

SENECA FALLS DEVELOPMENT CORPORATION

**FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

SENECA FALLS DEVELOPMENT CORPORATION

TABLE OF CONTENTS

	<u>Page No.</u>
Independent auditors' report	1
Financial statements	
Statements of financial position	2
Statements of activities and changes in net assets	3
Statements of functional expenses	4
Statements of cash flows	5
Notes to financial statements	6-8
Independent auditors' report on internal control over financial reporting and on compliance and other matters on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	9



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Seneca Falls Development Corporation

We have audited the accompanying financial statements of Seneca Falls Development Corporation which comprise the statement of financial position as of December 31, 2017, and the related statement of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatements, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seneca Falls Development Corporation as of December 31, 2017, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of Seneca Falls Development Corporation as of December 31, 2016, were audited by other auditors, whose report dated March 17, 2017 expressed an unqualified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25 2018, on our consideration of Seneca Falls Development 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Seneca Falls Development Corporation's internal control over financial reporting and compliance.



Rochester, New York
March 25, 2018

SENECA FALLS DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current assets		
Cash and cash equivalents	\$ 132,622	\$ 136,787
Prepaid expenses	<u>753</u>	<u>688</u>
Total current assets	<u>\$ 133,375</u>	<u>\$ 137,475</u>

LIABILITIES AND NET ASSETS

	<u>2017</u>	<u>2016</u>
Net assets		
Unrestricted net assets	<u>\$ 133,375</u>	<u>\$ 137,475</u>

See accompanying notes and independent auditors' report.

SENECA FALLS DEVELOPMENT CORPORATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Support and revenue		
Government contracts	\$ 55,000	\$ 55,000
Contributions	0	3,300
Program revenue	3,080	220
Interest	617	535
	<hr/>	<hr/>
Total support and revenue	58,697	59,055
	<hr/>	<hr/>
Functional expenses		
Program services	6,302	8,270
General and administrative	56,495	11,068
	<hr/>	<hr/>
Total expenses	62,797	19,338
	<hr/>	<hr/>
Increase (decrease) in net assets	(4,100)	39,717
Net assets - beginning	137,475	97,758
	<hr/>	<hr/>
Net assets - ending	\$ 133,375	\$ 137,475
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See accompanying notes and independent auditors' report.

SENECA FALLS DEVELOPMENT CORPORATION

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Program Services	General and Administrative	Total	Program Services	General and Administrative	Total
Contractual services	\$ 3,600	\$ 52,000	\$ 55,600	\$ 3,500	\$ 7,400	\$ 10,900
Insurance	299	967	1,266	2,317	286	2,603
Legal and professional	0	3,200	3,200	0	3,150	3,150
Miscellaneous	0	80	80	0	75	75
Office expense	0	0	0	0	157	157
Publicity	2,403	248	2,651	2,453	0	2,453
						0
Total functional expenses	\$ <u>6,302</u>	\$ <u>56,495</u>	\$ <u>62,797</u>	\$ <u>8,270</u>	\$ <u>11,068</u>	\$ <u>19,338</u>

See accompanying notes and independent auditors' report.

SENECA FALLS DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (4,100)	\$ 39,717
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents provided (used) by operating activities:		
(Increase) decrease in:		
Prepaid expenses	(65)	663
Increase (decrease) in:		
Accounts payable	<u>0</u>	<u>(951)</u>
Net cash and cash equivalents provided (used) by operating activities	<u>(4,165)</u>	<u>39,429</u>
Cash and cash equivalents - beginning	<u>136,787</u>	<u>97,358</u>
Cash and cash equivalents - ending	<u>\$ 132,622</u>	<u>\$ 136,787</u>

See accompanying notes and independent auditors' report.

SENECA FALLS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 1: NATURE OF ACTIVITIES

Seneca Falls Development Corporation (the Corporation) was formed on May 21, 2007, pursuant to Sections 402 and 141 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 Town of Seneca Falls, New York.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The financial statements have been prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Cash and Cash Equivalents - The Corporation considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Financial Statement Presentation - The Corporation has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, "*Financial Statements of Not-for-Profit Organizations*." Under FASB ASC 958, 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. The Corporation has only unrestricted net assets for the years ended December 31, 2017 and 2016.

Unrestricted Net Assets - Unrestricted net assets represent contributions or other revenue received by the Corporation for the purpose of carrying out normal operations. The Board of Directors has discretionary control over these resources to carry out the operations of the Corporation. Also included in unrestricted net assets are contributions and other revenue, which the donor has designated for a specific purpose that has been met in the same reporting period as the donation was received.

Contributions - The Corporation has adopted FASB ASC 958-605-25 "*Not-For-Profit Entities - Accounting for Contributions Received*." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions and are recognized when the donor makes a pledge to the Corporation, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes - The Corporation has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. As a result, the Corporation is not subject to federal or New York State income taxes on revenue generated from its not-for-profit activities.

See independent auditors' report.

SENECA FALLS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Corporation files income tax returns in the U.S. federal and New York State jurisdictions. The Corporation is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2014.

The Corporation follows the provisions of uncertain tax positions as addressed in FASB ASC 740-10-65-1. The Corporation recognized no increase in the liability for unrecognized tax benefits. The Corporation has no tax position at December 31, 2017 and 2016, for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Corporation recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Corporation had no accruals for interest and penalties at December 31, 2017 and 2016.

Functional Allocation of Expenses - The costs of providing the various program and activities have been summarized in the statements of functional expenses and have been allocated among the programs and supporting services benefited.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - In preparing these financial statements, The Corporation has evaluated events and transactions for potential recognition and disclosure through March 25, 2018, the date the financial statements were available to be issued.

NOTE 3: CONTINGENCIES

The Corporation 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 Corporation's programs and activities.

NOTE 4: DONATED SERVICES

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

See independent auditors' report.

SENECA FALLS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

NOTE 5: CONCENTRATIONS OF CREDIT RISK

The Corporation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Corporation places its cash and temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. As of December 31, 2017 and 2016, The Corporation's cash balances were fully insured.

See independent auditors' report.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Seneca Falls Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Seneca Falls Development Corporation, as of and for the year ended December 31, 2017, and the related notes to the financial statements and have issued our report thereon dated March 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Seneca Falls Development Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Seneca Falls Development Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

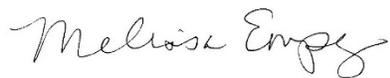
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Seneca Falls Development Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provision 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Melrose Empey".

Rochester, New York
March 25, 2018