

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Wyandanch Community Development Corporation  
59 Cumberbach Street  
Wyandanch, New York 11798

We have audited the accompanying statements of financial position of Wyandanch Community Development Corporation (a non-profit agency) as of June 30, 2012 and 2011, and the related statements of activities, changes in net assets, and cash flows for the years then ended and the statement of functional expenses for the year ended June 30, 2012. 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 audits. The prior year summarized comparative information included in the statement of functional expenses has been derived from the Organization's 2011 financial statements and, in our report dated September 16, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide 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 Wyandanch Community Development Corporation as of June 30, 2012 and 2011, and the changes in its net assets, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

  
Certified Public Accountants

New Rochelle, New York  
September 27, 2012

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
<u>Current assets:</u>		
Cash	\$ 179,884	\$ 84,711
Accounts receivable (Note 3)	48,045	20,419
Prepaid expenses	<u>11,925</u>	<u>9,110</u>
Total current assets	<u>239,854</u>	<u>114,240</u>
<u>Fixed Assets:</u> (Note 1)		
Land and buildings	1,318,497	1,528,485
Furniture & equipment	23,015	19,556
Construction in progress	<u>39,158</u>	<u>15,560</u>
	1,380,670	1,563,601
Less: accumulated depreciation	<u>(633,485)</u>	<u>(717,846)</u>
Total fixed assets	<u>747,185</u>	<u>845,755</u>
Total assets	<u>\$ 987,039</u>	<u>\$ 959,995</u>

LIABILITIES AND NET ASSETS

<u>Current liabilities:</u>		
Accounts payable & payroll tax withholdings	\$ 5,946	\$ 7,962
Accrued expenses	17,000	17,000
Tenants' security payable	23,541	29,094
Deferred revenue	<u>1,000</u>	<u>-</u>
Total current liabilities	<u>47,487</u>	<u>54,056</u>
<u>Long-Term Debt:</u>		
Mortgages Payable (Note 4)	<u>407,760</u>	<u>407,760</u>
Total long-term debt	<u>407,760</u>	<u>407,760</u>
Total liabilities	<u>455,247</u>	<u>461,816</u>
<u>Net Assets:</u>		
Unrestricted	<u>531,792</u>	<u>498,179</u>
Total net assets	<u>531,792</u>	<u>498,179</u>
Total liabilities and net assets	<u>\$ 987,039</u>	<u>\$ 959,995</u>

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

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012 AND 2011

<u>Revenue and other support:</u>	<u>Unrestricted</u>	
	<u>2012</u>	<u>2011</u>
Grants	\$135,875	\$ 92,955
Rental income - Federal subsidies	104,568	100,836
Rental income - tenants	95,416	118,191
Gain on sale of property	146,623	-
Satisfaction of mortgage - Town of Babylon	-	210,000
Miscellaneous income	2,047	767
Fund raising event - net	<u>1,341</u>	<u>-</u>
Total revenue and support	<u>485,870</u>	<u>522,749</u>
 <u>Expenses:</u>		
<u>Program services</u>		
DHCR Neighborhood Preservation	91,859	55,475
Community development	46,516	37,479
Rental property	113,826	131,875
Other	<u>-</u>	<u>-</u>
Total program services	252,201	224,829
<u>Support Services</u>		
General and administrative	<u>200,056</u>	<u>193,814</u>
Total expenses	<u>452,257</u>	<u>418,643</u>
Increase (decrease) in net assets	33,613	104,106
Net assets at beginning of year	<u>498,179</u>	<u>394,073</u>
Net assets at end of year	<u>\$531,792</u>	<u>\$498,179</u>

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

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE TOTALS FOR 2011)

	<u>Program Expenses</u>			<u>Total</u>
	<u>DHCR Neighborhood Preservation</u>	<u>Community Develop.</u>	<u>Rental Property</u>	
Salaries	\$55,159	\$42,916	\$ -	\$ 98,075
Fringe benefits	-	-	-	-
Repairs & maintenance	-	-	43,515	43,515
Community revitalization	36,700	-	-	36,700
Real estate taxes	-	-	4,390	4,390
Utilities	-	-	2,215	2,215
Legal and accounting	-	2,200	3,253	5,453
Office expense	-	1,000	-	1,000
Telephone/internet service	-	400	-	400
Insurance expense	-	-	7,025	7,025
Staff training	-	-	-	-
Minor equipment	-	-	1,262	1,262
Fees and permits	-	-	1,671	1,671
Security	-	-	600	600
Meeting & conferences	-	-	-	-
Travel	-	-	-	-
Donations	-	-	-	-
Dues and subscriptions	-	-	-	-
Advertising & website	-	-	-	-
Miscellaneous	-	-	-	-
Total functional expenses before depreciation	<u>91,859</u>	<u>46,516</u>	<u>63,931</u>	<u>202,306</u>
Depreciation expense	<u>-</u>	<u>-</u>	<u>49,895</u>	<u>49,895</u>
Total functional expenses	<u>\$91,859</u>	<u>\$46,516</u>	<u>\$113,826</u>	<u>\$252,201</u>

<u>General and Administrative</u>	<u>Totals</u>	
	<u>2012</u>	<u>2011</u>
\$ 86,825	\$184,900	\$173,800
49,866	49,866	42,472
6,330	49,845	52,643
-	36,700	-
313	4,703	7,167
3,486	5,701	10,588
15,525	20,978	26,345
5,226	6,226	6,547
2,992	3,392	3,732
9,576	16,601	15,750
703	703	1,479
978	2,240	2,139
125	1,796	1,085
462	1,062	499
913	913	1,468
9,265	9,265	11,521
1,140	1,140	1,375
805	805	1,435
125	125	925
<u>1,990</u>	<u>1,990</u>	<u>1,720</u>
196,645	398,951	362,690
<u>3,411</u>	<u>53,306</u>	<u>55,953</u>
<u>\$200,056</u>	<u>\$452,257</u>	<u>\$418,643</u>

