

**CITY OF AMSTERDAM INDUSTRIAL
DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
JUNE 30, 2013**

**SHELLY VANNOSTRAND CPA, PLLC
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FONDA, NEW YORK 12068**

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**INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL FINANCIAL REPORT**

_____ **Please check here if the name, address, and/or telephone number is different from last year.**

FOR CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
(name of Industrial Development Agency)

CITY OF AMSTERDAM
(name of sponsoring municipality)

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

General Municipal Law, Section 859 (1):

(b) Within ninety days following the close of its fiscal year, each agency or authority shall prepare a financial statement for that year in such form as may be prescribed by the State Comptroller. Such statement shall be audited within such ninety day period by an independent certified public accountant...

(c) Within thirty days after completion, a copy of the audited financial statement shall be transmitted to the commissioner of the Department of Economic Development, the State Comptroller and the governing body of the municipality for whose benefit the agency was created.

NYS OFFICE OF THE STATE COMPTROLLER
DIVISION OF LOCAL GOVERNMENT SERVICES AND
ECONOMIC DEVELOPMENT
110 STATE STREET, DATA MANAGEMENT UNIT 12TH FLOOR
ALBANY, NEW YORK 12236

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INDEPENDENT AUDITORS' REPORT

To the Chairman and Board of
City of Amsterdam Industrial Development Agency

We have audited the accompanying financial statements of the City of Amsterdam Industrial Development Agency, a public benefit corporation, a component unity of the City of Amsterdam, New York, as of and for the year ended June 30, 2013, which collectively comprise the Agency's basic financial statements as listed on the table of contents. 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Amsterdam Industrial Development Agency as of June 30, 2013, and the changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting Principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-1 through B-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

SHELLY VANNOSTRAND, CPA, PLLC

September 24, 2013
Fonda, New York

AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY

61 Church Street
Amsterdam, New York 12010

Tel: (518) 842-5011

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Management Discussion & Analysis Report

The Amsterdam Industrial Development Agency (IDA or AIDA) is a public benefit corporation created by state legislation to promote economic development within the City of Amsterdam. The City of Amsterdam's Common Council appoints the board members of the agency, but the City exercises no oversight responsibility. The board members of the Agency are involved in the management of the Agency and accountability for fiscal matters.

The Agency, during the fiscal year of 2012-2013 continues to be committed to assisting the City of Amsterdam in its efforts to further economic development opportunity. The IDA continues to seek and market companies who may be interested in expanding or moving to the city. The IDA is mindful of the need to assist companies wanting to relocate to the city. To that end, we continue to offer assistance through loans, financial assistance and through bonding opportunities.

The basic financial statements are very similar to the financial statements of a for profit entity, there are no fund level financial statements applicable to the Agency.

A comparison of this year to last year's financial information is as follows:

	12-13	11-12
Assets		
Current Assets	\$ 617,456	\$ 712,779
Capital Assets	<u>2,627,409</u>	<u>2,504,161</u>
Total Assets	3,244,865	3,216,940
Liabilities	1,282,287	1,324,975
Net Assets		
Capital Assets net	1,608,135	1,417,200
Unrestricted	294,116	384,988
Restricted	<u>60,327</u>	<u>89,777</u>
Total Net Assets	\$ <u>3,244,865</u>	\$ <u>1,891,965</u>

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The Agency, during the fiscal year of 2012-2013, had some notable accomplishments. The Agency was very aggressive in applying for grants to assist with the renovation of 44-46 East Main Street, which it acquired in early 2012. The Agency was awarded \$515,000 in grant funds from the Amsterdam Urban Renewal Agency, the NYS Department of State and the NYS Department of Economic Development. In addition, other grants were received for improvements to three other buildings owned by the Agency, including the Wrestling Hall of Fame and Emma Lou's Diner. The Agency also received nearly \$200,000 in grants for Mohawk Fabric.

44-46 East Main Street is currently in the process of being rehabilitated. In addition, improvements were made to the Agency owned industrial building occupied by Power and Composite Technologies, LLC (PCT), including a new gas main and new industrial boiler.

All insurance policies have been reviewed and in some cases, upgraded. In addition, all leases have been reviewed and, in the case of Beckmann's Converting, renegotiated with increased rents.

Jody Zakrevsky
Chief Executive Officer

CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
(ENTERPRISE FUND)
STATEMENT OF NET ASSETS
JUNE 30, 2013 & 2012

	2013	2012
ASSETS:		
Current assets:		
Cash & cash equivalents - unrestricted	\$ 252,931	\$ 464,921
Cash & cash equivalents - restricted (Note 2)	60,327	89,777
Investments (Note 1)	31,500	31,500
Accounts & notes receivable (net) (Note 3)	127,937	121,909
Grants receivable (Note 3)	136,938	-
Prepaid expenses	7,823	4,672
Total current assets	\$ 617,456	\$ 712,779
Fixed assets (Note 4):		
Land	\$ 282,398	\$ 282,398
Land improvements	444,729	444,729
Buildings	2,897,525	2,897,525
Building improvements	288,842	58,867
Equipment	6,000	-
Office equipment	13,211	11,838
Less: Accumulated depreciation	(1,305,296)	(1,191,196)
Total net fixed assets	\$ 2,627,409	\$ 2,504,161
Total assets	\$ 3,244,865	\$ 3,216,940

The Notes to the Financial Statements are an integral part of this statement

**CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
(ENTERPRISE FUND)
STATEMENT OF NET ASSETS
JUNE 30, 2013 & 2012**

	2013	2012
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 30,905	\$ 3,474
Accrued liabilities (Note 5)	5,129	7,561
Total current liabilities	\$ 36,034	\$ 11,035
Long-term liabilities:		
Bond payable	\$ 1,019,274	\$ 1,086,961
Other liabilities:		
Due to other governments	\$ 26,979	\$ 26,979
Due to National Grid (Note 1)	200,000	200,000
Total other liabilities	\$ 226,979	\$ 226,979
Total liabilities	\$ 1,282,287	\$ 1,324,975
Net assets		
Invested in capital assets, net of related debt	\$ 1,608,135	\$ 1,417,200
Restricted net assets	60,327	89,777
Unrestricted net assets	294,116	384,988
Total net assets	\$ 1,962,578	\$ 1,891,965
Total liabilities and net assets	\$ 3,244,865	\$ 3,216,940

