

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

CUSTER, FAUST & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2011 and 2010, 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, 2011 and 2010, 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 17, 2012

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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash in Bank - Checking	\$ 1,534.45	\$ 1,096.46
Cash in Bank - Money Market	<u>13,578.03</u>	<u>13,541.39</u>
Total Cash	15,112.48	14,637.85
Settlement Fees Receivable	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS	<u><u>15,112.48</u></u>	<u><u>14,637.85</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		0.00
Accounts Payable	0.00	
Fund Balance		<u>14,637.85</u>
Fund Balance, Unrestricted	<u>15,112.48</u>	<u>\$ 14,637.85</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>15,112.48</u></u>	<u><u>\$ 14,637.85</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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
REVENUES		
Annual Membership Dues	\$ 1,200.00	\$ 1,500.00
Bond Refinance Fees	5,000.00	4,900.85
DCED Grant	247,434.00	0.00
Interest Income	36.64	60.70
	<hr/>	<hr/>
Total Revenues	253,670.64	6,461.55
 EXPENSES		
Advertising	116.61	201.39
Insurance	673.00	936.00
Legal	3,312.40	5,860.00
Office Supplies and Postage	0.00	578.50
Auditing Fees	575.00	550.00
Ned Smith Grant-DCED	247,434.00	0.00
Donation	0.00	5,000.00
Meeting Fees	1,085.00	0.00
	<hr/>	<hr/>
Total Expenses	253,196.01	13,125.89
 Excess Revenues Over (Under) Expenses		
	474.63	(6,664.34)
Fund Balance, Beginning	<hr/> 14,637.85	<hr/> 21,302.19
Fund Balance, Ending	<hr/> <u>\$ 15,112.48</u>	<hr/> <u>\$ 14,637.85</u>

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
For The Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 474.63	\$ (6,664.34)
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	474.63	(6,664.34)
Cash, Beginning	<u>14,637.85</u>	<u>21,302.19</u>
Cash, Ending	<u><u>\$ 15,112.48</u></u>	<u><u>\$ 14,637.85</u></u>

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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- The Ned Smith Center

During 2011, \$247,434 was received from the Commonwealth of Pennsylvania Department of Community and Economic Development for The Ned Smith Center. The Upper Dauphin Industrial Development Authority then transferred the \$247,434 to the Ned Smith Center.

SUPPLEMENTAL INFORMATION

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
SCHEDULE OF PROJECTS OUTSTANDING
December 31, 2011

<u>PROJECT NAME</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL PRINCIPAL</u>	<u>2011 FEES COLLECTED</u>
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-Revolving LOC	2/20/2003	1,200,000	0
Shadowfax Corp-Revolving Credit Facility Loan	2/20/2003	1,000,000	0
		<u>\$ 14,600,000</u>	<u>\$ 1,200</u>