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

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>Cash flows from operating activities:</u>		
Increase (decrease) in net assets	\$ 33,613	\$104,106
<u>Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities</u>		
Depreciation expense	53,306	55,953
<u>Change in current assets and liabilities</u>		
(Increase) decrease in accounts receivable	(27,626)	(3,222)
(Increase) decrease in prepaid expenses	(2,815)	(1,603)
Increase (decrease) in accounts payable, and payroll tax withholdings	(2,016)	2,293
Increase (decrease) in accrued expense	-	2,000
Increase (decrease) in tenants' security payable	(5,553)	1,848
Increase (decrease) in deferred revenue	<u>1,000</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>49,909</u>	<u>161,375</u>
<u>Cash flows from investing activities:</u>		
Capital improvements & acquisition costs	(27,057)	(13,764)
Net dispositions of fixed assets	<u>72,321</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>45,264</u>	<u>(13,764)</u>
<u>Cash flows from financing activities:</u>		
Satisfaction of mortgage	<u>-</u>	<u>(210,000)</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>(210,000)</u>
Net increase (decrease) in cash	95,173	(62,389)
Cash at beginning of year	<u>84,711</u>	<u>147,100</u>
Cash at end of year	<u>\$179,884</u>	<u>\$ 84,711</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
<u>Cash paid during the year</u>		
Interest expenses	<u>\$ -</u>	<u>\$ -</u>

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



WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

Nature of Activities

Wyandanch Community Development Corporation (WCDC) was organized on November 8, 1971 under the laws of New York State, as a not-for-profit corporation, for the purpose of constructing and the operation of residential housing to be sold or rented to low income eligible individuals.

Basis of Accounting

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

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, WCDC reports its financial position and operating activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Comparative Financial Information

The statement of functional expenses include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a 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 June 30, 2011, from which the summarized information was derived.

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 classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Governmental grant awards are classified as refundable advances until expended in accordance with the grant/contract period.

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued)

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Grants, Contracts, and Rents Receivable

Grants, contracts, and rents receivable are stated at the amount Management expects to collect from outstanding balances. Management does not provide for uncollectible amounts since any amounts that are not collected would not be material to the financial statements.

Property and Equipment

Expenditures in excess of \$1,000 which enhance the value of property and equipment are capitalized. Buildings, equipment and leasehold improvements are recorded at cost. Property and equipment acquired under governmental grants are expensed in the year acquired. Effective June 30, 2001 depreciation of property and equipment is being provided on the straight line method over the estimated useful life of the assets. Prior period adjustments were made at June 30, 2001 to reflect depreciation for the date the property was placed in service. Land contributed to the corporation has not been recorded on the books.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain 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.

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

WCDC maintains a non-interest bearing checking account and an interest bearing money market account with two financial institutions located in Wyandanch, NY. Beginning December 31, 2011 through December 31, 2012 all non-interest bearing accounts are fully insured regardless of the balance of the accounts at all FDIC insured institutions. Interest bearing accounts are insured up to \$250,000.

Income Taxes

WCDC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state income taxes. Accordingly, no provision for income taxes has been made in the accompanying statements.

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

Note 2. Uncertainty in Income Taxes

Management has considered the tax positions taken in its tax returns and believes that all of the positions taken by WCDC in its federal and state exempt organization tax returns are more likely-than-not to be sustained upon examination.

WCDC's federal returns for the years ended June 30, 2012, 2011 and 2010 could be subject to examination by federal taxing authorities, generally three years after they are filed.

Subsequent Events

Management of WCDC has evaluated events and transactions subsequent to June 30, 2012 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through the date the financial statements became available to be issued, September 27, 2012.

Compensated absences

The liability for future compensated absences is immaterial at June 30, 2012 and 2011. Employees normally take their vacations prior to year end, the period vacation is earned.

Note 3. Accounts Receivable-Grants and Tenants

The details of the accounts receivable at June 30, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
NYS Dept of Housing and Community Renewal	\$34,200	\$ -
Town of Babylon	13,800	13,167
Rents receivable	<u>45</u>	<u>7,252</u>
Total	<u>\$48,045</u>	<u>\$20,419</u>

Note 4. Mortgages Payable

The mortgages payable to the Town of Babylon are considered liens on the property in the form of a mortgage. Interest on the mortgage is 4%, no payments are due unless the property is sold within 15 or 20 years from the date the mortgage was granted, or if WCDC doesn't comply with the affordability requirements set forth in the loan agreement. Under the terms of the loan agreement once the loan matures and all of the conditions of the agreement have been satisfied, WCDC receives a satisfaction of mortgage from Suffolk county. The satisfaction of mortgages of \$210,000 shown as revenue in the statement of activities for year ended June 30, 2011 is from loans on two properties that were satisfied.

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

Note 4. Mortgages Payable (continued)

Mortgages payable to the Town of Babylon, the location of these properties, the terms and amounts of these mortgages are as follows:

<u>Property Address</u>	<u>Terms</u>	<u>2012</u>	<u>2011</u>
6 Lindsay Avenue	15yrs - 01/01/2014	127,115	127,115
10 Lindsay Avenue	20yrs - 06/30/2026	110,000	110,000
145 Jefferson Avenue	20yrs - 08/27/2029	<u>170,645</u>	<u>170,645</u>
		<u>\$407,760</u>	<u>\$407,760</u>