

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2007

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK

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To the Board of Directors
of City of Newburgh Industrial Development Agency

We were engaged to audit the accompanying Statement of Net Assets of the City of Newburgh Industrial Development Agency (the Agency), a component unit of the City of Newburgh, as of December 31, 2007, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management.

We were unable to follow professional standards and perform a proper audit because adequate documentation for the City of Newburgh Industrial Development Agency's books and records were not available. We were unable to satisfy ourselves as to the correctness of the financial statements by means of other auditing procedures. In addition, specific paperwork required by the United State Department of Commerce has not been filed to collect a grant that was originally recorded as a receivable in 2004; consequently, the collectability of this receivable is undetermined.

Because we were unable to verify the documentation regarding the books and records, and we were unable to apply other auditing procedures regarding the completeness of the financial statements as discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

The management's discussion and analysis, budgetary comparison information and schedule of bonds outstanding on pages 2 through 4, 15 and 16, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Nugent & Haeussler, P.C.

Nugent & Haeussler, P.C.
Montgomery, New York
May 18, 2009

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Newburgh Industrial Development Agency's annual financial report presents an analysis of the City of Newburgh Industrial Development Agency's financial performance during the fiscal year ended December 31, 2007. This information is presented in conjunction with the basic financial statements, which follow this section. Additional information is available in the auditor's opinion letter which precedes management's discussion and analysis.

FINANCIAL HIGHLIGHTS FOR THE YEAR 2007

- The City of Newburgh Industrial Development Agency's net deficit increased by \$605,871 from \$(60,845) to \$(666,716).
- Operating revenues decreased by \$219,463 from \$443,617 to \$224,154.
- Operating expenses increased by \$367,106 from \$462,919 to \$830,025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the following three parts; Management's Discussion and Analysis, Basic Financial Statements and Other Required Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the City of Newburgh Industrial Development Agency report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles which are generally accepted in the United States of America. The Statement of Net Assets include information on the City of Newburgh Industrial Development Agency's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to City of Newburgh Industrial Development Agency creditors (liabilities). The Statement of Activities identifies the City of Newburgh Industrial Development Agency's revenues and expenses for the year ended December 31, 2007. This statement provides information on the City of Newburgh Industrial Development Agency's operations over the past year and can be used to determine whether the City of Newburgh Industrial Development Agency has operated in a surplus or deficiency. The third financial statement is the Statement of Cash Flows. This statement provides information on the City of Newburgh Industrial Development Agency's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities. From the Statement of Cash Flows, the reader can obtain information on the source and use of cash and the change in the cash and cash equivalents balance for the year.

FINANCIAL ANALYSIS OF THE AGENCY

The Statements of Net Assets and the Statements of Activities provide an indication of the City of Newburgh Industrial Development Agency's financial condition and also indicate that the financial condition of the City of Newburgh Industrial Development Agency has improved or deteriorated during the last year. The City of Newburgh Industrial Development Agency's net assets reflect the difference between assets and liabilities. An increase in net assets over time typically indicates an improvement in financial condition.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS

Net Assets

A. Summary of the City of Newburgh Industrial Development Agency's statements of net assets is presented below:

Table 1
Statement of Net Assets

<u>Current Assets</u>	<u>2007</u>	<u>2006</u>	<u>Dollar Change</u>
Cash	\$ 19,816.	\$ 124,409.	\$(104,593.)
Grant Receivable	858,345.	1,232,688.	(374,343.)
Real Property Held for Sale or Development	62,200.	62,200.	0.
Net Fixed Assets	396,120.	404,833.	(8,713.)
Note Receivable	677,287.	516,456.	160,831.
Other Receivable	<u>0.</u>	<u>10,000.</u>	<u>(10,000.)</u>
TOTAL ASSETS	<u>\$ 2,013,768.</u>	<u>\$ 2,350,586.</u>	<u>\$(336,818.)</u>
<u>Current Liabilities</u>			
Accounts Payable	\$ 13,819.	\$ 22,837.	\$ (9,018.)
Accrued Liabilities	12,000.	0.	12,000.
Due to City of Newburgh	2,142,158.	1,855,242.	286,916.
Security Deposits	6,000.	6,000.	0.
Deferred Revenue	506,507.	527,352.	(20,845.)
<u>Net Assets (Deficit)</u>			
Unrestricted	<u>(666,716.)</u>	<u>(60,845.)</u>	<u>(605,871.)</u>
TOTAL NET ASSETS AND LIABILITIES	<u>\$ 2,013,768.</u>	<u>\$ 2,350,586.</u>	<u>\$(336,818.)</u>

As the above table indicates, net deficit increased by \$605,871. from \$(60,845.) to \$(666,716.) during the year ended December 31, 2007.

