

*CITY OF COHOES INDUSTRIAL
DEVELOPMENT AGENCY*

*REGULATORY BASIS
FINANCIAL STATEMENTS*

DECEMBER 31, 2010

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2010

	<u>Page</u>
Independent Auditor's Report	1-2
Regulatory Basis Financial Statements	
Balance Sheet	3
Statement of Revenue, Expenses and Changes in Fund Balance	4
Statement of Cash Flows	5
General Fixed Asset Account Group	6
Notes to Financial Statements	7-8
Additional Reports Required by Government Auditing Standards	
Independent Auditor's 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	9-10
Schedule of Findings and Recommendations	11
Schedule of Status of Prior Year Findings	12

CUSACK & COMPANY
Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550

FAX (518) 786-1538

E-MAIL ADDRESS: INFO@CUSACKCPA.COM
WWW.CUSACKCPA.COM

JOSEPH D. BATTAGLIA, CPA
KENNETH B. CLAFLIN, CPA
PAUL A. CUDA, CPA
JAMES M. CUSACK, CPA
JOHN A. CRISONE, CPA
WENDY M. LAING, CPA
JASON D. MARRA, CPA
JOHN J. TAFILOWSKI, CPA
TERRENCE P. GILLOOLEY
LAUREN M. LIGRECI
KIMBERLY A. URQUHART

CLIFTON PARK/HALFMOON
(518) 664-7063

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

JOHN A. CIMINO, CPA, OF COUNSEL

INDEPENDENT AUDITOR'S REPORT

Board of Directors
City of Cohoes Industrial
Development Agency

We have audited the accompanying regulatory basis financial statements of the City of Cohoes Industrial Development Agency, a component unit of City of Cohoes as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Cohoes Industrial Development 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 and *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.

As described in Note 1, the Agency prepared these financial statements using accounting principles prescribed by the New York State Office of the State Comptroller to demonstrate compliance with the State's regulatory basis of accounting, which practices differ from accounting principles generally accepted in the United States of America. The difference between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are described in Note 1.

In our opinion, because of the effect of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Cohoes Industrial Development Agency, as of December 31, 2010, and the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City of Cohoes Industrial Development Agency as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles prescribed by the New York State Office of the State Comptroller.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2011, on our consideration of the City of Cohoes Industrial 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and 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.

This report is intended solely for the information and use of the Board of Directors and State of New York Office of the State Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
February 2, 2011

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

*BALANCE SHEET
DECEMBER 31, 2010*

ASSETS

Assets	
Cash	\$ <u>476,432</u>
Total Assets	\$ <u><u>476,432</u></u>
Liabilities	
Due to Riverspark	\$ <u>64,669</u>
Fund Balance	<u>411,763</u>
Total Liabilities and Fund Balance	\$ <u><u>476,432</u></u>

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

Revenue:		
Administrative Fees		\$ 81,750
Interest		<u>510</u>
Total Revenues		<u>82,260</u>
Expenses:		
Park Improvements		38,350
Professional Fees		12,740
Other Expenses		<u>1,952</u>
Total Expenses		<u>53,042</u>
Excess of Revenue Over Expenses		29,218
Fund Balance at Beginning of Year		<u>382,545</u>
Fund Balance at End of Year		<u>\$ 411,763</u>

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

Operating activities:	
Excess of revenues over expenses	\$ 29,218
Decrease in due to Riverspark	<u>(35,331)</u>
Net decrease in cash	(6,113)
Cash at beginning of year	<u>482,545</u>
Cash at end of year	<u>\$ 476,432</u>

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY
GENERAL FIXED ASSET ACCOUNT GROUP
DECEMBER 31, 2010

Parking Lot Land and Improvements \$ -

Investment in Fixed Assets \$ -

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The City of Cohoes Industrial Development Agency (the "Agency") was created in 1972 by the State of New York under the provisions of Chapter 313 of the 1972 Laws of New York State for the purpose of encouraging economic growth in the City of Cohoes (the "City"). The Agency is a component unit of the City. The City appoints the Agency's governing board and accounts for the Agency's transactions.

