

**HILTON LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**

**FINANCIAL STATEMENTS**

**For The Years Ended December 31, 2015 and 2014**

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**HILTON LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**  
**Statement of Financial Position**  
**December 31, 2015 and 2014**

<u>ASSETS:</u>	<u>2015</u>	<u>2014</u>
<u>Current Assets -</u>		
Cash	\$ 77,513	\$ 67,888
Accounts receivable	6,815	4,665
<b>Total Current Assets</b>	<b>\$ 84,328</b>	<b>\$ 72,553</b>
<u>Capital Assets -</u>		
Land	\$ 16,250	\$ 16,250
Building	257,514	282,140
Less: accumulated depreciation	(72,514)	(65,250)
<b>Total Capital Assets, Net</b>	<b>\$ 201,250</b>	<b>\$ 233,140</b>
<b>TOTAL ASSETS</b>	<b>\$ 285,578</b>	<b>\$ 305,693</b>
 <u>LIABILITIES:</u>		
<u>Current Liabilities -</u>		
Unearned revenue	\$ 700	\$ 700
Mortgage payable	14,244	13,470
Security deposits	2,500	2,500
Due to other governments	31,808	31,808
<b>Total Current Liabilities</b>	<b>\$ 49,252</b>	<b>\$ 48,478</b>
<u>Noncurrent Liabilities -</u>		
Mortgage payable	\$ 172,476	\$ 187,865
<b>Total Noncurrent Liabilities</b>	<b>\$ 172,476</b>	<b>\$ 187,865</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 221,728</b>	<b>\$ 236,343</b>
 <u>NET ASSETS:</u>		
<u>Unrestricted</u>		
Net investment in capital assets	\$ -	\$ 15,555
Operations	63,850	53,795
<b>TOTAL NET ASSETS</b>	<b>\$ 63,850</b>	<b>\$ 69,350</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 285,578</b>	<b>\$ 305,693</b>

(The accompanying notes are an integral part of these financial statements)

**HILTON LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**

**Statement of Activities**

**For The Years Ended December 31, 2015 and 2014**

<b><u>OPERATING REVENUES:</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Rental of real property	\$ 43,490	\$ 46,425
<b>TOTAL OPERATING REVENUES</b>	<b><u>\$ 43,490</u></b>	<b><u>\$ 46,425</u></b>
<b><u>OPERATING EXPENSES:</u></b>		
Taxes	\$ 324	\$ 176
Insurance	3,140	3,035
Interest expense	10,215	13,514
Legal expense	2,062	3,774
Miscellaneous	1,374	3,552
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$ 17,115</u></b>	<b><u>\$ 24,051</u></b>
<b>NET OPERATING INCOME</b>	<b><u>\$ 26,375</u></b>	<b><u>\$ 22,374</u></b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income, other	\$ 15	\$ 12
Depreciation	(7,264)	(7,264)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b><u>\$ (7,249)</u></b>	<b><u>\$ (7,252)</u></b>
<b>NET INCOME</b>	<b>\$ 19,126</b>	<b>\$ 15,122</b>
Asset impairment to fair market value	(24,626)	-
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b><u>69,350</u></b>	<b><u>54,228</u></b>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 63,850</u></b>	<b><u>\$ 69,350</u></b>

(The accompanying notes are an integral part of these financial statements)

**HILTON LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**

**Statement of Cash Flows**

**For The Years Ended December 31, 2015 and 2014**

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Receipts from rentals	\$ 41,340	\$ 50,050
State grants		
Payments to suppliers/other governments	(6,900)	(10,537)
Interest expense	(10,215)	(13,514)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 24,225</u></b>	<b><u>\$ 25,999</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Interest income	\$ 15	\$ 12
Repayment of mortgage payable	(14,615)	(11,620)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>\$ (14,600)</u></b>	<b><u>\$ (11,608)</u></b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>		
Payments from other funds	\$ -	\$ (10,000)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b><u>\$ -</u></b>	<b><u>\$ (10,000)</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 9,625</b>	<b>\$ 4,391</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b><u>67,888</u></b>	<b><u>63,497</u></b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 77,513</u></b>	<b><u>\$ 67,888</u></b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
<b>Net Operating Income</b>	<b><u>\$ 26,375</u></b>	<b><u>\$ 22,374</u></b>
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:</b>		
(Increase)/decrease in accounts receivable	\$ (2,150)	\$ 3,625
Total Adjustments	\$ (2,150)	\$ 3,625
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 24,225</u></b>	<b><u>\$ 25,999</u></b>

(The accompanying notes are an integral part of these financial statements)

**HILTON LOCAL DEVELOPMENT  
CORPORATION, NEW YORK**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

**I. Summary of Significant Accounting Policies:**

**A. Organization**

The Hilton Local Development Corporation, New York (the Corporation) was incorporated on March 2, 2000 under Section 803 of the Not-For-Profit Corporation Law. The mission of the Hilton LDC is to initiate, promote and sustain economic opportunities for businesses and residents, create jobs, improve the quality of life, and promote a healthier community

**B. Basis of Accounting**

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States. Revenues are recognized when earned and expenses are recognized when incurred.

