held by the Authority at March 31, 2019 and 2018 consists of the following:

	Carrying Value	Bank Balance
March 31, 2019		
Cash:		
Cash on Hand	\$ 185	\$ 0
Bank Accounts	553,721	559,119
	<hr/>	<hr/>
Total Cash	\$ 553,906	\$ 559,119
	<hr/>	<hr/>
	Carrying Value	Bank Balance
March 31, 2018		
Cash:		
Cash on Hand	\$ 185	\$ 0
Bank Accounts	755,319	814,560
	<hr/>	<hr/>
Total Cash	\$ 755,504	\$ 814,560
	<hr/>	<hr/>

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 3 – DEPOSITS WITH FINANCIAL INSTITUTIONS –

Continued

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's deposits are secured by \$357,298 from the Federal Depository Insurance Corporation plus \$201,821 of pledged collateral at March 31, 2019. For the Authority, all pledged collateral and all investments are classified in the highest category by being held in bank trust departments in the Authority's name.

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

Activity for property, plant and equipment and changes in accumulated depreciation for the year ended March 31, 2019 is as follows:

	Balance March 31, 2018	Additions	Deductions	Balance March 31, 2019
Land	\$ 1,457,006	\$ 0	\$ 0	\$ 1,457,006
Office Equipment	249,693	0	0	249,693
Operating Equipment	584,693	12,395	0	597,088
Buildings	4,345,847	295,382	0	4,641,229
Permanent Improvements	4,122,738	225,520	0	4,348,258
Utilities	319,830	0	0	319,830
Construction in Progress	29,369	0	29,369	0
	11,109,176	533,297	29,369	11,613,104
Less: Accumulated Depreciation	4,848,674	245,320	0	5,093,994
Net Property, Plant and Equipment	<u>\$ 6,260,502</u>	<u>\$ 287,977</u>	<u>\$ 29,369</u>	<u>\$ 6,519,110</u>

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT – Continued

Activity for property, plant and equipment and changes in accumulated depreciation for the year ended March 31, 2018 is as follows:

	Balance March 31, 2017	Additions	Deductions	Balance March 31, 2018
Land	\$ 1,457,006	\$ 0	\$ 0	\$ 1,457,006
Office Equipment	249,693	0	0	249,693
Operating Equipment	550,063	53,201	18,571	584,693
Buildings	4,345,847	0	0	4,345,847
Permanent Improvements	3,892,123	230,615	0	4,122,738
Utilities	319,830	0	0	319,830
Construction in Progress	0	29,369	0	29,369
	<u>10,814,562</u>	<u>313,185</u>	<u>18,571</u>	<u>11,109,176</u>
Less: Accumulated Depreciation	<u>4,626,446</u>	<u>230,585</u>	<u>8,357</u>	<u>4,848,674</u>
Net Property, Plant and Equipment	<u>\$ 6,188,116</u>	<u>\$ 82,600</u>	<u>\$ 10,214</u>	<u>\$ 6,260,502</u>

Depreciation and amortization charged to expense at March 31, 2019 and 2018 was \$245,320 and \$230,585, respectively.

NOTE 5 – SHORT-TERM DEBT

The Authority and its bank entered into a line-of-credit agreement which provides for maximum borrowing of up to \$100,000 at an interest rate of prime plus .75%. The line-of-credit agreement is renewable annually. At March 31, 2019 and 2018, there were no borrowings under the line-of-credit agreement. The prime interest rate was 5.50% and 4.75% at March 31, 2019 and 2018, respectively.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 6 – NOTES PAYABLE

Notes Payable is made up of the following obligations:

	Balance at March 31, 2018	Additions	Reductions	Balance at March 31, 2019
Notes Payable:				
YNY DED-IIDP	\$ 75,498	\$ 0	\$ 0	\$ 75,498
First Pioneer Farm Credit	<u>811,712</u>	<u>0</u>	<u>39,596</u>	<u>772,116</u>
Total Notes Payable	<u>\$ 887,210</u>	<u>\$ 0</u>	<u>\$ 39,596</u>	<u>\$ 847,614</u>

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

In April 2013, the Authority refinanced the remaining portion of the First Pioneer Farm Credit note payable and received \$566,813 in new debt. Note payable to First Pioneer Farm Credit at an interest rate of prime with monthly payments of \$5,739 through April 2033. The note is secured by real estate. Changes in long-term liabilities are as follows:

	Principal Payments on Notes	Interest Payable	Total Debt Service on Notes
2020	\$ 39,049	\$ 23,967	\$ 63,016
2021	44,179	24,690	68,869
2022	45,750	23,119	68,869
2023	47,377	21,492	68,869
2024	49,062	19,807	68,869
Thereafter	546,699	91,839	638,538
YNY DED-IIDP	<u>75,498</u>	<u>0</u>	<u>75,498</u>
	847,614	<u>\$ 204,914</u>	<u>\$ 1,052,528</u>
Less: Current Portion	<u>39,049</u>		
Total	<u>\$ 808,565</u>		

