

**GREATER LOCKPORT
DEVELOPMENT CORPORATION**
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Greater Lockport Development Corporation

We have audited the accompanying consolidated balance sheets of Greater Lockport Development Corporation (the Corporation) as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years 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 consolidated 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 consolidated 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 consolidated 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 *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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

2. Loans Receivable:

Loans are granted directly by the Corporation to local businesses to facilitate economic development in the City. The loans bear interest at rates ranging from 0% to 5%, and have varying repayment terms. Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. All loans are classified as small business loans. There are no loans considered past due or on nonaccrual status. The following is a summary of the loans receivable:

	2013	2012
Current	\$ 701,452	\$ 1,067,576
Less allowance for doubtful loans	112,170	262,170
	<u>\$ 589,282</u>	<u>\$ 805,406</u>

Following is a summary of the activity in the allowance for doubtful loans account:

	2013	2012
Balance, beginning of year	\$ 262,170	\$ 266,946
Change in estimated allowance	-	(4,776)
Loans written-off	(150,000)	-
	<u>\$ 112,170</u>	<u>\$ 262,170</u>

3. Capitalized Development Costs:

Capitalized development costs were associated with investments in buildings located on the City's Canal Street block. The buildings are marketed as being available for lease or sale. Given the historical and cultural significance of the Canal Street block and overall economic development goals of establishing a tourism center of activity that would attract visitors to the City of Lockport, management anticipated that investments in these properties could exceed future revenue potential. In 2013, these buildings were sold.

4. Property and Equipment:

	2013	2012
Buildings and improvements	\$ 8,326,164	\$ 4,300,832
Less accumulated depreciation	640,514	265,234
	<u>\$ 7,685,650</u>	<u>\$ 4,035,598</u>

5. Long-Term Debt:

	2013	2012
Corporation HUD note payable, annual installments ranging from \$40,000 to \$60,000, plus 6% interest through December 2015, secured by future grants awarded to the City.	\$ 115,000	\$ 165,000
210 Walnut bank construction loan, convertible to permanent loan, interest at prime until project completion. At project completion, in May 2014, the construction loan was converted to a bank term loan with monthly payments due of \$22,089 including interest at 6.25% through April 2024, a balloon payment due May 2024 of \$1,959,281, guaranteed by the Corporation.		2,537,988
210 Walnut bank note, interest only payable monthly at prime, principal due on demand. The note was refinanced July 2014 with monthly payments due of \$3,954 including interest at 5% through June 2024, with a balloon payment due July 2024 of \$212,591, secured by 210 Walnut assets.		500,000
		<u>\$ 3,152,988</u>
		<u>\$ 165,000</u>

As a result of the construction loan conversion and the note refinancing, aggregate maturities of long-term debt subsequent to December 31, 2013 pursuant to new terms are:

2014	\$ 114,992
2015	163,944
2016	109,876
2017	117,217
2018	124,500
Thereafter	2,984,471
	<u>\$ 3,615,000</u>

6. Rental Income:

The Corporation and 210 Walnut lease space to a company under the terms of non-cancellable operating leases. Rental income for 2013 and 2012 was \$250,000 and \$90,000. Future minimum rental payments to be received subsequent to December 31, 2013 are:

2014	\$ 474,000
2015	399,000
2016	384,000
2017	384,000
2018	384,000
Thereafter	<u>1,760,000</u>
	<u>\$ 3,785,000</u>

GREATER LOCKPORT DEVELOPMENT CORPORATION

Additional Information
 Consolidating Balance Sheet

December 31, 2013

	GLDC	210 Walnut Street, LLC	Eliminations	Consolidated
Assets				
Cash	\$ 377,363	\$ 299,144	\$ -	\$ 676,507
Interest and other receivables, net	90,545	9,934	(66,887)	33,592
Prepaid expenses and deposits	3,799	17,119	-	20,918
Grants receivable	434,721	-	-	434,721
Loans receivable, net	894,282	-	(305,000)	589,282
Property, net	2,117,992	5,567,658	-	7,685,650
	\$ 3,918,702	\$ 5,893,855	\$ (371,887)	\$ 9,440,670
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 17,353	\$ 575,099	\$ (66,887)	\$ 525,565
Security deposits	7,500	51,257	-	58,757
Notes payable	115,000	3,342,988	(305,000)	3,152,988
	139,853	3,969,344	(371,887)	3,737,310
Net assets (unrestricted)	3,778,849	1,924,511	-	5,703,360
	\$ 3,918,702	\$ 5,893,855	\$ (371,887)	\$ 9,440,670

