

**PRIDE OF TICONDEROGA, INC.**

**FINANCIAL STATEMENTS**

**June 30, 2021 And 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
PRIDE of Ticonderoga, Inc.

We have audited the accompanying financial statements of PRIDE of Ticonderoga, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses, and cash flows for the year 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**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the PRIDE of Ticonderoga, Inc. as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

The PRIDE of Ticonderoga, Inc.'s 2020 financial statements, were previously audited by other auditors and they expressed an unmodified audit opinion on those audited financial statements in a report dated September 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Martindale Keyser & Co., PLLC*  
MARTINDALE KEYSOR & CO., PLLC

Plattsburgh, New York  
November 24, 2021

**PRIDE OF TICONDEROGA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2021 And 2020**

	2021	2020
<b>ASSETS</b>		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 69,406	\$ 74,117
Accounts Receivable	-	4,622
Grant Receivable	206,619	142,496
Other Receivable	26,200	-
Total Current Assets	302,225	221,235
Property and Equipment, Net	141,444	148,736
Total Assets	\$ 443,669	\$ 369,971
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 50	\$ 25,280
Accrued Payroll Taxes	(132)	96
Other Liabilities	26,200	-
Line of Credit	95,852	99,421
Due to Town of Ticonderoga Summer Youth Program	8,759	7,006
Security Deposits - Tenants	930	425
Total Current Liabilities	131,659	132,228
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	282,514	208,247
Designated by the Board for Capital Reserve	29,496	29,496
Total Net Assets	312,010	237,743
Total Liabilities And Net Assets	\$ 443,669	\$ 369,971

The accompanying notes should be read in conjunction with these financial statements.

**PRIDE OF TICONDEROGA, INC.**  
**STATEMENTS OF ACTIVITIES**  
For The Years Ended June 30, 2021 And 2020

	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>			
<b>Revenue And Gains</b>			
Rent Income	\$ 9,915	\$ 13,600	\$ (3,685)
Memberships	2,421	8,447	(6,026)
Donations	728	-	728
Gifts-In-Kind	600	-	600
Consulting Income	15,000	12,000	3,000
Total Revenue and Gains Without Donor Restrictions	<b>28,664</b>	<b>34,047</b>	<b>(5,383)</b>
Net Assets Released From Restrictions:			
Satisfied By Payments	<b>657,422</b>	<b>393,045</b>	<b>264,377</b>
Total Revenue, Gains, and Other Support	<b>686,086</b>	<b>427,092</b>	<b>258,994</b>
<b>EXPENSES</b>			
Program Services	492,973	-	492,973
Management and General	117,799	-	117,799
Fundraising	1,047	-	1,047
Expenses Reported By Previous Auditor (see Note 18)	-	449,942	(449,942)
Total Expenses	<b>611,819</b>	<b>449,942</b>	<b>161,877</b>
Change in Net Assets Without Donor Restrictions	<b>74,267</b>	<b>(22,850)</b>	<b>97,117</b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>			
Grants	657,422	393,045	264,377
Net Assets Released From Restrictions:			
Satisfied By Payments	<b>(657,422)</b>	<b>(393,045)</b>	<b>(264,377)</b>
Change in Net Assets With Donor Restrictions	<b>-</b>	<b>-</b>	<b>-</b>
Total Change in Net Assets	<b>74,267</b>	<b>(22,850)</b>	<b>\$ 97,117</b>
NET ASSETS, Beginning of Year	<b>237,743</b>	<b>260,593</b>	
NET ASSETS, End of Year	<b>\$ 312,010</b>	<b>\$ 237,743</b>	

The accompanying notes should be read in conjunction with these financial statements.

**PRIDE OF TICONDEROGA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For The Year Ended June 30, 2021  
(With Comparative Totals For 2020)

