

TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION

(A COMPONENT UNIT OF THE  
TOWN OF RAMAPO, NEW YORK)

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2010

TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION  
(A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

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O'Connor Davies Munns & Dobbins, llp  
ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

To the Board of Directors of the  
Town of Ramapo Local Development Corporation  
(a component unit of the Town of Ramapo, New York)

We have audited the accompanying statement of net assets of the Town of Ramapo Local Development Corporation (the "Corporation") (a component unit of the Town of Ramapo, New York) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year comparative information has been derived from the Corporation's 2009 financial statements.

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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a 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 the Corporation as of December 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. 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.

*O'Connor Davies Munns & Dobbins, LLP*

O'Connor Davies Munns & Dobbins, LLP  
May 23, 2011

**RAMAPO LOCAL DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2010**

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The following Management's Discussion and Analysis (MD&A) of the Ramapo Local Development (RLDC) (the Agency) activities and financial performance is provided as an introduction and overview of the financial statements of RLDC for the fiscal year ended December 31, 2010. Following this MD&A are the annual financial statements of RLDC together with the notes. This MD&A should be read in conjunction with the financial statements, to enhance understanding of the RLDC's performance. This MD&A highlights certain supplementary information to assist with the understanding of the RLDC's financial operations.

**OPERATIONS**

The Ramapo Local Development Corporation was formed pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York and serves as a component unit of the Town of Ramapo, New York.

The RLDC's mission and objectives include lessening the burdens of government by undertaking and promoting urban redevelopment initiatives in the Town of Ramapo that will include real estate acquisition, development and management, real estate project finance, and other community-based economic development activities permissible under the Not-For-Profit Corporation Law.

The Ramapo Local Development Corporation was created to assist the Town of Ramapo in the development of affordable housing; to foster the creation, retention and expansion of jobs and economic opportunities for the benefit of the local economy; and to promote smart growth and green development within the Town.

**FINANCIAL OPERATIONS HIGHLIGHTS**

A condensed summary of comparative revenues, expenses, and changes in net assets for the past two years are summarized below. Refer to the RLDC's basic financial statements for the complete Statement of Activities.

	December 31, 2010	December 31, 2009
	<u>                    </u>	<u>                    </u>
Operating Revenues	\$ -	\$ -
Non-Operating Revenues	13,721,099	7,276,267
Total Revenues	<u>13,721,099</u>	<u>7,276,267</u>
Operating Expense	299,516	81,025
Non-operating expense, Net	-	-
Total Expenses	<u>299,516</u>	<u>81,025</u>
Change in Net Assets	<u>\$ 13,421,583</u>	<u>\$ 7,195,242</u>

As of December 31, 2010, total assets reported by the RLDC were \$36,087,462 and total liabilities were \$15,470,637. Net assets, which represent the equity of the RLDC, were by \$20,616,825. The increase in net assets was due to recording of the value of the land and land improvements in the amount of approximately \$13.7 million for the Ballpark that was transferred from the Town of Ramapo to the RLDC.

### ***Overview of the Financial Statements***

The financial statements of the RLDC have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The objective of these standards is to enhance the understandability and usefulness of the external financial reports issued by Public Authorities.

The financial statement presentation consists of a *Statement of Net Assets*, a *Statement of Activities*, a *Statement of Cash Flows* and accompanying *Notes to Financial Statements*. These statements provide information on the financial position of the RLDC and the financial activity and results of its operations during the year. A description of these statements follows:

The *Statement of Net Assets* presents information on all of the RLDC's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the RLDC is improving or deteriorating.

The *Statement of Activities* presents information showing the change in the RLDC's net assets during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement include items that will result in cash received or disbursed in future fiscal periods (e.g., the receipt of amounts due from other governments or the payment accrued for compensated absences).

The *Statement of Cash Flows* provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, investing, capital and non-capital financing activities.