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Statement of Cash Flows
Consolidated Statement of Activities**

For the year ended December 31, 2013

	GLDC	210 Walnut Street, LLC	Eliminations	Consolidated
Changes in unrestricted net assets:				
Revenues and other support:				
Rental income	\$ 91,258	\$ 400,891	\$ -	\$ 492,149
Grant revenue - City of Lockport	184,296	-	-	184,296
Grant revenue - other	249,752	-	-	249,752
In-kind contributions	-	590,910	-	590,910
Interest income	30,615	-	(12,200)	18,415
Other income and fees	-	37,568	-	37,568
Contributions from GLDC	-	186,396	(186,396)	-
Total unrestricted revenue and other support	555,921	1,215,765	(198,596)	1,573,090
Expenses:				
Grant expense	286,137	-	-	286,137
Contributions to 210 Walnut	186,396	-	(186,396)	-
Consulting fees	16,805	-	-	16,805
General and administrative	112,404	501,069	-	613,473
Depreciation	56,902	319,683	-	376,585
Interest	2,893	10,801	(12,200)	1,494
Loss on sale of assets	50,205	-	-	50,205
	711,742	831,553	(198,596)	1,344,699
Change in unrestricted net assets	(155,821)	384,212	-	228,391
Net assets - beginning	3,934,670	1,540,299	-	5,474,969
Net assets - ending	\$ 3,778,849	\$ 1,924,511	\$ -	\$ 5,703,360

GREATER LOCKPORT DEVELOPMENT CORPORATION

Additional Information
Schedule of NPLD Borrowing Loans

For the year ended December 31, 2013

	Balance January 1, 2013	New Loans	Payments	Written Off/ Other	Balance December 31, 2013
Diversified Manufacturing, Inc.	\$ 150,000	\$ -	\$ 16,556	\$ -	\$ 133,444
East Ave. Apparel, Inc.	7,666	-	2,062	-	5,604
80 Main Street	38,070	-	38,070	-	-
JunkeBell LLC	95,855	-	21,702	-	74,153
Lockport Locks & Canal Tours, Inc.	181,803	-	41,373	-	140,430
Niagara Produce Lockport, Inc.	150,000	-	-	150,000	-
Rubberform Recycled Products, LLC	185,579	-	10,002	-	175,577
The Dale Association, Inc.	132,369	-	24,976	-	107,393
Tri-Side, LLC	54,530	-	54,530	-	-
Tuscarora Inn, Inc.	71,704	-	6,853	-	64,851
Total	\$ 1,067,576	\$ -	\$ 216,124	\$ 150,000	701,452
Less: Allowance for doubtful loans	\$ (262,170)				(112,170)
Total loans receivable	\$ 805,406				\$ 589,282

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON CONSOLIDATED AND OTHER FINANCIAL STATEMENTS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH PROFESSIONAL AUDITING STANDARDS

The Board of Directors
Greater Lockport Development Corporation

We have audited, 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, the consolidated balance sheet of Greater Lockport Development Corporation (the Corporation) as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 22, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, 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 statements 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. We did identify certain deficiencies in internal control, described below, that we consider to be significant deficiencies.

Financial accounting and external reporting

Management requests our assistance in drafting the annual consolidated financial statements and notes. Although we do not believe that our assistance impacts our overall independence, professional auditing standards require that we inform the Board and management of our involvement in this process.

Given the current administrative support of the Corporation and the resources that would be required for management to stay current with financial reporting and disclosure requirements, it is neither practical nor fiscally prudent to expect an implementation strategy that would avoid this comment in future audits.

The Board should maintain oversight of the financial operations of the Corporation.

Because of the small number of staff at the Corporation, it is difficult to achieve an ideal segregation of duties. The risk that material errors, whether intentional or unintentional, may occur and go undetected is inherent given the small staff size.

We encourage the Board to remain committed to its involvement in the financial operations of the Corporation by thoroughly reviewing monthly financial data, requesting support for all payments when checks are signed, asking questions about unusual transactions, reviewing monthly reconciliations for all major balance sheet accounts, and routing the monthly statements for all bank accounts to the Board Treasurer for review before giving them to the person responsible for the reconciliation process.