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 7 – BENEFIT PLANS

General Information about the Pension Plan

Plan Description

The Authority participates in the New York State and Local Employees' Retirement System (ERS) which is referred to as New York State and Local Retirement System (the System). This is a cost sharing multiple employer defined benefit retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or by writing to the New York State and Local Employees' Retirement System, Alfred E. Smith State Office Building, State Street, Albany, New York 12244.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 7 – BENEFIT PLANS – Continued

General Information about the Pension Plan – Continued

Contributions

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	Annual Contributions
2017	<u>\$ 44,135</u>
2018	<u>\$ 43,089</u>
2019	<u>\$ 40,861</u>

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 7 – BENEFIT PLANS – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

At March 31, 2019 and 2018, the Authority reported a liability of \$32,593 and \$120,246, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018 and 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2019 and 2018, the Authority's proportion was .0010099% and .0012797%, respectively.

At March 31, 2019 and 2018, the Authority reported deferred outflows/inflows of resources related to pensions from the following sources:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 11,625	\$ 9,606
Changes of Assumptions	21,612	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	47,339	93,443
Changes in Proportion and Differences Between the Employer Contributions and Proportionate Share of Contributions	3,800	27,930
Authority Contributions Subsequent to the Measurement Date	<u>40,861</u>	<u>0</u>
Total	<u>\$ 125,237</u>	<u>\$ 130,979</u>

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 7 – BENEFIT PLANS – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions – Continued

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,013	\$ 18,260
Changes of Assumptions	41,080	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	24,018	0
Changes in Proportion and Differences Between the Employer Contributions and Proportionate Share of Contributions	1,897	22,442
Authority Contributions Subsequent to the Measurement Date	<u>43,089</u>	<u>0</u>
Total	<u>\$ 113,097</u>	<u>\$ 40,702</u>

Authority contributions subsequent to the measurement date of \$40,861, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended March 31, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:

2019	\$ (1,081)
2020	(2,909)
2021	(29,317)
2022	<u>(13,296)</u>
Total	<u>\$ (46,603)</u>

Deferred outflows of resources of \$43,089 at March 31, 2018 resulting from the Authority's contributions subsequent to the measurement date, were recognized as a reduction of the net pension liability in the year ended March 31, 2019.

For the years ended March 31, 2019 and 2018, the Authority recognized pension expense of \$31,345 and \$63,130, respectively.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 7 – BENEFIT PLANS – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions – Continued

Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017 with update procedures used to roll forward the total pension liability to March 31, 2018. The total pension liability for the March 31, 2017 measurement date was determined using an actuarial valuation as of April 1, 2016, with update procedures to roll forward the total pension liability to March 31, 2017. The actuarial valuation used the following actuarial assumptions.

	2018	2017
Inflation Rate	2.5%	2.5%
Salary Increases	3.8%	3.8%
Investment Rate of Return (Net of Investment Expense, Including Inflation)	7.0%	7.0%
Cost of Living Adjustment	1.3%	1.3%

Annuitant mortality rates are based on April 1, 2010 to March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 7 – BENEFIT PLANS – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions – Continued

Expected Rate of Return on Investments – Continued

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 and 2017 are summarized below:

Asset Class	Expected Real Rate of Return	
	2018	2017
Domestic Equities	4.6%	4.6%
International Equities	6.4%	6.4%
Real Estate	5.8%	5.8%
Private Equity/Alternative Investments	7.5%	7.8%
Absolute Return Strategies	4.0%	4.0%
Opportunistic Portfolio	5.7%	5.9%
Real Assets	5.3%	5.5%
Cash	-0.3%	-0.3%
Inflation-Indexed Bonds	1.3%	1.5%

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% at March 31, 2018 and 2017. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 7 – BENEFIT PLANS – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions – Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority’s March 31, 2019 proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease 6.00%	Current Assumption 7.00%	1% Increase 8.00%
Authority's Proportionate Share of the Net Pension (Asset) Liability	<u>\$ 246,609</u>	<u>\$ 32,593</u>	<u>\$ (146,456)</u>

The following presents the Authority’s March 31, 2018 proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease 6.00%	Current Assumption 7.00%	1% Increase 8.00%
Authority's Proportionate Share of the Net Pension (Asset) Liability	<u>\$ 384,042</u>	<u>\$ 120,246</u>	<u>\$ (102,793)</u>

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 7 – BENEFIT PLANS – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions – Continued

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of a valuation date of March 31, 2018 and 2017 were as follows:

	(Dollars in Thousands)	
	2018	2017
Employer's Total Pension Liability	\$ 183,400,590	\$ 177,400,586
Plan Net Position	<u>(180,173,142)</u>	<u>(168,004,363)</u>
Employer's Net Pension Liability	<u>\$ 3,227,448</u>	<u>\$ 9,396,223</u>
Ratio of Plan Net Position to the Employers' Total Pension Liability	<u>98.2%</u>	<u>94.7%</u>

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 8 – RECENT AND UPCOMING PRONOUNCEMENTS

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefore. The Authority is required to adopt the provisions of this Statement for the year ending March 31, 2020.

