

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

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 financial statements of Upper Dauphin Industrial Development Authority which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2012 and 2011, and the related statements of activities and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Custer, Faust & Associates, PC

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

January 29, 2013

Member of

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash in Bank - Checking	\$ 12,499.53	\$ 1,534.45
Cash in Bank - Money Market	<u>10,608.77</u>	<u>13,578.03</u>
Total Cash	23,108.30	15,112.48
Settlement Fees Receivable	<u>0.00</u>	<u>0.00</u>
TOTAL ASSETS	<u><u>23,108.30</u></u>	<u><u>15,112.48</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	0.00	0.00
Fund Balance		
Fund Balance, Unrestricted	<u>23,108.30</u>	<u>15,112.48</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 23,108.30</u></u>	<u><u>\$ 15,112.48</u></u>

See Auditor's Report and Notes to the Financial Statements

**UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES AND FUND BALANCES
For The Years Ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
REVENUES		
Annual Membership Dues	\$ 1,200.00	\$ 1,200.00
Bond Refinance Fees / Service Charges	10,000.00	5,000.00
DCED Grant	597,126.00	247,434.00
Interest Income	30.74	36.64
	<hr/>	<hr/>
Total Revenues	608,356.74	253,670.64
 EXPENSES		
Advertising	30.22	116.61
Insurance	673.00	673.00
Legal	1,881.70	3,312.40
Office Supplies and Postage	0.00	0.00
Auditing Fees	650.00	575.00
Ned Smith Grant-DCED	597,126.00	247,434.00
Donation	0.00	0.00
Meeting Fees	0.00	1,085.00
	<hr/>	<hr/>
Total Expenses	600,360.92	253,196.01
 Excess Revenues Over (Under) Expenses		
	7,995.82	474.63
Fund Balance, Beginning	<hr/> 15,112.48	<hr/> 14,637.85
Fund Balance, Ending	<hr/> \$ 23,108.30	<hr/> \$ 15,112.48

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
For The Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 7,995.82	\$ 474.63
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	7,995.82	474.63
Cash, Beginning	<u>15,112.48</u>	<u>14,637.85</u>
Cash, Ending	<u><u>\$ 23,108.30</u></u>	<u><u>\$ 15,112.48</u></u>

See Auditor's Report and Notes to the Financial Statements

UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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 2012, \$597,126 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 \$597,126 to the Ned Smith Center.

SUPPLEMENTAL INFORMATION

**UPPER DAUPHIN INDUSTRIAL DEVELOPMENT AUTHORITY
SCHEDULE OF PROJECTS OUTSTANDING
December 31, 2012**

<u>PROJECT NAME</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL PRINCIPAL</u>	<u>2012 FEES COLLECTED</u>
JONESTOWN BANK & TRUST CO.			
Bethesda Mission Project	12/19/2012	2,300,000	\$ 10,000
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>\$ 16,900,000</u>	<u>\$ 11,200</u>