The Notes to the Financial Statements are an integral part of this statement

**CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
(ENTERPRISE FUND)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 1,500	\$ 17,916
Rental & lease income	<u>299,890</u>	<u>286,176</u>
 Total operating revenues	 301,390	 304,092
 Operating expenses (see schedule)	 <u>\$ 323,425</u>	 <u>\$ 324,927</u>
 Net operating income (loss)	 \$ (22,035)	 \$ (20,835)
 Non-operating income (expenses)		
Grant income	\$ 136,938	\$ -
Interest income	2,726	2,709
Interest expense	(47,015)	(50,087)
Loss on disposal of assets	<u>-</u>	<u>(1,285)</u>
 Total non-operating income (loss)	 <u>\$ 92,649</u>	 <u>\$ (48,663)</u>
 Change in net assets	 70,614	 (69,498)
 Net assets (deficit), beginning of year	 <u>1,891,965</u>	 <u>1,961,463</u>
 Net assets (deficit), end of year	 <u><u>\$ 1,962,579</u></u>	 <u><u>\$ 1,891,965</u></u>

The Notes to the Financial Statements are an integral part of this statement

**CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
(ENTERPRISE FUND)
STATEMENT OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Advertising	\$ 121	\$ -
Bank fees	2,782	2,564
Professional & consulting fees	37,076	39,170
Insurance	9,483	6,060
Office expense	2,100	2,715
Repairs & maintenance	9,085	7,839
Memberships & dues	901	1,218
Travel & meetings	-	125
Utilities	3,066	269
Payroll	86,329	84,853
Employee benefits	8,972	7,399
Property taxes	4,740	1,035
Pilots	31,263	23,824
Water, sewer, & garbage	11,210	8,315
Expired purchase option	-	15,000
Depreciation	114,100	118,659
Miscellaneous	<u>2,197</u>	<u>5,882</u>
 Total operating expenses	 <u><u>\$ 323,425</u></u>	 <u><u>\$ 324,927</u></u>

The Notes to the Financial Statements are an integral part of this statement

**CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
(ENTERPRISE FUND)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from providing services	\$ 301,704	\$ 328,092
Cash payments contractual expenses	(100,756)	(146,683)
Cash payments personal services & benefits	(97,733)	(84,853)
Other operating revenues (expenses)	-	(5,866)
Net cash provided by operating activities	\$ 103,215	\$ 90,690
CASH FLOWS FROM NON-CAPITAL & FINANCING ACTIVITIES		
Real property taxes	\$ (36,003)	\$ (24,859)
Net cash (used) by non-capital financing activities	\$ (36,003)	\$ (24,859)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Principal payments on debt	\$ (67,687)	\$ (64,615)
Proceeds received from debt	-	200,000
Proceeds dispursed as note(s) receivable	(56,183)	(76,983)
Principal payments received from note(s) receivable	49,840	22,255
Net cash provided (used) by capital and related financing activities	\$ (74,030)	80,657
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	\$ 2,726	\$ 2,709
Purchase of fixed assets	(237,348)	(65,703)
Net cash (used) by investing activities	\$ (234,622)	\$ (62,994)
Net increase (decrease) in cash & cash equivalents	(241,440)	83,494
Cash, beginning of year	554,698	471,204
Cash, end of year	\$ 313,258	\$ 554,698
RECONCILIATION OF OPERATING INCOME TO NET CASH		
Net income (loss)	\$ 70,614	\$ (69,498)
Depreciation	114,100	118,659
(Increase) decrease in accounts receivable	(136,623)	14,988
Increase in accounts payable	24,998	3,753
(Increase) in prepaid expenses	(3,151)	(647)
Loss on disposal of asset	-	1,285
Interest income	(2,726)	(2,709)
Real property taxes	36,003	24,859
Net cash provided (used) by operating activities	\$ 103,215	\$ 90,690

The Notes to the Financial Statements are an integral part of this statement

CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Amsterdam Industrial Development Agency (Agency) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP). Significant accounting policies are:

A. *Financial Reporting Entity*

The City of Amsterdam Industrial Development Agency (Agency) is a public benefit corporation created by State legislation to promote economic development within the City of Amsterdam. The Board members of the Agency are appointed by the City of Amsterdam's Common Council, but the City exercises no oversight responsibility. Agency Board members have complete responsibility for management of the Agency and accountability for fiscal matters.

The financial reporting entity includes functions and activities over which the Board exercises oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Based on the foregoing criteria and the significant factors presented below, the following functions or activities are included in the reporting entity.

Jobs for Amsterdam Grant

The Agency is a named participating party in a Housing and Urban Development (HUD) grant to the City of Amsterdam for the Amsterdam Community Development Program to operate a revolving loan fund of \$195,000. These funds are to be loaned, for a period not to exceed ten years, to industry and not-for-profit organizations for the purpose of creating and retaining permanent jobs within the City of Amsterdam. Significant factors requiring inclusion of the grant activity in the Agency reporting entity are as follows:

- (i) Loans are made to area businesses in the name of the Agency and repayment is due to the Agency.
- (ii) The Agency's Board approves all loans.

Brookside Grant

The Agency is a participating party in a HUD grant to the City of Amsterdam to operate a revolving loan fund of \$160,000. Significant factors requiring inclusion of the grant activity in the Agency reporting entity are as follows

- (i) Loans are made to area businesses in the name of the Agency and repayment is due to the Agency.
- (ii) The Agency's Board approves all loans.

The revolving loan funds created from the HUD grants, as described above, provides local industry and not-for-profit organizations a source of credit which they may not be able to obtain elsewhere. Due to the high-risk nature of the loans made by the Agency,

CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Financial Reporting Entity*

some part or all of the grant funds may be lost. The Agency is not responsible for repayment to HUD for funds lost as a result of loans that become uncollectible. The effect on the Agency is that there are fewer funds from which additional loans can be made.

National Grid Grant

The Agency is a participating party in a National Grid grant to AIDA for use of relief to flood victims for \$50,000. In addition, the Agency received a loan from National Grid in the amount of \$200,000. This loan is to be used by the Agency to provide 0% loans to flood victims. The Agency is to repay the loan back to National Grid in December 2013. As of June 30, 2013, the Agency has \$40,000 outstanding it has loaned to flood victims.

