

**TOWN OF PLATTSBURGH
LOCAL DEVELOPMENT CORPORATION, INC.**

Independent Auditors' Report

Financial Statements

December 31, 2010

**TOWN OF PLATTSBURGH
LOCAL DEVELOPMENT CORPORATION, INC.**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Town of Plattsburgh
Local Development Corporation, Inc.
Plattsburgh, NY:

We have audited the accompanying statement of financial position of the Town of Plattsburgh Local Development Corporation, Inc. (a non profit organization), a component unit of the Town of Plattsburgh, New York as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 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 the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Plattsburgh Local Development Corporation, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year 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 October 20, 2011 on our consideration of the Town of Plattsburgh Local Development Corporation, Inc.'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 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.

*Abbott, Frenya & Russell,
CPA's, P.C.*

October 20, 2011

TOWN OF PLATTSBURGH LOCAL DEVELOPMENT CORPORATION, INC.

Statement of Financial Position

December 31, 2010

Assets

Current assets:

Cash	\$	318,565
Loans receivable, current portion (note 2)		19,636
Due from other governments		550
Total current assets		<u>338,751</u>

Other assets

Loans receivable, long-term portion (note 2)		<u>143,087</u>
	\$	<u><u>481,838</u></u>

Liabilities and Net Assets

Current Liabilities:

Deferred revenue	\$	191,317
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Net assets:

Unrestricted		<u>290,521</u>
	\$	<u><u>481,838</u></u>

See accompanying notes and independent auditors' report.

TOWN OF PLATTSBURGH LOCAL DEVELOPMENT CORPORATION, INC.

Statement of Activities

For the Year Ended December 31, 2010

Unrestricted:

Operating revenues:

Interest on loans \$ 1,102

Operating expenses:

Contractual grant expenses 325

Increase in net assets 777

Net assets at beginning of year 289,744

Net assets at end of year \$ 290,521

See accompanying notes and independent auditors' report.



TOWN OF PLATTSBURGH LOCAL DEVELOPMENT CORPORATION, INC.

Statement of Cash Flows

For the Year Ended December 31, 2010

Cash flows from operating activities:	
Increase in net assets	\$ 777
Adjustment to reconcile increase in net assets to net cash provided by operating activities:	
Decrease (increase) in assets:	
Loans receivable	5,629
Due from other governments	(550)
Increase (decrease) in liabilities:	
Deferred revenue	191,317
Net cash provided by operating activities	<u>197,173</u>
Cash and cash equivalents, beginning of year	<u>121,392</u>
Cash and cash equivalents, end of year	<u>\$ 318,565</u>

See accompanying notes and independent auditors' report.

TOWN OF PLATTSBURGH
LOCAL DEVELOPMENT CORPORATION, INC.

Notes to Financial Statements

December 31, 2010

(1) Summary of Significant Accounting Policies:

Organization –The Town of Plattsburgh Local Development Corporation, Inc. was incorporated in March, 2005 under the Not-for-Profit Law of the State of New York for the purpose of relieving and reducing unemployment by promoting and providing job opportunities and to encourage the development or retention of industry in the Town of Plattsburgh, New York. This is accomplished by making loans to local businesses and obtaining federal grants to enhance redevelopment, as well as further development of the Town of Plattsburgh, NY.

The Town of Local Development Corporation is a component unit of the Town of Plattsburgh, New York.

Basis of Accounting – The financial statements of the Town of Plattsburgh Local Development Corporation, Inc. have been prepared on the accrual basis where where by revenues are recorded when earned and expenditures when incurred.

Cash and Cash Equivalents - For purposes of the statement of cash flows, The Town of Plattsburgh Local Development Corporation, Inc. considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Loans Receivable – Loans receivable are carried at their estimated collectible amounts. Interest income is recognized using the interest method.

Concentrations of Credit Risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and loans receivable. The Organization maintains its cash balances in two financial institutions. All deposits in noninterest-bearing transaction accounts are insured in full and all other deposit accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2010 the Organization had no uninsured deposits.

Revenue Recognition – The Town of Plattsburgh Local Development Corporation, Inc.'s sources of operating revenue is from interest payments on loans issued and federal grant revenue. The primary source of non-operating revenue is interest earned on time deposits.

Income Taxes – The Town of Plattsburgh Local Development Corporation, Inc. is exempt from income taxes as a not-for-profit corporation under tax section 501(c)(3) as determined by the Internal Revenue Service and, accordingly, these financial statements do not reflect a provision for income taxes.

TOWN OF PLATTSBURGH
LOCAL DEVELOPMENT CORPORATION, INC.

Notes to Financial Statements

December 31, 2010

(1) Summary of Significant Accounting Policies, Continued:

Use of Estimates - The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Loans Receivable :

Loans receivable at December 31, 2010 consist of the following:

Cedar Knoll - loaned \$169,800 in January 2005, interest at 1%, monthly principal and interest payment of \$1,487.52, maturing January 2015. The loan is in default but payments are continuing to be made.	\$ 98,723
Multina USA - loaned \$120,000 in September 2005, interest free, monthly principal only payment of \$1,000, maturing September 2015. The loan is in default but payments are continuing to be made.	<u>64,000</u>
	162,723
Less current portion	<u>19,636</u>
Long-term portion	\$ <u>143,087</u>

Although both loans are delinquent, they are considered to be collectible, therefore no allowance for doubtful accounts was established.

(6) Subsequent Events:

The date to which events occurring after December 31, 2010, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is October 20, 2011, which is the date on which the financial statements were available to be issued. Management feels that no further disclosures are required.

**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 Town Board of Directors
Town of Plattsburgh
Local Development Corporation, Inc.
Plattsburgh, New York:

We have audited the financial statements of the Town of Plattsburgh Local Development Corporation, Inc., Plattsburgh, New York as of and for the year ended December 31, 2010, and have issued our report thereon dated October 20, 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 Town of Plattsburgh Local Development Corporation, Inc.'s, internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Plattsburgh Local Development Corporation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Plattsburgh Local Development Corporation, Inc.'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 was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Plattsburgh Local Development Corporation, Inc.'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*.

This report is intended solely for the information and use of management and the Town of Plattsburgh Local Development Corporation, Inc. Board and is not intended to be and should not be used by anyone other than these specified parties.

Abbott, Frenyea & Russell
CPA's, P.C.

October 20, 2011

TOWN OF PLATTSBURGH
LOCAL DEVELOPMENT CORPORATION, INC.

Schedule of Findings and Responses

December 31, 2010

No findings for 2010.