

**NEW YORK STATE ARCHIVES
PARTNERSHIP TRUST**

**Financial Statements and
Compliance Report**

March 31, 2011

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Financial Statements

March 31, 2011

Financial Statements

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of New York State Archives Partnership Trust's (the "Trust") financial statements, the Trust's management provides a narrative discussion and analysis of the financial activities of the Trust for the fiscal year ended March 31, 2011. The Trust's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. This discussion and analysis is intended to serve as an introduction to New York State Archives Partnership Trust's basic financial statements for the fiscal year ended March 31, 2011.

Overview of the Financial Statements

The Trust is accounted for as a proprietary Trust and, therefore, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The financial statements include the following:

- **Statement of Net Assets** – The Statement of Net Assets, or balance sheet, includes all assets and liabilities of the Trust using the accrual basis of accounting. The Statement of Net Assets reports the Trust's net assets, the difference between total Trust assets and total Trust liabilities in three main categories, including net assets invested in capital assets, restricted net assets and unrestricted net assets.
- **Statement of Revenues, Expenses and Change in Net Assets** – The Statement of Revenues, Expenses and Change in Net Assets records revenue and expenses on the accrual basis. Revenues are recorded when measurable and earned and expenses are recorded when incurred, regardless of when cash is received or paid.
- **Statement of Cash Flows** – The Statement of Cash Flows provides information about the sources and uses of the Trust's cash through operating and investing activities.
- **Notes to the Financial Statements** – The accompanying notes to the financial statements provide information essential to a full understanding of the Trust's financial statements and should be read in conjunction with the financial statements.

Financial Analysis of the Trust

Net Assets

The following is a summary of the Trust's assets, liabilities and net assets as of March 31, 2011 and 2010.

	<u>3/31/11</u>	<u>3/31/10</u>
Assets	\$ 3,817,217	\$ 3,585,986
Liabilities	246,511	190,237
Net Assets		
Invested in Capital		
Assets	1,097	2,390
Restricted	2,576,485	2,541,922
Unrestricted	993,124	851,437
Total Net Assets	<u>3,570,706</u>	<u>3,395,749</u>
	<u>\$ 3,817,217</u>	<u>\$ 3,585,986</u>

The majority of the Trust's assets consist of cash and investments in marketable equity and debt securities, money market funds, certificates of deposit and mutual funds. Funds received from state appropriations and various private donors are deposited into cash or investment accounts until they are subsequently disbursed for Trust operations or project expenditures.

Trust liabilities consist mainly of amounts due to vendors, deferred grant revenue and accrued payroll and related items due to Trust employees at March 31, 2011.

Operations

	<u>3/31/11</u>	<u>3/31/10</u>
Operating revenue		
NYS appropriation	\$ 300,000	\$ 300,000
Contributed goods and services	237,647	275,642
Grants and contributions	236,131	172,890
Membership fees	48,997	41,988
Program fees and royalties	8,706	6,560
Advertising income	10,000	6,250
Investment and other income	847	888
Total Operating Revenue	842,328	804,218
Operating expenses		
Management and general	438,203	431,243
Public outreach projects	536,949	544,965
Fundraising	55,566	42,861
Total Operating Expenses	<u>1,030,718</u>	<u>1,019,069</u>
Operating Income (Loss)	(188,390)	(214,851)

Non-Operating Revenue (Expense)		
Investment income (loss)	49,960	(1,962)
Unrealized gains on investments	278,824	645,283
Change in beneficial asset	9,563	7,688
	<hr/>	<hr/>
Non-Operating Revenue (Expense)	338,347	651,009
Endowment Contribution	25,000	0
	<hr/>	<hr/>
Change in Net Assets	174,957	436,158
Net assets at beginning of year	3,395,749	2,959,591
	<hr/>	<hr/>
Net assets at end of year	\$ 3,570,706	\$ 3,395,749
	<hr/>	<hr/>

Revenues are derived from a NYS appropriation, private donor contributions, contributed goods and services (a non-cash item), investment income and membership dues. The Trust's overall revenues (operating and non-operating revenues) decreased by approximately 19% when compared to the prior year, mostly due to a decrease in net investment income. Net investment income decreased from approximately \$643,000 in the prior year to approximately \$329,000 in the current year.