B. *Basis of Presentation*

The Agency's operations are accounted for in a manner similar to a private business enterprise. The measurement focus is upon determination of net income, financial position, and changes in cash flows.

C. *Basis of Accounting*

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is followed. Using this basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. Revenues from Federal, State and other grants designated for payment of specific expenditures are recognized when the related expenditures are incurred. Any excess of grant receipts or expenditures at the fiscal year-end is recorded as deferred revenue or accounts receivable, respectively.

The Agency policy defines operating revenues as those which are a result of having provided services to local businesses, ex. Lease and rental income. Non-operating revenues can include grant proceeds and interest earned on deposits in banks.

It is the agency's policy to apply FASB pronouncements issued after November 30, 1989.

D. *Fixed Assets*

Fixed assets are stated at cost. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue.

The Agency pursues economic development, in part, by purchasing real property and preparing the property for sale or lease, with an option to buy, to local businesses or to those businesses which desire to relocate to the City of Amsterdam. During the time the Agency holds the property the Agency attempts to maintain the condition of the property by offering it to businesses under the terms of operating leases. The operating leases are incidental to the objective of selling the property and thereby increasing the City's real property tax base. Depreciation is not recognized on those properties being temporarily utilized as described above. Depreciation is recognized when an asset is placed in service.

**CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Fixed Assets

As of June 30, 2013 the following assets are being depreciated using the straight-line method:

<u>Asset</u>	<u>Estimated Useful Life</u>
Furniture, fixtures and equipment	5 years
Improvements to Edson Street industrial park picnic area	8 years
Improvements to Edson Street industrial park railroad spur	30 years
Buildings	23 - 30 years
Improvements to 44-46 East Main St.	20 years

E. Provision for Uncollectible Accounts

The Agency uses the allowance method to account for uncollectible accounts based on an estimate of amounts deemed uncollectible. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

F. Industrial Revenue Bonds

The Agency may issue industrial revenue bonds. The bonds are special obligations of the Agency payable solely from revenue derived from the leasing, sale or other disposition of a project. The Agency has no responsibility to repay the bonds in the event of default. There is no liability to the Agency; therefore, the obligations are not accounted for in the accounts of the Agency. However, memorandum accounts are maintained until the bonds are paid.

The following is a summary of the outstanding bonds as of June 30, 2013:

	<u>Noteworthy, Industries, Inc.</u>
Payable at June 30, 2012	\$ 557,634
Redeemed	<u>214,643</u>
Payable at June 30, 2013	<u>\$ 342,991</u>

G. Investments

Investments are stated at fair value.

Investments in common stock as of June 30, 2013 consist of:

Amsterdam Chuctanunda and Northern Railroad Company (A) \$ 31,500

(A) Carrying value approximates market value of the shares owned.

CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Risk Management

The Agency has purchased insurance coverage for property damage and personal injury liability for the Agency's real property. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. There were no claims that exceeded coverage for the year ended June 30, 2013.

I. Compensated Absences

Agency employees are granted vacation and sick leave in varying amounts. In the event of termination, employees are entitled to payment for accumulated vacation time.

J. Cash

The Agency's investment policies are governed by State statutes. Agency monies must be deposited in any bank or trust company 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 or its localities.

Collateral is required for demand deposits and certificates of deposit for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

As of June 30, 2013, the book amount of the Agency's deposits was \$313,258. The bank balance was \$313,108, which was covered by \$313,108 of FDIC insurance.

K. Cash and Cash Equivalents

For the purposes of the cash flows statements cash and cash equivalents are those investments that have a maturity less than three months.

2. RESTRICTED ASSETS

Restricted assets consist of cash and as of June 30, 2013 is comprised of the following:

Jobs for Amsterdam and Brookside grants (A)(B)(C)(D)	<u>\$ 60,327</u>
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CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

- (A) The cash can be used only for the purpose of loans to private industry and not-for-profit organizations for the purpose of creating and retaining permanent jobs within the City of Amsterdam.
- (B) In March of 2000, the Agency authorized the use of restricted Jobs for Amsterdam Fund cash in the amount of \$200,000 to complete construction of Shell Building, which has now been leased to AGT Services, Inc. (See Note 8). The \$200,000 shall be repaid to the restricted cash account with 10% of each monthly rental payment received. Balance owed at June 30, 2011 is \$168,519.
- (C) In February 2006, the Agency authorized a loan from the restricted Jobs For Amsterdam Fund in the amount of \$150,000 for the City's local Waterfront Revitalization Program. See Note 6 (B). The \$150,000, when fully loaned, shall be repaid to the restricted cash account from the Agency resources. As of June 30, 2013 the Agency has advanced \$98,799 to the City. The Waterfront Program closed and no payment is expected.
- (D) In September 2011, the Agency authorized a loan to Vida-Blend from the restricted Jobs for Amsterdam Fund. Current balance owed is \$47,073.
- (E) In 2012, the Agency authorized a loan to A & M Cleaners for \$20,000. The loan shall be repaid to the restricted cash account. The Agency also authorized the purchase of 46 E Main Street for \$39,909 and the purchase of 2 Chuctanunda Road, Emma Lou's Diner, for \$24,818 with funds from the restricted account.

3. OTHER RECEIVABLES

Other receivables as of June 30, 2013 are comprised of the following:

Accounts receivable	\$ 3,674
Note receivable	124,263
Grants receivable	<u>136,938</u>
Total	<u>\$ 264,875</u>

The following is a schedule of the note receivable as of June 30, 2013:

<u>Payable From/Description</u>	<u>Original Amount</u>	<u>Interest Rate (%)</u>	<u>Monthly Payment</u>	<u>Balance at June 30, 2013</u>
A & M Cleaners	20,000	3.25	365.98	17,729
Russo's Grill & Catering	50,000	0.00	0.00	40,000
La Cucina di Parillo	26,234	4.25	263.84	21,461
Vida-Blend, Inc.	52,801	3.25	954.64	47,073
Less allowance for doubtful accounts				<u>(2,000)</u>
Note Receivable				<u>\$ 124,262</u>

- (A) The Michael DeRose Jr., A & M Cleaners note is payable over 57 monthly payments starting October 1, 2012 at an interest rate of 3.25%. The note is secured by certain equipment and a personal guarantee from the owner.
- (B) The Russo's Grill & Catering LLC note is at a rate of 0.0% interest and is due in full on December 1, 2013 or upon receipt of a SBA or other loan funding source. The note is secured by loan proceeds from an anticipated SBA loan.

**CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

- (C) The La Cucina di Parillo note is payable over 72 monthly payments of \$264, beginning March 15, 2011 at an interest rate of 4.25% with the remaining balance due at the end of the 72 months. The note is secured by certain equipment and a personal guarantee from the owner.
- (D) The Vida-Blend, Inc. note is payable over 60 monthly payments of \$954, beginning November 2012 at an interest rate of 3.25%. The note is secured by certain equipment and personal guarantees from the owners.

4. FIXED ASSETS

Fixed asset balances for the year ended June 30, 2013 are as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2013</u>
Fixed assets that are not depreciated				
Land	\$ 204,076	\$ -	\$ -	\$ 204,076
Land improvements	<u>78,322</u>	<u>-</u>	<u>-</u>	<u>78,322</u>
Total Non-depreciable	<u>282,398</u>	<u>-</u>	<u>-</u>	<u>282,398</u>
Fixed assets that are depreciated:				
Land improvements	444,729	-	-	444,729
Buildings	2,956,391	229,976	-	3,186,367
Furniture, fixtures and equipment	<u>11,838</u>	<u>7,373</u>	<u>-</u>	<u>19,211</u>
Total Depreciated Assets	<u>3,412,958</u>	<u>237,349</u>	<u>-</u>	<u>3,650,307</u>
Less accumulated depreciation:				
Land improvements	444,727	-	-	444,727
Buildings	735,649	112,714	-	848,363
Furniture, fixtures and equipment	<u>10,819</u>	<u>1,387</u>	<u>-</u>	<u>12,206</u>
Total Accumulated Depreciation	<u>1,191,195</u>	<u>114,101</u>	<u>-</u>	<u>1,305,296</u>
Total Depreciated Assets, net	<u>\$ 2,504,161</u>	<u>\$ 123,248</u>	<u>\$ -</u>	<u>\$ 2,627,409</u>

Certain of the above properties are described below:

Description of Property and/or Location

A. VanDerveer Park

Located at the northeastern corner of Park Street and Locust Avenue.

B. Edson Street Industrial Park (A)

The Park is located in the City of Amsterdam and contains 39.5 acres of land as of June 30, 2013. The Agency has subdivided the industrial park and prepared the parcels for sale or lease.

CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

4. FIXED ASSETS

C. Front Street

During August 1994, the Agency purchased land from individual property owners. The property is in the process of development for sale or lease by the Agency.

5. COMPENSATED ABSENCES

The Agency does not accrue a liability for accumulating sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value of accumulating sick leave is considered a contingent liability. The Agency amount of accumulated sick leave at June 30, 2013 is immaterial.

The Agency records the value of the earned and unused portion of the liability for vacation time for employees. The liability at June 30, 2013 is \$4,862. See Note 1.I.

6. COMMITMENTS AND CONTINGENCIES

- (A) The Agency has received significant amounts of Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Agency believes such disallowance, if any, would be immaterial.
- (B) The Agency has committed a \$150,000 grant to the City of Amsterdam for the Bridge Street Reconstruction. As of June 30, 2013, the Agency had paid \$60,924 of the grant. The Waterfront Program closed and no payment is expected.
- (C) The Agency has committed up to \$70,000 for the construction of a building at Riverlink Park with the Amsterdam Waterfront Foundation. The Agency has advanced \$7,000 and \$3,497 in July and August 2007, respectively. No further money will be advanced as the Waterfront Foundation is defunct.
- (D) In July 2008, the Agency entered into a new operating lease with AGT Services, Inc. See note 8. As part of the new lease the Agency committed additional land to the facility so that an addition to the existing facility could be constructed. Construction was completed in the previous fiscal year and the agency entered into a permanent loan agreement. The operating lease will provide sufficient cash flow for the repayment of the Agency's loan obligation. The land, building and lease are collateral for the loan.
- (E) In January 2011, the Agency entered into a new operating lease with Power & Composite Technologies. See note 8.
- (F) In February 2011, the Agency entered into a promissory note with Paul Parillo, dba La Cucina di Parillo. The note is for \$27,000 to be paid back in 71 installments of \$264 and a balloon payment at the end of the term. As of June 30, 2013, the balance is \$21,460.

CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

7. OPERATING LEASES

The Agency has real property available for lease to promote economic development within the City of Amsterdam.

During September 2002, the Agency leased land and buildings in the Edson Street Park to AGT Services, Inc. for a period of five years with an option to renew or an option to purchase.

In 2007, AGT exercised its option to renew its lease for an additional five years. In July, 2008, the Agency renewed their lease with AGT for a period of 15 years with an option to renew and option to purchase. In October 2009 the lease payments were adjusted because the construction of the new addition was complete and a permanent loan was in place. The cost, carrying value of the land, building, accumulated depreciation, and net book value of the building at June 30, 2013 are \$4,323, \$606,355, \$222,330 and \$384,025, respectively.

During September 2004, the Agency leased land and building in the Edson Street Park to Comptech Corporation for a period of five years with an option to renew. On July 1, 2008 the Agency amended its lease with Comptech Corporation to remove Comptech as tenant and replace them with Breton Industries, Inc., subtenants of Comptech. The lease period is July 1, 2008 through August 31, 2014. The cost, carrying value of the land, building, accumulated depreciation and net book value of the building at June 30, 2013, are \$4,371, \$312,493, \$93,748, and \$218,745, respectively.

In May 2006, the Agency leased land and buildings at 14 Park Drive to Beckmann Converting, Inc. for a period of seven years. Starting June 2013, the Agency and Beckmann Converting, Inc, extended their lease for a period of three years. The cost, carrying value of the land, building, accumulated depreciation and net book value of the building at June 30, 2013 are \$3,166, \$74,188, \$54,405, and \$19,783, respectively.

In October, 2007, the Agency leased land and buildings at 30-32 and 24-26 East Main Street to the Professional Wrestling Hall of Fame and Museum for a period of ten years with an option to purchase. The cost, carrying value of the land, building, accumulated depreciation and net book value of the building at June 30, 2013, are \$4,540, \$189,942, \$54,882 and \$135,060, respectively.

