

**TOWN OF GUILDERLAND
INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL REPORT
DECEMBER 31, 2012**

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-5
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	6
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION	7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9-10
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BASIS) AND ACTUAL	12
SCHEDULE OF BOND INDEBTEDNESS	13
INDEPENDENT AUDITOR'S 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>	13-14

Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

James E. Amell, CPA

Carol A. Hausamann, CPA

Benjamin R. Lasher, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Timothy A. Reynolds, CPA

Leo A. Rigby, CPA

Thomas J. Ross, CPA

Heather D. Patten, CPA

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

111 Everts Avenue

Queensbury, NY 12804

Ph: 518-792-6596

Fx: 518-792-6635

Email:

webmaster@marvincpa.com

Web:

<http://www.marvincpa.com>

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Town of Guilderland Industrial Development Agency (Agency), a public benefit corporation, as of and for the year ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Town of Guilderland Industrial Development Agency, as of December 31, 2012, and 2011, and the respective changes in financial position and 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 on pages 4 and 5 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Guilderland Industrial Development Agency's basic financial statements. The accompanying supplemental schedules of revenues, expenditures, and changes in net position - budget (non-GAAP basis) and actual and bond indebtedness on pages 11 and 12, respectively are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues, expenditures, and changes in net position - budget (non-GAAP basis) and actual and schedule of bond indebtedness are the responsibility of management and were 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 revenues, expenditures, and changes in net position - budget (non-GAAP basis) and actual and schedule of bond indebtedness are 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 March 18, 2013 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 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 Town of Guilderland Industrial Development Agency's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY
March 18, 2013

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, 2012. 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 \$12,048 (or 14.58 %) to \$94,663 as compared to the previous year when change in net position increased by \$10,044 (or 10.84%) to \$82,615.
- Total operating expenses of the Agency were \$7,590 during the year ended December 31, 2012 as compared to the previous year when total operating expenses of the Agency were \$10,425.

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 GASB Statement 63. 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 Position, the Statements of Revenues, Expenses, and Changes in Net Position, 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 2012

There was one new Agency project during the year ended December 31, 2012. The Agency provided financial assistance in the restoration and expansion of Hamilton Square (formerly 20 Mall) in a transaction that closed on December 29, 2012. The assistance provided in this straight-lease transaction included exemptions from the State and County portions of sales tax on taxable purchases of goods and services in connection with the restoration and expansion of the Hamilton Square facility, as well as exemption from the State portion of the mortgage recording tax on new money advanced in the refinancing of the mortgage loan on the Hamilton Square property.

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.

Notes to the Financial Statements

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. After the notes, the supplementary schedule provided details about the Agency's revenues, expenditures, and changes in net assets budget (non-GAAP basis) and actual and bond indebtedness.

Other Information

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

The Agency's Net Position

	<u>2012</u>	<u>2011</u>
Current Assets	\$ 94,663	\$ 82,615
Total Assets	\$ 94,663	\$ 82,615
Net position, Unrestricted	\$ 94,663	\$ 82,615
Net Position, Unrestricted	\$ 94,663	\$ 82,615

Net position may serve over time as one useful indicator of a government's financial condition, the assets of the Agency exceeded liabilities by \$94,663 as of December 31, 2012. The Agency's net position increased by \$12,048 for the year ended December 31, 2012. The assets of the Agency exceeded liabilities by \$82,615 as of December 31, 2011. The Agency's net position decreased by \$10,044 for the year ended December 31, 2011. The largest portion of net position reflects the Agency's cash accounts.

Change in Net Position

	<u>2012</u>	<u>2011</u>
Total Revenues	\$ 19,638	\$ 381
Total Expenses	7,590	10,425
Change in Net Position	\$ 12,048	\$ (10,044)

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF NET POSITION
DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Assets		
Cash	\$ 93,913	\$ 81,865
Prepaid expenses	750	750
	<hr/>	<hr/>
Total Assets	<u>\$ 94,663</u>	<u>\$ 82,615</u>
Liabilities and Net Position		
Net position, unrestricted	<u>\$ 94,663</u>	<u>\$ 82,615</u>
Total Liabilities and Net Position	<u>\$ 94,663</u>	<u>\$ 82,615</u>

See accompanying notes to financial statements.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Fees	\$ 19,411	\$ -
Interest income	227	381
Total Operating Revenues	<u>19,638</u>	<u>381</u>
Operating expenditures:		
Administration	5,015	8,000
Personal services	<u>2,575</u>	<u>2,425</u>
Total Operating Expenditures	<u>7,590</u>	<u>10,425</u>
Change in Net Position	12,048	(10,044)
Net Position - beginning of year	<u>82,615</u>	<u>92,659</u>
Net Position - end of year	<u>\$ 94,663</u>	<u>\$ 82,615</u>