### ***Statement of Net Assets***

The statement of net assets presents the financial position of the RLDC at the end of its fiscal year. A more detailed Statement of Net Assets appears in the RLDC's basic financial statements.

	December 31, 2011	December 31, 2009
Current Assets	\$ 1,894,595	\$ 1,311,600
Capital Assets, Net	<u>34,192,867</u>	<u>11,204,897</u>
Total Assets	<u>36,087,462</u>	<u>12,516,497</u>
Current Liabilities	4,734,905	3,408,855
Non-Current Liabilities	<u>10,735,732</u>	<u>1,912,400</u>
Total Liabilities	<u>15,470,637</u>	<u>5,321,255</u>
Net Assets	<u>\$ 20,616,825</u>	<u>\$ 7,195,242</u>

### ***Current Assets***

Current assets as of December 31, 2010 are primarily composed of cash and cash equivalents totaling \$1.89 million. The remaining \$34.19 million consists of real estate held for sale.

### ***Current Liabilities***

Currently liabilities consist mainly of accounts payable and due to the Town of Ramapo totaling \$4.7 million.

### ***Non-Current Liabilities***

There are primarily two components of non-current liabilities. There are loans payable due within one year totaling \$9.89 million and loans payable due in more than one year totaling \$840 thousand.

## **NEW OPERATIONS**

The Ramapo Local Development Corporation continues to work in tandem with Town of Ramapo to assist in acquiring properties in an ongoing effort to spur economic development, expand job creation, and develop affordable housing.

The RLDC is spearheading an innovative initiative to construct a new affordable workforce housing development on an 8-acre site on Elm Street in the Village of Spring Valley. There is a dire need to construct quality residential units in the Town of Ramapo that will enable families with limited income to achieve the dream of home ownership. The project, which is known as Ramapo Commons, is going to benefit families who otherwise might not be able to afford to purchase a home in Ramapo.

Presently, there are four buildings (a total of 48 condominium units) being constructed as part of Phase 1 of the 3-phase plan. When the project is completed, there will be a total of 132 affordable housing units in 11 buildings.

In an effort to promote smart growth and green development, and to maintain a significant amount of open space throughout the Town of Ramapo, approximately 40% of the Ramapo Commons site will remain undeveloped green space. The site will include state-of-the-art recreational areas for children and will have extensive landscaping.

In addition, the RLDC is overseeing Project Grand Slam, which is an exciting plan to build a new baseball facility in the Town of Ramapo that would be a boom to the local economy. The new 4,500 fixed seat stadium, which would provide for a wonderful opportunity for affordable and fun entertainment for families and will house an independent team in the Can-Am league. It will be a state-of-the-art recreational facility for professional, college, and high-school baseball games, concerts, charity events, coaching clinics, and other special events. In addition, the new Ramapo ballpark will stimulate economic growth, generate revenue, and create new jobs. The stadium is scheduled to open in June 2011.

The Ramapo Local Development Corporation is working together with a group of investors who not only are prepared to invest money into this project, but time, energy, and expertise as well. The RLDC began an innovative public-private partnership with these investors who would comprise the team ownership, including John Flaherty, a former member of the New York Yankees and a broadcaster for the YES Network, and Steve Mulvey, whose family owned the Brooklyn/Los Angeles Dodgers for more than half a century. In addition, the investment group includes several individuals who have successfully served as executives and management for several Major League Baseball teams.

The ownership group has a proven track record of success, and is fully committed to making this a successful venture that will not only rival other independent teams throughout the greater tri-state area, but surpass them on every front.

Over the course of the next twenty years, it is anticipated that the ownership will end up investing more than \$80 million into the local economy. That is a virtually unprecedented infusion of local dollars that will stream into the Town of Ramapo and Rockland County.

The RLDC worked diligently with the team ownership to ensure that the Town of Ramapo would receive more than its fair share, including revenue from the naming rights to the stadium, revenue from concessions, revenue from ticket sales, revenue from parking fees, revenue from base rent, and revenue from merchandise sales. The Town of Ramapo will get a great economic boost from this new ballpark.

