

***Cayuga Economic Development Agency, Inc.***

Financial Report

December 31, 2010

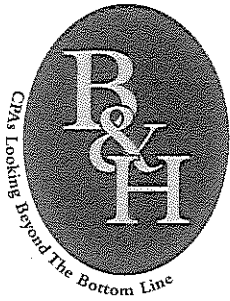
# ***Cayuga Economic Development Agency, Inc.***

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# Buffington & Hoatland CPAs

*A Professional Limited Liability Company*

## Independent Auditor's Report

To the Board of Directors  
Cayuga Economic Development Agency, Inc.

We have audited the accompanying statement of financial position of Cayuga Economic Development Agency, Inc. (a nonprofit organization) as of December 31, 2010, and the related statement of activities, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 Cayuga Economic Development Agency, Inc. 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.

In accordance with Government Auditing Standards, we have also issued our report dated April 7, 2011, on our consideration of Cayuga Economic Development Agency, Inc.'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.

*Buffington & Hoatland CPAs, PLLC*

Buffington & Hoatland CPAs, PLLC  
Auburn, New York  
April 7, 2011

# ***Cayuga Economic Development Agency, Inc.***

## **Statements of Financial Position**

**December 31, 2010**

	<u>2010</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$ 46,030
Contract receivable	112,500
Prepaid expenses	<u>1,340</u>
<b>Total Current Assets</b>	<u>159,870</u>
<b>Equipment</b>	
Computer equipment	1,634
Accumulated depreciation	<u>(272)</u>
<b>Total Equipment, Net</b>	<u>1,362</u>
<b>Total Assets</b>	<u><u>\$ 161,232</u></u>
<b>Net Assets</b>	
<b>Unrestricted Net Assets</b>	\$ 152,282
<b>Temporarily Restricted Net Assets</b>	<u>8,950</u>
<b>Total Net Assets</b>	<u><u>\$ 161,232</u></u>

*See notes to financial statements.*

# *Cayuga Economic Development Agency, Inc.*

## Statements of Activities

Year Ended December 31, 2010

	2010		
	Unrestricted	Temporarily Restricted	Total
<b>Public Support and Revenue</b>			
Grant revenue	\$ 225,000	\$ -	\$ 225,000
Contributions	-	8,950	8,950
<b>Total Support and Revenue</b>	<b>225,000</b>	<b>8,950</b>	<b>233,950</b>
<b>Expenses</b>			
Salaries and related cost	42,424	-	42,424
Legal and accounting	6,384	-	6,384
Director search expense	4,717	-	4,717
Marketing	4,358	-	4,358
Advertising	1,379	-	1,379
Insurance	719	-	719
Rent	1,920	-	1,920
Office supplies	2,017	-	2,017
Telephone	2,140	-	2,140
Dues and subscriptions	345	-	345
Licenses and fees	850	-	850
Travel and meals	5,168	-	5,168
Bank fees	25	-	25
Depreciation	272	-	272
<b>Total Expenses</b>	<b>72,718</b>	<b>-</b>	<b>72,718</b>
<b>Changes in Net Assets</b>	<b>\$ 152,282</b>	<b>\$ 8,950</b>	<b>\$ 161,232</b>

See notes to financial statements.

# ***Cayuga Economic Development Agency, Inc.***

## **Statements of Changes in Net Assts**

**Year Ended December 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Net Assets - Beginning</b>	\$ -	\$ -	\$ -
Changes in net assets	<u>152,282</u>	<u>8,950</u>	<u>161,232</u>
<b>Net Assets - Ending</b>	<u>\$ 152,282</u>	<u>\$ 8,950</u>	<u>\$ 161,232</u>

*See notes to financial statements.*

# *Cayuga Economic Development Agency, Inc.*

## **Statements of Cash Flows**

**Year Ended December 31, 2010**

	<u>2010</u>
<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 161,232
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	272
(Increase) Decrease in assets:	
Contract receivable	(112,500)
Prepaid expenses	<u>(1,340)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>47,664</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of equipment	<u>(1,634)</u>
<b>Net Increase in Cash</b>	46,030
<b>Cash - Beginning</b>	<u>-</u>
<b>Cash - Ending</b>	<u><u>\$ 46,030</u></u>

*See notes to financial statements.*

# ***Cayuga Economic Development Agency, Inc.***

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## **Notes to Financial Statements**

**December 31, 2010**

### **Note 1 - Nature of Operations**

The Cayuga Economic Development Agency, Inc. (Agency) was created to foster a sustainable quality of life in Cayuga County, New York through job retention, expansion and attraction. The Agency's major source of support is from a contract with Cayuga County, New York. The contract's term is from January 1, 2010 through December 31, 2012. The contract provides for quarterly payments at an annual rate of \$225,000 for each of the three years. The quarterly payments are dependent upon delivery of a signed report and written quarterly notice by the Agency to the County that the contract has been performed.

