

**TOWN OF MOUNT PLEASANT
INDUSTRIAL DEVELOPMENT AGENCY**

(A COMPONENT UNIT OF THE
TOWN OF MOUNT PLEASANT, NEW YORK)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2010 AND 2009

WITH INDEPENDENT AUDITORS' REPORT

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE TOWN OF MOUNT PLEASANT, NEW YORK)

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

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
Town of Mount Pleasant Industrial Development Agency:

We have audited the accompanying statements of net assets of the Town of Mount Pleasant Industrial Development Agency (the "Agency") (a component unit of the Town of Mount Pleasant, New York) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years 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.

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 Agency'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 audits 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 Agency as of December 31, 2010 and 2009 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing 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. Our opinion on the financial statements is not affected by this missing information.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2010 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic 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
March 4, 2011

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE TOWN OF MOUNT PLEASANT, NEW YORK)

COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and equivalents	\$ 91,465	\$ 21,072
LIABILITIES		
Due to other governments	<u>(71,568)</u>	<u>-</u>
NET ASSETS		
Unrestricted	<u>\$ 19,897</u>	<u>\$ 21,072</u>

See notes to financial statements.

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE TOWN OF MOUNT PLEASANT, NEW YORK)

COMPARATIVE STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues	\$ -	\$ -
Operating Expenses - Contractual	<u>1,250</u>	<u>1,273</u>
Loss from Operations	(1,250)	(1,273)
Non-Operating Revenues - Interest income	<u>75</u>	<u>66</u>
Change in Net Assets	(1,175)	(1,207)
Net Assets - Beginning of Year	<u>21,072</u>	<u>22,279</u>
Net Assets - End of Year	<u>\$ 19,897</u>	<u>\$ 21,072</u>

See notes to financial statements.

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE TOWN OF MOUNT PLEASANT, NEW YORK)

COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Cash paid for contractual expenses	\$ (1,250)	\$ (1,258)
Receipts due to other governments	400,960	404,881
Cash paid to other governments	<u>(329,392)</u>	<u>(404,881)</u>
Net Cash Provided by (Used in) Operating Activities	70,318	(1,258)
Cash Flows from Investing Activities -		
Interest income	<u>75</u>	<u>66</u>
Net Increase (Decrease) in Cash	70,393	(1,192)
Cash - Beginning of Year	<u>21,072</u>	<u>22,264</u>
Cash - End of Year	<u>\$ 91,465</u>	<u>\$ 21,072</u>
Reconciliation of Loss from Operations to		
Net Cash Provided by (Used in) Operating Activities:		
Loss from operations	\$ (1,250)	\$ (1,273)
Adjustments to reconcile loss from operations to		
net cash provided by (used in) operating activities:		
Accounts receivable	-	15
Due to other governments	<u>71,568</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 70,318</u>	<u>\$ (1,258)</u>

See notes to financial statements.

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE TOWN OF MOUNT PLEASANT, NEW YORK)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization

The Town of Mount Pleasant Industrial Development Agency (the "Agency") was created in 1980 by the New York State Legislature under the provisions of Chapter 632 of the Laws of New York State. The Agency was established for the purpose of encouraging economic growth in the Town of Mount Pleasant, New York (the "Town"). Members of the governing board of the Agency are appointed by the Town Board. The Agency is exempt from Federal, State and local income taxes.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

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

Basis of Accounting

The accounting policies of the Agency 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 Agency 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 Agency applies all applicable Financial Accounting Standards Board pronouncements issued after November 30, 1989 in its accounting and reporting.

Cash and Equivalents

Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months. Collateral is required for these deposits at 100% of all deposits not covered by Federal deposit insurance. The Agency 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 IDA collects and remits funds to other governments. To the extent that certain transactions between other governments have not been paid as of December 31, 2010, these amounts have been recorded in the financial statements. As of December 31, 2010, this balance represents payments in lieu of taxes owed to the Village of Sleepy Hollow.