	PROGRAM SERVICES					SUPPORTING SERVICES			Total 2020
	Preservation	Restoration & Improvement	Community Development	Total	Management and General	Fundraising	Total 2021		
Salaries	\$ 992	\$ 13,204	\$ 3,040	\$ 17,236	\$ 41,162	\$ 734	\$ 59,132	\$ 63,917	
Advertising	-	-	-	-	628	-	628	1,115	
Community Assistance	-	1,382	-	1,382	-	-	1,382	17,412	
Depreciation	-	-	-	-	7,892	-	7,892	7,668	
Dues and Subscriptions	-	-	-	-	705	200	905	705	
Equipment & Maintenance	-	-	-	-	1,507	-	1,507	2,713	
Grant & Contract	-	468,462	-	468,462	18,416	-	486,878	307,510	
Health Insurance	-	-	-	-	4,920	-	4,920	918	
Insurance	-	-	-	-	8,049	-	8,049	9,254	
Interest Expense	-	4,328	-	4,328	-	-	4,328	1,014	
Loss on Fixed Asset Disposals	-	-	-	-	-	-	-	630	
Miscellaneous	-	-	-	-	354	-	354	420	
Occupancy	-	-	-	-	13,161	-	13,161	10,292	
Payroll Taxes	75	1,022	235	1,332	3,908	60	5,300	5,426	
Postage	-	22	-	22	488	40	550	345	
Professional Services	-	-	-	-	12,002	-	12,002	15,034	
Supplies	-	-	-	-	2,542	-	2,542	2,103	
Telephone and Internet	-	122	-	122	1,758	-	1,880	1,442	
Travel and Conferences	-	89	-	89	307	13	409	2,024	
<b>Total Expenses</b>	<b>\$ 1,067</b>	<b>\$ 488,631</b>	<b>\$ 3,275</b>	<b>\$ 492,973</b>	<b>\$ 117,799</b>	<b>\$ 1,047</b>	<b>\$ 611,819</b>	<b>\$ 449,942</b>	

The accompanying notes should be read in conjunction with these financial statements.

**PRIDE OF TICONDEROGA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For The Years Ended June 30, 2021 And 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 74,267	\$ (22,850)
Adjustments to Reconcile Change in Net Assets to Net Cash Used By Operating Activities:		
Depreciation	7,892	7,668
Loss On Fixed Asset Disposals	-	630
Donated Fixed Asset Capitalized	(600)	-
(Increase) Decrease In:		
Accounts Receivable	4,622	(4,622)
Grant Receivable	(64,123)	(142,496)
Other Receivable	(26,200)	-
Increase (Decrease) In:		
Accounts Payable	(25,230)	25,230
Accrued Payroll Taxes	(228)	(22)
Accrued Interest	-	(99)
Other Liabilities	26,200	-
Due to Town of Ticonderoga Summer Youth Program	1,753	-
Deferred Revenue	-	(797)
Security Deposits - Tenants	505	-
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b><u>(1,142)</u></b>	<b><u>(137,358)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments For Property And Equipment	<u>-</u>	<u>(4,974)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings (Payments) on Line of Credit, Net	<u>(3,569)</u>	<u>99,421</u>
<b>NET DECREASE IN CASH</b>	<b>(4,711)</b>	<b>(42,911)</b>
<b>CASH, Beginning</b>	<b><u>74,117</u></b>	<b><u>117,028</u></b>
<b>CASH, Ending</b>	<b><u>\$ 69,406</u></b>	<b><u>\$ 74,117</u></b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Payments For Interest	\$ 4,328	\$ 1,014
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES</b>		
Donated Laptop	\$ 600	\$ -

The accompanying notes should be read in conjunction with these financial statements.



**PRIDE OF TICONDEROGA, INC.  
NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

PRIDE of Ticonderoga, Inc. is a not-for-profit organization organized under the laws of the State of New York for the historic preservation in local communities in Washington, Warren, and Essex counties of New York. The Organization is supported primarily through government grants.

**Accrual Basis**

The financial statements of PRIDE of Ticonderoga, Inc. (the Organization) have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis Of Presentation**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets available for use in general operations and not subject to donor (or certain grantor) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a capital reserve.

**Net assets with donor restrictions:** Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501c (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private organization. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 2018-2020 are subject to examination by the IRS, generally for three years after they were filed.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no effect on previously reported total net assets or change in net assets.

**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**Cash**

Cash consists of one savings account and three checking accounts held at a local bank. The savings account is a pass-through account for scholarships – see Note 13 for further information.

**Accounts Receivable**

Accounts receivable are stated in their estimated realizable value. The Organization accounts for bad debts using the direct charge-off method, directly expensing receivables for which management deems uncollectible, or realizable at less than full value. The direct charge-off method provides results similar to the reserve method in all material respects. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

**Grant Receivable**

Grant receivable consist of unreimbursed expenses due from grantors and is stated at the amount management expects to collect. As of June 30, 2021, management has determined that the amount is fully collectible.

**Revenue and Revenue Recognition**

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. As of June 30, 2021, the Organization received grant awards totaling \$855,725 that have not been recognized as revenue because qualifying expenditures have not yet been incurred or specific milestones have not yet been achieved. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue on the Statement of Financial Position. As of June 30, 2021, no amounts have been received in advance from state contracts and grants.