## **Contacting the RLDC's Financial Management**

This report is intended to provide a broad overview of the RLDC's finances to its citizens and other stakeholders. If you desire additional information or have suggestions for improving this report, please contact:

Aaron Troodler  
Executive Director  
Ramapo Local Development Corporation  
26 Fireman's Memorial Drive, Ste. 205B  
Pomona, New York 10970



TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION  
(A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

COMPARATIVE STATEMENTS OF NET ASSETS  
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,856,952	\$ 1,271,601
Prepaid expenses	37,643	39,999
Capital assets:		
Land	8,338,047	-
Construction-in-progress	7,436,826	-
Real estate held for sale	<u>18,417,994</u>	<u>11,204,897</u>
 Total Assets	 <u>36,087,462</u>	 <u>12,516,497</u>
<b>LIABILITIES</b>		
Accounts payable	1,154,905	328,855
Due to primary government	3,580,000	3,080,000
Non-current liabilities:		
Due within one year -		
Loans payable	9,894,853	-
Due in more than one year -		
Loans payable	<u>840,879</u>	<u>1,912,400</u>
 Total Liabilities	 <u>15,470,637</u>	 <u>5,321,255</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	15,774,873	7,076,158
Unrestricted	<u>4,841,952</u>	<u>119,084</u>
	<u>\$ 20,616,825</u>	<u>\$ 7,195,242</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION  
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COMPARATIVE STATEMENTS OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Operating Revenues	\$ -	\$ -
Operating Expenses:		
General and administrative	7,261	2,063
Rent	15,500	11,000
Salaries	104,523	56,954
Payroll taxes	2,570	1,424
Advertising and promotion	2,115	360
Utilities	1,457	631
Insurance	159,575	7,783
Other	6,515	810
Total Operating Expenses	299,516	81,025
Loss from Operations	(299,516)	(81,025)
Non-Operating Revenues:		
Capital grant - Community Development Block Grant	45,500	200,000
Donation of land and land improvements	13,674,101	7,076,158
Interest income	1,482	109
Miscellaneous income	16	-
Total Non-Operating Revenues	13,721,099	7,276,267
Change in Net Assets	13,421,583	7,195,242
Net Assets - Beginning of Year	7,195,242	-
Net Assets - End of Year	\$ 20,616,825	\$ 7,195,242

The notes to the financial statements are an integral part of this statement.

TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION  
(A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

COMPARATIVE STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities:		
Cash paid to employees	\$ (107,093)	\$ (58,378)
Cash provided for general and administrative costs	635,983	266,209
Net Cash Provided in Operating Activities	<u>528,890</u>	<u>207,831</u>
Cash Flows From Investing Activities -		
Interest income	<u>1,498</u>	<u>109</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets	(9,313,869)	(4,128,739)
Proceeds from grants	45,500	200,000
Proceeds from loan from primary government	500,000	3,080,000
Proceeds from loans	<u>8,823,332</u>	<u>1,912,400</u>
Net Cash Provided by Capital and Related Financing Activities	<u>54,963</u>	<u>1,063,661</u>
Net Change in Cash and Equivalents	585,351	1,271,601
Cash and Equivalents - Beginning of Year	<u>1,271,601</u>	<u>-</u>
Cash and Equivalents - End of Year	<u>\$ 1,856,952</u>	<u>\$ 1,271,601</u>
Reconciliation of Loss From Operations to Net Cash Provided by Operating Activities:		
Loss from operations	\$ (299,516)	\$ (81,025)
Adjustments to reconcile loss from operation to net cash provided by operating activities:		
Prepaid expenses	2,356	(39,999)
Accounts payable	<u>826,050</u>	<u>328,855</u>
Net Cash Provided by Operating Activities	<u>\$ 528,890</u>	<u>\$ 207,831</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

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**Note 1 - Organization and Purpose**

The Ramapo Local Development Corporation ("Corporation") was formed in 2008 by the New York State Legislature under the provisions of Section 1411 of the Not-for-Profit Corporation Law for the purpose of fostering the creation, retention and expansion of jobs and economic opportunities in the Town of Ramapo ("Town"). Additionally, the Corporation will construct, acquire, rehabilitate and improve for use by others, facilities in the Town. The Corporation is exempt from Federal, State and local income taxes. The Corporation, although established by the State, is a separate entity and operates independently of the Town. The governing board consists of four members appointed by the Town's Board. Presently, the Town guarantees and is liable for Corporation debt.

