

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Financial Statements

December 31, 2010 and 2009

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Financial Statements

December 31, 2010 and 2009

Financial Statements

Independent Auditors' Report	1
Statements of Net Assets	3
Statements of Revenues, Expenses and Changes in Net Assets.....	4
Statements of Cash Flows	5
Notes to Financial Statements	7

Compliance 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 <i>Government</i> <i>Auditing Standards</i>	11
Schedule of Findings and Responses	13

Supplementary Information

Schedule I – Schedule of Indebtedness	14
Schedule II – Schedule of Supplemental Information – Bonds/Notes	15



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Town of North Greenbush Industrial Development Agency
Wynantskill, New York

We have audited the accompanying statements of net assets of the Town of North Greenbush Industrial Development Agency (the "Agency"), a component reporting unit of the Town of North Greenbush, as of December 31, 2010 and 2009, and the related statements of revenues, expenses and changes in net assets, 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 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 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.

The Agency has omitted the Management Discussion and Analysis for the years ended December 31, 2010 and 2009 that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinion on the basic financial statements is not affected by this missing information.

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 respective changes in financial position and its cash flows 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 September 27, 2011, on our consideration of the Agency's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wojcik & Co. CPAs, P.C.

East Greenbush, New York
September 27, 2011

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Statements of Net Assets

	December 31,	
	2010	2009
ASSETS		
CURRENT ASSETS		
Cash	\$ 47,752	\$ 52,952
Restricted cash	217,622	387,357
Notes receivable, net of allowance	75,781	66,557
Accrued interest receivable, net of allowance	<u>10,430</u>	<u>10,444</u>
TOTAL CURRENT ASSETS	351,585	517,310
NOTES RECEIVABLE, net of current portion	<u>536,573</u>	<u>485,775</u>
TOTAL ASSETS	<u><u>\$ 888,158</u></u>	<u><u>\$ 1,003,085</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 7,350
Grants payable	<u>800</u>	<u>87,662</u>
TOTAL CURRENT LIABILITIES	800	95,012
 NET ASSETS		
Restricted for loans	829,176	852,027
Unrestricted	<u>58,182</u>	<u>56,046</u>
	<u>887,358</u>	<u>908,073</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 888,158</u></u>	<u><u>\$ 1,003,085</u></u>

See accompanying notes to financial statements.

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Statements of Revenues, Expenses and Changes in Net Assets

	For the Year Ended December 31,	
	2010	2009
OPERATING REVENUES		
Interest income from notes receivable	\$ 13,765	\$ 11,502
OPERATING EXPENSES		
Bad debt expense	15,964	2,039
Professional fees	15,900	9,350
Administrative expenses	2,074	2,000
Office expense	92	80
Miscellaneous	501	2,008
TOTAL OPERATING EXPENSES	<u>34,531</u>	<u>15,477</u>
OPERATING LOSS	(20,766)	(3,975)
NON-OPERATING REVENUES		
Interest earned on investments	<u>51</u>	<u>84</u>
CHANGES IN NET ASSETS	(20,715)	(3,891)
Net assets at beginning of year	<u>908,073</u>	<u>911,964</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 887,358</u></u>	<u><u>\$ 908,073</u></u>

See accompanying notes to financial statements.

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Statements of Cash Flows

	For the Year Ended December 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest payments received on notes receivable	\$ 9,325	\$ 10,060
Interest (remitted) earned on grant advances	(86,862)	1,557
Cash payments for general and administrative expenses	(25,917)	(12,088)
	<u> </u>	<u> </u>
NET CASH USED IN OPERATING ACTIVITIES	(103,454)	(471)
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of notes receivable	(120,000)	(100,000)
Payments received on notes receivable	48,468	123,862
Interest earned on investments	51	84
	<u> </u>	<u> </u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(71,481)	23,946
NET INCREASE (DECREASE) IN CASH	(174,935)	23,475
Cash at beginning of year	<u>440,309</u>	<u>416,834</u>
CASH AT END OF YEAR	<u><u>\$ 265,374</u></u>	<u><u>\$ 440,309</u></u>

See accompanying notes to financial statements.

