

## CDA ANNUAL REPORT for FY 2006

March 30, 2007

As required by the Bylaws of the Town of Riverhead Community Development Agency (CDA), the following information is provided for consideration and review by the Members of the CDA.

Membership- The Members of the Corporation shall be the members of the Riverhead Town Board, comprised of the following persons during FY 2006: Phil Cardinale, Barbara Blass, George Bartunek, Edward Densieski and John Dunleavy. In addition, the CDA is served by: Executive Director Andrea Lohneiss, Chief Finance Officer Bill Rothaar and Contracting Officer Dawn Thomas. Neither members nor staff receive any compensation for their duties and responsibilities to the CDA.

### **Background**

The five member Riverhead Town Board is the governing legislative body and consists of a supervisor and four council members, all of whom are elected at large. The Town Board acts separately in its capacity as the CDA Board, which is empowered under New York State General Municipal Law to foster economic development. The CDA, established in 1982, has been proactive in fostering economic revitalization in the downtown business district and was a major impetus in the establishment of a 3.2 acre waterfront aquarium. In addition, the CDA took title to the former Naval Weapons Industrial Reserve Plant at Calverton in 1998 as the result of special federal legislation, and as such is charged with the task of overseeing economic development at the 2,900 acre site. Using powers granted under New York State Urban Renewal Law, pursuant to Section 505 of Article 15, the Community Development Agency has played a critical role in economic development at Calverton Enterprise Park, as well as downtown. Since 1998, this real property, improved with buildings and infrastructure, has been leased and sold pursuant to the disposition of property procedures of Section 507 of the Urban Renewal Law.

In its capacity as the economic development agency of the Town of Riverhead, the CDA also procures grant funds and administers numerous downtown revitalization projects and public improvement projects. The Community Development Agency has designated several additional Urban Renewal Areas for the purpose of encouraging neighborhood revitalization and economic development. The other

designated Urban Renewal Areas include: Millbrook Gables residential community, East Main Street Downtown Business District and Railroad Avenue. Within the designated boundaries of the urban renewal areas, available incentives are provided where feasible to attract investment and assist owners and businesses in improving their properties. Portions of the Calverton Enterprise Park and East Main Street Urban renewal Areas are designated Empire Zones. This designation was initiated and administered by the CDA for its economic development benefits. Low interest loans and grants have also been made available to increase investment in these targeted areas. For instance, within the East Main Street Urban Renewal Area, the CDA has successfully developed an aquarium as a major tourist attraction, recently sold the 1930s art deco Suffolk Theatre for reuse, has completed restoration of an 1881 historic opera house and invested \$500,000 in historic restoration of properties occupied by the East End Arts Council, as well as making possible new retail development on Peconic Avenue in a currently deteriorated structure.

### **Downtown Activity in 2006**

In June 2005, the Town of Riverhead sought expressions of interest and qualifications (RFIQ) from experienced developers for a high-quality mixed-use development along the waterfront in downtown Riverhead, east of Peconic Avenue. Four responses were received a full Request for Proposals (RFP) was sent to the three short-listed proposers in October 2005.

The overall goal of this RFIQ and RFP process was to encourage the development community to assess the potential for revitalization of this currently underutilized area by providing retail/commercial, residential, and/or recreational/entertainment opportunities. Specifically, the RFP targeted the area comprising the Town of Riverhead East Main Street Urban Renewal Area (1993) with primary focus on the area south of Main Street, Riverhead, bordered on the east by Atlantis Marine World and on the west by Peconic Avenue. Emphasis was placed on the creation of public space, maximizing green space while maintaining vehicular access behind the storefronts and improving the appeal of the retailer by developing secondary front façades. The redevelopment area is characterized by numerous vacant buildings, public parking areas and underutilized properties.

Proposals were received from three developers in early 2006 and, following public presentations, the CDA Board selected Apollo Real Estate Advisors as the preferred project developer. In March 2006, the CDA authorized the Chairman to negotiate a contract with Apollo Real Estate Advisors and a Master Developer

Agreement was signed in August 2006. Apollo Real Estate Advisors created Riverhead Renaissance, LLC, for the Riverhead project and the CDA Board conducted a public hearing to consider the designation of Riverhead Renaissance, LLC, as a Qualified and Eligible Sponsor for the redevelopment project on October 3, 2006. Riverhead Renaissance, LLC, was designated as a qualified and eligible sponsor for downtown redevelopment on October 17, 2006.