During December, 2009, the Agency leased land and buildings located at 5 Sam Stratton Drive in the Edson Street Industrial Park for a period of five years to Power and Composite Technologies, LLC. (PCT). The cost, carrying value of the land, building, accumulated depreciation and net book value of the building at June 30, 2013, are \$68,709, \$480,000, \$240,000 and \$240,000, respectively.

During June 2012, the Agency leased land and buildings located at 2 Chuctanunda Street for a period of seven years to Emma Lou's Diner with an option to purchase. The cost, carrying value of the building, accumulated depreciation and net book value of the building at June 30, 2013 are \$22,858, \$1,988, and \$20,870, respectively.

**CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

7. OPERATING LEASES

A schedule of future minimum rentals on non-cancellable operating leases is as follows:

	<u>AGT Services, Inc.</u>	<u>Comptech Corpor- ation</u>	<u>Beckman Converting</u>	<u>The Professional Wrestling Hall of Fame and Museum</u>	<u>Power and Composite Technologies, LLC</u>	<u>Emma Lou's Diner</u>	<u>Totals</u>
For the year ended June 30,							
2014	\$ 120,702	\$ 29,700	\$ 53,375	\$ 501	\$ 60,000	\$ 4,956	\$ 269,234
2015	120,702	2,475	63,157	501	30,000	4,956	221,791
2016	120,702		59,477	501		4,956	185,636
2017	120,702			501		4,956	126,159
2018	<u>120,702</u>			<u>501</u>		<u>4,956</u>	<u>126,159</u>
Totals	<u>\$ 603,510</u>	<u>\$ 32,175</u>	<u>\$ 176,009</u>	<u>\$ 2,505</u>	<u>\$ 90,000</u>	<u>24,780</u>	<u>\$ 928,979</u>

A. The amounts shown are only the temporary base rents owed and will increase when the construction phase begins

8. RESTRICTED NET ASSETS

The agency has \$60,327 of restricted net assets from having received federal grant funds for a revolving loan fund. See notes 1A

**CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDEBTEDNESS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Bonds Entity</u>	<u>Original Issue</u>	<u>Issued</u>	<u>Interest</u>	<u>Outstanding Beginning of 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>
Noteworthy Industries, Inc.	\$1,400,000	12/07	5.061	\$557,634	-	\$214,643	\$342,991	12/2014

The Notes to the Financial Statements are an integral part of this statement

MATURITY SCHEDULE
BONDS ISSUED DURING THE YEAR

PURPOSE OF ISSUE	EDP CODE	Manufacturing - Noteworthy Industries, Inc.					
For State Comptroller Use Only	2P3CE						
TOTAL PRINCIPAL	2P3PR	1,400,000					
DATE OF ISSUE*	2P3DT	1/20/07	/ /	/ /	/ /	/ /	/ /
INTEREST RATE (In Decimals)	2P3PC	.05061					
DATE OF FINAL MATURITY*	2P3DM	1/23/14	/ /	/ /	/ /	/ /	/ /
Amount of Principal Redeemed	2P302	0					
In or to be Redeemed In	2P303	0					
Fiscal Year Ending In	2P304	0					
	2P305	0					
	2P306	0					
	2P307	0					
	2P308	84,425					
	2P309	175,381					
	2P310	184,466					
	2P311	194,022					
	2P312	204,072					
	2P313	214,643					
	2P314	225,762					
	2P315	117,229					
	2P316	0					

Continue on Reverse Side

*PLEASE INSERT SIX DIGITS, FOR EXAMPLE, APRIL 1, 2003 SHOULD BE SHOWN AS 04/01/03
NOTE: If two or more purposes are combined in a consolidated issue, show the maturity schedule for each purpose.

**INSTRUCTIONS FOR COMPLETING SCHEDULE OF SUPPLEMENTAL BOND/NOTE AND LEASE INFORMATION
FOR INDUSTRIAL DEVELOPMENT AGENCIES AND AUTHORITIES**

The Supplemental Information follows the Maturity Schedule and is required to be completed for each project begun in 1990 and thereafter for which debt was issued, outstanding or retired during the fiscal year or any straight lease agreement which was entered into since 1990 and thereafter and is outstanding. (Photocopy additional sheets if needed).

1. On the Schedule of Supplemental Information, the name of the project, the name of the project owner, and the project owner's address must be completed for all projects begun in 1990 and thereafter. This information should be current and reflect any changes since the project was undertaken. The project code must be established and reported for all projects started in 1998 and thereafter. Refer to separate instructions for coding structure for IDA project identification numbers. This code should also be used to identify the project in reporting project activity to other state agencies or department.
2. The Project purpose code should be taken from the list on the top of pages 11 and 12 of the annual report form. The definitions for the codes follows these instructions.
3. Total Project Amount is the cost of the entire project.
4. Benefitted Project Amount is Total Project Amount less any project costs that will not result in an IDA-derived benefit. For example, items included within the project amount that are not sales taxable (e.g. service, such as legal, architectural, engineering) or do not result in an increase in the real property assessment.
5. Bond or Note Amount is the original principal amount of bond or note issued.
6. Show the federal tax status of each bond or note using the codes on top of page 11.
7. Not-for-Profit Organization status of project occupant should be indicated by putting a "yes" in the not-for-profit column.
8. New Tax Revenue If No Exemptions Granted refers to the amount of tax revenues a project would generate if the project did not receive any tax exemptions.
9. Method of Financial Assistance Other Than Tax Exemptions or other economic benefit can be detailed on another page if necessary.
10. Tax exemptions refer to the total dollar amount of exemptions received during the year for which the report is being completed. For real property tax exemptions, please indicate the total amount of taxes for which the project would have been liable if the IDA was not involved. Do not deduct amount paid pursuant to any payment in lieu of taxes (PILOT) agreements. Real property tax exemptions must be shown for all projects including those to which PILOTS are made.
11. Total Real Property Tax Exemptions Net of RPTL section 485-b Exemptions is the amount of real property tax exemptions the project received as a result of IDA status, i.e., deduct from the IDA exemption the amount of any real property tax exemptions the project would have received, irrespective of IDA involvement.
12. Each project where a PILOT is made must be listed on pages 11b and 12b.
-- code 1 (all local units); -- code 2 (selected local units).
13. FTB Jobs Created and Retained-report the number of full time equivalent jobs.

