

**VICTOR LOCAL DEVELOPMENT
CORPORATION, NEW YORK**

FINANCIAL STATEMENTS

For The Year Ended December 31, 2010

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Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

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Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

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and
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Victor Local Development
Corporation, New York

We have audited the accompanying statement of financial position of the Victor Local Development Corporation, New York as of December 31, 2010, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Victor Local Development Corporation, New York'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 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 Victor Local Development Corporation, New York 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 March 11, 2011 on our consideration of the Victor Local Development Corporation, New York's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's financial statements. The accompanying supplemental schedule of investments is presented for purposes of additional analysis and is not a required part of the financial statements. This schedule has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Raymond F. Wager, CPA P.C.

March 11, 2011

Statement 1

**VICTOR LOCAL DEVELOPMENT
CORPORATION, NEW YORK
Statement of Financial Position
December 31, 2010**

<u>ASSETS:</u>	<u>2010</u>
<u>Current Assets -</u>	
Cash	\$ 182,138
Loans receivable	8,073
Prepaid expenses	1,673
Total Current Assets	\$ 191,884
<u>Noncurrent Assets -</u>	
Loans receivable, net	\$ 14,341
Total Noncurrent Assets	\$ 14,341
TOTAL ASSETS	\$ 206,225
<u>LIABILITIES:</u>	
<u>Current Liabilities -</u>	
Accounts payable	\$ 444
Total Current Liabilities	\$ 444
TOTAL LIABILITIES	\$ 444
<u>NET ASSETS:</u>	
Unrestricted - designated	\$ 1,158
Unrestricted - operations	204,623
TOTAL NET ASSETS	\$ 205,781
TOTAL LIABILITIES AND NET ASSETS	\$ 206,225

(The accompanying notes are an integral part of these financial statements)

VICTOR LOCAL DEVELOPMENT
CORPORATION, NEW YORK

Statement of Activities

For The Year Ended December 31, 2010

OPERATING REVENUES:

2010

Contributions	\$ 112,387
Interest on notes, loans, and program income	678
State aid - main street program	71,736
Miscellaneous revenue	600
TOTAL OPERATING REVENUES	\$ 185,401

OPERATING EXPENSES:

Management & General

Payroll	\$ 55,441
Benefits	19,089
Conferences/travel	2,223
Dues and subscriptions	821
Insurance	1,291
Printing, postage, and shipping	2,693
Utilities and maintenance	6,341
Legal	60
Miscellaneous	418
Total Management & General	\$ 88,377

Program

Program expenses	\$ 22,014
State aid - main street program	71,736
Marketing - advertising	2,668
Total Program	\$ 96,418

TOTAL OPERATING EXPENSES **\$ 184,795**

NET OPERATING INCOME **\$ 606**

NET ASSETS - BEGINNING OF YEAR **205,175**

NET ASSETS - END OF YEAR **\$ 205,781**

(The accompanying notes are an integral part of these financial statements)

**VICTOR LOCAL DEVELOPMENT
CORPORATION, NEW YORK**

Statement of Cash Flows

For The Year Ended December 31, 2010

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2010</u>
Cash Received from providing services	\$ 278,919
Cash payments contractual expenses	(201,271)
Cash payments personal services and benefits	(74,530)
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,118</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 3,118
BEGINNING CASH AND CASH EQUIVALENTS	<u>179,020</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 182,138</u></u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Net Operating Income	<u>\$ 606</u>
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
(Increase)/decrease in accounts receivable	\$ 675
(Increase)/decrease in prepaid expense	(1,193)
(Increase)/decrease in loans receivable	2,586
Increase/(decrease) in accounts payable	444
Increase/(decrease) in grant payable	(91,450)
Increase/(decrease) in grant receivable	91,450
Total Adjustments	<u>\$ 2,512</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 3,118</u></u>

(The accompanying notes are an integral part of these financial statements)