Expenditures have remained relatively constant. They increased by approximately 1% when compared to the prior year. Payroll and related expenses, including contributed salaries and benefits (a non-cash item), represent approximately 56% of the Trust expenditures. The cost of educational, access, awareness, and preservation projects, which include payroll and related expenses, remains at approximately 52% of Trust expenditures, consistent with the prior year.

Requests for Information

The accompanying financial statements are designed to provide readers with a general overview of the Trust's finances and to demonstrate the Trust's accountability for the revenue it receives. Questions concerning any of the information provided in this report, or any request for additional information, should be addressed to the Chief Executive Officer, New York State Archives Partnership Trust, Cultural Education Center, Suite 9C49, Albany, NY 12230.



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
New York State Archives Partnership Trust

We have audited the accompanying statement of net assets of New York State Archives Partnership Trust, a component unit of the State of New York, as of and for the year ended March 31, 2011, and the related statements of revenues, expenses and change in net assets, and cash flows for the year then ended. These financial statements are the responsibility of New York State Archives Partnership Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 the 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 New York State Archives Partnership Trust as of March 31, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2011, on our consideration of New York State Archives Partnership Trust's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including compliance with investment guidelines. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or

on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1 through 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wojaski + Co. CPAs, P.C.

East Greenbush, New York
August 25, 2011 .

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Statement of Net Assets

March 31, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	307,811
Interest receivable		6,940
Accounts receivable		20,000
Prepaid expenses and other assets		<u>4,943</u>

TOTAL CURRENT ASSETS 339,694

INVESTMENTS 3,405,709

PROPERTY AND EQUIPMENT, net 1,097

BENEFICIAL INTEREST 70,717

\$ 3,817,217

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 96,884
Accrued salaries and related items	48,853
Compensated absences	46,063
Grants payable	14,375
Deferred revenue	<u>40,336</u>

TOTAL CURRENT LIABILITIES 246,511

NET ASSETS

Invested in capital assets	1,097
Restricted for:	
Endowment	2,505,768
Beneficial interest	70,717
Unrestricted	<u>993,124</u>

TOTAL NET ASSETS 3,570,706

\$ 3,817,217

See accompanying notes to financial statements.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Statement of Revenues, Expenses and Change in Net Assets

For the Year Ended March 31, 2011

OPERATING REVENUES	
New York State appropriation	\$ 300,000
Contributed goods and services	237,647
Grants and contributions	236,131
Membership dues	48,997
Advertising income	10,000
Program fees and royalties	8,706
Other operating income	847
TOTAL OPERATING REVENUE	<u>842,328</u>
OPERATING EXPENSES	
Public outreach projects	536,949
Management and general	438,203
Fundraising	55,566
TOTAL OPERATING EXPENSES	<u>1,030,718</u>
OPERATING LOSS	(188,390)
NON-OPERATING REVENUES	
Investment income	49,960
Unrealized gains on investments	278,824
Change in value of beneficial interest	9,563
TOTAL NON-OPERATING REVENUES	<u>338,347</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	149,957
PERMANENT ENDOWMENT CONTRIBUTIONS	<u>25,000</u>
CHANGE IN NET ASSETS	174,957
Net assets at beginning of year	<u>3,395,749</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 3,570,706</u></u>

See accompanying notes to financial statements.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Statement of Cash Flows

For the Year Ended March 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Proceeds from New York State Appropriation	\$ 300,000
Proceeds from grants and contributions	215,734
Proceeds from membership dues	48,997
Proceeds from program fees and royalties	8,706
Proceeds from advertising income	10,000
Proceeds from other operating income	847
Cash payments for public outreach programs expenses	(320,684)
Cash payments for management and general expenses	(350,906)
Cash payments for fundraising expenses	<u>(55,566)</u>
NET CASH USED IN OPERATING ACTIVITIES	(142,872)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from investment income	287
Proceeds from sales of securities	333,253
Cash payments for purchase of securities	<u>(233,096)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>100,444</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(42,428)
Cash and cash equivalents at beginning of year	<u>350,239</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 307,811</u></u>

