

TICONDEROGA REVITALIZATION  
ALLIANCE, INC.

Independent Auditors' Report

Financial Statements

December 31, 2011

TICONDEROGA REVITALIZATION  
ALLIANCE, INC.

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-6
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	7-8
Schedule of Findings and Responses	9



WHITTEMORE, DOWEN & RICCIARDELLI, LLP  
Certified Public Accountants and Consultants

333 Aviation Road, Building B • Queensbury, NY 12804  
Phone: (518) 792-0918 • Fax: (518) 743-0882  
112 Spring Street, Suite 307 • Saratoga Springs, NY 12866  
Phone: (518) 584-0770  
[www.wdr CPA.com](http://www.wdr CPA.com)

## INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Ticonderoga Revitalization  
Alliance, Inc.  
Ticonderoga, New York

We have audited the accompanying statement of financial position of Ticonderoga Revitalization Alliance, Inc. (a non profit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. 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.

We conducted our audit 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 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 audit 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 Ticonderoga Revitalization Alliance, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 2012 on our consideration of Ticonderoga Revitalization Alliance, Inc.'s internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

*Whittemore, Downen & Ricciardelli, LLP*

Whittemore, Downen & Ricciardelli, LLP

March 24, 2012

TICONDEROGA REVITALIZATION  
ALLIANCE, INC.

Statement of Financial Position

December 31, 2011

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 81,278
Prepaid expenses	<u>2,038</u>
Total Current Assets	<u>83,316</u>
Property and Equipment:	
Equipment	3,964
Less: Accumulated Depreciation	<u>(132)</u>
Net Property and Equipment	<u>3,832</u>
Total Assets	<u><u>\$ 87,148</u></u>

LIABILITIES AND NET ASSETS (DEFICIT)

Long-Term Liabilities:	
Loans payable	\$ 110,884
Net Assets (Deficit):	
Unrestricted (deficit)	<u>(23,736)</u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$ 87,148</u></u>

See Independent Auditors' Report and Notes

TICONDEROGA REVITALIZATION  
ALLIANCE, INC.

Statement of Activities

Year Ended December 31, 2011

Operating Revenues:	
Contributions	\$ 35,400
Total Operating Revenues	<u>35,400</u>
Operating Expenses:	
Consulting	40,130
Professional fees	11,438
Administrative fees	1,200
Recruiting	1,769
Moving expense	2,413
Office expense	1,394
Conferences	403
Travel	4,091
Meals and entertainment	230
Advertising	4,091
Insurance	1,891
Telephone	350
Depreciation	132
Total Operating Expenses	<u>69,532</u>
Net Operating Loss	<u>(34,132)</u>
Non-Operating Revenues (Expenses):	
Interest revenue on cash deposits	7
Interest expense	(884)
Total Non-Operating Revenues (Expenses)	<u>(877)</u>
Decrease in Net Assets	(35,009)
Net Assets at Beginning of Year	<u>11,273</u>
Net Assets (Deficit) at End of Year	<u><u>\$ (23,736)</u></u>

See Independent Auditors' Report and Notes

TICONDEROGA REVITALIZATION  
ALLIANCE, INC.

Statement of Cash Flows

Year Ended December 31, 2011

Cash Flows From Operating Activities:	
Decrease in Net Assets	\$ (35,009)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	132
Interest expense accrued	884
(Increase) Decrease in:	
Prepaid expenses	<u>(2,038)</u>
Net Cash Provided (Used) by Operating Activities	<u>(36,031)</u>
Cash Flows From Investing Activities:	
Property and equipment purchased	<u>(3,964)</u>
Net Cash Provided (Used) by Investing Activities	<u>(3,964)</u>
Cash Flows From Financing Activities:	
Proceeds from loans payable	<u>110,000</u>
Net Cash Provided (Used) by Financing Activities	<u>110,000</u>
Net Increase in Cash and Cash Equivalents	70,005
Cash and Cash Equivalents at Beginning of Year	<u>11,273</u>
Cash and Cash Equivalents at End of Year	<u>\$ 81,278</u>
Supplemental Cash Flow Information:	
Cash Paid During the Year for:	
Interest	<u>\$ -</u>

See Independent Auditors' Report and Notes

TICONDEROGA REVITALIZATION  
ALLIANCE, INC.

Notes to Financial Statements

December 31, 2011

**Summary of Significant Accounting Policies**

The summary of significant accounting policies of Ticonderoga Revitalization Alliance, Inc. is presented to assist in understanding the Ticonderoga Revitalization Alliance, Inc.'s financial statements. The financial statements and notes are representations of the Ticonderoga Revitalization Alliance, Inc.'s management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Organization

Ticonderoga Revitalization Alliance, Inc. was incorporated in December 2010 and is a not-for-profit, local development corporation whose mission it is to restore economic prosperity to the Ticonderoga, New York region by serving as a clearinghouse for innovative ideas and a catalyst for public-private partnerships and investment opportunities.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958-225-45-6 (formerly Statement of Financial Accounting Standards Statement No. 117, "Financial Statements of Not-for-Profit Organization"). Under FASB ASC 958-225-45-6, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Revenue Recognition

Ticonderoga Revitalization Alliance, Inc.'s primary source of operating revenue is from contributions from local individuals and businesses.