Revenue from program services and activities is recognized when the performance obligations of transferring the products and providing the services are met. Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

Consulting income is recognized as earned and reflects various services provided to the Town of Ticonderoga such as grant writing and administration as well as technical assistance for activities related to economic development, housing rehabilitation, housing and community development, main street revitalization, historic preservation, planning, and community education in a cooperative goal to foster community stability and economic vitality to the residents of the Town.

**Property And Equipment**

The Organization capitalizes property and equipment over \$300. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Property and equipment are depreciated using the straight-line method over estimated useful lives.

**Cash Flow Disclosures**

The Organization considers all highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Comparative Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**Contributed Services**

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

**Advertising**

The Organization's policy is to expense advertising costs as the costs are incurred.

**Events Occurring After Reporting Date**

The Company has evaluated events and transactions that occurred between June 30, 2021 and November 24, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**Functional Allocation of Expenses**

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. The statement of functional expenses also reports certain expenses that are attributable to more than one function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, dues and subscriptions, grants and contracts, postage, telephone and internet, and travel and conferences, which are allocated on the basis of estimates of time and effort.

**2. FINANCIAL INSTRUMENTS**

The Organization maintains its cash balances at one financial institution located in northern New York State. Accounts are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021 and 2020, the Organization's balances were fully insured.

**3. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following represents the Organization's financial assets at June 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2021</u>	<u>2020</u>
Cash	\$ 69,406	\$ 74,117
Accounts Receivable	-	4,622
Grant Receivable	206,619	142,496
Other Receivable	<u>26,200</u>	<u>-</u>
Total financial assets	<u>302,225</u>	<u>221,235</u>
Less amounts unavailable for general expenditures within one year:		
Due to Town of Ticonderoga Summer Youth Program	(8,759)	(7,006)
Security Deposits - Tenants	<u>(930)</u>	<u>(425)</u>
	<u>(9,689)</u>	<u>(7,431)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 311,914</u>	<u>\$ 228,666</u>

The Organization manages its liquidity and following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining a capital reserve to provide reasonable assurance that repair and replacement obligations for the building will be met.

**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

To help manage unanticipated liquidity needs, the Organization has a revolving line of credit of \$100,000, which it could draw upon. See Note 7 for information about this arrangement.

The Organization's practice is to structure its financial assets to be available as its general expenses, liabilities, and obligations come due. In addition to financial assets available to meet general expenditures over a 12-month period, the Organization's goal is to operate with a balanced budget and anticipates collecting revenue to cover general expenditures.

**4. PROPERTY AND EQUIPMENT**

Depreciation expense was \$7,892 and \$7,668 for the years ended June 30, 2021 and 2020. A summary of fixed assets as of June 30, 2021 and 2020 follows:

	2021	2020
111 Montcalm - "Dorian Building"	\$ 257,837	\$ 257,837
Equipment	21,312	20,712
	279,149	278,549
Less Accumulated Depreciation	(137,705)	(129,813)
Total Fixed Assets	\$ 141,444	\$ 148,736

**5. ECONOMIC DEPENDENCE**

PRIDE of Ticonderoga, Inc. is largely dependent upon the New York State government for its funding. Therefore, the program services and administrative support provided by the organization are dependent on the levels of funding received and any changes therein.

**6. RENT INCOME**

The Organization leases office and retail sales space to tenants under operating leases with one or two-year terms. Total rent income for the years ended June 30, 2021 and 2020 was \$9,915 and \$13,600, respectively.

**7. LINES OF CREDIT**

The Organization has a \$10,000 unsecured overdraft line of credit between PRIDE and Glens Falls National Bank. The interest rate is 18% at June 30 2021. The balance on the line of credit at June 30, 2021 and 2020 was \$0.

The Organization has a \$200,000 revolving line of credit with Community Loan Fund with an interest rate of 4.5%. The balance on the line of credit at June 30, 2021 and 2020 was \$0 and \$99,421, respectively. In December 2020, PRIDE extended the line of credit through May 1, 2021. The note is secured by UCC filing on all business assets.

**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

The Organization has a \$100,000 revolving line of credit with Community Loan Fund with an interest rate of 4.5%. The balance on the line of credit at June 30, 2021 and 2020 was \$95,852 and \$0, respectively. In March 2021, PRIDE extended the line of credit through August 1, 2021. The note is secured by UCC filing on all business assets. PRIDE is also required to maintain certain financial covenants under the agreement. PRIDE was in compliance with all covenants as of June 30, 2021.

Interest expense totaled \$4,328 and \$1,014 for June 30, 2021 and 2020, respectively.

**8. RESTRICTIONS ON NET ASSETS**

There were no net assets with donor restrictions at June 30, 2021 and 2020.

