

*TOWN OF GUILDERLAND
INDUSTRIAL DEVELOPMENT AGENCY*

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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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 (the Agency) (a public benefit corporation), as of and for the years ended December 31, 2010 and 2009, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 the 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 respective financial position of the governmental activities and the business-type activities of the Agency as of December 31, 2010 and 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2011, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(1)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 4 and Schedule II, 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 audits 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.

Tul Beecher & Charanmonte LLPs P.C.

Albany, New York
March 21, 2011

Management's Discussion and Analysis (MD&A)

The Chairman, Board of Directors, and management of the Town of Guilderland Industrial Development Agency (the Agency) offer readers of the Agency's financial statements this narrative overview and analysis of their financial activities for the year ended December 31, 2010. 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 increased by \$2,944 (or 3.28%) to \$92,659 as compared to the previous year when net assets decreased by \$7,857 (or 8.05%) to \$89,715.
- Total operating expenses of the Agency were \$8,890 during the year ended December 31, 2010 as compared to the previous year when total operating expenses of the Agency were \$8,225.

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 Statements of Net Assets, the Statements of Revenues, Expenses, and Changes in Net Assets, and the Statements 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.

Projects in 2010

There were no new Agency projects during the year ended December 31, 2010. The Agency met to approve two changes to current projects during the 2010 Fiscal Year as follows:

1. A resolution authorizing an extension of the maturity date of the agency's civic facility revenue bond (The Young Men's Christian Association of the Capital District Project), series 1990a in the principal amount of \$5,250,000, issued by the Town of Guilderland Industrial Development Agency on June 1, 1999.
2. A resolution authorizing bond amendment and execution of certain documents in connection with the multi-mode variable rate civic facility revenue bond (Western Turnpike Rescue Squad Inc. Project), series 2001a in the original aggregate principal amount of \$2,900,000, issued by Town of Guilderland Industrial Development Agency on October 31, 2001.

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. 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>2010</u>	<u>2009</u>
Current Assets	<u>\$ 92,659</u>	<u>\$ 89,715</u>
Total Assets	<u>\$ 92,659</u>	<u>\$ 89,715</u>
Unrestricted Net Assets	<u>\$ 92,659</u>	<u>\$ 89,715</u>
Total Unrestricted Net Assets	<u>\$ 92,659</u>	<u>\$ 89,715</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 \$92,659 as of December 31, 2010. The Agency's net assets increased by \$2,944 for the year ended December 31, 2010. The assets of the Agency exceeded liabilities by \$89,715 as of December 31, 2009. The Agency's net assets decreased by \$7,857 for the year ended December 31, 2009. The largest portion of net assets reflects the Agency's cash accounts.

Change in Net Assets

	<u>2010</u>	<u>2009</u>
Total Revenues	\$11,834	\$ 368
Total Expenses	<u>8,890</u>	<u>8,225</u>
Change In Net Assets	<u>\$ 2,944</u>	<u>\$(7,857)</u>

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

Statements Of Net Assets

December 31

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 91,909	\$ 88,965
Prepaid expenses	<u>750</u>	<u>750</u>
Total Assets	<u>\$ 92,659</u>	<u>\$ 89,715</u>
 <u>Liabilities And Net Assets</u>		
Net assets	<u>\$ 92,659</u>	<u>\$ 89,715</u>
Total Liabilities And Net Assets	<u>\$ 92,659</u>	<u>\$ 89,715</u>

The accompanying notes are an integral part of these financial statements

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

Statements Of Revenues, Expenses, And Changes In Net Assets

For The Years Ended December 31

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Fees	\$ 11,432	\$ -
Total operating revenues	<u>11,432</u>	<u>-</u>
Operating expenditures:		
Administration	6,315	5,650
Personal services	<u>2,575</u>	<u>2,575</u>
Total operating expenditures	<u>8,890</u>	<u>8,225</u>
Operating income (loss)	<u>2,542</u>	<u>(8,225)</u>
Non-operating revenues:		
Interest income	<u>402</u>	<u>368</u>
Total non-operating revenues	<u>402</u>	<u>368</u>
Net income (loss)	2,944	(7,857)
Net assets - beginning	<u>89,715</u>	<u>97,572</u>
Net Assets - Ending	<u>\$ 92,659</u>	<u>\$ 89,715</u>