**VICTOR LOCAL DEVELOPMENT
CORPORATION, NEW YORK**

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

I. Summary of Significant Accounting Policies:

A. Organization

The Victor Local Development Corporation, New York (the Corporation) was incorporated on December 1, 1999 under Section 402 of the Not-For-Profit Corporation Law. The mission of the Victor LDC is to conduct activities that will relieve and reduce unemployment, promote and provide for additional and maximum employment; better and maintain job opportunities, assist individuals to improve or develop their capabilities for jobs, carry on scientific research for the purpose of aiding the community or geographic area by attracting industry to the community; and lessening the burdens of government and acting in the public interest.

B. Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States. Revenues are recognized when earned and expenses are recognized when incurred.

The Corporation reports information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted, and permanently restricted net assets. At December 31, 2010 the Corporation only had unrestricted net assets.

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Corporation considers all highly liquid cash accounts and other temporary investments of three months or less as cash equivalents.

D. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(I.) (Continued)

E. Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position since events could potentially occur that jeopardize tax-exempt status. Management is not aware of any events that could jeopardize the Corporation's tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements.

II. Cash and Cash Equivalents:

Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. While the Corporation does not have a specific policy for custodial credit risk, New York State statutes govern the Corporation's investment policies, as discussed previously in these notes.

The Victor LDC's bank balances were fully covered by FDIC insurance.

III. Loan Funds:

A. Revolving Loan Funds

The Victor LDC has established a revolving loan funds for the purpose of fostering economic development. The source of funds to finance the loan payment may be from state grants, or from funds of the Victor LDC itself. Loans to commercial enterprises and principal repayments are not recorded through revenue and expense. Any interest income is reported as program income.

B. Maturity Schedules

The Revolving Loan Fund has a note receivable from a local business at December 31, 2010. The note bears an interest rate of 2.75% and matures in 2014. Scheduled future principal payments on these notes are as follows at December 31, 2010:

<u>Company</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding 12/31/2010</u>
Taste of Italy	2010	2014	2.75%	\$ 22,414
<u>Less: Current Portion</u>				<u>(8,073)</u>
Total Long-Term Notes Receivable				<u>\$ 14,341</u>

(III.) (Continued)

Maturities of the note receivable is as follows:

<u>Year</u>	<u>Notes</u>
2011	\$ 8,073
2012	6,232
2013	6,465
2014	1,644
Total	\$ 22,414

IV. Lease Agreements:

- A. On December 24, 2009, the Victor LDC entered into a lease agreement with the Victor Fire Department, Inc. for the office space located at 5 W. Main Street, Victor, NY 14564 which is renewable annually through December 31, 2014. Utility costs are \$190 per month and no monthly rent is due.

V. Commitments and Contingencies:

A. Litigation

Management is not aware of any pending litigation as of the date of this report.

VI. Subsequent Events:

The Taste of Italy loan was in arrears as of December 31, 2010. As of the audit date, however, the Victor LDC has received payment and the loan is currently up to date.

VICTOR LOCAL DEVELOPMENT

CORPORATION, NEW YORK

Schedule of Investments

For Year Ended December 31, 2010

	<u>2010</u>
Operating	\$ 182,138
Total Investments	<u><u>\$ 182,138</u></u>

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**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 Director of
Victor Local Development Corporation, New York

We have audited the financial statements of the Victor Local Development Corporation, New York as of and for the year ended December 31, 2010, and have issued our report thereon dated March 11, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Victor Local Development Corporation, New York'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 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 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 Corporation'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 the Victor Local Development Corporation, New York'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*.

We noted certain matters that we reported to the management of the Victor Local Development Corporation, New York in a separate letter dated March 11, 2011.

This report is intended solely for the information and use of the Council, management, and the Federal Awarding Agencies and is not intended to be and should not be used by anyone other than these specified parties.

Raymond F. Wager, CPA, P.C.

March 11, 2011