See accompanying notes to financial statements.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Statement of Cash Flows--Continued

For the Year Ended March 31, 2011

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (188,390)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	1,174
Amortization expense	117
Changes in operating assets and liabilities:	
Accounts receivable	(11,899)
Prepaid expenses	(148)
Accounts payable and accrued expenses	45,651
Accrued salaries and related items	5,186
Compensated absences	4,473
Grants payable	9,462
Deferred revenue	<u>(8,498)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (142,872)</u>

See accompanying notes to financial statements.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Notes to Financial Statements

March 31, 2011

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

New York State Archives Partnership Trust (the Trust), a public benefit corporation, was created in July 1992 under Arts and Cultural Affairs Law of the State of New York to create an endowment to help preserve archival records of the New York State Archives and to make them accessible through research, exhibits and public programs. The Trust is a component unit of the State of New York and is included in the State's basic financial statements. A summary of the Trust's significant accounting policies follows:

Basis of Presentation

The Trust follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 37 "Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments: Omnibus." Statement No. 34, as amended by Statement No. 37, established standards for external reporting for all state and local government entities, which include a statement of net assets, a statement of revenues, expenses and change in net assets and a statement of cash flows. It requires classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Net assets invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation and accumulated amortization, reduced by the outstanding balances of bonds, notes, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather that portion of the debt is included in restricted net assets.

Restricted net assets: This component of net assets represents external restrictions on net assets imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets: This component represents net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Notes to Financial Statements--Continued

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America for government entities, as prescribed by GASB. In accordance with the provisions promulgated by GASB, the Trust has elected not to apply Financial Accounting Standards Board (FASB) pronouncements and interpretations issued after November 30, 1989.

The operations of the Trust are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. Within this measurement focus, all assets and liabilities associated with operations are included on the balance sheet with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

The Trust distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Trust's principal on-going operations. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits with and maintained by the New York State Comptroller in the "New York State Archives Partnership Trust Fund." These funds are part of the "New York State Short Term Investment Pool" and are available upon demand. The interest rate, which fluctuates during the year, was approximately .201% at March 31, 2011. New York State ensures that the deposits held in the Short Term Investment Pool are fully collateralized.

The Trust has also established a special projects account at a bank that is maintained by the Trust. Deposits in this account are available upon demand. The special projects account is collateralized and is monitored by the guidelines of the NYS Office of the State Comptroller.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Notes to Financial Statements--Continued

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES-- Continued

Accounts Receivable

Accounts receivable are non-interest bearing and are carried at their estimated collectible amounts. Accounts receivable are periodically evaluated for collectability based on a review of outstanding receivables, historical collection information and current economic conditions. Management of the Trust has deemed all accounts receivable as of March 31, 2011 to be fully collectible.

Investments

Investments are recorded at fair market value based on quoted market prices. Investments received by gift are recorded at fair market value at the date of the gift.

Property and Equipment

Acquisitions of property and equipment and expenditures which materially change the capacities or extend the useful lives are capitalized and recorded at historical cost. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred. When an asset is sold or retired, the cost and accumulated depreciation are removed from their respective accounts and the resulting gain or loss is included in the change in net assets. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the related assets, generally ranging from 5 to 10 years.

Beneficial Interest

Beneficial interest represents the Trust's interest in a charitable remainder trust and it is recorded at the estimated fair market value. The fair market value of the beneficial interest is remeasured annually on the valuation date. Changes in the fair market value are recognized as a non-operating gain or loss. The beneficial interest is considered to be restricted net assets until the charitable remainder trust terminates and the Trust receives the proceeds.

New York State Appropriation

A \$300,000 appropriation is allotted to the Trust from the New York State Local Government Records Management Improvement Fund for services and expenses related to planning, organizing and establishment of the Trust.