The controls over 210 Walnut Street, LLC (210 Walnut Street) require regular monitoring. Although there is an outside property management firm, one person continues to be responsible for receiving payments and making deposits. While we recognize the small size of the Corporation and limited staff available at 210 Walnut Street makes it difficult to achieve an ideal segregation of duties, we encourage the Board to be involved in the operations of 210 Walnut Street. We suggest the following:

- Approve bank reconciliations;
- Periodically match cancelled checks to the cash disbursements journal for agreement of payor and amount;
- Review cash receipts and disbursements journals monthly.

Account detail for 210 Walnut Street was not reconciled with general ledger activity, resulting in incorrect monthly account balances being presented to the Board. In order for the Board to accurately analyze the operations of 210 Walnut Street, accounts must be reconciled to the general ledger.

Management's Response

In order to eliminate these conditions, the Corporation would need to devote considerable resources, either internally or externally, to ensure complete mastery of existing and future accounting principles, disclosure requirements and to segregate duties. Management would have to compile the financial statements, including footnotes, and employ separate personnel for all accounting standards implementation issues, in lieu of the services presently provided by the auditing firm. Management would also need to hire part-time individuals to segregate incompatible accounting responsibilities. Based on an evaluation of resources and cost/benefit scenarios, we do not believe this is practical for the Corporation. Management and the Board will continue to monitor controls, provide guidance for exception based transactions and use the services of its auditing firm to ensure complete and accurate financial statements.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated 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*.

The Corporation's Response to Findings

The Corporation's response to the findings identified in our audit is described above. The Corporation's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

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 Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF
THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

The Board of Directors
Greater Lockport Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Greater Lockport Development Corporation (the Corporation) as of December 31, 2013, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated .

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2013. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

Additional Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements on pages 9-10 and schedule of HUD revolving loans on page 12 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated on our consideration of the 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 the Corporation's internal control over financial reporting and compliance.

July 22, 2014

GREATER LOCKPORT DEVELOPMENT CORPORATION

Condensed Balance Sheets

December 31,	2013	2012
Assets		
Cash	\$ 676,507	\$ 438,769
Interest and other receivables, net	33,592	44,387
Prepaid expenses and deposits	20,918	16,835
Grants receivable	434,721	248,475
Loans receivable, net (Note 2)	589,282	805,406
Capitalized development costs (Note 3)	-	120,000
Property, net (Note 4)	7,685,650	4,035,598
	<u>\$ 9,440,670</u>	<u>\$ 5,709,470</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 525,565	\$ 46,104
Security deposits	58,757	23,397
Notes payable (Note 5)	3,152,988	165,000
	<u>3,737,310</u>	<u>234,501</u>
Net assets (unrestricted)	<u>5,703,360</u>	<u>5,474,969</u>
	<u>\$ 9,440,670</u>	<u>\$ 5,709,470</u>

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

Consolidated Statement of Activities

For the years ended December 31,	2013	2012
Changes in unrestricted net assets:		
Revenues and other support:		
Rental income	\$ 492,149	\$ 310,023
State and local government grant revenue	434,048	248,475
In-kind contributions	590,910	-
Interest income	18,415	45,434
Other income and fees	37,568	63,421
Total unrestricted revenue and other support	1,573,090	667,353
Expenses before impairment of capitalized development costs:		
Grant expense	286,137	208,310
Consulting fees	16,805	18,045
General and administrative	613,473	344,260
Depreciation	376,585	106,587
Interest	1,494	3,231
Loss on sale of assets	50,205	-
	1,344,699	680,433
 Change in unrestricted net assets	 228,391	 (13,080)
Net assets - beginning	5,474,969	5,488,049
 Net assets - ending	 \$ 5,703,360	 \$ 5,474,969

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

Consolidated Statements of Cash Flows

For the years ended December 31,	2013	2012
Operating activities:		
Change in unrestricted net assets	\$ 228,391	\$ (13,080)
Adjustments to reconcile change in unrestricted net assets to net cash flows from operating activities:		
Loss on sale of assets	50,205	-
Depreciation	376,585	106,587
Changes in other assets and liabilities:		
Interest and other receivables	10,795	(28,599)
Prepaid expenses and deposits	(4,083)	(5,394)
Grants receivable	(186,246)	(248,475)
Accounts payable and accrued expenses	479,461	37,251
Security deposits	35,360	1,810
Net operating activities	990,468	(149,900)
Investing activities:		
Property expenditures	(4,077,529)	(205,412)
Cash proceeds from sale of assets	120,687	-
Payments received on loans receivable, net	216,124	226,192
Loans granted	-	(150,000)
Net investing activities	(3,740,718)	(129,220)
Financing activities:		
Proceeds from issuance of long-term debt	3,037,988	-
Payments on notes payable	(50,000)	(50,000)
Net financing activities	2,987,988	(50,000)
Change in cash	237,738	(329,120)
Cash - beginning	438,769	767,889
Cash - ending	\$ 676,507	\$ 438,769

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Organization

Greater Lockport Development Corporation (the Corporation) is a not-for-profit organization. Its related but separate entity, 210 Walnut Street, LLC (210 Walnut), was formed to own and manage industrial rental property acquired by the Corporation through foreclosure proceedings. The Corporation is the sole member of 210 Walnut.

