

DOBBS FERRY LOCAL DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2011

WITH INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Dobbs Ferry Local Development Corporation:

We have audited the accompanying statements of financial position of the Dobbs Ferry Local Development Corporation ("DFLDC") (a component unit of the Village of Dobbs Ferry, New York) as of December 31, 2011 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the DFLDC'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. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DFLDC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 provide 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 DFLDC as of December 31, 2011 and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the 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 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 taken as a whole. The supplementary information for the year ended December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP

Harrison, New York

February 17, 2012

**Dobbs Ferry Local Development Corporation
Management's Discussion and Analysis
Year Ended December 31, 2011**

Compliance and Accountability

The Dobbs Ferry Local Development Corporation ("DFLDC") management is under the direction of the five appointed members of the Board. Pursuant to Article II, Section 1 and Section 2 of the DFLDC's bylaws, the DFLDC's Board members are appointed by the Board of Trustees of the Village of Dobbs Ferry, New York ("Village"). The term of office of each board member of the DFLDC shall be at the pleasure of the Board of Trustees, and each DFLDC Board member shall continue to hold office until his/her successor is appointed and has qualified.

Following the passage of the 2005 Public Authority Accountability Act ("PAAA"), the DFLDC adopted by-laws, policies and procedures consistent with the Act.

The DFLDC has established its own financial systems separate from those of the Village. The DFLDC has an Executive Director who has the general supervision over the administration of the business and affairs of the DFLDC. He also serves as compliance officer. The Compliance Officer is responsible for insuring that the DFLDC complies with all financial and other reporting requirements imposed by structure, including those requirements in the General Municipal Law and the PAAA. The DFLDC also appoints a Chief Financial Officer, a non-voting member, who has the care and custody of all funds of the DFLDC and keeps regular books of accounts for all its receipts and expenses. The Chief Financial Officer also renders financial reports during each of the DFLDC's regular meetings.

An Audit Committee of three Board members is responsible for the appointment, compensation and oversight of the public accounting firm. The Audit Committee offers its recommendations to the full DFLDC for action and/or adoption.

Financial Highlights

There were minor financial activities during 2011. The DFLDC received its fee based on 1% of the financing arrangement of \$12,465,000 in bonds for the Children's Village. The DFLDC also received administrative fees of \$3,000. The DFLDC held an event to draw the public to the downtown for the purpose of an economic boost. The DFLDC also paid for attorney's fees.

DOBBS FERRY LOCAL DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE VILLAGE OF DOBBS FERRY, NEW YORK)

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

Cash and equivalents \$ 127,650

LIABILITIES

Due to other governments 10,005

NET ASSETS

Unrestricted \$ 117,645

See notes to financial statements

DOBBS FERRY LOCAL DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE VILLAGE OF DOBBS FERRY, NEW YORK)

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

Operating Revenues:	
Closing fees	\$ 124,650
Administrative fees	<u>3,000</u>
Total Operating Revenues	<u>127,650</u>
Operating Expenses:	
Professional fees	7,370
Program expenses	<u>2,635</u>
Total Operating Expenses	<u>10,005</u>
Change in Net Assets	117,645
Net Assets - Beginning of Year	<u>-</u>
Net Assets - End of Year	<u>\$ 117,645</u>

See notes to financial statements

DOBBS FERRY LOCAL DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE VILLAGE OF DOBBS FERRY, NEW YORK)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011

Cash Flows from Operating Activities -	
Receipts from customers	\$ 127,650
Cash and Equivalents - Beginning of Year	<u>-</u>
Cash and Equivalents - End of Year	<u>\$ 127,650</u>
Reconciliation of Operating Income to Net Cash	
from Operating Activities:	
Income from operations	\$ 117,645
Adjustments to reconcile income from operations	
to net cash provided by operating activities -	
Due to other governments	<u>10,005</u>
	<u>\$ 127,650</u>

See notes to financial statements

DOBBS FERRY LOCAL DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE VILLAGE OF DOBBS FERRY, NEW YORK)

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Organization and Purpose

The Dobbs Ferry Local Development Corporation ("DFLDC") was incorporated in November 2010 under Section 1411 of the Not-For-Profit Corporation Law of the State of New York. The mission of the DFLDC is to conduct activities that will relieve and reduce unemployment, promote and provide for additional maximum employment, improve and maintain job opportunities, lessen the burdens of government and act in the public interest. The sole member of the DFLDC shall be the Village of Dobbs Ferry, New York ("Village") acting by and through its Mayor, ex officio. The DFLDC is managed by a Board of Directors consisting of not less than three but not more than seven Directors that serves at the pleasure of the sole member and, therefore, the Village is considered able to impose its will on the DFLDC. The Village is not liable for DFLDC's bonds or notes. There was no financial activity for the DFLDC to report for the fiscal year ended December 31, 2010.