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 Agency are classified as unrestricted.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
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NOTES TO FINANCIAL STATEMENTS (Concluded)

Note 2 - Summary of Significant Accounting Policies (Continued)

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Agency's financial position and operations.

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 March 4, 2011.

Note 3 - Industrial Revenue Bond and Note Transactions

Certain industrial development revenue bonds and notes are secured by property which is leased to companies and the bonds are retired by lease payments. The bonds and notes are not obligations of the Agency or the State of New York. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. The fee received by the Agency is one-half of one percent on the first \$10,000,000 of loans and one-eighth of one percent for any amount of borrowing in excess of \$10,000,000. Such administrative fee income is recognized immediately upon the issuance of bonds and/or notes.

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE TOWN OF MOUNT PLEASANT, NEW YORK)

SUPPLEMENTARY INFORMATION
STATEMENT OF INDEBTEDNESS - BONDS AND NOTES ISSUED, OUTSTANDING OR RETIRED
DECEMBER 31, 2010

<u>Project Name/Owner/Address</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Federal Tax Status</u>	<u>Interest Rate</u>
General Motors Corp. c/o Worldwide Real Estate 200 Renaissance Center P.O. Box 200 MC 482-B38-LCN Detroit, MI 48265-2000	Construction	9/1985	6/2015	Taxable	11.25%
Phelps Memorial Hospital 701 North Broadway Sleepy Hollow, NY 10591	Construction	6/2005	6/2030	Tax Exempt	4.15%
Total Indebtedness					

<u>Original Issue Value</u>	<u>Outstanding Balance at January 1, 2010</u>	<u>New Issues</u>	<u>Payments</u>	<u>Outstanding Balance at December 31, 2010</u>
\$ 175,000,000	\$ 43,741,000	\$ -	\$ 7,290,167	\$ 36,450,833
<u>27,440,000</u>	<u>25,290,000</u>	<u>-</u>	<u>780,000</u>	<u>24,510,000</u>
<u>\$ 202,440,000</u>	<u>\$ 69,031,000</u>	<u>\$ -</u>	<u>\$ 8,070,167</u>	<u>\$ 60,960,833</u>

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
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SUPPLEMENTARY INFORMATION
 PAYMENTS IN LIEU OF TAXES
 DECEMBER 31, 2010

	Assessed Valuation Exemption	Payments in Lieu of Taxes			
		County	Village	School	Total
General Motors	\$ 5,685,400	\$ 38,678	\$ 143,135	\$ 219,147	\$ 400,960
Phelps Memorial Hospital	Tax Exempt	\$ -	\$ -	\$ -	\$ -

TOWN OF MOUNT PLEASANT INDUSTRIAL DEVELOPMENT AGENCY
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SUPPLEMENTARY INFORMATION
 FULL TIME EQUIVALENT (FTE) JOBS CREATED AND RETAINED
 DECEMBER 31, 2010

<u>Project Name/Owner/Address</u>	<u>No. of FTE Employees at Location Before IDA Status</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>	<u>No. of Current FTE Employees</u>	<u>No. of FTE Jobs Created During Fiscal Year</u>	<u>No. of FTE Jobs Retained During Fiscal Year</u>
General Motors Corp. c/o Worldwide Real Estate 200 Renaissance Center P.O. Box 200 MC 482-B38-LCN Detroit, MI 48265-2000	-	-	-	-	-	-
Phelps Memorial Hospital 701 North Broadway Sleepy Hollow, NY 10591	816.00	8.00	8.00	1,244.56	5.00	5.00



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 Trustees of the
Town of Mount Pleasant Industrial Development Agency:

We have examined the Town of Mount Pleasant Industrial Development Agency's (the "Agency's") 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, 2010. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency'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 Agency'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 Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2010.

This report is intended solely for the information and use of management, the Board of Trustees, officials of the Town of Mount Pleasant 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

March 4, 2011