

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

CUSTER, FAUST & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Baylor C. Custer, CPA
John J. Faust, CPA
Susan G. Cooper, CPA

300 Union Street – Millersburg, PA 17061
(717) 692-2124 – Fax (717) 692-5506
email: custerpc@custercpa.com – www.custercpa.com

To the Board of Directors
Upper Dauphin Industrial Development Authority
Millersburg, Pennsylvania

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying balance sheet of Upper Dauphin Industrial Development Authority as of December 31, 2009 and 2008, and the related statements of revenue and expenses and changes in fund balance and cash flows for the years then ended. The financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 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.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Upper Dauphin Industrial Development Authority as of December 31, 2009 and 2008, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

Custer, Faust & Associates, PC

CUSTER, FAUST & ASSOCIATES, P.C.
Certified Public Accountants

July 15, 2010

Member of

Pennsylvania Institute of Certified Public Accountants – Pennsylvania Society of Public Accountants – National Association of Tax Professionals

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
BALANCE SHEET
December 31, 2009 and 2008

ASSETS	<u>2009</u>	<u>2008</u>
Cash in Bank - Checking	\$ 2,821.50	\$ 3,936.96
Cash in Bank - Money Market	<u>18,480.69</u>	<u>28,296.81</u>
Total Cash	21,302.19	32,233.77
Settlement Fees Receivable	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS	<u><u>21,302.19</u></u>	<u><u>32,233.77</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	0.00	0.00
Fund Balance		
Fund Balance, Unrestricted	<u>21,302.19</u>	<u>32,233.77</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 21,302.19</u></u>	<u><u>\$ 32,233.77</u></u>

See Auditor's Report and Notes to the Financial Statements

**UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUE AND EXPENSES AND FUND BALANCE
For The Years Ended December 31, 2009 and 2008**

REVENUES	<u>2009</u>	<u>2008</u>
Annual Membership Dues	\$ 1,500.00	\$ 1,500.00
Settlement Fees	0.00	0.00
Ned Smith Center Project Funds Received	0.00	395,019.00
Interest Income	183.88	317.63
	<hr/>	<hr/>
Total Revenues	1,683.88	396,836.63
EXPENSES		
Advertising	179.46	11.55
Insurance	936.00	936.00
Legal	1,000.00	2,000.00
Office Supplies and Postage	0.00	0.00
Auditing Fees	500.00	502.34
Donation	10,000.00	0.00
Ned Smith Center Project Funds Disbursed	0.00	395,019.00
	<hr/>	<hr/>
Total Expenses	12,615.46	398,468.89
Excess Revenues Over (Under) Expenses	(10,931.58)	(1,632.26)
Fund Balance, Beginning	<hr/> 32,233.77	<hr/> 33,866.03
Fund Balance, Ending	<hr/> \$ 21,302.19	<hr/> \$ 32,233.77

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
For The Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ (10,931.58)	\$ (1,632.26)
Adjustments to Reconcile Net Income to Net Cash		
Provided by (Used) Operating Activities:		
(Increase) Decrease in Fees Receivable	0.00	0.00
Increase (Decrease) in Accounts Payable	<u>0.00</u>	<u>0.00</u>
Net Cash Provided By Operating Activities	(10,931.58)	(1,632.26)
Cash, Beginning	<u>32,233.77</u>	<u>33,866.03</u>
Cash, Ending	<u><u>\$ 21,302.19</u></u>	<u><u>\$ 32,233.77</u></u>

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2009

A- Summary of Significant Accounting Policies

Organization and Business Purpose- Upper Dauphin Industrial Development Authority was incorporated on February 13, 1974, for the purpose of guaranteeing business loans to area business owners. It charges an annual membership fee to each business who obtains financing through this authority.

Basis of Accounting- Upper Dauphin Industrial Authority prepares its financial statements using the accrual basis of accounting.

B- United Church of Christ Homes, Inc.

During 2009, \$360,002.17 was transferred between United Church of Christ Homes, Inc. and a Wachovia Bank letter of credit debt service fund, through an M&T Investment account. The Upper Dauphin Industrial Development Authority receives statements detailing these transactions. The Upper Dauphin Industrial Development Authority did not hold any funds monthly, or as of December 31, 2009, as the funds are wired immediately between banks.

SUPPLEMENTAL INFORMATION

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
SCHEDULE OF PROJECTS OUTSTANDING
December 31, 2009

<u>PROJECT NAME</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL PRINCIPAL</u>	<u>2009 FEES COLLECTED</u>
ALLFIRST TRUST COMPANY			
United Church of Christ Homes, Inc.	12/6/2001	\$ 10,000,000	\$ 300
CHASE MANHATTAN TRUST CO. OF PA			
Assoc. of Independent Colleges & Universities of Pennsylvania	7/23/1998	1,300,000	300
WAYPOINT BANK			
Londonderry School	3/19/2003	2,000,000	300
Homeland Center	5/22/2003	6,100,000	300
Shadowfax Corp-Tax Exempt Term Loan	2/20/2003	3,000,000	300
Shadowfax Corp-Tax Exempt Non-Revolver LOC	2/20/2003	1,200,000	0
Shadowfax Corp-Revolver Credit Facility Loan	2/20/2003	1,000,000	0
		<u>\$ 24,600,000</u>	<u>\$ 1,500</u>