

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

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JUNE 30, 2010

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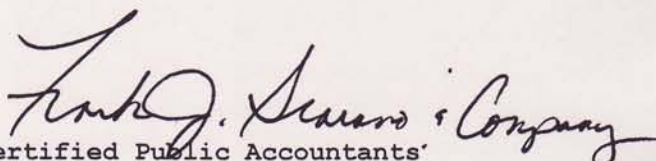
INDEPENDENT AUDITORS' REPORT

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, 2010 and 2009, 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, 2010. 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 audit. The prior year summarized comparative information included in the statement of functional expenses has been derived from the Organization's 2009 financial statements and, in our report dated September 16, 2009, 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 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 Wyandanch Community Development Corporation as of June 30, 2010 and 2009, 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 17, 2010

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<u>Current assets:</u>		
Cash	\$ 147,100	\$ 143,083
Accounts receivable (Note 3)	17,197	49,195
Prepaid expenses	<u>7,507</u>	<u>8,776</u>
Total current assets	<u>171,804</u>	<u>201,054</u>
<u>Fixed Assets: (Note 1)</u>		
Land and buildings	1,519,785	1,296,315
Equipment	18,017	18,017
Construction in progress	<u>12,035</u>	<u>150,465</u>
	1,549,837	1,464,797
Less: accumulated depreciation	<u>(661,893)</u>	<u>(607,717)</u>
Total fixed assets	<u>887,944</u>	<u>857,080</u>
Total assets	<u>\$1,059,748</u>	<u>\$1,058,134</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Accounts payable & payroll tax withholdings	\$ 5,669	\$ 12,170
Accrued expenses	15,000	14,077
Tenants' security payable	27,246	24,235
Deferred revenue	<u>-</u>	<u>132,644</u>
Total current liabilities	<u>47,915</u>	<u>183,126</u>
<u>Long-Term Debt:</u>		
Mortgages Payable (Note 4)	<u>617,760</u>	<u>447,115</u>
Total long-term debt	<u>617,760</u>	<u>447,115</u>
Total liabilities	<u>665,675</u>	<u>630,241</u>
<u>Net Assets:</u>		
Unrestricted	<u>394,073</u>	<u>427,893</u>
Total net assets	<u>394,073</u>	<u>427,893</u>
Total liabilities and net assets	<u>\$1,059,748</u>	<u>\$1,058,134</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, 2010 AND 2009

<u>Revenue and other support:</u>	<u>Unrestricted</u>	
	<u>2010</u>	<u>2009</u>
Grants	\$153,177	\$127,572
Rental income - Federal subsidies	106,921	92,972
Rental income - tenants	120,383	113,301
Satisfaction of mortgage - Town of Babylon	-	185,842
Miscellaneous income	<u>1,062</u>	<u>5,759</u>
Total revenue and support	<u>381,543</u>	<u>525,446</u>
 <u>Expenses:</u>		
<u>Program services</u>		
DHCR Neighborhood Preservation	89,830	85,600
Community development	37,650	36,972
Rental property	110,562	127,783
Other	<u>28,752</u>	<u>5,000</u>
Total program services	266,794	255,355
<u>Support Services</u>		
General and administrative	<u>148,569</u>	<u>118,085</u>
Total expenses	<u>415,363</u>	<u>373,440</u>
Increase (decrease) in net assets	(33,820)	152,006
Net assets at beginning of year	<u>427,893</u>	<u>275,887</u>
Net assets at end of year	<u>\$394,073</u>	<u>\$427,893</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, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	<u>Program Expenses</u>				
	<u>DHCR</u>				
	<u>Neighborhood</u>	<u>Community</u>	<u>Rental</u>	<u>Other</u>	<u>Total</u>
	<u>Preservation</u>	<u>Develop.</u>	<u>Property</u>		
Salaries	\$89,330	\$30,500	\$ -	\$ 8,000	\$127,830
Fringe benefits	-	2,298	-	-	2,298
Repairs & maintenance	-	-	26,964	-	26,964
Seniors' Energy Conservation	-	-	-	19,850	19,850
Real estate taxes	-	-	11,238	-	11,238
Utilities	-	-	5,283	-	5,283
Legal and accounting	-	2,200	3,608	-	5,808
Office expense	500	-	-	-	500
Telephone/internet service	-	400	-	-	400
Insurance expense	-	1,479	8,330	-	9,809
Staff training	-	773	-	-	773
Minor equipment	-	-	2,322	902	3,224
Fees and permits	-	-	675	-	675
Security	-	-	788	-	788
Meeting & conferences	-	-	-	-	-
Travel	-	-	-	-	-
Interest expense	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Advertising & website	-	-	-	-	-
Miscellaneous	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total functional expenses before depreciation	89,830	37,650	59,208	28,752	215,440
Depreciation expense	-	-	51,354	-	51,354
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total functional expenses	<u>\$89,830</u>	<u>\$37,650</u>	<u>\$110,562</u>	<u>\$28,752</u>	<u>\$266,794</u>

