

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Financial Statements
December 31, 2010

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, 2010 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 2009 financial statements, and in our review report dated February 10, 2010, 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.

March 9, 2011

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2010

	<u>2010</u>	<u>2009</u>
Support and revenues:		
Government contracts	\$147,940	161,388
Program revenue	10,466	8,085
Interest	<u>2,251</u>	<u>2,458</u>
	<u>160,657</u>	<u>171,931</u>
Operating expenses:		
Program services	123,387	122,332
General and administrative	30,746	29,540
Fund raising	<u>1,877</u>	<u>1,855</u>
	<u>156,010</u>	<u>153,727</u>
Increase in net assets	4,647	18,204
Net assets - beginning of year	<u>96,312</u>	<u>78,108</u>
Net assets - end of year	<u>\$100,959</u>	<u>96,312</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, 2010

	Program Services	General and Administrative	Fund Raising	2010 Total	2009 Total
Salaries	\$ 49,691	15,557	1,000	66,248	64,005
Payroll taxes	4,079	1,277	82	5,438	5,090
	<u>53,770</u>	<u>15,684</u>	<u>1,082</u>	<u>71,686</u>	<u>69,095</u>
Contractual services	3,500	3,500	-	7,000	7,000
Grants	12,000	-	-	12,000	-
Event costs	27,568	1,194	-	28,762	37,625
Occupancy	10,800	3,600	-	14,400	14,400
Publicity	5,955	-	-	5,955	8,343
Insurance	1,383	244	-	1,627	1,955
Office expense	4,813	2,807	620	8,240	8,127
Telephone	1,370	455	175	2,000	2,000
Payroll preparation	837	279	-	1,116	1,484
Travel	806	-	-	806	-
Legal and professional	-	1,550	-	1,550	2,766
Miscellaneous	325	283	-	608	682
Dues and subscriptions	260	-	-	260	250
	<u>\$123,387</u>	<u>30,746</u>	<u>1,877</u>	<u>156,010</u>	<u>153,727</u>

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SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Statement of Cash Flows
For the Year Ended December 31, 2010

	<u>2010</u>	<u>2009</u>
Cash flows provided by (used in) operating activities:		
Increase (decrease) in net assets	\$ 4,647	18,204
(Increase) decrease in grants receivable	10,127	14,051
Increase (decrease) in accounts payable	2,436	93
Agency transaction funds received from Town of Seneca Falls, New York	-	400,000
Agency transaction funds paid to Bedford Falls Enterprises, LLC	-	(400,000)
	<u>17,210</u>	<u>32,348</u>
Net increase in cash and equivalents	17,210	32,348
Cash and equivalents - beginning of year	<u>86,330</u>	<u>53,982</u>
Cash and equivalents - end of year	<u>\$103,540</u>	<u>86,330</u>

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

SENECA FALLS ECONOMIC DEVELOPMENT CORPORATION

Notes to Financial Statements
December 31, 2010

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, 2009, 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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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.

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 part of government contracts. The corresponding values of the individual items are also reported in the statement of activities and changes in net assets as part of various expense items. 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>

(Continued)

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5. Donated Services

The Organization also 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.