

**STEUBEN COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2011

STEBEN COUNTY ECONOMIC DEVELOPMENT CORPORATION

TABLE OF CONTENTS

<u>AUDITED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS 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>	6 - 7



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Steuben County Economic Development Corporation
Bath, New York

We have audited the accompanying statement of financial position of Steuben County Economic Development Corporation (a not-for-profit local development corporation) as of December 31, 2011 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of Steuben County Economic Development Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Steuben County Economic Development Corporation as of December 31, 2010 were audited by other auditors whose report dated February 22, 2011, expressed an unqualified opinion on those financial statements.

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 *Governmental 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 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 Steuben County Economic Development 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 29, 2012, on our consideration of Steuben County Economic Development 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 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.

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Rochester, New York
March 29, 2012

STEBEN COUNTY ECONOMIC DEVELOPMENT CORPORATION
Statements of Financial Position
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 181,994	\$ 161,086
Total Assets	<u>\$ 181,994</u>	<u>\$ 161,086</u>
LIABILITIES AND NET ASSETS		
Net Assets - Unrestricted	<u>\$ 181,994</u>	<u>\$ 161,086</u>
Total Liabilities and Net Assets	<u>\$ 181,994</u>	<u>\$ 161,086</u>

The accompanying notes are an integral part of these financial statements.

STEUBEN COUNTY ECONOMIC DEVELOPMENT CORPORATION
Statements of Activities
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues		
Administrative income	\$ 25,000	\$ 25,000
Project income	25,000	-
Interest income	424	411
Other income	1,321	990
Total revenues	51,745	26,401
Expenses		
Accounting	1,800	1,800
Auto expense	8,886	9,095
Conferences	3,889	2,723
Contributions	-	1,500
Dues and memberships	2,792	4,571
Insurance expense	1,085	-
Legal	6,241	-
Miscellaneous expense	518	-
Travel and entertainment	5,626	2,874
Total expenses	30,837	22,563
Change in Net Assets	20,908	3,838
Net Assets - Beginning	161,086	157,248
Net Assets - Ending	\$ 181,994	\$ 161,086

The accompanying notes are an integral part of these financial statements.

STEBEN COUNTY ECONOMIC DEVELOPMENT CORPORATION
Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 20,908	\$ 3,838
Net Change in Cash and Cash Equivalents	20,908	3,838
Cash and Cash Equivalents - Beginning	161,086	157,248
Cash and Cash Equivalents - Ending	\$ 181,994	\$ 161,086

The accompanying notes are an integral part of these financial statements.

STEBEN COUNTY ECONOMIC DEVELOPMENT CORPORATION
Note to Financial Statements

Note 1. Summary of Significant Accounting Policies and Nature of Organization

Nature of Organization - The Steuben County Economic Development Corporation (the "Corporation") has been established to aid Steuben County in promoting the economic welfare of its inhabitants and to actively promote, attract, encourage, and develop economically sound commerce and industry by enhancing job opportunities through assistance in constructing, maintaining and equipping industrial, commercial, manufacturing, and research facilities. The Corporation is designed to function as a prime community resource.

Basis of Accounting - The Corporation prepares its financial statements on the accrual basis of accounting, in accordance with generally accepted accounting principles.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958, 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. These classes are established in accordance with their nature and purpose, in observation of any third party limitations or restrictions placed on the use of these resources. Any donor-restricted contribution whose restrictions are met in the same reporting period or any gifts of long-lived assets are reported as unrestricted support. The Corporation did not have any temporarily restricted net assets or permanently restricted net assets for the years ended December 31, 2011 and 2010.

Unrestricted Net Assets - Unrestricted net assets represent net assets that are not subject to donor imposed stipulations and are generally available for support of the Corporation's activities. The Board of Directors has discretionary control over these resources to carry out the operations of the Corporation in accordance with its by-laws.

Cash and Cash Equivalents - For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents include deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Corporation maintains cash and cash equivalents at financial institutions which periodically may exceed insured limits.

Income Taxes - The Corporation is a not-for-profit corporation and is exempt from income tax under the New York State Article 14 as a local development corporation. Accordingly, no provision for taxes has been made.

In accordance with ASC 740-10-50, *Accounting for Uncertainty in Income Taxes*, the Organization recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. Management believes that the Organization is currently operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no liability for unrecognized tax benefits has been included on the Organization's financial statements. The exempt Organization's informational returns are subject to audit by various taxing authorities and its open audit periods are 2008 through 2011.

Subsequent Events - In accordance with ASC 855-10, the Corporation evaluated subsequent events through March 29, 2012, the date these financial statements were available to be issued.



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
Steuben County Economic Development Corporation
Bath, New York

We have audited the financial statements of Steuben County Economic Development Corporation as of and for the year ended December 31, 2011, and have issued our report dated March 29, 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Steuben County Economic Development Corporation'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 Steuben County Economic Development Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Steuben County Economic Development 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 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 Steuben County Economic Development 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*.

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

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Rochester, New York
March 29, 2012