The CDA Board also authorized town staff to undertake and update the 1993 East Main Street Urban Renewal Plan and to prepare a generic Environmental Impact Statement in conjunction the comprehensive planning process in September 2006. The Final Scope of Issues on the Generic Environmental Impact Statement in support of the Urban Renewal Plan update was accepted in November 2006. The Urban Renewal Plan and final GEIS will be completed in 2007.

### **Calverton Enterprise Park Activity in 2006**

In October 2006, the CDA Board issued a Request for Proposals to select an experienced developer(s) for the redevelopment of approximately 600 acres of land zoned for industrial and office uses at Calverton Enterprise Park.

Several proposals were received and had been presented at public meetings by year-end.

Agreements with regard to Calverton Enterprise Park entered into by the CDA in 2006 include:

- 1) a license agreement with the Eastern Long Island Audubon Society, Inc. allowing use of the Calverton Enterprise Park site for a five-year period for the purpose of monitoring, counting and documenting birds;
- 2) an agreement with New York State Department of Economic Development for the administration of the Empire Zone Program; and
- 3) a runway use agreement with South Bay Apparel for periodic use of the CDA-owned runway.

### **Grant Funding**

In October 2006, the CDA applied for and received a \$100,000 grant from the New York State Office of Parks, Recreation and Historic Preservation for funding under the Recreational Trails Program towards the development of an 8.9 mile multi-sport athletic trail. No funds were received or expended by year-end. This project

will augment a town park permit initiated by the CDA in 2001 involving \$600,000 in grant funds from the New York State Office of Parks Recreation and Historic Preservation for public recreational improvements. Phase I was designed and engineered in 2006 for construction in 2007.

All numbers in this Report  
Have Been Rounded To  
The Nearest Dollar

ANNUAL FINANCIAL REPORT  
UPDATE DOCUMENT  
For The  
RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
County of Suffolk  
For The Year Ended 12/31/2006

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AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. \*\*\*Every Municipal Corporation\*\*\*shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation.\*\*\*

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller within sixty days after the close of the fiscal year of such Municipal Corporation.\*\*\* It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report.\*\*\*

STATE of NEW YORK  
Office of The State Comptroller  
Division of Local Government Services and Economic Development  
Albany, NY 12236

\*\*\* FINANCIAL SECTION \*\*\*

Financial information for the following funds and account groups was included in the Annual Financial Report filed by your government for the fiscal year ended 2005 and had been used by the OCS as the basis for preparing this update document for your fiscal year ended 2006:

(A) GENERAL

All amounts included in this update document for 20054 represent the data filed by your government with the OSC as reviewed and adjusted where necessary.

\*\*\* SUPPLEMENTAL SECTION \*\*\*

The Supplemental Section includes the following sections:

All numbers in this report must be rounded to the nearest dollar.

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)

**Balance Sheet**

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
<b>Assets</b>			
Cash	\$ 74,985	A 200	\$ (20,498)
Cash - Time Certificates	<u>\$ 1,150,000</u>	A 201	<u>\$ 1,210,000</u>
<b>TOTAL Cash</b>	<u><u>\$ 1,224,985</u></u>		<u><u>\$ 1,189,502</u></u>
Accounts Receivable	\$ -	A 380	\$ -
Accrued Interest Receivable	\$ 416	A 381	\$ 4,835
Allowance for Uncollected Receivable	<u>\$ -</u>		<u>\$ -</u>
<b>TOTAL Other Receivables</b>	<u><u>\$ 416</u></u>		<u><u>\$ 4,835</u></u>
Due from Other Governments	<u>\$ -</u>	A 440	<u>\$ -</u>
<b>TOTAL Due from Other Governments</b>	<u><u>\$ -</u></u>		<u><u>\$ -</u></u>
	<u>\$ -</u>		<u>\$ -</u>
<b>TOTAL Assets</b>	<u><u>\$ 1,225,401</u></u>		<u><u>\$ 1,194,337</u></u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)  
**Balance Sheet**

