

**TOWN OF GUILDERLAND
INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL REPORT
DECEMBER 31, 2011**

TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-4
FINANCIAL STATEMENTS	
STATEMENTS OF NET ASSETS	5
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-9
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS - BUDGET (NON-GAAP BASIS) AND ACTUAL	10
SCHEDULE OF BOND INDEBTEDNESS	11
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 <i>GOVERNMENT AUDITING STANDARDS</i>	12-13



Marvin and
company, p.c.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

We have audited the accompanying statement of net assets of the Town of Guilderland Industrial Development Agency (the Agency), a public benefit corporation, as of December 31, 2011, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. 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 audit. The December 31, 2010 financial statements of the Agency were audited by other auditors whose report dated March 21, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 financial position of the Town of Guilderland Individual Development Agency, as of December 31, 2011, and the changes in financial position and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2012 on our consideration of the Town of Guilderland Individual 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 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.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

Email:

webmaster@marvincpa.com

Web:

http://www.marvincpa.com



U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 and 4 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 U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Town of Guilderland Industrial Development Agency as a whole. The accompanying supplementary schedules on pages 10 through 11 are presented for purposes of additional analysis and are not a required part of the financial statements. These supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Marvin and Company, P.C.

March 19, 2012

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, 2011. 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 \$10,044 (or 10.84%) to \$82,615 as compared to the previous year when net assets increased by \$2,944 (or 3.28%) to \$92,659.
- Total operating expenses of the Agency were \$10,425 during the year ended December 31, 2011 as compared to the previous year when total operating expenses of the Agency were \$8,890.

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 2011

There were no new Agency projects during the year ended December 31, 2011.

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 Assets

	<u>2011</u>	<u>2010</u>
Current Assets	\$ 82,615	\$ 92,659
Total Assets	\$ 82,615	\$ 92,659
Unrestricted Net Assets	\$ 82,615	\$ 92,659
Total Unrestricted Net Assets	\$ 82,615	\$ 92,659

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

Change in Net Assets

	<u>2011</u>	<u>2010</u>
Total Revenues	\$ 381	\$ 11,834
Total Expenses	10,425	8,890
Change in Net Assets	<u>\$ (10,044)</u>	<u>\$ 2,944</u>

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF NET ASSETS
DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Assets		
Cash	\$ 81,865	\$ 91,909
Prepaid expenses	750	750
	<hr/>	<hr/>
Total assets	<u>\$ 82,615</u>	<u>\$ 92,659</u>
Liabilities and Net Assets		
Net assets	<u>\$ 82,615</u>	<u>\$ 92,659</u>
Total Liabilities and Net Assets	<u>\$ 82,615</u>	<u>\$ 92,659</u>

See accompanying notes to financial statements.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Fees	\$ -	\$ 11,432
Interest income	381	402
Total operating revenues	<u>381</u>	<u>11,834</u>
Operating expenditures:		
Administration	8,000	6,315
Personal services	<u>2,425</u>	<u>2,575</u>
Total operating expenditures	<u>10,425</u>	<u>8,890</u>
Change in net assets	(10,044)	2,944
Net assets - Beginning of year	<u>92,659</u>	<u>89,715</u>
Net assets - End of year	<u><u>\$ 82,615</u></u>	<u><u>\$ 92,659</u></u>

See accompanying notes to financial statements.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Cash Flows From (For) Operating Activities:		
Receipts from fees	\$ -	\$ 11,432
Interest collected	381	402
Payments for personal services	(2,425)	(2,575)
Payments for administrative expenses	<u>(8,000)</u>	<u>(6,315)</u>
Net cash provided (used) by operating activities	(10,044)	2,944
Cash - Beginning of year	<u>91,909</u>	<u>88,965</u>
Cash - End of year	<u><u>\$ 81,865</u></u>	<u><u>\$ 91,909</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (10,044)	<u>\$ 2,944</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (10,044)</u></u>	<u><u>\$ 2,944</u></u>

See accompanying notes to financial statements.

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

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 U.S. generally accepted accounting principles. 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 U.S. 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, 2011 AND 2010**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies

(b) Cash

At December 31, 2011, the carrying amount of the Agency's deposits, including cash, is \$84,865. The insured and collateral status of the year end bank balance are as follows:

Status of bank balance:	
Covered by federal deposit insurance	<u>\$ 84,865</u>
Total Bank Balance	<u>\$ 84,865</u>

(c) Income taxes

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

Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize their tax-exempt status. Management of the Town of Guilderland Industrial Development Agency is not aware of any events that could jeopardize their tax exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements.

(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, 2011, the original issue value of bonds issued aggregated \$17,930,000 and the outstanding balance was \$10,543,345.

2. SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the balance sheet date of December 31, 2011 through March 19, 2012, 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 ASSETS -
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Fees	\$ -	\$ -	\$ -
Interest Income	<u>600</u>	<u>381</u>	<u>219</u>
 Total revenues	 <u>600</u>	 <u>381</u>	 <u>219</u>
Expenditures:			
Accounting fees	5,300	5,000	300
Executive assistant services	2,000	1,425	575
Officer compensation	1,000	1,000	-
NYS Economic Development Council	750	750	-
Administrative expenses	100	2,250	(2,150)
Consulting fees	1,500	-	1,500
View book production grant	-	-	-
Miscellaneous expenses	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures	 <u>10,650</u>	 <u>10,425</u>	 <u>225</u>
 Net change in net assets	 (10,050)	 (10,044)	 <u>\$ (6)</u>
 Net assets - beginning	 <u>92,659</u>	 <u>92,659</u>	
 Net Assets - Ending	 <u>\$ 82,609</u>	 <u>\$ 82,615</u>	

**TOWN OF GUILDERLAND INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BOND INDEBTEDNESS
FOR THE YEAR ENDED DECEMBER 31, 2011**

<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	\$ 3,424,800	\$ -	\$ 242,900	\$ 3,181,900
Western Turnpike Rescue Squad, Inc.	2,900,000	10/31/2001	1,817,682	-	171,237	1,646,445
Wildwood Programs, Inc.	9,780,000	6/22/2007	6,430,000	-	715,000	5,715,000
Total	<u>\$ 17,930,000</u>		<u>\$ 11,672,482</u>	<u>\$ -</u>	<u>\$ 1,129,137</u>	<u>\$ 10,543,345</u>



**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**

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

Board of Directors
Town of Guilderland Industrial Development Agency
Glens Falls, New York

We have audited the financial statements of the Town of Guilderland Industrial Development Agency (the Agency), a public benefit corporation, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 19, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards 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

Management of the Agency is responsible for establishing and maintaining effective 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.

11 British American Blvd.

Latham, NY 12110

Ph: 518-785-0134

Fx: 518-785-0299

Email:

webmaster@marvincpa.com

Web:

http://www.marvincpa.com



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material statement, 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 Board of Directors the State of New York Office of 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.

Marvin and Company, P.C.

March 19, 2012