**Note 2 - Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Corporation has been identified as a component unit of the Town. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 14, the Corporation's financial statements have been discretely presented in the Town's financial statements. These criteria include assessment of legal standing, fiscal dependency and financial accountability.

**Basis of Accounting**

The accounting policies of the Corporation conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Corporation reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Cash and Equivalents**

Cash and equivalents consist of funds deposited in demand deposit accounts.

**Capital Assets**

Capital assets, which include land and construction in progress, are reported in the Corporation's financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction in progress are not depreciated.

TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION  
(A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

NOTES TO FINANCIAL STATEMENTS (Continued)

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Class	Balance January 1, 2010	Additions	Balance December 31, 2010
Capital Assets, not being depreciated:			
Land	\$ -	\$ 8,338,047	\$ 8,338,047
Construction-in-progress	-	7,436,826	7,436,826
Total	<u>\$ -</u>	<u>\$ 15,774,873</u>	<u>\$ 15,774,873</u>

**Real Estate Held for Sale**

Real estate held for sale consists of land, land improvements, buildings and building improvements that were acquired and donated to the Corporation.

	Balance January 1, 2010	Additions	Balance December 31, 2010
Real estate held for sale	<u>\$ 11,204,897</u>	<u>\$ 7,213,097</u>	<u>\$ 18,417,994</u>

**Due to Primary Government**

Due to primary government of \$3,580,000 at December 31, 2010, consists of amounts due with no interest or certain payment dates.

**Employee Benefits**

The Corporation does not currently provide retirement or health benefits to its employees.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use. Net assets on the statement of net assets include the amount invested in capital assets net of related debt and unrestricted.

**Use of Estimates**

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is, May 23, 2011.

TOWN OF RAMAPO LOCAL DEVELOPMENT CORPORATION  
 (A COMPONENT UNIT OF THE TOWN OF RAMAPO, NEW YORK)

NOTES TO FINANCIAL STATEMENTS (Concluded)

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**Note 3 - Loans**

The Corporation has five separate loans outstanding from Provident Bank for the purchase of Land and Construction, thereon. The detail of the loans are as follows:

<u>Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>
\$ 1,826,900	12/09/11	Prime + 1 %	\$ 1,826,900
2,773,000	12/09/11	Prime + 1	1,178,103
8,800,000	12/09/11	Prime + 1	6,889,850
400,000	09/01/12	Prime + 1	62,500
1,528,400	09/01/12	Prime + 1	778,379
Total			<u>\$ 10,735,732</u>

The above loans are all guaranteed by the Town of Ramapo, New York and the loans are secured by the land.

**Note 4 - Subsequent Events**

The Corporation, on February 1, 2011, issued a loan in the amount of \$464,162 to purchase property on 372-376 North Main Street in Spring Valley, New York, to build a fire house. The loan matures on January 28, 2014 and has an interest rate of prime rate plus 1.0%. The loan is secured by the property.

The Corporation, on March 14, 2011, issued a loan in the amount of \$3,000,000. The loan matures on April 14, 2011 and the interest rate is the prime rate. The loan is not secured but is guaranteed by the Town of Ramapo, New York.

The Corporation, on April 18, 2011, issued bonds in the amount of \$25,000,000. These bonds bear interest at the rate of 3% and mature on March 15, 2016. These bonds are guaranteed by the Town of Ramapo, New York.