Accounting Method

Ticonderoga Revitalization Alliance, Inc. accounts for all transactions on the accrual method of accounting.

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 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.

Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is computed using the straight-line method at rates based on estimated useful lives or statutory recovery periods. The period used is 5 years for the computer equipment held at December 31, 2011.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Depreciation expense for the year ended December 31, 2011 was \$132.

Income Taxes

Ticonderoga Revitalization Alliance, Inc. is currently filing for exemption from income taxes as a not-for-profit corporation under tax section 501(c)(3) of the Internal Revenue Code and, accordingly, these financial statements do not reflect a provision for income taxes.

TICONDEROGA REVITALIZATION  
ALLIANCE, INC.

Notes to Financial Statements

December 31, 2011

**Summary of Significant Accounting Policies – Continued**

**Cash Equivalents**

For purposes of the statement of cash flows, Ticonderoga Revitalization Alliance, Inc. considers all unrestricted highly liquid debt investments with an initial maturity of three months or less to be cash equivalents.

**Loans Payable**

Loans payable represent amounts owed to four local businesses for working capital for the Organization. Principal amounts range from \$10,000 to \$50,000. Interest accrues at 6% per year and principal and interest for each of the loans is due on September 30, 2014. Interest expense accrued at December 31, 2011 totaled \$884.

Future principal and interest on the loans payable are due as follows:

Years Ending	Loans	Interest	Total Debt Service
December 31,			
2011	\$ -	\$ 884	\$ 884
2012	-	6,838	6,838
2013	-	6,785	6,785
2014	110,000	5,051	115,051
Total	\$ 110,000	\$ 19,558	\$ 129,558

**Office Space**

The Organization has a memorandum of understanding with the Town of Ticonderoga dated November 2011, which sets forth terms under which the Organization may use office space in the Community Building. Consideration for this agreement is the Organization will perform grant, economic development and related services as requested by the Town Board in amounts not less than \$2,500 per year. No rental expense has been recorded in these financial statements.

**Related Party**

The Organization's sole member is the Town of Ticonderoga. The Town Supervisor functions as an ex officio member of the Board of Directors and has the right to appoint a majority (67%) of board members. Pursuant to the bylaws of the Organization, the Town has no rights or interest in the property or assets of the Organization.

**Subsequent Events**

The Organization has evaluated all events through March 24, 2012, the date which these financial statements were available to be issued, and determined that there are no subsequent events which require disclosure.





WHITTEMORE, DOWEN & RICCIARDELLI, LLP  
Certified Public Accountants and Consultants

333 Aviation Road, Building B • Queensbury, NY 12804  
Phone: (518) 792-0918 • Fax: (518) 743-0882  
112 Spring Street, Suite 307 • Saratoga Springs, NY 12866  
Phone: (518) 584-0770  
[www.wdr CPA.com](http://www.wdr CPA.com)

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Directors  
Ticonderoga Revitalization  
Alliance, Inc.  
Ticonderoga, New York

We have audited the financial statements of Ticonderoga Revitalization Alliance, Inc., Ticonderoga, New York, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 24, 2012. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ticonderoga Revitalization Alliance, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ticonderoga Revitalization Alliance, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ticonderoga Revitalization Alliance, Inc.'s internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ticonderoga Revitalization Alliance, Inc.'s financial statements are free of 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 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 one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item 2011-1.

Ticonderoga Revitalization Alliance, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Ticonderoga Revitalization Alliance, Inc.'s responses and, accordingly we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and the NYS Office of the Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

*Whittemore, Dowen & Ricciardelli, LLP*

Whittemore, Dowen & Ricciardelli, LLP  
Queensbury, New York

March 24, 2012

TICONDEROGA REVITALIZATION  
ALLIANCE, INC.

Schedule of Findings and Responses

December 31, 2011

2011-1

Condition – The Organization does not currently have certain items required by the Public Authority Accountability Act (PAAA) of 2005 on its website, such as its mission and its 2011 budget.

Criteria – To the extent practicable, the Organization must post its mission, current activities, most recent financial report, current year budget and its most recent independent audit report on its website.

Cause of Condition – During the end of 2010 and the beginning of 2011, the Ticonderoga Revitalization Alliance, Inc. began operations in the form of raising funds and obtaining consultants to advise about future operations. A chief executive officer (CEO) was hired in September 2011. At this time, the Organization began formal PAAA training and formalizing required documents. They are in the process of meeting the PAAA requirements, but have not yet been able to fully comply.

Effect of Condition – The Organization does not have all available documentation of their operations available to the public yet.

Recommendation – The Organization should attempt to update the website with the required documentation as quickly as possible.

Management Response – The Organization is in the process of updating the website and anticipates it to be in compliance by the end of the second quarter of 2012.