



TOWN OF AMHERST
INDUSTRIAL DEVELOPMENT AGENCY
And
TOWN OF AMHERST
DEVELOPMENT CORPORATION

2009 ANNUAL REPORT
(For purposes of Section 2800(2) of the Public Authorities Law)

Description of the Agency and Purposes of the Annual Report

The Town of Amherst Industrial Development Agency (AIDA) is a not-for-profit, public benefit corporation that provides tax abatement, grant administration and other economic development services to the Town of Amherst. In accomplishing its mission, the AIDA does not receive any operational funding from Federal, State, County or local sources. Instead, the AIDA relies primarily upon administrative fees charged to those companies that utilize products and services.

The Town of Amherst Industrial Development Agency has one other affiliated not-for-profit organization as follows:

- 1) **Town of Amherst Development Corporation (ADC)**-This is a lending corporation serving as a conduit for Federal, State, County or local grant funding.

Both the AIDA and ADC are related since they are managed by the same personnel. They share the same Board of Directors as their oversight body.

As an industrial development Agency, the AIDA and ADC are required to comply with New York State's Public Authorities Law. Under this Law, the AIDA and ADC are required to submit a comprehensive annual report that includes information on:

- Operations and accomplishments
- Revenues and expenses
- Assets and liabilities
- Bond and notes outstanding
- Compensation (for those earning \$100,000 +)
- Projects undertaken during the year
- Property held and property dispositions
- Code of Ethics
- An assessment of internal control structure and effectiveness

In compliance with the Public Authorities Law, the following required information is presented for the fiscal year ended December 31, 2009.

Operations and Accomplishments

Operations:

The Amherst IDA is managed by a 7 member Board of Directors appointed by the Amherst Town Board.

The mission of the Amherst Industrial Development Agency is to promote economic diversity and to broaden the tax base of the Town of Amherst in order to reduce the tax burden on homeowners, while helping to maintain and enhance a high quality living environment.

2009 Accomplishments:

- The AIDA, along with its partner IDAs on the IDA Leadership Council of Erie County, modified its Uniform Tax Exemption Policy and introduced a tier scoring system for determining appropriate PILOT benefits based on a project's return to the community.
- The AIDA reincorporated its local development corporation, the Amherst Development Corporation, to issue tax-exempt debt for not-for-profit projects in anticipation of supporting UB 2020 and other not-for-profit initiatives in Amherst.
- The AIDA entered into a shared services agreement with the Erie County IDA to provide business development support for a targeted outreach program titled, "Your Growth is Our Business". The effort reached out to 170 targeted businesses through Erie County.
- The AIDA sponsored two small business seminars in 2009, one in the Spring and one in the Fall. These were unique programs offering small business financing and environmental/green incentives and business opportunities. Total attendance of both events exceeded 150.
- The AIDA approved 7 projects totaling \$20,682,889 leading to the construction and renovation of 20,000 square feet, creating 416 jobs and retaining 344 jobs in Amherst.
- The AIDA worked with the Town of Amherst Planning Department on new zoning and incentives to encourage redevelopment of properties in "Enhancement/Redevelopment Areas", including providing funding for an urban design consultant to draft zoning code language.

Financial Information regarding the AIDA and the ADC

The balance sheets and income statement of the AIDA and the ADC as of and for the fiscal years ended December 31, 2009 and 2008 are included as Appendix A.

The financial statements are audited on an annual basis, by AIDA's external auditors Toski, Schafer & Co., PC. In their opinion, the financial statements present fairly, in all material aspects, the financial position of the AIDA and the ADC as of December 2009 and 2008, and changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Projects Undertaken by the AIDA during fiscal year 2009

Appendix B lists the projects undertaken by the AIDA in fiscal year 2009.

Schedule of Bonds and Notes Outstanding

Appendix B1 summarizes the AIDA’s bonds and notes outstanding at December 31, 2009. The indebtedness shown on this schedule is conduit debt and is *not* an obligation of the AIDA, Town of Amherst or New York State. The AIDA does not record assets or liabilities resulting from completed bond and note issues since its primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

Compensation Schedule

The following individuals had a salary exceeding \$100,000 during 2008:

<u>Name</u>	<u>Title</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
James J. Allen	Executive Director/ CEO/CFO	\$168,573	\$31,092	\$199,665

Listing of certain Property of the Agency

The following is a listing of all real property owned by the AIDA having an estimated fair market value (“FMV”) in excess of \$15,000 at the end of fiscal year 2009:

AIDA offices 4287 Main Street, Amherst New York estimated FMV \$590,000

The AIDA and ADC do not intend to dispose of any real property with a FMV in excess of \$15,000.

The AIDA and ADC did not dispose of any real property with a FMV in excess of \$15,000 during 2009.

