

**HISTORIC ITHACA, INC.**  
**FINANCIAL STATEMENTS**  
**Years Ended December 31, 2014 and 2013**

HISTORIC ITHACA, INC.

DECEMBER 31, 2014 and 2013

Independent Auditor's Report .....	1
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Cash Flows .....	4
Notes to Financial Statements .....	5-7



INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Historic Ithaca, Inc.  
Ithaca, New York 14850

I have audited the accompanying financial statements of Historic Ithaca, Inc., which comprise the statements of financial position as of December 31, 2014 and 2013, 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 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with accounting principles generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my/our audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Historic Ithaca, Inc. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America

*Engels Certified Public Accounting, PLLC*  
July 27, 2015  
Lansing, New York

HISTORIC ITHACA, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31

**ASSETS**

	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash and cash equivalents	\$ 66,580	\$ 34,937
Accounts receivable	255	2,179
Prepaid expenses	<u>5,076</u>	<u>2,403</u>
Total Current Assets	71,911	39,519
Significant Elements inventory	89,629	91,675
Property, Building and Equipment:		
Land	4,699	4,699
Building and improvements	193,730	193,730
Vehicles	13,421	13,421
Furniture and equipment	<u>34,902</u>	<u>34,018</u>
Total Property, Building, Furniture and Equipment	246,752	245,868
Accumulated Depreciation	<u>(108,247)</u>	<u>(97,651)</u>
Total Assets	<u>\$ 300,045</u>	<u>\$ 279,411</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities:		
Accounts payable	\$ 9,576	\$ 9,768
Mortgage payable-current portion	<u>5,229</u>	<u>5,150</u>
Total Current Liabilities	14,805	14,918
Long-term Liabilities:		
Mortgages payable - net of current portion	<u>100,539</u>	<u>105,285</u>
Total Liabilities	115,344	120,203
Net Assets:		
Unrestricted net assets	<u>184,701</u>	<u>159,208</u>
Total Unrestricted Net Assets	<u>184,701</u>	<u>159,208</u>
Total Liabilities and Net Assets	<u>\$ 300,045</u>	<u>\$ 279,411</u>

See Independent Auditor's Report and Notes to the Financial Statements



HISTORIC ITHACA, INC.  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31,

Change in Unrestricted Net Assets:	2014	2013
Support:		
Contributions	\$ 36,772	\$ 43,705
Grants	133,610	90,428
Events	13,148	-
Net assets released from restrictions	-	28,038
Total Support	<u>183,530</u>	<u>162,171</u>
Revenues:		
Program services:		
Architectural salvage sales	141,344	118,276
Preservation services	4,253	9,075
Other income:		
Rental income	-	850
Interest & other income	1,735	1,807
Total Revenues	<u>147,332</u>	<u>130,008</u>
Total Support and Revenues	330,862	292,179
Expenses:		
Payroll and employee benefits	185,079	148,215
Production expenses	10,006	1,877
Advertising	8,604	7,091
Repairs and maintenance	4,614	5,403
Cost of goods sold	29,947	14,957
Telephone	2,490	1,962
Interest	7,800	10,610
Insurance	7,115	6,645
Utilities	7,713	7,114
Real estate taxes	596	530
Printing, postage and office supplies	4,739	6,350
Dues, subscriptions and licenses	1,014	956
Depreciation	10,596	7,630
Equipment and vehicles	5,481	3,588
Bank fees/finance charges	894	3,613
Travel and conferences	1,506	3,023
Professional fees	9,540	9,863
Other miscellaneous expenses	200	1,843
Events	6,338	-
Fundraising expenses	1,097	4,550
Total Expenses	<u>305,369</u>	<u>245,820</u>
Increase in Unrestricted Net Assets	25,493	46,359
Changes in Temporarily Restricted Net Assets		
Net assets released from restrictions	<u>-</u>	<u>(28,038)</u>
Decrease in Temporarily Restricted Net Assets	<u>-</u>	<u>(28,038)</u>
Increase in Net Assets	25,493	18,321
Net Assets, January 1,	<u>159,208</u>	<u>140,887</u>
Net Assets, December 31,	<u>\$ 184,701</u>	<u>\$ 159,208</u>