Contributed Goods and Services

Goods and services are provided to the Trust by other parties. The Trust values donated goods and services based on the estimated fair market value of the goods and services provided.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Notes to Financial Statements--Continued

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Tax Status

The Trust is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes in the accompanying financial statements.

The Trust's information return filings are subject to audit by various taxing authorities. The Trust is no longer subject to examinations by taxing authorities for the years ending before March 31, 2008, and currently, there are no examinations in process nor has the Trust been informed of any pending examination.

Accounting Standards Issued Not Yet Effective

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 59, *Financial Instruments Omnibus*, effective for the Trust's March 31, 2012 fiscal year. The objective of the statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. The Trust does not expect the adoption of this guidance to have a material impact on its financial statements.

NOTE B--INVESTMENTS

The Trust has adopted the guidelines established by the State of New York Office of the State Comptroller (OSC) as its investment policy. The guidelines describe the administration of an investment program and are intended to represent minimum standards for most investment situations. This policy covers those funds that are in the custody of OSC.

Legislation governing the Trust's operations allows the Trust to manage the endowment fund outside the control of the New York State Comptroller. The Trust also has a written investment policy approved by the Board that establishes its own investment policies and procedures relative to the investment activities of the Trust. This policy covers those funds in the custody of the Trust's Board. Investments consist of the following at March 31, 2011:

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Notes to Financial Statements--Continued

NOTE B--INVESTMENTS--Continued

	<u>Cost</u>	<u>Market</u>
Mutual funds	\$ 1,898,486	\$ 2,255,221
Marketable equity and debt securities	541,191	552,804
Certificates of deposit	495,000	508,559
Money market funds	89,125	89,125
	<u>\$ 3,023,802</u>	<u>\$ 3,405,709</u>

NOTE C--CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>
Furniture and fixtures	\$ 30,399	\$ 0	\$ 0	\$ 30,399
Equipment	27,123	0	0	27,123
Artwork	3,167	0	0	3,167
Accumulated depreciation	<u>(58,416)</u>	<u>(1,176)</u>	<u>0</u>	<u>(59,592)</u>
Fixed assets, net	<u>2,273</u>	<u>(1,176)</u>	<u>0</u>	<u>1,097</u>
Intangible assets	78,788	0	0	78,788
Accumulated amortization	<u>(78,671)</u>	<u>(117)</u>	<u>0</u>	<u>(78,788)</u>
Intangible assets, net	<u>117</u>	<u>(117)</u>	<u>0</u>	<u>0</u>
Capital assets, net	<u>\$ 2,390</u>	<u>\$ (1,293)</u>	<u>\$ 0</u>	<u>\$ 1,097</u>

Total depreciation expense and amortization expense for the year ended March 31, 2011 was \$1,176 and \$117, respectively.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Notes to Financial Statements--Continued

NOTE D--RELATED PARTY TRANSACTIONS

All Trust employees are paid through the New York State Education Department. Additionally, the State Education Department charges the Trust for services rendered by the State, including office space and fringe benefits. Charges for these services are billed to the Trust quarterly and are calculated by applying New York State indirect cost and fringe benefit rates to the gross salaries of the Trust. Total costs for these charges for the year ended March 31, 2011 were approximately \$204,000.

The Trust shares the services of its Executive Officer and certain other personnel with the New York State Archives. The New York State Archives is part of the New York State Education Department. These services are funded through the State Education Department and are recorded as contributed services by the Trust. These services totaled approximately \$149,000 for the year ended March 31, 2011.

NOTE E--PENSION PLAN

Employees of the Trust are eligible to participate in the Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA CREF) or New York State Employees' Retirement System, both of which are defined benefit plans. The benefits provided to members of these pension plans are established by New York State Law and may be amended only by the State Legislature. Benefit and other provisions of the plans vary depending on date of membership as outlined in the plan document.

The pension expense of the Trust is based upon contribution rates (determined by the respective plan) applied to salaries of participating employees. It is not practical to determine the Trust's share of plan assets. The required contribution by the Trust for the year ended March 31, 2011 was approximately \$25,000.