PROJECT PURPOSE CODE DEFINITIONS

Services: This category includes establishments primarily engaged in producing a wide variety of services for individuals, business and government establishments and other organizations. Hotels and other lodging places, recreational services, health, legal, engineering, and other professional services; educational institutions, membership organizations, and other miscellaneous services, are included. **Construction:** This category includes establishments primarily engaged in construction. Three broad types of construction activity are covered: (1) building construction by general contractors or by operative builders; (2) heavy construction other than building by general contractors and special trade contractors; and (3) construction activity by other special trade contractors.

Agriculture, Forestry and Fishing: This category includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting and trapping and related services. **Wholesale Trade:** This category includes establishments or places of business primarily engaged in selling merchandise to retailers; to industrial, commercial, institutional, farm, construction contractors, or professional business users; or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies.

Retail Trade: This category includes establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of the goods. In general, retail establishments are classified by kind of business according to the principal lines of commodities sold (groceries, hardware, etc.), or the usual trade designation (drug store, cigar store, etc.). Some of the important characteristics of retail trade establishments are: the establishment is usually a place of business and is engaged in activities to attract the general public to buy; the establishment buys or receives merchandise as well as sells; the establishment may process its product, but such processing is incidental or subordinate to selling; the establishment is considered as retail in the trade; and the establishment sells to customers for personal or household use.

Finance, Insurance and Real Estate: This category includes establishments operating primarily in the fields of finance, insurance and real estate. Finance includes depository institutions, non-depository credit institutions, holding (but not predominantly operating) companies, other investment companies, brokers and dealers in securities and commodity contracts, and security and commodity exchanges. Insurance covers carriers of all types of insurance, and insurance agents and brokers. Real estate includes owners, lessors, buyers, sellers, agents, and developers of real estate. **Transportation, Communications, Electric, Gas and Sanitary Services:** This category includes establishments providing, to the general public or to other business enterprises, passenger and freight transportation, communications services, or electricity, gas, steam, water, or sanitary services.

Other Categories:

- Exempt Facility
- Water and sewage facilities
- Dock, wharves and public utility
- Solid waste and resource recovery
- Local furnishing of electric energy or gas
- Exempt sports facility
- Pollution control
- Civic Facility-- Facility owned or occupied by a nonprofit organization

Manufacturing: The manufacturing category includes establishments engaged in the mechanical or chemical transformation of materials or substances into new products. These establishments are usually described as plants, factories, or mills and characteristically use power drive machines and materials handling equipment. Establishments engaged in assembling component parts of manufactured products are also considered manufacturing if the new product is neither a structure nor other fixed improvement. Also included is the blending of materials, such as lubricating oils, plastic resin, or liquor.

BANK RECONCILIATION
CASH BY FUNDS, PER BALANCE SHEETS

Includes Petty Cash
 June 30, 2013

Enterprise Fund \$313,258

***TOTAL ALL FUNDS** \$313,258

BANK BALANCES
 Identify Bank Balances with Funds by Listing the Applicable Code Letters

Name and Location of Bank	Fund Code	Bank Balance	Less Outstanding Checks	Add Cash on Hand	Adjusted Bank Balance
First Niagara, Amsterdam, NY	EF	\$66,268			\$66,268
KeyBank, Amsterdam, NY	EF	\$9,987			\$9,987
First Niagara, Amsterdam, NY	EF	\$11,638			\$11,638
First Niagara, Amsterdam, NY	EF	\$4,516			\$4,516
Key Bank, Amsterdam, NY	EF	\$372			\$372
First Niagara, Amsterdam, NY	EF	\$60,327			\$60,327
NBT Bank, Amsterdam, NY	EF	\$160,000			\$160,000
TOTALS		\$313,108	\$0		\$313,108

Add: Petty Cash Funds \$150
 Adjustments (specify)
***TOTAL ADJUSTED BANK BALANCE AND PETTY CASH** \$313,258

*These amounts must agree
 NOTE: Bank certification forms are not required to be filed with this report. However, The Office of the State Comptroller may confirm bank balances directly with the bank.

CERTIFICATE OF CHIEF FISCAL OFFICER

I, JODY ZAKREVSKY, CERTIFY THAT I AM THE CHIEF FISCAL OFFICER OF THE
CITY OF AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY AND THAT THIS REPORT TO THE BEST OF MY
KNOWLEDGE, INFORMATION, AND BELIEF, IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL TRANSACTIONS AND FISCAL
CONDITION FOR THE FISCAL YEAR ENDED JUNE 30, 2013
SIGNATURE _____ DATE _____
TITLE CHIEF FISCAL OFFICER
OFFICIAL ADDRESS: _____ OFFICE TELEPHONE NO. _____
61 CHURCH STREET
AMSTERDAM NY 12010

PLEASE PRINT ADDITIONAL INFORMATION BELOW

CHIEF EXECUTIVE OFFICER (CEO): JODY ZAKREVSKY

TITLE: EXECUTIVE DIRECTOR

OFFICIAL ADDRESS:

61 CHURCH STREET

AMSTERDAM, NEW YORK 12010

PLEASE MAIL REPORT TO:

NYS COMPTROLLERS OFFICE
DIVISION OF LOCAL GOVERNMENT SERVICES AND
ECONOMIC DEVELOPMENT
110 STATE STREET, DATA MANAGEMENT UNIT 12TH FL
ALBANY, NEW YORK 12236

OFFICE TELEPHONE NO.

(518) 842-5011

IF YOU HAVE ANY QUESTIONS RELATING TO THIS
REPORT, PLEASE CALL: (518) 408-2941

City of Amsterdam Industrial Development Agency
Schedule of Projects Undertaken during Fiscal Year
June 30, 2013

During the fiscal year July 1, 2012 to June 30, 2013, the Agency initiated:

Developing a four-year strategic plan, which is expected to be adopted by the fall of 2013. The Agency has been evaluating the conditions of its Rail ROW to ascertain the possibility of renewed service to industrial clients. The Agency has also been working with a new manufacturing company from the NYS metropolitan area to start a manufacturing operation within the city of Amsterdam.