See Independent Auditor's Report and Notes to the Financial Statements

HISTORIC ITHACA, INC.  
 STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 25,493	\$ 18,321
Adjustments to reconcile change in net assets: to net cash provided by operating activities:		
Depreciation	10,596	7,630
Decrease (increase) in current assets:		
Accounts receivable	1,924	(711)
Inventory	2,046	(135)
Prepaid expenses	(2,673)	250
Deposits	-	(1,180)
Increase (decrease) in current liabilities:		
Accounts payable	(192)	(10,398)
Net Cash Provided by Operating Activities	<u>37,194</u>	<u>13,777</u>
Cash Flows from Investing Activities:		
Purchase of equipment	(884)	(40,633)
Net Cash (Used in) Investing Activities	<u>(884)</u>	<u>(40,633)</u>
Cash Flows from Financing Activities:		
Repayment of mortgage	(4,667)	(6,014)
Net Cash (Used in) Financing Activities	<u>(4,667)</u>	<u>(6,014)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	31,643	(32,870)
Cash and Cash Equivalents at January 1,	<u>34,937</u>	<u>67,807</u>
Cash and Cash Equivalents at December 31,	<u>\$ 66,580</u>	<u>\$ 34,937</u>
Supplemental Disclosures:		
Interest paid	<u>\$ 7,800</u>	<u>\$ 10,610</u>

See Independent Auditor's Report and Notes to Financial Statements



HISTORIC ITHACA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014 and 2013

Note 1 - Summary of Significant Accounting Policies

Activity

Historic Ithaca, Inc., is a not-for-profit located in Ithaca, New York, dedicated to the preservation and restoration of historic buildings and areas in the Tompkins County community.

Accounting Method

The financial statements of Historic Ithaca, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement 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 Agencies. Under SFAS No. 117, the Organization 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.

Cash and Cash Equivalents

For the statement of cash flows, the Organization includes cash on deposit, cash on hand, and certificates of deposits with original maturities less than three months (if any) to be cash equivalents.

Promises to Give

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Donated Assets and Services

Donated assets received are recorded at their estimated fair market values at the date received. The value of donated services is not reflected in these financial statements, as it is not susceptible to objective measurement or valuation.

Advertising Costs

Advertising costs are expensed as incurred

Tax Status

Historic Ithaca, Inc. is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Fixed Assets and Depreciation

Land, buildings, equipment and leasehold improvements are recorded at cost. Depreciation and amortization of assets, including donated assets, are provided for over the estimated useful lives of the respective assets on a straight-line basis. The estimated useful lives range from five to forty years. Depreciation expense for the years ended December 31, 2014 and 2013 was \$10,596 and \$7,630, respectively.

HISTORIC ITHACA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 (CONTINUED)  
DECEMBER 31, 2014 and 2013

Expenditures for repairs and maintenance are charged to expense as incurred, whereas major betterments are capitalized.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Those estimates and assumptions 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.

Note 2 - Net Assets

Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the Statement of Activities as net assets released from restrictions.

Note 3 - Long-term Debt

Long-term debt consisted of the following at December 31,:

	2014	2013
Mortgage payable, incurred May, 2002, with monthly payments of \$1,039 including fixed interest of 7.0%, through 2027, secured by 212 Center Street property.	\$ 105,768	\$ 110,435
Total Long-term debt	105,768	110,435
Less: Current Portion	5,229	5,150
Total Long-term debt, net of current portion	\$ 100,539	\$ 105,285

Future principal payments for long-term debt are due as follows:

Years	Amount
2015	\$ 5,229
2016	5,607
2017	6,013
2018	6,448
2019	6,914
2020-2024	41,985
2025-2027	33,572



HISTORIC ITHACA, INC.  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
DECEMBER 31, 2014 and 2013

Interest expense on long-term debt amounted to \$ 7,800 and \$10,610 for the years ended December 31, 2014 and 2013, respectively.

Note 4 - Significant Elements Inventory

Historic Ithaca, Inc. maintains an architectural warehouse of salvaged historical building materials for the purpose of resale. All items maintained at the warehouse are donated and are valued at fair market value at date of donation. The value of these items at December 31, 2014 and 2013 was \$89,629 and \$91,675, respectively.

Note 5 - Subsequent Events

Subsequent events were evaluated through July 27, 2015, which is the date the financial statements were available to be issued