



**FOR CONSIDERATION**

June 28, 2011

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Financial Reports

REQUEST FOR: Approval of Certain Annual Financial Reports and Authorization to  
Take Related Actions

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I. Background

The Public Authorities Law (the Law) requires annual approval by the Corporation and certifications by the Chief Executive Officer and Chief Financial Officer of certain financial reports (the Reports). The Reports consist of financial information set forth in the independent audit required by the Law. The independent audit (the Audit), entitled New York State Urban Development Corporation and Subsidiaries Consolidated Financial Statements and Independent Auditors' Report March 31, 2011 and 2010, which contains the required information, is attached hereto.

II. The Report

The Report includes the following:

1. Independent Auditors' Report;
  - In this section the independent audit firm renders its opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation and its subsidiaries, and the results of its operations and cash flows for the current fiscal year, in conformity with accounting principles generally accepted in the U.S.A.

The Independent Auditors' Report included in the March 31, 2011 and 2010 Consolidated Financial Statements contains a clean opinion.

2. Management's Discussion and Analysis;
  - This is not a required part of the basic financial statements, but is supplementary information required by Government Accounting Standards Board (GASB). It is required to precede the basic financial statements, discuss current-year results in comparison with the prior year and contain condensed financial information derived from the basic consolidated financial statements.
3. Consolidated Financial Statements includes;
  - Consolidated Balance Sheets
  - Consolidated Statements of Revenues, Expenses and Changes in Net Assets
  - Consolidated Statements of Cash Flows
  - Notes to Consolidated Financial Statements; and
4. Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance, including Compliance with Investment Guidelines, and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards;
  - This letter addressed to the Board of Directors defines the potential weaknesses in internal control and identifies if the audit firm has discovered any such deficiencies. In addition, it discusses the Corporation's compliance with certain provisions of laws, regulations, contracts and grant agreements, including Investment Guidelines for Public Authorities and the Corporation's investment guidelines, and other matters, non-compliance with which could have a direct and material effect on the determination of the financial statements amounts.

The Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance included in the March 31, 2011 and 2010 Consolidated Financial Statements contains no findings of material weaknesses in internal control and no issues of non-compliance.

### III. Audit Committee

The Audit Committee of the Corporation has reviewed the Report and recommends approval by the Board of Directors.

### IV. Related Filing Requirements

As required under the Law certain annual reports, including various reports not of a financial nature but including the Reports, will be submitted to the Governor, the Chairman and ranking minority member of the Senate Finance Committee, the Chairman and ranking minority member of the Assembly Ways and Means Committee and the State Comptroller, within ninety (90) days after the end of the Corporation's fiscal year.

As also required by the Law, the Audit will be submitted to the Governor, Chairman and ranking minority member of the Senate Finance Committee, Chairman and ranking minority member of the Assembly Ways and Means Committee and the State Comptroller, within thirty (30) days after receipt thereof by the Corporation.

V. Certifications

The Report has been certified in writing by the Chief Executive Officer and the Chief Financial Officer of the Corporation that based on the officer's knowledge (a) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (b) does not omit any material fact which, if omitted, would cause the Report to be misleading in light of the circumstances under which such statements are made; and (c) fairly presents in all material respects the financial condition and results of the operations of the Corporation as of, and for, the periods presented in the Report.

Attachments

Resolutions

Certifications

Audited Consolidated Financial Statements

June 28, 2011

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE  
DEVELOPMENT CORPORATION – (the “Corporation”) Approval of Certain Annual  
Financial Reports and Authorization to take Related Actions

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WHEREAS, the Corporation wishes to comply with §2800 of the Public Authorities Law (the Law) which mandates that public benefit corporations annually prepare certain financial reports (the Reports) which for the Corporation consists of the independent audit;

WHEREAS, an independent audit is required by §2802 of the Law;

WHEREAS, §2800 of said Law also requires the annual approval by the Board and certifications by the Chief Executive Officer and Chief Financial Officer of the Report;

WHEREAS, an independent audit has been prepared for the fiscal year ended March 31, 2011;

WHEREAS, the Corporation has reviewed said Reports and found them to be satisfactory; and

NOW, THEREFORE, based on the materials submitted herewith, IT IS HEREBY RESOLVED that the Reports are hereby approved; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial and Administrative Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit said Reports, as required by law, and to take such action and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in connection with the implementation and approval of the Reports and to take related actions.

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