Table 2
Statement of Activities

	<u>2007</u>	<u>2006</u>	<u>Dollar Change</u>
Lease Income	\$ 62,486.	\$ 53,655.	\$ 8,831.
Interest Earnings	27,099.	26,626.	473.
Miscellaneous	4,569.	3,497.	1,072.
Recovered Funds from Sunset LLC	130,000.	0.	130,000.
Grant Income	0.	272,288.	(272,288.)
Gain on Sale of Real Estate	<u>0.</u>	<u>87,551.</u>	<u>(87,551.)</u>
TOTAL REVENUES	<u>\$ 224,154.</u>	<u>\$ 443,617.</u>	<u>\$(219,463.)</u>
Contractual Expenditures	\$ 450,928.	\$ 462,919.	\$ (11,991.)
Bad Debt Expense	379,097.	0.	379,097.
TOTAL EXPENDITURES	<u>\$ 830,025.</u>	<u>\$ 462,919.</u>	<u>\$ 367,106.</u>

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of activities identifies the various revenue and expense items which affect the change in net assets. As the information in Table 2 indicates, income decreased by \$219,463., and expenditures increased by \$367,106.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the City of Newburgh Industrial Development Agency's customers, and other interested parties with an overview of the City of Newburgh Industrial Development Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the City of Newburgh Industrial Development Agency at 83 Broadway, Newburgh, New York 12550.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

ASSETS

CURRENT ASSETS

Cash	\$ 19,816.
Grant Receivable (Net of \$374,343 Allowance for Doubtful Accounts)	858,345.
Real Property Held for Sale or Development	<u>62,200.</u>
TOTAL CURRENT ASSETS	<u>940,361.</u>

FIXED ASSETS

Land	258,630.
Building and Improvements	335,000.
Furniture and Equipment	<u>43,954.</u>
	637,584.
Less: Accumulated Depreciation	<u>(241,464.)</u>
NET FIXED ASSETS	<u>396,120.</u>

OTHER ASSETS

Note Receivable	677,287.
Due from City of Newburgh Local Development Corporation (Net of \$752,540 Allowance for Doubtful Accounts)	<u>0.</u>
TOTAL OTHER ASSETS	<u>677,287.</u>

TOTAL ASSETS \$ 2,013,768.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 13,819.
Accrued Liabilities	12,000.
Due to City of Newburgh	2,142,158.
Security Deposits	6,000.
Deferred Revenue	<u>506,507.</u>
TOTAL LIABILITIES	<u>2,680,484.</u>

NET ASSETS (DEFICIT)

Unrestricted – Undesignated	<u>(666,716.)</u>
TOTAL NET ASSETS (DEFICIT)	<u>(666,716.)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,013,768.</u>

See notes to financial statements.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>FUNCTIONS/ PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES CHARGES FOR SERVICES</u>	<u>CHANGES IN NET ASSETS</u>
General Support	<u>\$ 830,025.</u>	<u>\$ 134,569.</u>	\$ (695,456.)
 <u>GENERAL REVENUES</u>			
Use of Money and Property			<u>\$ 89,585.</u>
CHANGE IN NET ASSETS			(605,871.)
TOTAL NET ASSETS, BEGINNING OF YEAR			<u>(60,845.)</u>
TOTAL NET ASSETS, END OF YEAR			<u>\$ (666,716.)</u>

See notes to financial statements.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in Net Assets		\$ (605,871.)
Depreciation	\$ 8,713.	
(Increase) Decrease in Operating Assets:		
Grant Receivable	374,343.	
Note Receivable	(160,831.)	
Other Receivable	10,000.	
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(9,018.)	
Accrued Liabilities	12,000.	
Due to City of Newburgh	286,916.	
Deferred Revenue	<u>(20,845.)</u>	
		<u>501,278.</u>
NET CASH USED BY OPERATING ACTIVITIES		(104,593.)
CASH AT BEGINNING OF YEAR		<u>124,409.</u>
CASH AT END OF YEAR		<u>\$ 19,816.</u>

See notes to financial statements.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

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

Organization and Purpose

The City of Newburgh Industrial Development Agency was established on July 22, 1983, for the purpose of encouraging economic growth in the City of Newburgh. It helps with financing arrangements, and has the authority to grant mortgage and sales tax exemptions. The City of Newburgh Industrial Development Agency is exempt from Federal, State and local income taxes. For financial statement reporting, the City of Newburgh Industrial Development Agency is a component unit of the City of Newburgh.