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Cash Flows From (For) Operating Activities:		
Receipts from fees	\$ 19,411	\$ -
Interest collected	227	381
Payments for personal services	(2,575)	(2,425)
Payments for administrative expenses	(5,015)	(8,000)
Net cash provided (used) by operating activities	<u>12,048</u>	<u>(10,044)</u>
 Cash - beginning of year	 <u>81,865</u>	 <u>91,909</u>
 Cash - end of year	 <u><u>\$ 93,913</u></u>	 <u><u>\$ 81,865</u></u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	<u>\$ 12,048</u>	<u>\$ (10,044)</u>
 Net Cash Provided (Used) by Operating Activities	 <u><u>\$ 12,048</u></u>	 <u><u>\$ (10,044)</u></u>

See accompanying notes to financial statements.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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.

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 generally accepted accounting principles, 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.

(b) Cash

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.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

(b) Cash

At December 31, 2012, the carrying amount of the Agency's deposits, including cash, is \$94,663. The insured and collateral status of the year end bank balance are as follows:

Status of bank balance:	
Covered by federal deposit insurance	\$ <u>94,663</u>
Total Bank Balance	\$ <u>94,663</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 the 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, 2012, the original issue value of bonds issued aggregated \$12,680,000 and the outstanding balance was \$6,487,918.

2. SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the balance sheet date of through March 18, 2013, which is the date these financial statements were available to be issued, and have determined that there are no subsequent events that require recording or disclosure.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Fees	\$ -	\$ 19,411	\$ (19,411)
Interest income	400	227	173
	<hr/>	<hr/>	<hr/>
Total Revenues	400	19,638	(19,238)
Expenditures:			
Accounting fees	4,200	4,200	-
Executive assistant services	2,000	1,575	425
Officer compensation	1,000	1,000	-
NYS Economic Development Council	750	750	-
Consulting fees	1,500	-	1,500
Miscellaneous expenses	150	-	150
	<hr/>	<hr/>	<hr/>
Total Expenditures	9,600	7,525	2,075
Net Change in Net Postion	(9,200)	12,113	<u>\$ 21,313</u>
Net Position - Beginning	<hr/> 82,615	<hr/> 82,615	
Net Position - Ending	<u>\$ 73,415</u>	<u>\$ 94,728</u>	

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BOND INDEBTEDNESS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Name of Project</u>	<u>Principal Amount of Issue</u>	<u>Issue Date</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issues During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>
Guilderland YMCA	\$ 5,250,000	6/1/1999	\$ 3,181,900	\$ -	\$ 3,181,900	\$ -
Western Turnpike Rescue Squad, Inc.	2,900,000	10/31/2001	1,646,445	-	675,000	971,445
Wildwood Programs, Inc.	9,780,000	6/22/2007	5,715,000	-	198,527	5,516,473
Total	<u>\$ 17,930,000</u>		<u>\$ 10,543,345</u>	<u>\$ -</u>	<u>\$ 4,055,427</u>	<u>\$ 6,487,918</u>

Kevin J. McCoy, CPA
Thomas W. Donovan, CPA
Frank S. Venezia, CPA
James E. Amell, CPA
Carol A. Hausamann, CPA
Benjamin R. Lasher, CPA
Daniel J. Litz, CPA
Karl F. Newton, CPA
Kevin P. O'Leary, CPA
Timothy A. Reynolds, CPA
Leo A. Rigby, CPA

Thomas J. Ross, CPA
Heather D. Patten, CPA

11 British American Blvd.
Latham, NY 12110
Ph: 518-785-0134
Fx: 518-785-0299

111 Everts Avenue
Queensbury, NY 12804
Ph: 518-792-6596
Fx: 518-792-6635

Email:
webmaster@marvincpa.com
Web:
<http://www.marvincpa.com>



INDEPENDENT AUDITOR'S 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
Town of Guilderland Industrial Development Agency

We have audited, 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, the financial statements of the Town of Guilderland Industrial Development Agency as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town of Guilderland Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Guilderland Industrial Development Agency'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 Town of Guilderland Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Guilderland Industrial Development Agency'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.

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 Town of Guilderland Industrial Development Agency'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.

Marvin and Company, P.C.

Latham, NY
March 18, 2013