

**TOWN OF BROOKHAVEN
LOCAL DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2011

**TOWN OF BROOKHAVEN
LOCAL DEVELOPMENT CORPORATION
TABLE OF CONTENTS
DECEMBER 31, 2011**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities and Changes in Accumulated Deficit	3
Statement of Cash Flows	4
Notes to Financial Statements	5
 REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	 7

ALBANESE SINI & REEVES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

348 MAIN STREET
EAST SETAUKET, NY 11733
TEL. (631) 751-5225 • FAX (631) 751-5371
SINIREEVESCPA.COM

STEVEN W. ALBANESE, CPA
JOHN R. SINI, CPA
MICHAEL R. REEVES, CPA
LORI J. LAPONTE, CPA

JEANNINE M. FELICIANO, CPA
SUSAN S. MANFREDO, CFA
TAMMY J. WELLMAN, CPA
RITA A. JOHNSON
KATE L. HURNEY

INDEPENDENT AUDITORS' REPORT


To the Board of Directors of
Town of Brookhaven Local Development Corporation

We have audited the accompanying statement of financial position of the Town of Brookhaven Local Development Corporation (a non-profit organization) (the Corporation) as of December 31, 2011, and the related statements of activities and changes in accumulated deficit 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.

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 overall 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, 2011, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2012, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 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.



East Setauket, New York
March 22, 2012

TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION

Statement of Financial Position

December 31, 2011

ASSETS

Cash \$ 5,342

TOTAL ASSETS

\$ 5,342

LIABILITIES AND ACCUMULATED DEFICIT

LIABILITIES

Accounts Payable \$ 875

Due to Town of Brookhaven Industrial
Development Agency 7,500

TOTAL LIABILITIES

8,375

ACCUMULATED DEFICIT - Unrestricted

(3,033)

**TOTAL LIABILITIES AND
ACCUMULATED DEFICIT**

\$ 5,342

See Notes to the Financial Statements.

TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION

Statement of Cash Flows

For the Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (2,138)
Adjustments to Reconcile Change in Net Assets to Cash provided by Operating Activities:	
Accounts Payable	25
Due to Town Of Brookhaven Industrial Development Agency	<u>5,000</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,887</u>
NET INCREASE IN CASH	2,887
CASH - BEGINNING OF YEAR	<u>2,455</u>
CASH - END OF YEAR	<u><u>\$ 5,342</u></u>

See Notes to the Financial Statements

TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - ORGANIZATION

The Town of Brookhaven Local Development Corporation (the Corporation) is a not-for-profit corporation incorporated on June 11, 2010 under New York Law. The Corporation's purpose is to promote and conduct economic development activities in the Town of Brookhaven and to finance facilities for not-for-profit corporations so that they may acquire, improve, maintain, equip and furnish such projects. Although the Town of Brookhaven is not financially accountable for the Corporation, it does appoint a voting majority of the Board and as such is considered a related-party to the Corporation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Statement Presentation

The Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Corporation is required to present a statement of cash flows. All of the Corporation's activities are unrestricted net assets.

b. Basis of Accounting

Accounting for revenues and expenses are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

c. Income Taxes

The Corporation is a not-for-profit corporation organized pursuant to sections 402 and 1411 of the New York State Not-for Profit Corporation law and is, therefore, exempt from income taxes. The Corporation is also exempt from Federal reporting requirements under Internal Revenue Service Revenue Procedure 95-48, 1995-2 C.B. 418 as a governmental unit of affiliate of a governmental unit described in the procedure.

Accounting Standards Codification 740 "Accounting for Income Tax Uncertainties" (ASC 740), defines the threshold for recognizing the benefits of tax return positions in the financial statements as "more-likely-than-not" to be sustained by the taxing authority. ASC 740 also provides guidance on the derecognition, measurement and classification of income tax uncertainties, along with any related interest and penalties. ASC 740 also includes guidance concerning accounting for income tax uncertainties in interim periods and increases the level of disclosures associated with any recorded tax uncertainties. ASC 740 has no effect on the Corporation as it is exempt from filing tax returns as an affiliate of a governmental unit, described in Internal Revenue Service Procedure 95-48, 1995-2 C.B. 418.

NOTE 3 – DUE TO TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY

The Town of Brookhaven Industrial Development Agency (the Agency) has loaned the Corporation \$7,500. The amount does not accrue interest and shall be repaid upon the Corporation's receipt of fees from future projects. There is no formal agreement between the Agency and the Corporation.

TOWN OF BROOKHAVEN LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 4 - SUBSEQUENT EVENTS

In connection with the preparation of the financial statements, the Corporation evaluated subsequent events after the balance sheet date of December 31, 2011 through March 22, 2012 which was the date the financial statements were available to be issued. No subsequent events were identified.

ALBANESE SINI & REEVES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

348 MAIN STREET
EAST SETAUKET, NY 11733
TEL. (631) 751-5225 • FAX (631) 751-5371
SINIREEVESCPA.COM

STEVEN W. ALBANESE, CPA
JOHN R. SINI, CPA
MICHAEL R. REEVES, CPA
LORI J. LAPONTE, CPA

JEANNINE M. FELICIANO, CPA
SUSAN S. MANFREDO, CPA
TAMMY J. WELLMAN, CPA
RITA A. JOHNSON
KATE L. HURNEY

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

To the Board of Directors of
Town of Brookhaven Local Development Corporation

We have audited the accompanying financial statements of the Town of Brookhaven Local Development Corporation (the Corporation) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 22, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting as a basis for designing our auditing procedure 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 Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 a 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 would not necessarily identify all deficiencies in internal control 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 the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

Albano Sini & Keener LLP

East Setauket, New York

March 22, 2012