Basis of Accounting

The financial statements of the City of Cohoes Industrial Development Agency have been prepared in conformity with accounting principles prescribed by the New York State Office of the State Comptroller for complying with General Municipal Law, Section 859 in which every Industrial Development Agency is required to make an annual financial report. The most significant difference between this regulatory basis of accounting and generally accepted accounting principles ("GAAP") is the Government Accounting Standards Board ("GASB") Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" need not be implemented to meet the requirements of General Municipal Law. GASB 34 requires significant changes including:

- Government-Wide Reporting
- Focus on Major Funds
- Changes in Budgetary Reporting
- Full Accrual Accounting Including Depreciation
- Management's Discussion and Analysis
- Capitalization of Infrastructure Assets

Management has considered the costs and benefits of adopting GASB 34 and determined that auditing the financial statements utilizing another comprehensive basis of accounting as opposed to GAAP makes fiscal sense for the Agency.

The modified accrual basis of accounting is followed by the Agency. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, *i.e.*, both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenses are recorded when the liability is incurred.

Income Taxes

The Agency operates as an independent entity and is exempt from Federal, State and local income taxes.

Subsequent Events

Management has evaluated subsequent events or transactions through February 2, 2011, the date the financial statements were available to be issued.

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

2. 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 lease payments. The bonds and notes are not obligations of the Agency or the City. 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 therefrom are controlled by trustees or banks acting as fiscal agents.

3. CASH

The Agency's investment policies are governed by State statutes. Agency monies 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 and its localities.

Of the total bank balance of \$476,432 at December 31, 2010, 100% was covered by FDIC Insurance.

4. FIXED ASSETS

	Balance <u>1/1/10</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/10</u>
Parking Lot Land	\$ 59,650	\$ -	\$ 59,650	\$ -
Parking Lot Improvements	<u>213,319</u>	<u>-</u>	<u>213,319</u>	<u>-</u>
	<u>\$ 272,969</u>	<u>\$ -</u>	<u>\$ 272,969</u>	<u>\$ -</u>

The parking lot was transferred to the City in 2010.

5. DUE TO RIVERSPARK

To finalize a transaction, the Agency agreed to accept \$100,000 from a project to be utilized by Riverspark for improvements. \$35,331 was expended for improvements in 2010 leaving a liability of \$64,669.

SUPPLEMENTAL INFORMATION

CUSACK & COMPANY
Certified Public Accountants LLC

7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550

FAX (518) 786-1538

E-MAIL ADDRESS: INFO@CUSACKCPA.COM
WWW.CUSACKCPA.COM

JOSEPH D. BATTAGLIA, CPA
KENNETH B. CLAFLIN, CPA
PAUL A. CUDA, CPA
JAMES M. CUSACK, CPA
JOHN A. CRISONE, CPA
WENDY M. LAING, CPA
JASON D. MARRA, CPA
JOHN J. TAFILOWSKI, CPA
TERRENCE P. GILLOOLEY
LAUREN M. LIGRECI
KIMBERLY A. URQUHART

CLIFTON PARK/HALFMOON
(518) 664-7063

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

JOHN A. CIMINO, CPA, OF COUNSEL

**INDEPENDENT AUDITOR'S 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
City of Cohoes Industrial
Development Agency

We have audited the regulatory basis financial statements of the City of Cohoes Industrial Development Agency, a component unit of City of Cohoes, as of and for the year ended December 31, 2010, and have issued our report thereon dated February 2, 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 City of Cohoes Industrial Development 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 City of Cohoes Industrial Development's Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Cohoes Industrial Development 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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We do not identify any deficiencies in internal control over financial reporting that we consider to be a material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City of Cohoes Industrial Development 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 statements 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 the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Cusack & Company, CPA's LLC".

CUSACK & COMPANY, CPA'S LLC

Latham, New York
February 2, 2011

CITY OF COHOES INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF FINDINGS

DECEMBER 31, 2010

None noted

Investment Policy

The Agency has approximately \$482,545 in non-interest bearing accounts at year end. Investment of excess funds could generate significant income for use by the Agency.

We recommend that management consider the development and implementation of an investment policy.

Status: The comment was adequately addressed in 2010.