The Corporation reports information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted, and permanently restricted net assets. At December 31, 2015 and 2014 all of the Corporation's net assets were unrestricted.

**C. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Corporation considers all highly liquid cash accounts and other temporary investments of three months or less as cash equivalents.

**D. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States 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.

**E. Capital Assets**

Capital assets are stated at cost or if donated, at fair value at the date of contribution. The Corporation capitalizes fixed asset purchases greater than \$1,000, which have useful lives greater than one year. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for routine repairs and maintenance are expensed as incurred. Depreciation is computed on a straight-line basis between twenty and forty years.

( I. ) ( Continued )

F. Income Taxes

The Corporation is a not-for-profit corporation organized pursuant to Sections 402 and 1411 of the New York State Not-for-Profit Corporation law and is, therefore, exempt from income taxes. The Corporation is also exempt from Federal reporting requirements under Internal Revenue Procedure 95-48, 1995-2 C.B. 418 as a governmental unit or affiliate of a governmental unit described in the procedure.

II. Cash and Cash Equivalents:

Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. While the Corporation does not have a specific policy for custodial credit risk, New York State statutes govern the Corporation's investment policies, as discussed previously in these notes.

The Hilton LDC's bank balances were fully covered by FDIC insurance.

III. Capital Assets:

A summary of the change in capital assets follows:

	<u>Beginning</u> <u>1/1/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>12/31/2015</u>
Land	\$ 16,250	\$ -	\$ -	\$ 16,250
Building	282,140	-	24,626	257,514
Accumulated Depreciation	(65,250)	(7,264)	-	(72,514)
<b>Total</b>	<b>\$ 233,140</b>	<b>\$ (7,264)</b>	<b>\$ 24,626</b>	<b>\$ 201,250</b>

Depreciation expense for the years ended 2015 and 2014 totaled \$7,264.

IV. Due To Other Governments:

Due to other governments represents funds currently borrowed from the Village of Hilton, New York:

	<u>2015</u>	<u>2014</u>
<b>Total Due To Other Governments</b>	<b>\$ 31,808</b>	<b>\$ 31,808</b>

This represents a non-interest bearing loan from the Village of Hilton, New York.

V. **Mortgage Payable:**

The Corporation entered into a mortgage with Upstate Bank relating to 35-39 Hovey Square, Village of Hilton, New York 14468.

<u>Description</u>	<u>Original Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 12/31/2015</u>
Building	\$ 279,106	5.74%	2025	<u>\$ 186,720</u>

Future debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 14,244	\$ 10,587
2017	15,126	9,704
2018	16,030	8,800
2019	16,988	7,842
2020	17,983	6,847
2021-25	106,349	16,659
<b>Total</b>	<b><u>\$ 186,720</u></b>	<b><u>\$ 60,439</u></b>

VI. **Unrestricted Net Assets:**

Unrestricted net assets consisted of investment in capital assets, net of related debt and amounts available for operations:

	<u>2015</u>	<u>2014</u>
Net capital assets	\$ 201,250	\$ 233,140
Cash earmarked to pay back the Village of Hilton for capital loans	17,278	15,558
Less: mortgage	(186,720)	(201,335)
Less: loan (Village of Hilton)	<u>(31,808)</u>	<u>(31,808)</u>
<b>Total Net Investment in Capital Assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 15,555</u></b>

VII. **Related Parties:**

The Board of Directors of the Hilton Local Development Corporation, New York are the same individuals on the Village of Hilton, New York's Board of Trustees. The Hilton LDC has a loan for \$31,808 with the Village of Hilton, New York.

VIII. **Lease Agreements:**

- A. An agreement was commenced on November 9, 2005 between the Hilton LDC and The Summit Federal Credit Union for the rental of land for the purpose of construction and operation of a kiosk for automated teller machines (the "ATM Kiosk"), including drive-up lanes and signage. The terms of the agreement is for 15 years with an annual fee of \$8,400.

**IX. Commitments and Contingencies:**

**A. Litigation**

As of the date of this report management is not aware of any pending litigation.

**B. Subsequent Events**

1. The Corporation has evaluated subsequent events through March 21, 2016, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure that have not been incorporated into these financial statements.
2. The Corporation sold the property located at 35-39 Hovey Square, Village of Hilton, New York on March 17, 2016 for \$185,000.

**C. Future Operations**

As a result of the sale of the building, the Board is considering dissolving the Corporation and transferring any remaining assets to the Village of Hilton.