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Statements of Cash Flows--Continued

	For the Year Ended December 31,	
	2010	2009
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (20,766)	\$ (3,975)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Bad debt expense	15,964	2,039
Capitalized accrued interest receivable	(4,440)	(752)
Changes in operating assets and liabilities:		
Accrued interest receivable	-	(691)
Accounts payable	(7,350)	1,350
Grants payable	(86,862)	1,558
	<u>(86,862)</u>	<u>1,558</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (103,454)</u>	<u>\$ (471)</u>

See accompanying notes to financial statements.

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Notes to Financial Statements

December 31, 2010 and 2009

NOTE A--AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of North Greenbush Industrial Development Agency (the Agency) was created on July 15, 1981 by a special act of the New York State Legislature. The purpose of the Agency is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial and research facilities, including industrial pollution control facilities and recreation facilities, within the Town of North Greenbush. Members of the Agency are appointed by the Town Board, which exercises no oversight responsibility.

Basis of Presentation

The Agency follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 37 "Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments: Omnibus." Statement No. 34, as amended by Statement No. 37, established standards for external reporting for all state and local government entities, which include a statement of net assets, a statement of revenues, expenses and change in net assets and a statement of cash flows. It requires classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Net assets invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation and accumulated amortization, reduced by the outstanding balances of bonds, notes, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather that portion of the debt is included in restricted net assets.

Restricted net assets: This component of net assets represents external restrictions on net assets imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets: This component represents net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Notes to Financial Statements--Continued

**NOTE A--AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--
Continued**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States for government entities, as prescribed by GASB. In accordance with the provisions promulgated by GASB, the Agency has elected not to apply Financial Accounting Standards Board (FASB) pronouncements and interpretations issued after November 30, 1989.

The operations of the Agency are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. Within this measurement focus, all assets and liabilities associated with operations are included on the balance sheet with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Agency's principal on-going operations. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

Cash consists of demand deposits at local financial institutions.

Restricted Net Assets

Certain of the Agency's assets are restricted as to their use due to external constraints, such as those imposed under law. Accordingly, certain cash and receivables in the amount of \$829,176 and \$852,027 at December 31, 2010 and 2009, respectively, have been restricted to fund future micro enterprise and venture fund loans to local businesses.

Income Taxes

The Agency is exempt from Federal, State and Local income taxes.

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Notes to Financial Statements--Continued

**NOTE A--AGENCY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--
Continued**

Financing Activities

Certain industrial development revenue bonds issued by the Agency are collateralized by property that is leased to companies and is returned by lease payments. The bonds 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 transactions in its accounts since its primary function is to arrange financing between borrowing companies and bond holders, and funds arising from those transactions 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.

Reclassifications

Certain amounts for the year ended December 31, 2009 have been reclassified to conform to the current year presentation. These reclassifications had no impact on net assets or the change in net assets.

Accounting Standards Issued Not Yet Effective

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 59 *Financial Instruments Omnibus* effective for the Agency's 2011 fiscal year. The objective of the statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. The Agency does not expect the adoption of this guidance to have a material impact on its financial statements.

NOTE B--CASH

All cash of the Agency is maintained in accounts covered by the Federal Deposit Insurance Corporation up to \$250,000, with the excess being collateralized by securities held by the pledging financial institution agent in the Agency's name.

NOTE C--NOTES RECEIVABLE

Notes receivable includes multiple loans to local businesses. Interest rates on the loans range from 2% to 5% and mature at various dates through June 2024.

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Notes to Financial Statements--Continued

NOTE C--NOTES RECEIVABLE--Continued

Principal maturities of notes receivable at December 31, 2010 are as follows:

Year ended December 31,	
2011	\$ 133,421
2012	49,088
2013	45,361
2014	31,106
2015	171,549
Thereafter	239,469
	<u>\$ 669,994</u>

Notes receivable amounts are carried at their net realizable value and are periodically evaluated for collectability based on past history with the customer and their current financial condition. An allowance for uncollectible notes receivable is determined based on experience, the estimated value of collateral and current economic conditions. The allowance for doubtful notes receivable was approximately \$58,000 as of December 31, 2010 and 2009.