The accompanying general purpose financial statements comply with the provisions of GASB Statement No. 14, The Financial Reporting Entity, in that the financial statements include all organizations, activities, and functions that comprise the City of Newburgh Industrial Development Agency. Component units are legally separate entities for which the City of Newburgh Industrial Development Agency (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the City of Newburgh Industrial Development Agency's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City of Newburgh Industrial Development Agency. Using these criteria, the City of Newburgh Industrial Development Agency has no component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Accounting

The City of Newburgh Industrial Development Agency uses the general fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City of Newburgh Industrial Development Agency only uses one governmental fund, the General Fund.

General Fund - The general fund is used to account for all financial resources of the City of Newburgh Industrial Development Agency. The general fund balance is available to the City of Newburgh Industrial Development Agency for any purpose provided it is expended or transferred according to the general laws of New York and the bylaws of the City of Newburgh Industrial Development Agency.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each part gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the City of Newburgh Industrial Development Agency receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City of Newburgh Industrial Development Agency must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City of Newburgh Industrial Development Agency on a reimbursement basis.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decrease in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS.

The City of Newburgh Industrial Development Agency's investment policies are governed by State statutes. City of Newburgh Industrial Development Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The organization 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 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.

Deposits are categorized as either (1) insured by FDIC insurance, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the organization's name or (3) uncollateralized.

Total financial institution (bank) balances at December 31, 2007, per the bank were \$19,816. These deposits are categorized as follows:

<u>1</u>	<u>2</u>	<u>3</u>	<u>Carrying Value</u>
\$ 19,816	\$ 0	\$ 0	\$ 19,816

It is the City of Newburgh Industrial Development Agency's policy to invest all extra cash into demand deposits and certificates of deposit.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 3. FIXED ASSETS.

Fixed Assets are stated at historical cost. Depreciation is computed using the straight-line basis over the estimated useful lives follows:

<u>Description</u>	<u>Useful Lives</u>
Building & Improvements	20 - 40 Years
Furniture & Equipment	5 - 10 Years

There were no changes in fixed assets during the year other than depreciation of \$8,713.

NOTE 4. GRANT RECEIVABLE.

Included in Grant Receivable is \$1,232,688 of expenditures made during the years 2004 to 2007; however, the IDA only anticipates to receive \$858,345 in reimbursement under the grant agreement with the United States Department of Commerce (See Note 12).

NOTE 5. NOTES RECEIVABLE.

Notes receivable consist of the following at December 31, 2007:

Notes Receivable due from City of Newburgh including accruing interest of \$69,392.	\$ 537,287.
Notes Receivable - Other	<u>140,000.</u>
Total Notes Receivable at December 31, 2007	<u>\$ 677,287.</u>

NOTE 6. DUE FROM CITY OF NEWBURGH LOCAL DEVELOPMENT CORPORATION.

As of December 31, 2007, the Agency is due \$752,540 from the City of Newburgh Local Development Corporation (LDC). This receivable has been reserved in the amount of \$752,540 since the LDC does not currently have sufficient working capital to be able to make payments to the Agency.

NOTE 7. REAL PROPERTY HELD FOR SALE OR DEVELOPMENT.

Real property held for sale or development includes various real estate parcels in the City of Newburgh carried at the estimated market value of the property at the time of transfer to the Agency.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFERRED REVENUE.

Deferred rental revenue at December 31, 2007 consists of three long-term leases of property owned by the IDA. The first lease term is for 60 years, where the last 40 years are payable at \$100 per year. As such, the rental receipts to be received for the first 20 years, totaling \$663,599, are deferred and recognized as income over the 60-year lease term. The second lease has a term of 48 years, with total rents received in advance of \$51,000, which are being recognized over the 48-year term of the lease. The third lease term is for 10 years, with total rents received in advance of \$118,300, which are being recognized over the 10 year term of the lease.

NOTE 9. BALANCE DUE TO CITY OF NEWBURGH.

As of December 31, 2007, the Agency owes the City of Newburgh \$2,142,158, which is included in current liabilities. This liability was made up of the following components.

	Project Expenditures paid on behalf of the Agency	Payroll & Miscellaneous	<u>Total</u>
Payable at January 1, 2007	\$ 1,536,235	\$ 319,007	\$ 1,855,242
Charges for Project Expenditures	0	0	0
Charges for Payroll & Miscellaneous Items	0	331,511	331,511
Obligation Payments	<u>0</u>	<u>(44,595)</u>	<u>(44,595)</u>
Payable at December 31, 2007	<u>\$ 1,536,235</u>	<u>\$ 605,923</u>	<u>\$ 2,142,158</u>

NOTE 10. OPERATING LEASES.

The following schedule provides an analysis of the Agency's investment in property held under operating leases and property held for lease by major classes as of December 31, 2007:

Land	\$ 258,630
Buildings and Improvements	<u>335,000</u>
	593,630
Less: Accumulated Depreciation	<u>197,510</u>
Net Property Held for Lease	<u>\$ 396,120</u>

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 10. OPERATING LEASES. (Continued)

The following is a five-year schedule of minimum future rentals or non-cancelable operating leases including anticipated renewal periods as of December 31, 2007.