### **Note 2 - Estimates and Summary of Significant Accounting Policies**

#### **Use of Estimates**

The preparation of 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 the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Basis of Accounting**

The financial statements of the Agency have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables and payables.

#### **Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC), *Presentation of Financial Statements of Not-for-Profit Organizations*. The Agency 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.

#### **Unrestricted Net Assets**

Unrestricted net assets consist of net assets of the Agency that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations.

#### **Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the net assets of the Agency whose use by the Agency is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations.

# ***Cayuga Economic Development Agency, Inc.***

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## **Notes to Financial Statements**

**December 31, 2010**

### **Note 2 - Estimates and Summary of Accounting Policies (Continued)**

#### **Permanently Restricted Net Assets**

Permanently restricted net assets consist of the net assets of the Agency that include a donor-imposed restriction that stipulates that resources be maintained permanently but permit the Agency to use up or expend part or all of the income derived from the donated assets.

#### **Restricted and Unrestricted Revenue and Support**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

#### **Contract Receivable**

Contract receivable are stated at outstanding balances. The Agency considers contract receivable to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

#### **Equipment**

All acquisitions of equipment in excess of \$500, and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Equipment is carried at cost, or if donated at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the following estimated useful lives of these respective classes of property.

	<u>Years</u>
Equipment	3

Depreciation expense amounted to \$272 for the year ended December 31, 2010.

# ***Cayuga Economic Development Agency, Inc.***

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## **Notes to Financial Statements**

**December 31, 2010**

### **Note 2 - Estimates and Summary of Accounting Policies (Continued)**

#### **Concentration of Credit Risk**

Financial instruments that potentially subject the Agency to concentrations of credit risk consist principally of cash. The Agency maintains cash balances at a financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of December 31, 2010. Periodically, the amounts on deposit exceed federally insured limits. At December 31, 2010, the Agency's cash balances did not exceed the federally insured limits.

#### **Advertising Costs**

Advertising costs are expensed as incurred and were \$1,379 for the year ended December 31, 2010.

#### **Income Taxes**

The Agency has applied for exempt status from federal income tax under Section 501 © (3) of the Internal Revenue Code.

The Financial Accounting Standards Board issued FASB Accounting Standards Codification (FASB ASC), *Accounting for Uncertainty in Income Taxes*. This requires the recognition and measurement of uncertain tax positions held by the Agency. Under generally accepted accounting principles, the amount reported would be based on probability assessments of the likelihood that certain deductions would be disallowed upon examination because the taxing authorities interpreted existing guidance differently.

The Agency has adopted the accounting policy as of January 1, 2010. For the year ended December 31, 2010, the Agency has accounted for uncertain tax positions in accordance with FASB ASC, *Accounting for Uncertainty in Income Taxes*.

The Agency recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision. For the year ended December 31, 2010, there were no accrued interest or accrued penalties associated with uncertain tax positions for the Agency.

The Agency files income tax returns in the U.S. federal and state jurisdictions. The U.S. federal and state income tax returns of the Agency for 2010 are subject to examination by the Federal and State taxing authorities. The Agency has not had a recent examination of their returns by the Federal and State taxing authorities.

#### **Supplementary Disclosures - Statements of Cash Flow**

The Agency considers all short-term investments with an original maturity of three months or less to be cash equivalents. The Agency did not pay any interest or income taxes for the year ended December 31, 2010.

# ***Cayuga Economic Development Agency, Inc.***

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## **Notes to Financial Statements**

**December 31, 2010**

### **Note 3 - Restrictions on Net Assets**

Temporarily restricted net assets totaled \$8,950 as of December 31, 2010. Temporarily restricted net assets consist of contribution to be for used for the strategic plan.

### **Note 4 - Commitments and Contingencies**

The Agency receives substantially all its support from a contract with Cayuga County, New York. A significant reduction in the level of this support, if this were to occur, may have an adverse effect on the Agency's programs and activities.

### **Note 5 - Subsequent Events**

Management has evaluated subsequent events through April 7, 2011, the date on which the financial statements were available to be issued.