NOTE D--RELATED PARTY TRANSACTIONS

The Agency paid its Treasurer in exchange for administrative services provided to the Agency. Administrative expenses under this arrangement totaled \$2,000 for each of the years ending December 31, 2010 and 2009.

NOTE F--SUBSEQUENT EVENTS

In accordance with generally accepted accounting principles, the Agency has evaluated for subsequent events between the statement of net assets date of December 31, 2010 and September 27, 2011, the date the financial statements were available to be issued.

Subsequent to year end, the Agency issued three new notes receivable totaling \$90,000. Each of the notes receivable earn interest at 3% with maturities through June 2016.

COMPLIANCE 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***

To the Board of Directors
Town of North Greenbush Industrial Development Agency
Wynantskill, New York

We have audited the financial statements of the Town of North Greenbush Industrial Development Agency (the “Agency”) as of December 31, 2010 and for the year then ended, and have issued our report thereon dated September 27, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses.

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*.

We noted certain other matters that we reported to management of the Agency in a separate letter dated September 27, 2011.

The Agency's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the Agency's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Agency, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wojcik & Co. CPAs, P.C.

East Greenbush, New York
September 27, 2011

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Schedule of Findings and Responses

For the Year Ended December 31, 2010

Finding 1:

Maintenance of Accounting Records - The Agency does not have an adequate accounting system. The Agency has a manual accounting system that consists of a checkbook register and individual loan amortization schedules. The Agency's accounting system does not allow Agency management to detect errors or misstatements on a timely basis and does not provide timely information that is necessary to make decisions or to file the required reports to New York State on a timely basis.

Management's Response:

The Town of North Greenbush Industrial Development Agency's (IDA) Board of Directors appointed the Town of North Greenbush Comptroller as Treasurer who will be responsible for maintaining the IDA's accounting records in accordance with generally accepted accounting principles and ensuring the IDA's compliance with New York State reporting requirements.

SUPPLEMENTARY INFORMATION

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Schedule I - Schedule of Indebtedness

December 31, 2010

<u>Project</u>	<u>Issuance Date</u>	<u>Interest Rate At Issuance</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity Date</u>
Industrial Development Revenue Bonds							
Robert C. Parker School 4254 Route 43 Wynantskill, NY 12198	12/2006	4.84%	\$ 1,188,877	\$ -	\$ 30,612	\$ 1,158,265	12/2031
Woodland Hills Montessori School 100 Montessori Way Rensselaer, NY 12144	12/2001	3.74%	1,332,755	-	75,190	1,257,565	12/2022
			<u>\$ 2,521,632</u>	<u>\$ -</u>	<u>\$ 105,802</u>	<u>\$ 2,415,830</u>	

See independent auditors' report.

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Schedule II - Schedule of Supplemental Information - Bonds/Notes

December 31, 2010

<u>Project</u>	<u>Purpose</u>	<u>Total Project Amount</u>	<u>Benefited Project Amount</u>	<u>Bond Amount</u>	<u>Federal Tax Status</u>	<u>Not for Profit</u>	<u>Tax Exemptions</u>	<u>Payments in lieu of Taxes (PILOTS)</u>
Robert C. Parker School 4254 Route 43 Wynantskill, NY 12198	School	\$ 1,890,017	\$ 1,890,017	\$ 1,270,000	Exempt	Yes	None	None
Woodland Hills Montessori School 100 Montessori Way Rensselaer, NY 12144	School	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	Exempt	Yes	None	None

See independent auditors' report.

**TOWN OF NORTH GREENBUSH
INDUSTRIAL DEVELOPMENT AGENCY**

Schedule II - Schedule of Supplemental Information - Bonds/Notes--Continued

December 31, 2010

Project	FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of jobs to be Retained	Current FTE Employees	FTE Construction Jobs Created During the Fiscal Year
Robert C. Parker School 4254 Route 43 Wynantskill, NY 12198	22	-	22	25	-
Woodland Hills Montessori School 100 Montessori Way Rensselaer, NY 12144	-	30	-	45	-

See independent auditors' report.