The accompanying notes are an integral part of these financial statements

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

Statements Of Cash Flows

For The Years Ended December 31

	<u>2010</u>	<u>2009</u>
Cash Flows From (For) Operating Activities:		
Receipts from fees	\$ 11,432	\$ -
Payments for personal services	(2,575)	(2,575)
Payments for administrative expenses	<u>(6,315)</u>	<u>(5,650)</u>
Net cash provided (used) by operating activities	<u>2,542</u>	<u>(8,225)</u>
Cash Flows From Investing Activities:		
Interest	<u>402</u>	<u>368</u>
Net cash provided by investing activities	<u>402</u>	<u>368</u>
Net increase (decrease) in cash and cash equivalents	2,944	(7,857)
Cash and cash equivalents - beginning of year	<u>88,965</u>	<u>96,822</u>
Cash And Cash Equivalents - End Of Year	<u>\$ 91,909</u>	<u>\$ 88,965</u>
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:		
Operating income (loss)	<u>\$ 2,542</u>	<u>\$ (8,225)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 2,542</u>	<u>\$ (8,225)</u>

The accompanying notes are an integral part of these financial statements

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 accounting principles generally accepted in the United States of America (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) 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, 2010, the carrying amount of the Agency's deposits, including cash, is \$91,909. The insured and collateral status of the year end bank balance are as follows:

Status of bank balance:	
Covered by federal deposit insurance	<u>\$91,909</u>
Total Bank Balance	<u>\$91,909</u>

(c) Income taxes

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

(d) Industrial revenue bond and note transactions

Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by these payments. The bonds and notes are not obligations of the Agency or New York State. The Agency does not record the assets or liabilities resulting from completed bonds and notes issued in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

At December 31, 2010, the original issue value of bonds issued aggregated \$17,930,000 and the outstanding balance was \$11,714,800.

SUPPLEMENTAL INFORMATION

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

Schedule Of Bond Indebtedness

For The Year Ended December 31, 2010

Name of Project	Principal Amount of Issue	Issue Date	Outstanding		Issues During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year
			Beginning of Fiscal Year	Fiscal Year			
Guilderland YMCA	\$ 5,250,000	6/1/1999	\$ 3,663,800	\$ -	\$ 239,000	\$ 3,424,800	
Western Turnpike Rescue Squad, Inc.	2,900,000	10/31/2001	1,995,000	-	135,000	1,860,000	
Wildwood Programs, Inc.	9,780,000	6/22/2007	6,980,000	-	550,000	6,430,000	
Total	\$ 17,930,000		\$ 12,638,800	\$ -	\$ 924,000	\$ 11,714,800	

See paragraph on supplementary schedules in independent auditors' report

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

Required Supplementary Information
 Schedule Of Revenues, Expenditures, And Changes In Net Assets - Budget
 (Non-GAAP Basis) And Actual

For The Year Ended December 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Fees	\$ -	\$ 11,432	\$ 11,432
Interest income	<u>1,000</u>	<u>402</u>	<u>(598)</u>
 Total revenues	 <u>1,000</u>	 <u>11,834</u>	 <u>10,834</u>
 Expenditures:			
Accounting fees	4,900	5,100	200
Executive assistant services	2,000	1,575	(425)
Officer compensation	1,000	1,000	-
NYS Economic Development Council	750	750	-
Administrative expenses	100	465	365
Consulting fees	1,500	-	(1,500)
View book production grant	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
 Total expenditures	 <u>13,250</u>	 <u>8,890</u>	 <u>(4,360)</u>
 Net change in net assets	 (12,250)	 2,944	 <u>\$ 15,194</u>
 Net assets - beginning	 <u>89,715</u>	 <u>89,715</u>	
 Net Assets - Ending	 <u>\$ 77,465</u>	 <u>\$ 92,659</u>	

See paragraph on supplementary schedules in independent auditors' report

**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***

The Chairman and Board of Directors
Town of Guilderland Industrial Development Agency

We have audited the financial statements of the governmental activities and the business-type activities of the Town of Guilderland Industrial Development Agency (the Agency), as of and for the year ended December 31, 2010, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

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. However, we identified a certain deficiency in internal control over financial reporting, described below, that we consider to be a significant deficiency in internal control over financial reporting. We consider the following deficiency in the Agency's internal control to be a significant deficiency:

- We noted that the Agency does not have the necessary expertise in order to prepare their financial statements, including all required footnote disclosures in conformity with accounting principles generally accepted in the United States of America; therefore, we are engaged to produce them, on your behalf, from your financial records.

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.

The Agency's response to the findings identified in our audit is described as follows:

- The Agency has responded to the significant deficiency described above with a statement that it is not considered cost effective to hire an individual with the suitable skills and knowledge to prepare the financial statements based on the size of the Organization.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 management, the Chairman and Board of Directors, the State of New York Office of the State Comptroller, and the Commissioner of Economic Development, and is not intended to be and should not be used by anyone other than these specified parties.