City of Amsterdam Industrial Development Agency
Schedule of Real Property
June 30, 2013

- A. The Agency, as of June 30, 2013, does not have any properties that it intends to dispose of having an estimated fair value in excess of \$15,000.
- B. The Agency, as of June 30, 2013, has ownership in the following properties

<u>Property Location</u>	<u>Estimated Fair Market Value As of June 30, 2013</u>
1. Locust & Park	\$4,348
2. Off Morris	870
3. 46-48 Lark St.	10,870
4. Edson St. Ext	44,780
5. Edson St.	3,620
6. 362 E. Main St.	3,900
7. 48 John St.	725
8. 46 John St.	725
9. 44 John St.	1,000
10. Sam Stratton Dr.	144,920
11. Sam Stratton Rd.	550,700
12. Park Dr	940,000
13. 7 Dandreano Dr.	326,000
14. Sam Stratton Dr.	28,990
15. RR Second Ave.	71,000
16. Fourth Ave	7,240
17. Kellogg	2,900
18. RR, Kellog-East	66,670
19. Fredrick St. Rear	220
20. Fredrick St. Rear	220
21. Fredrick St. Rear	6,500
22. Edson St.	3,600
23. 30-32 E. Main St.	111,870
24. Power Station (Lower Mill)	43,480
25. 24-26 E. Main St.	54,430
26. Sam Stratton Dr	1,086,960
27. 2 Chuctanunda Rd	56,725
28. 44-46 E. Main Street	249,085
29. Church Street	14,490

- C. In addition, the Agency, during the fiscal year ended June, 2013, did not dispose of any properties that had an estimated fair value in excess of \$15,000.

Chapter 23

ETHICS

ARTICLE I Code of Ethics

- § 23-1. Legislative intent.
- § 23-2. Definitions.
- § 23-3. Standards of conduct.
- § 23-4. Exemption for certain filings.
- § 23-5. Distribution of Code of Ethics.

§ 23-6. Penalties for offenses.

ARTICLE II Board of Ethics

- § 23-7. Board of Ethics established;
membership.
- § 23-8. Powers and duties.

[HISTORY: Adopted by the Common Council of the City of Amsterdam; Art. I, 8-4-1970; Art. II, 8-4-1970. Amendments noted where applicable.]

ARTICLE I Code of Ethics (Adopted 8-4-1970)

§ 23-1. Legislative intent.

Pursuant to the provisions of § 806 of the General Municipal Law, the Common Council of the City of Amsterdam recognizes that there are rules of ethical conduct for public officers and employees which must be observed if a high degree of moral conduct is to be obtained and if public confidence is to be maintained in our unit of local government. It is the purpose of this article to promulgate these rules of ethical conduct for the officers and employees of the City of Amsterdam. These rules shall serve as a guide for official conduct of the officers and employees of the City of Amsterdam. The rules of ethical conduct of this article, as adopted, shall not conflict with, but shall be in addition to, any prohibition of Article 18 of the General Municipal Law or any other general or special law relating to ethical conduct and interest in contracts of municipal officers and employees.

§ 23-2. Definitions.

As used in this article the following terms shall have the meaning indicated:

INTEREST¹ — A direct or indirect pecuniary or material benefit accruing to a municipal officer or employee as the result of a contract with the municipality which such officer or employee serves. For the purposes of this chapter, a municipal officer or employee shall be deemed to have an interest in the contract of.

¹ Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. I)

- A. His spouse, minor children and dependents, except a contract of employment with the municipality which such officer or employee enters.
- B. A firm, partnership or association of which such officer or employee is a member or employee.
- C. A corporation of which such officer or employee is an officer, director or employee.
- D. A corporation, any stock of which is owned or controlled directly or indirectly by such officer or employee.

MUNICIPAL OFFICER or EMPLOYEE— An officer or employee of the City of Amsterdam whether paid or unpaid, including members of any administrative board, commission or other agency thereof. No person shall be deemed to be a municipal officer or employee solely by reason of being a volunteer fireman or civil defense volunteer, except a Chief Engineer or Assistant Chief Engineer.

§ 23-3. Standards of conduct.

Every officer or employee of the City of Amsterdam shall be subject to and abide by the following standards of conduct:

- A. **Gifts.** He shall not, directly or indirectly, solicit any gift or accept or receive any gift having a value of \$75 or more, whether in form of money, services, loan, travel, entertainment, hospitality, thing or promise or any other form under circumstances in which it could reasonably be inferred that the gift was intended to influence him in the performance of his official duties or was included as a reward for any official action on his part.²
- B. **Confidential information.** He shall not disclose confidential information acquired by him in the course of his official duties or use such information to further his personal interest.
- C. **Representation before one's own agency.** He shall not receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any municipal agency of which he is an officer, member or employee, or of any municipal agency over which he has jurisdiction or to which he has the power to appoint any member, officer or employee.
- D. **Representation before any agency for a contingent fee.** He shall not receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any agency of his municipality, whereby his compensation is to be dependent or contingent upon any action by such agency with respect to such matter, provided that this subsection shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.
- E. **Disclosure of interest in legislation.** To the extent that he knows thereof, a member of the Common Council and any officer or employee of the City of Amsterdam, whether paid or unpaid, who participates in the discussion, or gives official opinion to the Common Council on any legislation before the Common Council, shall publicly disclose on the

² Editor's Note. Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. 1)

official record the nature and extent of any direct or indirect financial or other private interest he has in such legislation.

- F. Investment in conflict with official duties. He shall not invest or hold an investment directly or indirectly in any financial, business, commercial or other private transaction which creates a conflict with his official duties.
- G. Private employment. He shall not engage in, solicit, negotiate for or promise to accept private employment or render services for private interests when such employment or service creates a conflict with or impairs the proper discharge of his official duties.
- H. Future employment. He shall not, after the termination of service or employment with such municipality, appear before any board or agency of the City of Amsterdam in relation to any case, proceeding or application in which he personally participated during the period of his service or employment or which was under his active consideration.

§ 23-4. Exemption for certain filings.

Nothing herein shall be deemed to bar or prevent the timely filing by a present or former municipal officer or employee of any claim, account, demand or suit against the City of Amsterdam, or any agency thereof on behalf of himself or any member of his family arising out of any personal injury or property damage or for any lawful benefit authorized or permitted by law.