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
<b>Liabilities &amp; Fund Equity</b>			
Due to Other Funds	\$ -	A 489	\$ 415,000
Due to Other Governments	\$ 125,000	A 631	\$ -
Deferred Rental Revenue	\$ -	A 691	\$ -
<b>TOTAL Due to Other Governments</b>	<u>\$ 125,000</u>		<u>\$ 415,000</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 125,000</u>		<u>\$ 415,000</u>
Reserve for Encumbrances	\$ 13,080	A 821	\$ 288
<b>TOTAL Reserve for Encumbrances</b>	<u>\$ 13,080</u>		<u>\$ 288</u>
Fund Balance - Unreserved	\$ 1,087,321	A 911	\$ 779,049
<b>TOTAL Fund Balance - Unreserved</b>	<u>\$ 1,087,321</u>		<u>\$ 779,049</u>
<b>TOTAL Fund Equity</b>	<u>\$ 1,100,401</u>		<u>\$ 779,337</u>
<b>TOTAL Liabilities and Fund Equity</b>	<u>\$ 1,225,401</u>		<u>\$ 1,194,337</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)  
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
<b>Detail Revenues and Other Sources</b>			
Agency Fees	\$ -	A 2170	\$ 100,000
<b>TOTAL Departmental Income</b>	<u>\$ -</u>		<u>\$ 100,000</u>
Interest and Earnings	\$ 45,783	A 2401	\$ 62,196
Lease Payments	\$ 26,021	A 2410	\$ 25,737
Sale of Real Property	\$ -	A 2660	\$ -
Sale of Equipment	\$ -	A 2665	\$ -
<b>TOTAL Use of Money and Property</b>	<u>\$ 71,804</u>		<u>\$ 87,933</u>
Refund of Prior Years Expenses	\$ -		\$ -
<b>TOTAL Miscellaneous Income</b>	<u>\$ -</u>		<u>\$ -</u>
State Aid	\$ -	A3789	\$ -
Federal Aid	\$ -	A4789	\$ -
<b>TOTAL Federal/State Aid</b>	\$ -		\$ -
<b>TOTAL REVENUES</b>	<u>\$ 71,804</u>		<u>\$ 187,933</u>
Interfund Transfers - Other Gov't	\$ -	A4789	\$ -
<b>TOTAL Other Sources</b>	\$ -		\$ -
<b>TOTAL Revenues &amp; Other Sources</b>	<u>\$ 71,804</u>		<u>\$ 187,933</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)  
Results of Operation

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
<b>Detail Revenues and Other Sources</b>			
Agency Fees	\$ -	A 2170	\$ 100,000
<b>TOTAL Departmental Income</b>	<u>\$ -</u>		<u>\$ 100,000</u>
Interest and Earnings	\$ 45,783	A 2401	\$ 62,196
Lease Payments	\$ 26,021	A 2410	\$ 25,737
Sale of Real Property	\$ -	A 2660	\$ -
Sale of Equipment	\$ -	A 2665	\$ -
<b>TOTAL Use of Money and Property</b>	<u>\$ 71,804</u>		<u>\$ 87,933</u>
Refund of Prior Years Expenses	\$ -		\$ -
<b>TOTAL Miscellaneous Income</b>	<u>\$ -</u>		<u>\$ -</u>
State Aid	\$ -	A3789	\$ -
Federal Aid	\$ -	A4789	\$ -
<b>TOTAL Federal/State Aid</b>	\$ -		\$ -
<b>TOTAL REVENUES</b>	<u>\$ 71,804</u>		<u>\$ 187,933</u>
Interfund Transfers - Other Gov't	\$ -	A4789	\$ -
<b>TOTAL Other Sources</b>	\$ -		\$ -
<b>TOTAL Revenues &amp; Other Sources</b>	<u>\$ 71,804</u>		<u>\$ 187,933</u>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)

**Results of Operation**

Code Description	FOR THE FISCAL YEAR ENDED 2005	EDP CODE	FOR THE FISCAL YEAR ENDED 2006
<b>Detail Revenues and Other Sources</b>			
Planning & Management Development - Equipment	\$ 38,758	A8684.2	\$ 450
Planning & Management Development - Contr Expen.	\$ 409,392	A8684.4	\$ 508,547
<b>TOTAL Planning and Management Development</b>	<b><u>\$ 448,150</u></b>	A8684.0	<b><u>\$ 508,997</u></b>
 CDA Administration, Contr Expen.	 \$ -	 A8686.4	 \$ -
<b>TOTAL CDA Administrator</b>	<b><u>\$ -</u></b>	A8686.0	<b><u>\$ -</u></b>
 <b>TOTAL Home and Community Service</b>	 <b><u>\$ 448,150</u></b>		 <b><u>\$ 508,997</u></b>
 <b>TOTAL Expenditures</b>	 <b><u>\$ 448,150</u></b>		 <b><u>\$ 508,997</u></b>
 Other Uses			
Transfer to Other Governments	\$ -		\$ -
<b>TOTAL Other Uses</b>	<b><u>\$ -</u></b>		<b><u>\$ -</u></b>
 <b>TOTAL Detail Expenditures and Other Uses</b>	 <b><u>\$ 448,150</u></b>		 <b><u>\$ 508,997</u></b>