It should be noted that the above listing excludes the approximate 176 properties in which the AIDA has technical title in order to convey certain tax or other benefits. The property presented is that which AIDA has “real” beneficial ownership.

Code of Ethics

The AIDA and ADC Code of Ethics is included as Appendix C.

Assessment of the Effectiveness of Internal Control Structure and Procedures:

The Town of Amherst Industrial Development Agency and the Town of Amherst Development Corporation are audited by an external CPA firm on an annual basis. As part of their audit, the external auditors may review and test certain internal controls to provide evidence to support their opinion on the financial statements. Although no audit of Amherst IDA’s internal controls

has been performed, management has not been notified of any material internal control weaknesses resulting from the financial statement audit.

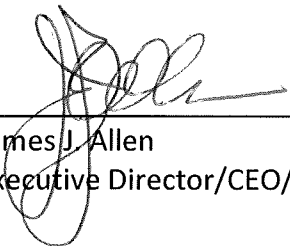
In addition, the Town of Amherst Industrial Development Agency and its affiliates engage an external law firm to ensure compliance with applicable laws, regulations, contracts, grants and policies.

APPENDIX A

Certification Pursuant to Section 2800(3) of the Public Authorities Law

Pursuant to Section 2800 (3) of the Public Authorities Law, the undersigned officer of the Town of Amherst Industrial Development Agency (AIDA) and the Town of Amherst Development Corporation (ADC) does hereby certify with respect to the attached annual financial report(s) that based on the officer's knowledge:

- 1) The information provided in the Annual Financial Report is accurate, correct and does not contain any untrue statement of material fact;
- 2) Does not omit any material fact which, if omitted, would cause the financial statements contained in the Annual Financial Report to be misleading in light of the circumstances under which such statements are made; and
- 3) Fairly presents in all material respects the financial condition and results of operations of the AIDA and ADC as of, and for the periods presented in such financial statements.



James J. Allen
Executive Director/CEO/CFO

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
 Statements of Net Assets
 December 31, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and equivalents	\$ 886,065	1,195,374
Receivables:		
Accounts receivable	7,169	-
Grant receivable	<u>33,818</u>	<u>33,818</u>
Total receivables	<u>40,987</u>	<u>33,818</u>
Total current assets	<u>927,052</u>	<u>1,229,192</u>
Property and equipment at cost:		
Land	100,000	100,000
Leasehold improvements	15,392	46,831
Equipment	136,969	176,408
Building	<u>719,835</u>	<u>719,835</u>
	972,196	1,043,074
Less accumulated depreciation	<u>(183,998)</u>	<u>(219,451)</u>
Net property and equipment	<u>788,198</u>	<u>823,623</u>
Other assets:		
Note receivable	50,000	50,000
Escrow for real property	<u>-</u>	<u>5,000</u>
Total other assets	<u>50,000</u>	<u>55,000</u>
Restricted assets:		
Restricted for future industrial development loans	314,783	315,843
Cash restricted for mortgage escrow	<u>64,962</u>	<u>65,004</u>
Total restricted assets	<u>379,745</u>	<u>380,847</u>
Total assets	<u>\$ 2,144,995</u>	<u>2,488,662</u>

(Continued)

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
Statements of Net Assets, Continued

<u>Liabilities and Net Assets</u>	<u>2009</u>	<u>2008</u>
Current liabilities:		
Accounts payable	\$ 44,217	3,152
Due to U.S. Treasury Department	474	1,534
Current installments of mortgage payable	<u>28,352</u>	<u>742,047</u>
Total current liabilities	73,043	746,733
Mortgage payable, less current portion	<u>709,273</u>	<u>-</u>
Total liabilities	<u>782,316</u>	<u>746,733</u>
Net assets:		
Invested in capital assets, net of related debt	50,573	81,576
Restricted:		
Restricted for future industrial development loans	314,783	315,843
Restricted for mortgage escrow	<u>64,962</u>	<u>65,004</u>
Total restricted net assets	<u>379,745</u>	<u>380,847</u>
Unrestricted:		
Reserved for future investments	100,000	100,000
Unreserved	<u>832,361</u>	<u>1,179,506</u>
Total unrestricted net assets	<u>932,361</u>	<u>1,279,506</u>
Total net assets	1,362,679	1,741,929
Commitment and contingencies (note 9)	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 2,144,995</u>	<u>2,488,662</u>

TOWN OF AMHERST
DEVELOPMENT CORPORATION
Statements of Financial Position
December 31, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash	\$ 7,320	5,746
Current portion of note receivable	<u>15,392</u>	<u>15,239</u>
Total current assets	<u>22,712</u>	<u>20,985</u>
Note receivable, less current portion	108,023	123,416
Investments, at fair value	<u>25,000</u>	<u>31,741</u>
Total assets	<u>\$ 155,735</u>	<u>176,142</u>

