

## INDEPENDENT AUDITORS' REPORT

To the Governance Committee of  
Glens Falls Urban Renewal Agency

We have audited the accompanying Summary of Cash Accounts-Central Business District of the Glens Falls Urban Renewal Agency, (a special revenue fund of the City of Glens Falls, New York) as of and for the year ended December 31, 2010. The Summary is the responsibility of the Glens Falls Urban Renewal Agency's and the City's management. Our responsibility is to express an opinion on the Summary 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 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.

As disclosed in Note A, the Summary of Cash Accounts presents only the cash accounts of the Glens Falls Urban Renewal Agency and does not purport to, and does not present fairly the cash position of the City of Glens Falls, New York in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Summary referred to in the first paragraph presents fairly, in all material respects, the cash in bank balances of the Glens Falls Urban Renewal Agency as of December 31, 2010 and the related cash deposits and disbursements for the year then ended, on the basis of accounting described in Note A.

January 21, 2011

  
ROSS RIGBY & PATTEN LLP

**GLENS FALLS URBAN RENEWAL AGENCY**

**SUMMARY OF CASH ACCOUNTS  
CENTRAL BUSINESS DISTRICT**

**For the Year Ended December 31, 2010**

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**GLENS FALLS URBAN RENEWAL AGENCY  
SUMMARY OF REGULAR CHECKING ACCOUNT  
CENTRAL BUSINESS DISTRICT PROJECT  
For the Year Ended December 31, 2010**

**CASH IN BANK - JANUARY 1, 2010** \$186,228

**CASH RECEIPTS FOR THE YEAR 2010:**

Interest Income	\$322	
Proceeds - Property Sales and Deposits	157,299	
Lease Revenue	<u>1,500</u>	
		\$159,121

**CASH DISBURSEMENTS FOR THE YEAR 2010:**

Administrative Costs	\$(46,600)	
Disbursement to City of Glens Falls	(142,605)	
Event Expenses	(2,602)	
Madden Expense Reimbursement	(4,250)	
Contributed to Madden Purchase	<u>(50,000)</u>	
		<u>\$(246,057)</u>

**EXCESS OF CASH DISBURSEMENTS  
OVER CASH RECEIPTS** \$(86,936)

**CASH IN BANK - DECEMBER 31, 2010** \$99,292

**GLENS FALLS URBAN RENEWAL AGENCY  
SUMMARY OF SAVINGS ACCOUNT  
DOWNTOWN PARKING PROJECT  
For the Year Ended December 31, 2010**

<b>CASH IN BANK - JANUARY 1, 2010</b>	<b>\$5,239</b>
<b>CASH RECEIPTS FOR THE YEAR 2010:</b>	
Interest	<u>2</u>
<b>CASH IN BANK - DECEMBER 31, 2010</b>	<u><u>\$5,241</u></u>

**GLENS FALLS URBAN RENEWAL AGENCY  
SUMMARY OF SAVINGS ACCOUNT  
OFF STREET PUBLIC PARKING PROJECT  
For the Year Ended December 31, 2010**

<b>CASH IN BANK - JANUARY 1, 2010</b>	<b>\$4,776</b>
<b>CASH RECEIPTS FOR THE YEAR 2010:</b>	
Interest	<u>12</u>
<b>CASH IN BANK - DECEMBER 31, 2010</b>	<u><u>\$4,788</u></u>

**GLENS FALLS URBAN RENEWAL AGENCY  
SUMMARY OF ACQUISITION, REHABILITATION  
AND RESALE PROGRAM CHECKING ACCOUNT  
For the Year Ended December 31, 2010**

<b>CASH IN BANK - JANUARY 1, 2010</b>	<b>\$67,228</b>
<b>CASH RECEIPTS FOR THE YEAR 2010:</b>	
Interest Income	<u>\$135</u>
<b>CASH IN BANK - DECEMBER 31, 2010</b>	<u><u>\$67,363</u></u>

**GLENS FALLS URBAN RENEWAL AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the City of Glens Falls Urban Renewal Agency, a special revenue fund of the City of Glens Falls, New York, is presented to assist in understanding the Agency's financial information. The financial information and notes are representations of the Agency's and the City's management, which is responsible for their integrity and objectivity. The Summary of Cash Accounts is not intended to present the cash position of the City of Glens Falls, New York. These accounting policies conform to the cash basis method of accounting and have been consistently applied in the preparation of the cash summaries.

**BUSINESS ACTIVITY**

The Glens Falls Urban Renewal Agency is a public benefit corporation authorized and empowered to undertake, carry out and effectuate urban renewal programs in and for the City of Glens Falls.

**SPECIAL REVENUE FUND**

The Glens Falls Urban Renewal Agency is a special revenue fund of the City of Glens Falls, New York. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**BASIS OF ACCOUNTING**

The accounts of the Agency are maintained on the cash basis of accounting.

**(B) SERIAL BOND PAYMENTS**

Serial bond payments of principal and interest totaling \$166,005 due in 2010 for the 1990 Industrial Park - East, 1995 Expansion (also known as the C.B. Sports Bond) were paid by the City of Glens Falls pursuant to a Subsidy Agreement dated December 14, 1990. It is anticipated that the City of Glens Falls will continue to make the annual interest and principal payments until such time as the Glens Falls Urban Renewal Agency has sufficient funds to cover such payments.

**(C) CONCENTRATION OF CREDIT RISK**

The Agency occasionally maintains deposits in excess of federally insured limits. FASB ASC 825 identifies these items as a concentration of credit risk requiring disclosure, regardless of degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

**(D) EVENTS OCCURRING AFTER REPORTING DATE**

The Agency has evaluated events and transactions that occurred between December 31, 2010 and January 18, 2011, which is the date the financial statements were issued, for possible disclosure and recognition in the financial statements.