

**HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2019 AND 2018**

**HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION**

**Table of Contents**

**Page No.**

**Independent Auditor's Report** ..... **1 - 2**

**Financial Statements:**

Statements of Financial Position ..... **3**

Statements of Activities..... **4**

Statements of Cash Flows ..... **5**

Notes to the Financial Statements ..... **6 - 7**

\* \* \* \* \*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Hamburg New York Land Development Corporation  
Hamburg, New York 14075

### Report on the Financial Statements

We have audited the accompanying statements of financial position of the Hamburg New York Land Development Corporation, Inc., (a not-for-profit corporation) as of and for the years ended December 31, 2019 and 2018, and the related statements of activities, cash flows and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

### 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Hamburg New York Land Development Corporation as of December 31, 2019 and 2018, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Prior Year Financial Statements**

The financial statements and supplementary information of the Hamburg NY Land Development Corporation as of December 31, 2018 were audited by Amato, Fox & Company, PC, who has recently merged with Tette, Ingersoll & Co., CPAs, PC during 2019, whose report dated February 28, 2019 expressed an unqualified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent in all material respects, with the audited financial statements from which it has been derived.

*Tette, Ingersoll & Co., CPAs, PC*

Tonawanda, New York  
March 6, 2020

## **FINANCIAL STATEMENTS**

# HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION

## Statements of Financial Position For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 384,558	\$ 338,108
Total current assets	<u>384,558</u>	<u>338,108</u>
<b>Property, plant and equipment:</b>		
Land	<u>452,666</u>	<u>464,478</u>
Total property, plant and equipment	<u>452,666</u>	<u>464,478</u>
<b>Total assets</b>	<u><u>837,224</u></u>	<u><u>802,586</u></u>
<b>Liabilities and net position</b>		
<b>Net position:</b>		
Without donor restriction	<u>837,224</u>	<u>802,586</u>
<b>Total liabilities and net position</b>	<u><u>\$ 837,224</u></u>	<u><u>\$ 802,586</u></u>

The accompanying notes are an integral part of the basic financial statements.

# HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION

## Statements of Activities and Changes in Net Position For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>		
Sale of Land	\$ 56,605	\$ 66,381
Interest earnings	<u>2,043</u>	<u>1,386</u>
Total revenues	<u>58,648</u>	<u>67,767</u>
<b>Expenses:</b>		
Cost of Sales	11,812	45,930
Professional fees	9,305	3,750
Taxes and filing fees	125	125
Marketing	1,310	-
Insurance	1,186	1,133
Office Expenses	85	-
Bank fees	<u>187</u>	<u>-</u>
Total expenses	<u>24,010</u>	<u>50,938</u>
Increase (decrease) in net position	34,638	16,829
Net position at beginning of the year	<u>802,586</u>	<u>785,757</u>
<b>Net position at end of the year</b>	<b><u>\$ 837,224</u></b>	<b><u>\$ 802,586</u></b>

The accompanying notes are an integral part of the basic financial statements.

# HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION

## Statements of Cash Flows For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Cash flows from (used by) operating activities:</b>		
Increase (decrease) in net position	\$ 34,638	\$ 16,829
Adjustments:		
Gain on sale of land	<u>(44,793)</u>	<u>(20,452)</u>
Net cash flows from (used by) operating activities	<u>(10,155)</u>	<u>(3,623)</u>
 <b>Cash flows from (used by) investing activities:</b>		
Sale of land	<u>56,605</u>	<u>66,381</u>
Net cash from (used by) investing activities	<u>56,605</u>	<u>66,381</u>
 Increase (decrease) in cash flows	46,450	62,758
 Cash and cash equivalents at beginning of year	<u>338,108</u>	<u>275,350</u>
 <b>Cash and cash equivalents at end of year</b>	<b><u><u>\$ 384,558</u></u></b>	<b><u><u>\$ 338,108</u></u></b>

The accompanying notes are an integral part of the basic financial statements.



# HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION

## Notes to the Financial Statements December 31, 2019 and 2018

### **Note 1 – Organization**

The Hamburg New York Land Development Corporation was created in 2010 under the provisions of the New York Not-for-Profit Corporation Law. Its principal place of business is located at 6122 South Park Ave, Hamburg, NY 14075.

The purpose of the Corporation is to promote community and economic development and the creation of jobs in the not-for-profit and for-profit sectors for the citizens of the Town of Hamburg by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects.

The Corporation is a part of the Hamburg Industrial Development Agency, but is independently run and operated. The Corporation is governed by a volunteer board of directors and is a tax-exempt Corporation pursuant to Section 501(c) (3) of the internal Revenue Code.

### **Note 2 - Significant Accounting Policies**

This summary of significant accounting policies of the Hamburg New York Land Development Corporation, Inc. (the Corporation) is presented to assist in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements based on guidelines set for nonprofit Corporation.

***Basis of Accounting*** - The Hamburg New York Land Development Corporation uses the accrual basis of accounting for recording transactions. Under this method, revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred.

***Basis of Presentation*** - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958. Under ASC Topic 958, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net Assets Without Donor Restrictions** – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for any purpose in performing the primary objectives of the Corporation. From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

**Net Assets With Donor Restrictions** – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and / or purpose restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

# HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION

## Notes to the Financial Statements December 31, 2019 and 2018

### Note 2 - Summary of Significant Accounting Policies (Cont.)

**Cash and Cash Equivalents** - For purposes of the financial statements, the Corporation considers cash in bank and petty cash to be cash equivalents.

**Income Taxes** - The Corporation has been granted tax-exempt status under Section 501(c) (3) of the Internal Revenue Code, and is classified as "other than a private foundation". Accordingly, no federal and state taxes have been recorded.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

### New Accounting Pronouncement

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958: Presentation of Financial Statement of Not-for-Profit Entities)*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removed the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method).

The Corporation has adopted the provisions of ASU 2016-14 for the year ended December 31, 2019.

# HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION

## Notes to the Financial Statements December 31, 2019 and 2018

### Note 3 - Liquidity and Availability of Resources

The Corporation's financial assets available within one year of the financial position statement date for general expenditures are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 384,558	\$ 338,108
Total financial assets available within one year	<u>384,558</u>	<u>338,108</u>
Total amounts unavailable for general expenses within one year	<u>-</u>	<u>-</u>
<b>Total financial assets available for expenses within one year:</b>	<b><u>\$ 384,558</u></b>	<b><u>\$ 338,108</u></b>

As part of the Corporation's liquidity management, the policy is to structure financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### Note 5 - Concentrations of Credit Risk

*Cash in Banks* - The Corporation has concentrated its credit risk for cash by maintaining deposits in financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). At December 31, 2019 and 2018, cash on deposit was insured for up to \$250,000.

### Note 6 - Subsequent Events

Hamburg New York Land Development Corporation has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 6, 2020.

\* \* \* \* \*