<u>General and Administrative</u>	<u>Totals</u>	
	<u>2010</u>	<u>2009</u>
\$ 42,770	\$170,600	\$149,000
32,743	35,041	36,836
3,301	30,265	62,340
-	19,850	-
499	11,737	8,484
3,024	8,307	8,627
15,600	21,408	15,850
5,869	6,369	6,393
3,484	3,884	4,600
6,460	16,269	14,116
8,885	9,658	5,165
109	3,333	1,803
75	750	1,057
523	1,311	848
2,092	2,092	1,525
14,534	14,534	5,231
-	-	89
1,309	1,309	1,284
1,567	1,567	289
<u>2,903</u>	<u>2,903</u>	<u>3,008</u>
145,747	361,187	326,545
<u>2,822</u>	<u>54,176</u>	<u>46,895</u>
<u>\$148,569</u>	<u>\$415,363</u>	<u>\$373,440</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>Cash flows from operating activities:</u>		
Increase (decrease) in net assets	\$(33,820)	\$152,006
<u>Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities</u>		
Depreciation expense	54,176	46,895
<u>Change in current assets and liabilities</u>		
(Increase) decrease in accounts receivable	31,998	(14,474)
(Increase) decrease in prepaid expenses	1,269	(1,551)
(Increase) decrease in security deposits	-	1,325
Increase (decrease) in accounts payable, and payroll tax withholdings	(6,501)	6,885
Increase (decrease) in accrued expense	923	3,077
Increase (decrease) in tenants' security payable	3,011	2,003
Increase (decrease) in deferred revenue	<u>(132,644)</u>	<u>88,444</u>
Net cash provided (used) by operating activities	<u>(81,588)</u>	<u>284,610</u>
<u>Cash flows from investing activities:</u>		
Capital improvements & acquisition costs	<u>(85,040)</u>	<u>(172,381)</u>
Net cash provided (used) by investing activities	<u>(85,040)</u>	<u>(172,381)</u>
<u>Cash flows from financing activities:</u>		
Proceeds from loan payable	170,645	-
Satisfaction of mortgage	-	(185,842)
Payments of line of credit loan	-	-
Payments of loan payable	<u>-</u>	<u>(3,379)</u>
Net cash provided (used) by financing activities	<u>170,645</u>	<u>(189,221)</u>
Net increase (decrease) in cash	4,017	(76,992)
Cash at beginning of year	<u>143,083</u>	<u>220,075</u>
Cash at end of year	<u>\$147,100</u>	<u>\$143,083</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
<u>Cash paid during the year</u>		
Interest expenses	<u>\$ -</u>	<u>\$ 89</u>

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

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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

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

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, 2009, 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, 2010

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 expended 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 its cash balances in two financial institutions located in Wyandanch, New York. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Income Taxes

WCDC is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 2. Compensated absences

The liability for future compensated absences is immaterial at June 30, 2010. 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, 2010 are as follows:

	<u>2010</u>	<u>2009</u>
Town of Babylon	\$10,225	\$43,828
Suffolk County	5,000	4,167
Rents receivable	1,625	1,200
Other	<u>347</u>	<u>-</u>
Total	<u>\$17,197</u>	<u>\$49,195</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 \$185,842 shown as revenue in the statement of activities for year ended June 30, 2009 is from loans on three properties that were staisified.

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>2010</u>	<u>2009</u>
16 South 25th Street	15yrs - 03/01/2011	\$ 65,000	\$ 65,000
163 E. Booker Avenue	15yrs - 03/01/2011	80,000	80,000
7 Deer Street	15yrs - 08/01/2010	65,000	65,000
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>-</u>
		<u>\$617,760</u>	<u>\$447,115</u>

WYANDANCH COMMUNITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 5. Retirement Benefits

The Board of Directors authorized that the retired Executive Director, be granted retirement benefits of \$3,667 per month beginning April 1, 1999. The final payment was made on July 1, 2008 and is included in fringe benefits.

Note 6. Litigation

WCDC has been named as a Co-defendant with one of it's subcontractors in certain lawsuits involving the accidental death of one of the contractor's workers and the worker's personal friend who had no known contact with WCDC prior to the accident. The accident occurred at 88 Nicholas Road Wyandanch, NY a building owned by WCDC and being renovated by the subcontractor hired by WCDC. The case is scheduled for trial for October of 2010, however counsel hopes to settle the case prior to trial. In the opinion of management, based on discussions with legal counsel the likelihood of a favorable or unfavorable outcome and an estimate of potential monetary damages cannot be made.