**RIVERHEAD COMMUNITY DEVELOPMENT AGENCY  
ANNUAL UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED 2006**

General Fund (A)

**Results of Operation**

<b>Code Description</b>	<b>FOR THE FISCAL YEAR ENDED 2005</b>	<b>EDP CODE</b>	<b>FOR THE FISCAL YEAR ENDED 2006</b>
<b>ANALYSIS OF CHANGES IN FUND EQUITY</b>			
FUND EQUITY-BEGINNING OF YEAR*	\$ 1,476,747	A8021	\$ 1,100,401
ADD-REVENUES AND OTHER SOURCES	\$ 71,804		\$ 187,933
DEDUCT-EXPENDITURES AND OTHER USES	<u>\$ 448,150</u>		<u>\$ 508,997</u>
FUND EQUITY-END OF YEAR*	<u>\$ 1,100,401</u>	A8029	<u>\$ 779,337</u>

\* TOTAL INCLUDES RESERVED AND UNRESERVED FUND BALANCE IN GOVERNMENTAL FUNDS, OR RETAINED EARNINGS OR FUND EQUITY FOR PROPRIETARY FUNDS. ADJUSTMENTS TO BEGINNING FUND EQUITY RESULTING FROM A CORRECTION OF A PRIOR YEAR'S ACCOUNTING ERROR SHOULD BE REPORTED AS A PRIOR PERIOD ADJUSTMENT.

PLEASE EXPLAIN ALL PRIOR PERIOD ADJUSTMENTS BELOW.

CORRECTED 2005 REVENUES, REDUCED BY \$416, RESULTED IN REDUCED 12/31/05 FUND BALANCE.

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DOUBLE ENTRY UNITS \*\* FUND EQUITY-END OF YEAR MUST AGREE WITH TOTAL FUND EQUITY AS SHOWN ON THE BALANCE SHEET.  
SINGLE ENTRY FIRE DISTRICTS \*\* FUND EQUITY-BEGINNING OF YEAR PLUS TOTAL REVENUES MUST AGREE WITH FUND EQUITY-END OF YEAR PLUS TOTAL EXPENDITURES.

**The Town of Riverhead Community Development Agency  
Notes to the Financial Statements  
For the Fiscal Year Ended December 31, 2006**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Riverhead Community Development Agency have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. FINANCIAL REPORTING ENTITY**

The Town of Riverhead Community Development Agency was created by Chapter 480 of the Laws of 1982, a special act of the New York State Legislature. The Community Development Agency is an independent governmental agency and instrumentality of the State of New York and is a Corporate Governmental Agency constituting a public benefit corporation of the State of New York. The Community Development Agency can enter into contracts, sue and be sued, and acquire and own real and personal property, each on its own behalf and in its own name. The Community Development Agency can incur debt and issue bonds and notes in its own name and, unless the Town of Riverhead elects to guarantee principle of and interest on, or only interest on, indebtedness issued by the Community Development Agency, all indebtedness of the Community Development agency is a liability only of the Community Development Agency and not of the Town of Riverhead.

Inclusion of the Community Development Agency as a component unit of the Town of Riverhead reported as a special revenue fund type is required by GASB Statement No. 14 solely because the members of the Community Development Agency are the same as the members of the Town Board of the Town of Riverhead. When acting as a member of the Community Development Agency, however, a member has a fiduciary responsibility to the Community Development Agency and not to the Town of Riverhead. Inclusion of the Community development agency as a component unit of the Town of Riverhead reported as a special revenue fund type is not intended to state or imply, and should not give rise to any impression or inference, either that the Town of Riverhead is legally responsible for the indebtedness and other liabilities of the Community Development Agency or that the Town of Riverhead has any legal claim to the assets of the Community Development Agency.

**B. BASIS OF PRESENTATION**

The accounts of the Community Development Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures/expenses which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are summarized by type in the financial statements. The following fund types are used:

**1. FUND CATEGORIES**

a. **GOVERNMENTAL FUNDS** - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is based upon determination of financial position and changes in financial position. The following are the Community Development Agency's governmental fund types.