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The Authority is required to adopt the provisions of this Statement for the year ending March 31, 2020.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

NOTE 8 – RECENT AND UPCOMING PRONOUNCEMENTS

Continued

GASB Statement No. 87, Leases, was issued in June 2017. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Authority is required to adopt the provisions of this Statement for the year ending March 31, 2021.

GASB Statement No. 88, "*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*", was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Association is required to adopt the provisions of this Statement for the year ending March 31, 2020.

GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", was issued in June 2018. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. The Association is required to adopt the provisions of this Statement for the year ending March 31, 2021.

The Authority's management has not yet assessed the impact of these statements on its future financial statements.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS

Year Ended March 31, 2019

	2019	2018	2017	2016	2015
NYSLRS Pension Plan					
Contractually Required Contributions	\$ 40,861	\$ 43,089	\$ 44,135	\$ 50,890	\$ 69,167
Contributions in Relation to Contractually Required Contributions	<u>(40,861)</u>	<u>(43,089)</u>	<u>(44,135)</u>	<u>(50,890)</u>	<u>(69,167)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Employer's Covered - Employee Payroll	<u>\$ 435,343</u>	<u>\$ 388,414</u>	<u>\$ 360,595</u>	<u>\$ 396,557</u>	<u>\$ 396,514</u>
Contribution as a Percentage of Covered - Employee Payroll	<u>9.4%</u>	<u>11.1%</u>	<u>12.2%</u>	<u>12.8%</u>	<u>17.4%</u>

The Authority is required to present information in this schedule for a ten-year period. Information for the six years prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended March 31, 2019

	2019	2018	2017	2016
NYSLRS Pension Plan				
Employer's Proportion of the Net Pension Liability	0.0010099%	0.0012797%	0.0015253%	0.0014166%
Employer's Proportion Share of the Net Pension Liability	<u>\$ 32,593</u>	<u>\$ 120,246</u>	<u>\$ 244,808</u>	<u>\$ 47,858</u>
Employer's Covered-Employee Payroll During Measurement Period	<u>\$ 435,343</u>	<u>\$ 388,414</u>	<u>\$ 360,595</u>	<u>\$ 396,557</u>
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	<u>7.5%</u>	<u>31.0%</u>	<u>67.9%</u>	<u>12.1%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>98.2%</u>	<u>94.7%</u>	<u>90.7%</u>	<u>97.9%</u>

The Authority is required to present information in this schedule for a ten-year period. Information for the seven years prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

CENTRAL NEW YORK REGIONAL MARKET AUTHORITY

OTHER FINANCIAL INFORMATION

SCHEDULE OF OPERATING EXPENSES

Years Ended March 31, 2019 and 2018

	2019	2018
Payroll	\$ 435,343	\$ 388,414
Payroll Taxes and Benefits	65,173	93,883
Repairs to Building	8,985	24,525
Repairs to Grounds	15,171	27,591
Repairs to Equipment	14,770	5,457
Fuel and Oil Expenses	4,209	4,343
Operating Expenses	14,428	5,123
Maintenance Supplies	19,216	18,444
Office Equipment	10,492	20,025
Telephone	7,348	6,743
Association Licensing Fees	1,854	4,179
Reimbursements	1,289	0
Miscellaneous Expenses	2,904	5,718
Security	189,571	224,611
Trash Removal	5,700	6,195
Operating Insurance	70,348	60,064
Health and Life Plan	118,863	122,917
Dental Plan	5,780	7,337
Advertising and Promotion	51,563	30,274
Travel	11,384	11,210
Legal and Professional	68,702	38,288
Payroll Processing	6,495	6,469
Electricity	93,856	94,282
Gas	31,438	21,504
Water and Sewer	49,300	58,802
Depreciation and Amortization	245,320	230,585
Bad Debt Expense	7,148	6,365
	<u>7,148</u>	<u>6,365</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 1,556,650</u></u>	<u><u>\$ 1,523,348</u></u>

See notes to financial statements.



Dermody, Burke & Brown, CPAs, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Central New York Regional Market Authority (the Authority), which comprise the statement of net position as of March 31, 2019, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control Over Financial Reporting – Continued

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

June 11, 2019



Dermody, Burke & Brown, CPAs, LLC

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES**

**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) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended March 31, 2019. 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, 2019.

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

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

June 11, 2019