<u>Year</u>	<u>Rental Income</u>
2008	\$ 63,258
2009	64,530
2010	65,841
2011	67,190
2012	68,581

NOTE 11. PENSION PLAN AND POST EMPLOYMENT BENEFITS.

Persons who work on or behalf of the Agency have their salaries allocated to the Agency by the City of Newburgh (and its component entities) on a functional basis. All pension and post employment benefits are covered under plans of the City of Newburgh. The Agency has no obligation to fund these liabilities.

NOTE 12. GRANT.

The Agency has incurred expenditures under a U.S. Department of Commerce (EDA) grant related project. The grant has budget category and matching funds requirements. The Agency has yet to apply for reimbursement of grant related expenditures totaling \$1,232,688. (Total expenditures of \$1,796,203 times federal share percentage of 68.6%). The EDA has indicated that of the costs submitted, \$858,345 would be reimbursed, subject to the IDA submitting certain required contractual documents.

NOTE 13. SCHEDULE OF BONDS OUTSTANDING.

City of Newburgh Industrial Development Agency helps arrange financing for various commercial ventures in Newburgh. These transactions are considered "conduit" transactions because the financing is arranged through the City of Newburgh Industrial Development Agency but not done by the City of Newburgh Industrial Development Agency. Consequently, these transactions are not reflected on the books and records of the City of Newburgh Industrial Development Agency. A supplemental schedule of these transactions is provided on page 16.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 14. SUBSEQUENT EVENTS.

LOSS OF IDA STATUS

Subsequent to December 31, 2007, the City of Newburgh Industrial Development Agency lost its ability to provide exemptions from State taxes as a result of not filing required reports with the Office of the State Comptroller of the State of New York.

PENDING LITIGATION

Subsequent to December 31, 2007, the IDA has filed a petition with the Supreme Court, Orange County, New York pursuant to CPLR Article 78, asking the court to require the return of \$388,825., that had been transferred from the IDA to the City of Newburgh's Community Development Block Grant account without knowledge or authorization of the IDA Board.

RESIGNATION OF ADMINISTRATIVE DIRECTOR

Subsequent to December 31, 2007, the administrative director of the IDA retired in 2008, and a new administrative director was appointed. This new administrator has been specifically named in a lawsuit against the City of Newburgh (see pending litigation above). Effective May 18, 2009, this new administrative director has resigned from the IDA.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

FAVORABLE

	<u>BUDGET</u>	<u>ACTUAL</u>	
<u>(UNFAVORABLE)</u>			
<u>REVENUES</u>			
Lease Income	\$ 0.	\$ 62,486.	\$ 62,486.
Interest Earnings	0.	27,099.	27,099.
Miscellaneous	0.	4,569.	4,569.
Recovered Funds from Sunset LLC	<u>0.</u>	<u>130,000.</u>	<u>130,000.</u>
 TOTAL REVENUES AND OTHER SOURCES	 <u>0.</u>	 <u>224,154.</u>	 <u>224,154.</u>
 <u>EXPENDITURES AND OTHER USES</u>			
Contractual/Administrative Expenses	402,070.	450,928.	(48,858.)
Bad Debt Expense	<u>0.</u>	<u>379,097.</u>	<u>(379,097.)</u>
 TOTAL EXPENDITURES AND OTHER USES	 <u>402,070.</u>	 <u>830,025.</u>	 <u>(427,955.)</u>
 EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	 <u>\$ (402,070.)</u>	 (605,871.)	 <u>\$ (203,801.)</u>
 NET ASSETS (DEFICIT), BEGINNING		 <u>(60,845.)</u>	
 NET ASSETS (DEFICIT), ENDING		 <u>\$ (666,716.)</u>	

See notes to financial statements.

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY
NEWBURGH, NEW YORK
SCHEDULE OF BONDS OUTSTANDING
CONDUIT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

<u>Description</u>	<u>Principal Outstanding at Beginning of Year</u>	<u>Debt Issued During Year</u>	<u>Debt Paid During Year</u>	<u>Principal Outstanding at End of Year</u>
GEMMA	\$ 4,290,413	\$ 0	\$ 0	\$ 4,290,413
Atlas Textile	7,121,500	0	0	7,121,500
Bourne & Kenney	4,000,000	0	0	4,000,000
Belvedere Housing, LP	16,781,658	0	0	16,781,658
St. Lukes Hospital Parking Garage	21,355,000	0	0	21,355,000
	<u>\$ 53,548,571</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,548,571</u>

*information was not available to complete this schedule.

See notes to financial statement