

**Town of Hempstead  
Local Development Corporation**

**FINANCIAL STATEMENTS**

**December 31, 2008**

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## INDEPENDENT AUDITORS' REPORT

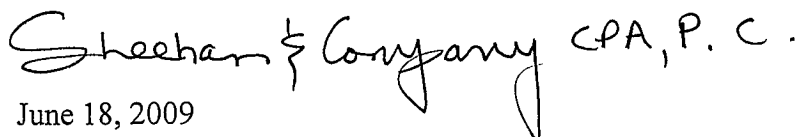
To the Board of Directors  
Town of Hempstead Local Development Corporation  
Hempstead, New York 11550

We have audited the accompanying statement of financial position of the Town of Hempstead Local Development Corporation (the Corporation), a component unit of the Town of Hempstead, as of and for the year ended December 31, 2008 and the related statements of activities 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 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, 2008, 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 a report dated June 18, 2009 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 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.

  
June 18, 2009

**Town of Hempstead  
Local Development Corporation**

**STATEMENT OF FINANCIAL POSITION**

December 31, 2008

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<b>Assets:</b>	
Cash and cash equivalents	\$ <u>85,208</u>
Total assets	<u>\$ 85,208</u>
<b>Liabilities</b>	\$ -
<b>Net assets:</b>	
Unrestricted	<u>85,208</u>
Total net assets	<u>85,208</u>
Total liabilities and net assets	<u>\$ 85,208</u>

See notes to financial statements

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**Town of Hempstead  
Local Development Corporation**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2008**

<b>Revenues, gains and other support:</b>	
Interest income	\$ <u>2,093</u>
Total revenues, gains and other support	<u>2,093</u>
<b>Expenses</b>	<u>-</u>
Change in net assets	2,093
Net assets, January 1	<u>83,115</u>
Net assets, December 31	<u>\$ <u>85,208</u></u>

See notes to financial statements

**Town of Hempstead  
Local Development Corporation**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2008**

<b>Cash flows from operating activities:</b>	
Increase in net assets	\$ 2,093
Net cash provided by operating activities	<u>2,093</u>
Net increase in cash and cash equivalents	2,093
Cash and cash equivalents, January 1	<u>83,115</u>
Cash and cash equivalents, December 31	<u><u>\$ 85,208</u></u>

See notes to financial statements

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# Town of Hempstead Local Development Corporation

## NOTES TO FINANCIAL STATEMENTS

### 1. Nature of activities:

The Town of Hempstead Local Development Corporation (the Corporation) was created in 1966 by the Town Board of the Town of Hempstead, under the provisions of the Laws of New York State. The purpose of the Corporation is to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, instruct or train individuals to improve or develop their capabilities for such jobs, carry on scientific research for the purpose of aiding the Town of Hempstead by attracting new industry, through the encouragement of the development of or retention of an industry, and lessen the burdens of the government, while acting in the public interest.

The Corporation is governed by a Board of Directors whose members are appointed by the Town of Hempstead Town Board and is considered a component unit of the Town of Hempstead.

The Corporation has been dormant for several years. The only activity is interest income.

### 2. Summary of significant accounting policies:

An understanding of the Corporation's practices will facilitate the review of the financial statements.

#### Basis of accounting:

The financial statements of the Corporation have been prepared on the accrual basis of accounting and, accordingly, revenues are recorded when earned and expenses are recorded when incurred.

#### Basis of presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, 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.

**Town of Hempstead  
Local Development Corporation**

**NOTES TO FINANCIAL STATEMENTS**

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**2. Summary of significant accounting policies (continued):**

**Cash and cash equivalents:**

For purposes of the Statement of Cash Flows, investments with maturities of three months or less when purchased are considered cash equivalents.

**Income tax status:**

The Corporation was duly established under Sections 402 and 1411 of the Not-For-Profit Corporation Law and is a corporate governmental agency performing an essential governmental function. The income of the Corporation is excludable from gross income under Section 115 (i) of the Internal Revenue Code and, accordingly, these financial statements do not reflect a provision for income taxes.

**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 disclosure of contingent assets and liabilities 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.

**3. Cash and cash equivalents:**

The Corporation maintains cash accounts with a bank. Balances are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2008, the Corporation's accounts were 100% insured.