The Corporation acts as an agent of the City of Lockport, New York (the City). The principal purpose is to aid the efforts of the City's Economic Development Program. The Corporation administers loan programs to create favorable conditions for City enterprises to expand or locate businesses engaged in the manufacturing, assembling, wholesaling or retailing of goods or services. Further, it provides for the financing of fixed assets or working capital, where such financing will assist in creating employment opportunities for persons of low and moderate income or assist in the elimination of slums and/or blight in the City.

The Corporation's funding was established through grants awarded by the United States Department of Housing and Urban Development (HUD), Urban Development Action Grant (UDAG), and Community Development Block Grant for Small Cities (CDBG) programs. The Corporation has the right to use principal repayments and interest income for the furtherance of its mission.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Corporation and 210 Walnut. All significant inter-entity accounts and transactions have been eliminated.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets are those restricted by donors to be maintained by the Corporation in perpetuity. Currently, there are no temporarily or permanently restricted net assets.

Cash

At various times, cash in financial institutions may exceed federally insured limits and subject the Corporation to concentrations of credit risk.

Grants Receivable

The Corporation and 210 Walnut periodically receive grants from State and local governments. To the extent expenditures have been incurred, grant revenue and a corresponding receivable are recognized.

Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of the allowance for doubtful loans that includes loan forgiveness. The allowance method is used to compute the provision for doubtful loans.

The determination of the balance of the allowance for doubtful loans is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses after evaluating current economic conditions, historical collections, current collection efforts, and the financial condition of the loan recipient. Loans are charged off when, in management's judgment, no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. Interest accrual stops when a loan becomes more than three months past due and does not commence again until the loan is current.

Loan Repayments

CDBG loan repayments (including interest thereon) are classified as income that is restricted for program purposes and, accordingly, can be used by the Corporation to finance other eligible activities. UDAG loan repayments (including interest thereon) can be used by the Corporation to finance other projects in accordance with Title I of The Housing and Community Development Act of 1974 (the Act). All program income from funds received pursuant to §108 of Title I of the Act (§108) are restricted for the purpose of paying interest and principal due on the §108 notes.

Property

Property is stated at cost or fair value at date of donation, net of accumulated depreciation. Depreciation is computed by the straight-line method over estimated service lives. Maintenance and repairs are charged to operations as incurred. Significant improvements are capitalized.

The property maintained by 210 Walnut is known to contain asbestos. The Corporation is legally obligated to remediate the asbestos upon the related assets' retirement or disposal. The fair value of the liability cannot currently be estimated with reasonable certainty. Additionally, the property is expected to be maintained through repair and maintenance activities that would not involve the removal of the asbestos. The need for major renovations caused by technology changes, operational changes, or other factors has not been identified. When such an estimate of the liability's fair value can be made, it will be established and the carrying value of the property will be increased by a corresponding amount.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

The Corporation is a 501(c)(3) organization exempt from Federal income taxes under §501(a) of the Internal Revenue Code. 210 Walnut is organized as a limited liability corporation, with flow-through characteristics to the Corporation, its sole member. Income of 210 Walnut may potentially subject the Corporation to unrelated business income tax.

Management believes the Corporation is no longer subject to examination by Federal and State taxing authorities for years ended prior to December 31, 2010.

Contributions

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions whose stipulated purpose restriction is accomplished in the same reporting period as received are reported as an increase in unrestricted net assets.

The Corporation's policy is to record contribution revenue and expense for those specialized contributed services that it would otherwise be required to purchase at fair value had they not been contributed. However, the salaries of the director, as well as administrative support, have been provided by the City. In addition, since the Corporation's offices are located in the City's main administrative building, no rental or related overhead and operating expenses are charged to the Corporation. The Corporation has not reflected as contribution revenue and has not recorded expenses of equal amount for the fair value of these services.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through July 22, 2014, the date the financial statements were available to be issued.