§ 23-5. Distribution of Code of Ethics.¹

The Mayor of the City of Amsterdam shall cause a copy of this Code of Ethics to be distributed to every officer and employee of the City of Amsterdam within 60 days after the effective date of this article. Each officer and employee elected or appointed thereafter shall be furnished a copy before entering upon the duties of his office or employment. Failure to distribute any such copy or failure of any officer or employee to receive such copy shall have no effect on the duty of compliance with such code, nor the enforcement provisions thereof.

§ 23-6. Penalties for offenses.

In addition to any penalty contained in any other provision of law, any person who shall knowingly and intentionally violate any of the provisions of this code may be fined, suspended or removed from office or employment as the case may be in the manner provided by law.

¹ Editor's Note: Amended at time of adoption of Code (see Ch. 1, General Provisions, Art. 1)

ARTICLE II
Board of Ethics
[Adopted 8-4-1970]

§ 23-7. Board of Ethics established; membership.

There is hereby established a Board of Ethics consisting of five members to be appointed by the Mayor and who shall serve without compensation and at the pleasure of the Mayor. A majority of such members shall be persons other than officers or employees of the City of Amsterdam, New York, but shall include the Corporation Counsel of the City of Amsterdam and, whenever possible, one Common Council member of the minority party in office in the City of Amsterdam.

§ 23-8. Powers and duties.

The Board of Ethics shall have the powers and duties prescribed by Article 18 of the General Municipal Law and shall render advisory opinions to the officers and employees of the City of Amsterdam with respect to Article 18 of the General Municipal Law and any Code of Ethics adopted pursuant to such article, under such rules and regulations as the Board may prescribe. In addition, the Board may make recommendations with respect to any amendments to the Code of Ethics upon request of the Common Council.

**AMSTERDAM INDUSTRIAL DEVELOPMENT AGENCY
NARRATIVE ON INTERNAL CONTROL
JUNE 30, 2013**

Disbursements:

Sandy Yutes, the Executive Secretary, opens the bills. If there are bills that reoccur, she cuts the check and holds until the board meeting. If the board meeting is late, the check sometimes will be sent out ahead of time, such as checks for contractual services.

The non-reoccurring bills are given to Jody Zakrevsky, the Executive Director or Daniel DeRossi, Chairman of the Board of Directors, to verify the correctness of the bill. Once verified, Sandy will cut the check. The check is held until the board meeting if possible. The Board of Directors will review both the bill and check for correctness. If the check is sent out ahead of time, the board will approve post check signing.

Two (2) signatures are required on each check. These two signatures come from the Board of Directors, who are the only individuals authorized to sign the checks. Sandy and Jody do not have the authorization to sign any checks. After the board members review the bill and check for correctness, Sandy sends the checks out.

Revenues:

Sandy opens and makes copies of each check that comes in. She will post this in a binder. Sandy prepares checking account deposit. The executive director will audit the deposit prior to the deposit being sent off to the bank. Once approved, the executive director will sign off or initial the deposit slips after the money has been deposited. During the period of time which there was not an executive director, Mr. DeRossi generally handled these duties.

The revenues and disbursements are recorded manually using a one-write system. These records are given to the Tracy Roberts, CPA who is the external accountant. She reviews and compiles the information given into quickbooks and generates the financial reports. These reports are given back to the agency to be reviewed by the board of directors to check for unusual items, and make sure that all controls in place are properly implemented.

Audit Committee – Daniel DeRossi, Michael Rossi, CPA & Michael Pepe (Board Members).

SHELLY VANNOSTRAND, CPA, PLLC

CERTIFIED PUBLIC ACCOUNTANT

2600 STATE HIGHWAY 30A

FONDA, NEW YORK 12068

(518) 853-8622 – OFFICE

(518) 853-4466 – FAX

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 Chairman and Board of
City of Amsterdam Industrial Development Agency

We have audited the financial statements of the City of Amsterdam Industrial Development Agency, New York, as of and for the year ended June 30, 2013, which collectively comprise the City of Amsterdam Industrial Development Agency's basic financial statements and have issued our report thereon dated September 24th, 2013. 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

Management of the City of Amsterdam Industrial Development Agency, New York, is responsible for establishing and maintaining the effective internal control over financial reporting. In planning and performing our audit, we considered the City of Amsterdam Industrial Development Agency, New York 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 City of Amsterdam Industrial Development Agency, New York internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Amsterdam Industrial Development Agency, New York internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management of 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 as 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 City of Amsterdam Industrial Development Agency, New York 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.

SHELLY VANNOSTRAND, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

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This report is intended solely for the information and use of the finance committee and the Board and is not intended to be and should not be used by anyone other than these specified parties.

Shelly VanNostrand CPA, P.L.L.C.

September 24, 2013
Fonda, New York

SHELLY VANNOSTRAND, CPA PLLC
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September 24, 2013

To the Chairman and Board of
City of Amsterdam Industrial Development Agency

Dear Chairman and the Board:

We have audited the financial statements of the City of Amsterdam Industrial Development Agency, New York, (the Agency) for the year ended June 30, 2013, and have issued our reports thereon dated September 24th, 2013. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 25, 2013, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Agency. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Agency are described in the notes to the financial statements. No new accounting policies adopted and the application of existing policies were not changed during 2012 and 2013. We noted no transaction entered into by the Agency during the year that was both significant and unusual, and that, under professional standards, we are required to inform you of, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Agency's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, the adjustments we proposed do not have a significant effect on the Agency's financial reporting process. We have reviewed these adjustments with the Executive Director and their effects have been included in the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that not such disagreements arose during the course of our audit.

Consultation with Other Independent Accounts

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements or professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

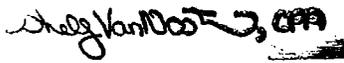
Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We have not encountered any problems in performing this year's audit. We would like to thank Jody Zakrevsky, Executive Director, and Sandy Yutes, Executive Assistant, for their cooperation and assistance in completing our audit.

This information is intended solely for the information and use of the Agency; Board, management and others within the organization of the Amsterdam Industrial Development Agency 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 "Greg VanDusen, CPA". The signature is written in a cursive style and is positioned above a dark, rectangular stamp or mark.

Fonda, New York
September 24, 2013