NOTE F--CONTRIBUTED SERVICES

Occasionally goods and services will be provided to the Trust without compensation. The value of goods or services, which requires expertise, is recorded at fair market value. Excluding the services described in Note D, the Trust recognized revenue and expenses for contributed advertising, guest speakers and various other contributed goods and services of approximately \$81,000 for the year ended March 31, 2011.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Notes to Financial Statements--Continued

NOTE G--OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Trust provides post-employment healthcare benefits as a participating employer in the New York State Health Insurance Program (NYSHIP). NYSHIP was established by the New York State Legislature in 1957 to provide health insurance for New York State Employees, retirees and their eligible dependents. The NYSHIP is an agent multiple-employer plan and financial information is reported in an agency fund of the State of New York. The Trust does not pay the costs directly, but rather reimburses the NYS Education Department (SED) through the Fringe Benefit Reimbursement rates. The Trust benefits are administered through SED, and, therefore, all Trust employees participating in the plan are included in SED's plan. Accordingly, no liability for OPEB costs has been recorded.

NOTE H--SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The Trust earned approximately \$50,000 in interest and dividend income that was directly reinvested in its investment accounts. No cash was received.

NOTE I--SUBSEQUENT EVENTS

In accordance with generally accepted accounting principles, the Trust has evaluated for subsequent events between the statement of net assets date of March 31, 2011 and August 25, 2011, the date the financial statements were available to be issued.

COMPLIANCE REPORT



**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS, INCLUDING COMPLIANCE WITH INVESTMENT
GUIDELINES, BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of New York State Archives Partnership Trust:

We have audited the financial statements of New York State Archives Partnership Trust (the Trust) as of and for the year ended March 31, 2011, and have issued our report thereon dated August 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Investment Guidelines for Public Authorities* issued by the Office of the State Comptroller, State of New York.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered New York State Archives Partnership Trust's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New York State Archives Partnership Trust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including *Investment Guidelines for Public Authorities* and the Trust's investment guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management of the Trust, and the State of New York and is not intended to be and should not be used by anyone other than these specified parties.

Wojcicki & Co. CPAs, P.C.

East Greenbush, New York
August 25, 2011

SUPPLEMENTARY INFORMATION

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Investment Information for New York State

March 31, 2011

INVESTMENTS:

At March 31, 2011, Trust investments consisted of certificates of deposit, money market funds, mutual funds and marketable debt and equity securities held by an outside brokerage house. The total market value of investments was \$3,405,709 at March 31, 2011. In addition, the Trust had deposits (“cash equivalents”) with the “New York State Short Term Investment Pool” in the amount of \$163,070 as of March 31, 2011.

INVESTMENT EARNINGS:

Investment income totaled \$328,784 for the year ended March 31, 2011 and consisted of interest, dividends, and realized and unrealized gains and losses.

INVESTMENT REPORT:

The Independent Auditor’s Report on compliance and other matters, including compliance with *Investment Guidelines for Public Authorities*, for the year ended March 31, 2011 indicated that there were no instances of noncompliance that were required to be reported under *Government Auditing Standards*.

FEES AND COMMISSIONS:

Direct fees, commissions or other charges paid for investment related services were \$25 for the year ended March 31, 2011.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Schedule I - Combining Statement of Net Assets

March 31, 2011

	Operation and Maintenance Account	Special Projects Account	Endowment Account	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 162,157	\$ 145,654	\$ -	\$ 307,811
Interest receivable	29	-	6,911	6,940
Accounts receivable	-	20,000	-	20,000
Prepaid expenses and other assets	4,943	-	-	4,943
TOTAL CURRENT ASSETS	167,129	165,654	6,911	339,694
INVESTMENTS	-	-	3,405,709	3,405,709
FIXED ASSETS, net	1,097	-	-	1,097
BENEFICIAL INTEREST	70,717	-	-	70,717
	<u>\$ 238,943</u>	<u>\$ 165,654</u>	<u>\$ 3,412,620</u>	<u>\$ 3,817,217</u>

See Independent Auditors' Report.

