

TOWN OF GUILDERLAND
INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2006

TABLE OF CONTENTS

	<u>Page</u>
Annual Financial Report For Industrial Development Agencies	1
Independent Auditors' Report	2-3
Management's Discussion And Analysis (MD&A)	4-5
Balance Sheet	6
Statement Of Revenues, Expenses And Changes In Net Assets	7
Statement Of Cash Flows	8-9
Note To Financial Statements	10-12
 <u>SUPPLEMENTAL INFORMATION</u>	
Statement Of Indebtedness	13
Maturity Schedule For Bonds Issued During The Year	14-16
Schedules Of Supplemental Information	17-24
Bank Reconciliation	25
Certificate Of Chief Fiscal Officer	26
Schedule of Revenues, Expenditures, And Changes In Net Assets-Budget (Non-GAAP Basis) And Actual For The Year Ended December 31, 2006	27
Schedule of Revenues, Expenditures, And Changes In Net Assets-Budget (Non-GAAP Basis) For The Year Ending December 31, 2007	28
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	29-30

**INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL FINANCIAL REPORT**

___ Please check here if the name, address, and/or telephone number is different from last year.

FOR Town of Guilderland Industrial Development Agency
(name of Industrial Development Agency)

(name of sponsoring municipality)

FOR THE FISCAL YEAR ENDED December 31, 2006

General Municipal Law, Section 859 (1):

(b) Within ninety days following the close of its fiscal year, each agency or authority shall prepare a financial statement for that fiscal year in such form as may be prescribed by the State Comptroller. Such statement shall be audited within such ninety day period by an independent certified public accountant...

(c) Within thirty days after completion, a copy of the audited financial statement shall be transmitted to the Commissioner of the Department of Economic Development, the State Comptroller and the governing body of the municipality for whose benefit the agency was created.

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The Chairman and Board of Directors
Town of Guilderland Industrial Development Agency
Guilderland, New York

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Town of Guilderland Industrial Development Agency (a public benefit corporation), as of and for the year ended December 31, 2006, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Guilderland Industrial Development Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Town of Guilderland Industrial Development Agency as of December 31, 2006, and the respective changes in financial position and cash flows, thereof for the year 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 April 25, 2007 on our consideration of the Town of Guilderland Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The schedules of supplemental information on pages 17 through 24 contained in the financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis and budgetary comparison information on pages 4, 5, 27, and 28 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Tul Becker & Charamonte CPAs P.C.

Albany, New York
April 25, 2007

Management's Discussion And Analysis (MD&A)

The Chairman, Board of Directors, and management of the Town of Guilderland Industrial Development Agency (the Agency) offers readers of the Agency's financial statements this narrative overview and analysis of their financial activities for the years ended December 31, 2006 and 2005. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Agency's financial statements, which follow this narrative.

Financial Highlights

- The Agency's net assets decreased by \$2,294 (or 3.4%) to \$65,061 during the year ended December 31, 2006, as compared to the previous year when net assets decreased by \$3,132 (or 4.4%) to \$67,355.
- Total operating expenses of the Agency were \$4,350 during the year ended December 31, 2006 as compared to the previous year when total operating expenses of the Agency were \$4,350.

Overview of the Financial Statements

The Agency's basic financial statements consist of three components: (1) the MD&A, (2) fund financial statements, and (3) note to the financial statements. Because the Agency is a public benefit corporation engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Agency. In addition to the management's discussion and analysis, management has prepared the Balance Sheet, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows, following the MD&A.

Overview of the Agency

The Town of Guilderland Industrial Development Agency's primary mission is to encourage economic growth and expansion through financial incentives, thus advancing job opportunities, health, general prosperity, and economic welfare of the people of the Town of Guilderland and the State of New York. The Agency's operations are funded entirely through fees for services and investment income.

Fund Financial Statements

The financial statements are presented on the fund basis. The fund financial statements provide a more detailed look at the Agency's activities by focusing on the individual activities of the Fund. The Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Note to the Financial Statements

The next section of the financial statements is the note to the financial statements. The note provides additional information that is essential to a full understanding of the data provided in the financial statements. The note to the financial statements is on pages ten through twelve of this report. After the note, the supplemental information is provided to show details about the Agency's bonds.

Other Information

In addition to the basic financial statements and accompanying note, this report includes certain required supplementary information required by the New York State Office of the State Comptroller.

The Agency's Net Assets

Figure 1

	<u>2006</u>	<u>2005</u>
Current Assets	<u>\$65,061</u>	<u>\$67,355</u>
Total Assets	<u>\$65,061</u>	<u>\$67,355</u>
Unrestricted Net Assets	<u>\$65,061</u>	<u>\$67,355</u>
Total Unrestricted Net Assets	<u>\$65,061</u>	<u>\$67,355</u>

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Agency exceeded liabilities by \$65,061 as of December 31, 2006. The Agency's net assets decreased by \$2,294 for the year ended December 31, 2006. The assets of the Agency exceeded liabilities by \$67,355 as of December 31, 2005. The Agency's net assets decreased by \$3,132 for the year ended December 31, 2005. The largest portion of net assets (100%) reflects the Agency's cash accounts.