The income of the DFLDC is exempt from Federal, State and local income taxes.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The DFLDC has been identified as a component unit of the Village. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 14, the DFLDC's financial statements have been discretely presented in the Village's financial statements.

Basis of Accounting

The accounting policies of the DFLDC conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The DFLDC reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The DFLDC applies all applicable Financial Accounting Standards Board guidance issued after November 30, 1989 in its accounting and reporting.

Cash and Equivalents

Cash and equivalents consist of funds deposited in demand deposit accounts. Collateral is required for these deposits at 100% of all deposits not covered by Federal deposit insurance. The DFLDC has entered into custodial agreements with the depositories which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Due to Other Governments

During the course of its operations, the Village paid for certain operational costs of the DFLDC. To the extent that certain transactions between the Village and the DFLDC have not been paid as of December 31, 2011, these amounts have been recorded in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Concluded)

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted only when there are limitations imposed on their use. The net assets of the DFLDC are classified as unrestricted.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 17, 2012.

Note 3 - Revenue Bond Transactions

The revenue bonds issued by the DFLDC are secured by property. The loan proceeds, along with the DFLDC's right, title and interest to the property, are assigned to a trustee. The revenue bonds are retired by loan repayments from the borrowing entities. The bonds are not obligations of the DFLDC. The DFLDC does not record the assets or a liability resulting from completed bond issues in its accounts since its primary function is to arrange the financing between the borrower and the bond holders, and funds arising therefore are controlled by trustees or banks acting as fiscal agents. For providing this service, the Corporation receives bond administration fees of 1% from the borrowing entities. Such administrative fee income is recognized immediately upon issuance of bonds.

DOBBS FERRY LOCAL DEVELOPMENT CORPORATON
(A COMPONENT UNIT OF THE VILLAGE OF DOBBS FERRY, NEW YORK)

SUPPLEMENTARY INFORMATION
STATEMENT OF INDEBTEDNESS - BONDS ISSUED, OUTSTANDING OR RETIRED
DECEMBER 31, 2011

<u>Project Name Owner Name and Address</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Federal Tax Status</u>	<u>Interest Rate</u>
The Children's Village Project I Echo Hills Dobbs Ferry, NY 10522 Multi-Mode Revenue Bonds (the "Series 2010 Bonds")	To assist the Children's Village in the financing of the costs of certain projects.	12/1/2010	12/1/2030	Tax Exempt	LIBOR

See independent auditors' report.

<u>Original Issue Amount</u>	<u>Outstanding Balance at January 1, 2011</u>	<u>New Issues</u>	<u>Payments</u>	<u>Outstanding Balance at December 31, 2011</u>
<u>\$ 12,465,000</u>	<u>\$ 12,465,000</u>	<u>\$ -</u>	<u>\$ 765,000</u>	<u>\$ 11,700,000</u>



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

**Independent Accountants' Report on Compliance with Section 2925(3)(1)
Of the New York State Public Authorities Law**

The Board of Directors of the
Dobbs Ferry Local Development Corporation:

We have examined the Dobbs Ferry Local Development Corporation ("DFLDC") compliance with Section 2925(3)(1) 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 December 31, 2011. Management is responsible for the DFLDC's compliance with those requirements. Our responsibility is to express an opinion on the DFLDC'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 DFLDC'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 DFLDC's compliance with specified requirements.

In our opinion, the DFLDC complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2011.

This report is intended solely for the information and use of management, the Board of Directors, officials of the Village of Dobbs Ferry, New York 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 specified parties.

O'Connor Davies Munns & Dobbins, LLP

O'Connor Davies Munns & Dobbins, LLP
Harrison, New York
February 17, 2012