Liabilities and Net Assets

Current liabilities - current portion of note payable	<u>15,392</u>	<u>15,239</u>
Note payable - related party	50,000	50,000
Note payable, less current portion	<u>108,023</u>	<u>123,416</u>
Total liabilities	173,415	188,655
Unrestricted net assets (deficit)	<u>(17,680)</u>	<u>(12,513)</u>
Total liabilities and net assets	<u>\$ 155,735</u>	<u>176,142</u>

TOWN OF AMHERST
DEVELOPMENT CORPORATION
Statements of Revenue, Expenses and Changes in Net Assets
Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenue - interest income	\$ 45	517
Operating expenses:		
Management and general	34	50
Unrealized loss on investments	<u>5,178</u>	<u>-</u>
Total operating expenses	<u>5,212</u>	<u>50</u>
Increase (decrease) in net assets	(5,167)	467
Net assets (deficit) at beginning of year	<u>(12,513)</u>	<u>(12,980)</u>
Net assets (deficit) at end of year	<u><u>\$ (17,680)</u></u>	<u><u>(12,513)</u></u>

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY

Schedule of Detailed Financing Activity
Year ended December 31, 2009

	<u>Date Issued</u>	<u>Basis for Computing Administrative Fees</u>
Installment sales:		
Windsong Radiology Group, PC	6/09	\$ 8,725,008
Exigence North America, LLC/ One John James Holdings, LLC	6/09	2,160,000
Diagnostic Imaging Associates, LLP	6/09	3,017,422
GEICO Insurance Agency	8/09	1,041,078
Azeros Health Plans, Inc.	8/09	<u>500,000</u>
		<u>15,443,508</u>
Refinancing Transactions:		
Dopkins & Company, LLP	6/09	1,249,038
425 CrossPoint Parkway	8/09	631,741
FLC Spindrift Drive Associates	10/09	<u>3,500,000</u>
		<u>5,380,779</u>
Mortgage Modification Transaction:		
Asbury United Partners	12/09	<u>250,000</u>
Projects with Predetermined Fees - HSBC Technology & Service (USA), Inc. \$866,686,576 - 2007 Project to be conducted over a period not to exceed 15 years. Commencing 2008. Annual fee to Agency is \$150,000		
Total 2009 Projects		<u>\$ 21,074,287</u>

APPENDIX B1

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY
ANNUAL REPORT
FISCAL YEAR END DATE: 12/31/2009

Schedule of Debt

Conduit Debt	Begin Amount Total:	\$125,572,057
	New Debt Issuance:	\$-0-
	Amount Retired:	\$ 5,686,406
	End Amount Total:	\$120,455,035

APPENDIX C

TOWN OF AMHERST INDUSTRIAL DEVELOPMENT AGENCY CODE OF ETHICS

Statement of Purpose:

The Code of Ethics is a public statement by the Agency that sets clear expectations and principles to guide practice and inspire professional excellence. The Agency believes a commonly held set of principles can assist in the individual exercise of professional judgment. This Code speaks to the core values of public accountability and transparency. The purpose of having a code of ethics and practices is to protect the credibility of the Agency by ensuring high standards of honesty, integrity, and conduct of staff. To that end, this Code of Ethics attempts to accomplish this by articulating the ethical standards observed by the Agency in pursuing and implementing economic development initiatives, and setting rules and policies that prevent conflicts of interest.

Rule with respect to conflicts of interest:

No officer, member of the board or employee should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her or her duties in the public interest.

Standards:

- a. No officer, member of the board or employee should accept other employment which will impair his or her or her independence of judgment in the exercise of his or her or her official duties.
- b. No officer, member of the board or employee should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.
- c. No officer, member of the board or employee should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.
- d. No officer, member of the board or employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others.
- e. No officer, member of the board or employee should engage in any transaction as representative or agent of the Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

f. An officer, member of the board or employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her, unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

g. An officer or employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her, or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

h. An officer or employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

i. No officer or employee employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer, member of the board or employee, should sell goods or services to any person, firm, corporation or association which receive financial assistance from the Agency.

j. If an officer or employee shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is the subject of an Agency Project (as such term is defined in Article 18-A of the General Municipal Law, he or she must file with Agency a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

k. No officer, member of the board or employee shall accept or arrange for any loan or extension of credit from the Agency or any affiliate of the Agency.

Violations:

In addition to any penalty contained in any other provision of law any such officer, member of the board or employee who shall knowingly and intentionally violate any of the provisions of this Code of Ethics may be fined, suspended or removed from office or employment in the manner provided by law.

Adopted April 20, 2007