Change in Net Assets

	<u>2006</u>	<u>2005</u>
Total Income	\$ 2,056	\$ 1,218
Total Expenses	<u>4,350</u>	<u>4,350</u>
Change In Net Assets	<u>\$(2,294)</u>	<u>\$(3,132)</u>

ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED December 31, 2006

	<u>EDP CODE</u>	<u>AMOUNT</u>
<u>Operating Revenues</u>		
Charges for Services	ED515S	\$ 250
	ED _____S	-0-
Total Operating Revenues		\$ 250
<u>Operating Expenses</u>		
Personal Services		
Contractual Expenses	ED625.1S	-0-
Employee Benefits	ED625.4S	4,350
Depreciation	ED625.8S	-0-
	ED603.4S	-0-
Total Operating Expenses		\$ 4,350
Operating Income (Loss)		\$ (4,100)
<u>Non-Operating Revenues (Expenses)</u>		
Revenues:		
Use of Money and Property	ED525S	\$ 1,806
Sale of Property and Compensation for Loss	ED530S	-0-
	ED _____S	-0-
Expenses: (Specify)		
	ED _____S	-0-
	ED _____S	-0-
Net Non-Operating Revenue (Expense)		\$ 1,806
Income (Loss) Before Transfers and Taxes		\$ (2,294)
Operating Transfers In	ED555S	-0-
Operating Transfers Out	ED655.9S	-0-
Real Property Taxes	ED _____4S	-0-
Net Income (Loss)		\$ (2,294)
Net Assets - Beginning of Year	ED400S	\$ 67,355
Adjustments: (Specify)		
	ED _____S	-0-
	ED _____S	-0-
Net Assets - End of Year	ED405S	\$ 65,061

The note to the financial statements is an integral part of this statement.

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED December 31, 2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>EDP CODE</u>	<u>AMOUNT</u>
Cash Flows from Operating Activities:		
Cash Received from Providing Services	ED7111S	\$ 250
Cash Payments Contractual Expenses	ED7112S	(4,350)
Cash Payments Personal Services & Benefits	ED7113S	-0-
Other Operating Revenues	ED7114S	-0-
Net Cash Provided (Used) by Operating Activities	ED7119S	\$ (4,100)
Cash Flows from Non-Capital and Financing Activities:		
Real Property Taxes	ED7121S	\$ -0-
Operating Grants Received	ED7122S	-0-
Transfers To/From Other Funds	ED7123S	-0-
Proceeds of Debt (Non-Capital)	ED7124S	-0-
Payment of Debt (Non-Capital)	ED7125S	-0-
Interest Expenses (Non-Capital)	ED7126S	-0-
Net Cash Provided (Used) by Non-Capital Financing Activities	ED7129S	\$ -0-
Cash Flows from Capital and Related Financing Activities:		
Proceeds of Debt (Capital)	ED7131S	\$ -0-
Principal Payments Debt (Capital)	ED7132S	-0-
Interest Expenses (Capital)	ED7133S	-0-
Capital Contributed by Developers	ED7134S	-0-
Capital Contributed by Other Funds	ED7135S	-0-
Payments to Contractors	ED7136S	-0-
Capital Grants Received from Other Governments	ED7137S	-0-
Proceeds from Sale of Assets	ED7138S	-0-
Net Cash Provided (Used) by Capital and Related Financing Activities	ED7139S	\$ -0-

The note to the financial statements is an integral part of this statement.

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED December 31, 2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (Continued)

<u>EDP CODE</u>	<u>AMOUNT</u>
Cash Flows from Investing Activities:	
Purchase of Investments	\$ -0-
Sale of Investments	-0-
Interest Income	1,806
Net Cash Provided (Used) by Investing Activities	\$ 1,806
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (2,294)
Cash and Cash Equivalents at Beginning of Year	67,355
Cash and Cash Equivalents at End of Year	65,061
RECONCILIATION OF OPERATING INCOME TO NET CASH	
Operating Income (Loss)	\$ (2,294)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) from Operations:	
Depreciation	\$ -0-
Increase/Decrease in Assets Other than Cash and Cash Equivalents	-0-
Increase/Decrease in Liabilities Other than Cash and Cash Equivalents	-0-
Other Reconciling Items:	-0-
_____	-0-
_____	-0-
_____	-0-
_____	-0-
Total Adjustments	\$ -0-
Net Cash Provided (Used) by Operating Activities	\$ (2,294)

The note to the financial statements is an integral part of this statement.

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

Note To Financial Statements

Note 1: Organization And Summary Of Significant Accounting Policies

Organization

The Town of Guilderland Industrial Development Agency (the Agency) was created on April 3, 1973, by the provisions of Chapter 146 of the 1973 Laws of the State of New York, Section 909-a of the General Municipal Law of New York State, for the purpose of encouraging economic growth in the Town of Guilderland. Although its members are appointed by the Board of the Town of Guilderland, the Agency is a separate public benefit corporation and operates independently of the Town of Guilderland.

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America. A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Summary of significant accounting policies

(a) Basis of accounting

The Agency utilizes the accrual basis of accounting wherein revenue is recognized when earned and expenses are recognized when incurred. The accompanying financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the *Government Accounting Standards Board (GASB)*, which is the primary standard setting body for establishing governmental accounting and financial principles.

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

Note To Financial Statements

Note 1: Organization And Summary Of Significant Accounting Policies (Continued)

(b) Income taxes

The Agency is exempt from federal, state, and local income taxes.

(c) Cash and cash equivalents

The Agency's investment policies are governed by State statutes. The Agency's funds must be deposited in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

At December 31, 2006, the carrying amount of the Agency's deposits, including cash, is \$65,061. The insured and collateral status of the year end bank balance are as follows:

Status of bank balance:

Covered by federal deposit insurance	<u>\$65,061</u>
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Total Bank Balance	<u>\$65,061</u>
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