Special Reserve Fund - The principal operating fund includes all operations not required to be recorded in other funds. This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

### C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Basis of accounting refers to revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expense.

Modified Accrual Basis - All Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within sixty days after the close of the fiscal year.

Material revenues that are accrued include state and federal aid and certain user charges.

Expenditures are recorded when the fund liability is incurred except that:

- a) Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursements.
- b) Principal and Interest and indebtedness are not recognized as an expenditure until due.

### D. PROPERTY TAXES

There are no real property taxes levied by the Community Development Agency.

## E. BUDGETARY DATA

### 1. BUDGET POLICIES - The budget policies are as follows:

a) No later than Sept. 30, the budget officer submits a tentative budget to the Member of the Community Development Agency for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

b) The Members of the Community Development Agency formulates the Preliminary Budget which becomes the subject of public hearings.

c) After a public hearing is conducted to obtain taxpayer comments, no later than November 20th, the Members of the Community Development Agency adopts the budget.

d) All modifications of the budget must be approved by the Members of the Community Development Agency.

### 2. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

### 3. BUDGET BASIS OF ACCOUNTING

Budgets are adopted annually on a basis consistent with Generally Accepted Accounting Principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior period.

## F. CHANGES IN ACCOUNTING POLICIES

During the 2006 fiscal year, the Community Development Agency did not adopt any changes in accounting policies.

## G. PROPERTY, PLANT AND EQUIPMENT - GENERAL

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at costs in the General Fixed Assets Account Groups.

Fixed assets consisting of certain infrastructure type improvements, other than buildings,

including roads, bridges, curbs and gutters, street & sidewalks, drainage and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the Agency. Therefore, the purposes of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

#### H. INSURANCE

The Agency assumes the liability for most risk including but not limited to, property damage and personal injury liability. In 1987, the Riverhead Town Board elected to self insure for all liability claims. As such, the Agency joined with the Town of Riverhead and all claims are processed through the Town of Riverhead Self-Insurance Fund. In October 1993, the Town of Riverhead obtained catastrophic loss insurance coverage.

#### I. VACATION, PERSONAL LEAVE AND SICK LEAVE

There are currently no paid employees of the Agency.

#### J. POST RETIREMENT BENEFITS

There are currently no paid employees of the Agency.

#### K. TOTAL COLUMNS OF THE GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, result of operations or changes in financial position in conformity with Generally Accepted Accounting Principle, nor is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

### II. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

#### A. MATERIAL VIOLATIONS OF FINANCE - RELATED PROVISIONS

There are no material violations of finance - related provisions.

#### B. DEFICIT FUND BALANCES

There are no deficit fund balances as of 12/31/06.

#### C. OVERDRAWN APPROPRIATIONS

There were no overdrawn appropriations.

### III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

#### A. ASSETS

## 1. CASH & INVESTMENTS

The Agency's investment policies are governed by state statutes. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Chairman of the Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of NYS or its localities.

Collateral is required for demand deposits and certificates of deposits at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the U.S. and its Agencies and obligations of the state and its municipalities and school agencies.

## 2. CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>TYPE</u>	<u>BALANCE</u>		<u>BALANCE</u>	
	<u>JAN 1, 2006</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>DEC 31, 2006</u>
Land	\$ 31,644,781.	\$ .00	\$ .00	\$31,644,781.
Building	\$45,200.	\$ .00		\$45,200.
Improvements other than Buildings	\$60,529,825.	\$ .00	\$ .00	\$60,529,825
Machinery and Equip	<u>\$ .00</u>	\$ .00	\$ .00	\$ .00
<b>Total</b>	<b><u>\$92,219,806.</u></b>	<b>\$ .00</b>	<b>\$ .00</b>	<b><u>\$ 92,219,806</u></b>

## B. LIABILITIES

### 1. PENSION PLANS

There are currently no paid employees of the Agency.

### 2. Short-Term Debt

There are no outstanding BAN's as of December 31, 20065.

### 3. Long-Term Debt

#### a) Serial Bonds and Capital Notes

There are no outstanding serial bonds and capital notes as of December 31, 2006.

## C. DEFERRED COMPENSATION PLAN

There are no paid Employees of the Agency.

#### IV. CONTINGENCIES

There are no contingency items to disclose.

#### V. SUBSEQUENT EVENTS

There are no subsequent events.