	Operation and Maintenance Account	Special Projects Account	Endowment Account	Total
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 93,471	\$ 3,413	\$ -	\$ 96,884
Accrued salaries and related items	48,853	-	-	48,853
Compensated absences	46,063	-	-	46,063
Grants payable	-	14,375	-	14,375
Deferred revenue	-	40,336	-	40,336
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TOTAL CURRENT LIABILITIES	188,387	58,124	-	246,511
FUND BALANCES				
Invested in capital assets	1,097	-	-	1,097
Restricted for:				
Endowment	-	-	2,505,768	2,505,768
Beneficial interest	70,717	-	-	70,717
Unrestricted	(21,258)	107,530	906,852	993,124
	<hr/>	<hr/>	<hr/>	<hr/>
	50,556	107,530	3,412,620	3,570,706
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 238,943</u>	<u>\$ 165,654</u>	<u>\$ 3,412,620</u>	<u>\$ 3,817,217</u>

See Independent Auditors' Report.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Schedule II - Combining Statement of Revenues, Expenses and Change in Net Assets

For the Year Ended March 31, 2011

	Operation and Maintenance Account	Special Projects Account	Endowment Account	Total
OPERATING REVENUE				
New York State appropriation	\$ 300,000	\$ -	\$ -	\$ 300,000
Contributed goods and services	122,379	115,268	-	237,647
Grants and contributions	81,983	154,148	-	236,131
Membership dues	-	48,997	-	48,997
Advertising income	-	10,000	-	10,000
Program fees and royalties	-	8,706	-	8,706
Other operating income	847	-	-	847
TOTAL OPERATING REVENUE	505,209	337,119	-	842,328
OPERATING EXPENSES				
Public outreach projects	-	536,949	-	536,949
Management and general	438,203	-	-	438,203
Fundraising	47,178	8,388	-	55,566
TOTAL OPERATING EXPENSES	485,381	545,337	-	1,030,718
OPERATING INCOME (LOSS)	19,828	(208,218)	-	(188,390)
NON-OPERATING REVENUES				
Investment income	291	5	49,664	49,960
Unrealized gains on investments	-	-	278,824	278,824
Change in value of beneficial interest	9,563	-	-	9,563
TOTAL NON-OPERATING REVENUES	9,854	5	328,488	338,347
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	29,682	(208,213)	328,488	149,957
PERMANENT ENDOWMENT CONTRIBUTIONS	-	-	25,000	25,000
TRANSFERS	(54,984)	155,140	(100,156)	-
CHANGE IN NET ASSETS	(25,302)	(53,073)	253,332	174,957
Net assets at beginning of year	75,858	160,603	3,159,288	3,395,749
NET ASSETS AT END OF YEAR	\$ 50,556	\$ 107,530	\$ 3,412,620	\$ 3,570,706

See Independent Auditors' Report.

NEW YORK STATE ARCHIVES PARTNERSHIP TRUST

Schedule III - Statement of Functional Expenses

For the Year Ended March 31, 2011

	Public Outreach Projects	Management and General	Fundraising	Total
Payroll	\$ 123,551	\$ 230,104	\$ 27,578	\$ 381,233
Professional fees	172,349	21,346	1,285	194,980
Fringe benefits	59,796	113,657	13,356	186,809
Indirect costs	25,483	56,345	5,692	87,520
Printing and reproduction	54,083	1,807	1,834	57,724
Travel and meetings	31,390	2,224	5,768	39,382
Advertising	34,567	-	-	34,567
Grant awards	30,150	-	-	30,150
Other program expenses	4,570	2,665	53	7,288
Repairs and maintenance	0	5,232	-	5,232
Insurance	0	3,286	-	3,286
Materials and supplies	760	496	-	1,256
Depreciation expense	250	924	-	1,174
Amortization expense	-	117	-	117
	<u>\$ 536,949</u>	<u>\$ 438,203</u>	<u>\$ 55,566</u>	<u>\$ 1,030,718</u>

See Independent Auditors' Report.