

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Financial Statements  
December 31, 2011

# Boychuk & Co., Certified Public Accountants

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## Independent Accountant's Review Report

To the Board of Directors  
Seneca Falls Economic Development Corporation

We have reviewed the accompanying statement of financial position of Seneca Falls Economic Development Corp. as of December 31, 2011 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements, and in our review report dated March 9, 2011, we expressed no opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Boychuk & Co.*

May 10, 2012

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Statement of Financial Position  
December 31, 2011

	<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets:			
Cash and cash equivalents		<u>\$83,388</u>	<u>103,540</u>
	<u>Liabilities and Net Assets</u>		
Current liabilities:			
Accounts payable		<u>\$ 8,935</u>	<u>2,581</u>
Net assets:			
Unrestricted		<u>74,453</u>	<u>100,959</u>
		<u>\$83,388</u>	<u>103,540</u>

See independent accountant's review report  
and accompanying notes to financial statements.

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
Support and revenues:		
Government contracts	\$106,350	147,940
Program revenue	8,358	10,466
Interest	2,853	2,251
	<u>117,561</u>	<u>160,657</u>
Operating expenses:		
Program services	112,816	123,387
General and administrative	29,670	30,746
Fund raising	1,581	1,877
	<u>144,067</u>	<u>156,010</u>
Increase (decrease) in net assets	(26,506)	4,647
Net assets - beginning of year	<u>100,959</u>	<u>96,312</u>
Net assets - end of year	<u>\$ 74,453</u>	<u>100,959</u>

See independent accountant's review report  
and accompanying notes to financial statements.

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Statement of Functional Expenses  
For the Year Ended December 31, 2011

	Program Services	General and Administrative	Fund Raising	2011 Total	2010 Total
Salaries	\$ 52,867	16,498	1,000	70,365	66,248
Payroll taxes	4,541	1,422	86	6,049	5,438
	<u>57,408</u>	<u>17,920</u>	<u>1,086</u>	<u>76,414</u>	<u>71,686</u>
Contractual services	3,500	3,500	-	7,000	7,000
Grants	-	-	-	-	12,000
Event costs	21,827	1,037	-	22,864	28,762
Occupancy	10,800	3,600	-	14,400	14,400
Publicity	6,691	-	-	6,691	5,955
Insurance	1,304	279	-	1,583	1,627
Office expense	7,325	547	320	8,192	8,240
Telephone	1,370	455	175	2,000	2,000
Payroll preparation	2,047	682	-	2,729	1,116
Travel	-	-	-	-	806
Legal and professional	-	1,650	-	1,650	1,550
Miscellaneous	344	-	-	344	608
Dues and subscriptions	200	-	-	200	260
	<u>\$112,816</u>	<u>29,670</u>	<u>1,581</u>	<u>144,067</u>	<u>156,010</u>

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and accompanying notes to financial statements.

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Statement of Cash Flows  
For the Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
Cash flows provided by (used in) operating activities:		
Increase (decrease) in net assets	\$ (26,506)	4,647
(Increase) decrease in grants receivable	-	10,127
Increase (decrease) in accounts payable	6,354	2,436
Agency transaction funds received from Town of Seneca Falls, New York	200,000	-
Agency transaction funds paid to BonaDent Dental Laboratories, Inc.	<u>(200,000)</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	(20,152)	17,210
Cash and equivalents - beginning of year	<u>103,540</u>	<u>86,330</u>
Cash and equivalents - end of year	<u>\$ 83,388</u>	<u>103,540</u>

See independent accountant's review report and accompanying notes to financial statements.

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Notes to Financial Statements  
December 31, 2011

1. Summary of Operations and Significant Accounting Policies

The Seneca Falls Development Corporation was formed on May 21, 2007 pursuant Sections 402 and 1411 of the Not-For-Profit Corporation Laws of the State of New York. Its purpose is to provide planning and implementation of programs, projects and activities designed to create or stimulate economic development in the Village and Town of Seneca Falls, New York.

The financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles of the United States of America. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Prior Year's Summarized Comparative Information

The financial statements include prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a complete presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash Equivalents

The Organization considers all highly liquid investments to be cash equivalents.

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Notes to Financial Statements  
December 31, 2011

Contributions

Contributions, when applicable, are recorded as received and are considered to be available for unrestricted use, unless specifically restricted by the donor.

2. Income Taxes

The Organization is a not-for-profit corporation as defined by Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from Federal and state income taxes.

The Organization's *Return of Organization Exempt From Income Tax*, for the years 2008, 2009 and 2010 are subject to examination by the IRS, generally for three years after they were filed.

3. Commitments and Contingencies

The Organization receives a substantial amount of its support from state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

Government contracts require fulfillment of certain conditions as set forth in the contract. Failure to fulfill the conditions could result in the return of funds.

4. In-Kind Revenue

The Organization receives various materials and services as in-kind revenue from the Village of Seneca Falls, New York. The total value of the in-kind revenue is reported as government contracts. The corresponding expenses are also reported in the statement of activities and changes in net assets. Components are as follows:

Security	\$ 1,200
Rent	9,000
Custodial services	600
Utilities	3,600
Telephone	2,000
Copier supplies	750
Administrative support	<u>14,200</u>
	<u>\$31,350</u>

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5. Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting at programs and events. No amounts have been recognized in the accompanying statement of activities and changes in net assets for volunteer services in as much as there is no objective basis available to measure their value.