Net assets without donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Board Designated for Capital Reserve	\$ 29,496	\$ 29,496
Undesignated	<u>282,514</u>	<u>208,247</u>
Total Net Assets Without Donor Restrictions	<u>\$ 312,010</u>	<u>\$ 237,743</u>

The board designated amount reflects a capital reserve account set aside for major repairs to the building.

**9. NET ASSETS RELEASED FROM RESTRICTION**

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions		
New York State Grant programs - see Note 11	<u>\$ 657,422</u>	<u>\$ 393,045</u>

**10. CONTINGENCIES**

Under the terms of various grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such questioned costs could lead to reimbursement to the grantor agencies. Management believes that it would be able to provide support acceptable to the grantor and that any disallowances would not be material.

**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**11. GRANT REVENUE**

PRIDE contracts with the New York State Homes and Community Renewal (HCR) to perform rural preservation activities for the local communities in Essex, Washington, and Warren counties of New York State.

Grant revenue consisted of the following:

<b>Grantor Agency</b>	<b>Program</b>	<b>Amount</b>	
		<b>2021</b>	<b>2020</b>
HCR	Preservation Program	\$ 89,827	\$ 88,305
HCR	NYS HOME Program	290,000	96,452
	Manufactured Home Replacement	263,068	123,923
HCR	RESTORE - Emergency Home Repair Funds	<u>14,527</u>	<u>84,365</u>
<b>Total</b>		<u>\$ 657,422</u>	<u>\$ 393,045</u>

**NYS Rural Preservation Program** – The New York State Homes and Community Renewal provides financial support for not-for-profit community-based housing corporations to perform housing and community renewal activities statewide.

**HOME Program** – The NYS HOME Program is administered by the New York State Housing Trust Fund Corporation (HTFC) and uses HOME federally allocated HOME Investment Partnership Program funds to expand the supply of decent, safe, and affordable housing within the state. The NYS HOME Program funds a variety of activities to acquire, rehabilitate, or construct affordable housing, or to provide assistance to low-income home-buyers or renters.

The New York State funded Mobile and Manufactured Home Replacement (MMHR) Program was developed to assist low- and moderate-income homeowners to replace dilapidated mobile or manufactured homes that are sited on land owned by the homeowner with a new manufactured, modular or site-built home.

**RESTORE Program** – Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE) program funds may be used to pay for the cost of emergency repairs to eliminate hazardous conditions in homes owned by the elderly.

**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**12. DESCRIPTION OF PROGRAM AND SUPPORT SERVICES**

The following program and supporting services are included in the accompanying financial statements:

Preservation Programs – Includes preserving, revitalizing, implementing, directing, and effecting community development and administering Federal and New York State Grant Programs in Ticonderoga, NY and surrounding communities.

Restoration and Improvement Programs – Includes restoration of existing facades of historic buildings in Ticonderoga, NY and improvements to residences under NYMS RESTORE, and HOME grants.

Management and General – Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; maintain competent legal service for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

**13. PASS-THROUGH PROGRAM**

The Organization is a pass-through entity for the Town of Ticonderoga Summer Youth Program (Scholarship Fund).

The Organization receives and deposits all money donated to the program and disburses it per program instruction. The pass-through receipts and disbursements for the program are considered agency transactions and are hence recorded in a liability account on the Statement of Financial Position. The amount due to the program at June 30, 2021 and 2020 was \$8,759 and \$7,006, respectively.

**14. OTHER LIABILITIES/ OTHER RECEIVABLE**

Other liabilities reported on the Statement of Financial Position refers to the amount of HOME funds to be returned to HTFC because of the death and subsequent sale of property of a HOME beneficiary. Four-fifths of the recapture obligation, or \$20,960 was returned to HTFC in July 2021 since the HOME beneficiary occupied the property for one year of the five year affordability period. The remaining one-fifth of the recapture obligation, or \$5,240 was refunded to the HOME beneficiary's estate in July 2021. Other receivable reported on the Statement of Financial Position refers to the total recapture obligation of \$26,200 paid to Pride from the HOME beneficiary's estate in July 2021.



**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**15. GIFTS IN-KIND**

In fiscal 2021, the Organization adopted Accounting Standards Update 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires presenting contributed nonfinancial assets as a separate line item in the Statement of Activities, apart from contributions of cash and other financial assets. The standard also improves financial reporting by providing new disclosure requirements about contributed nonfinancial assets.

Gifts-in-Kind reported on the Statement of Activities reflects the value of a contributed laptop for the Organization's activities. The fair value of the laptop was \$600. The laptop was utilized during fiscal 2021 by all programs and activities of the Organization.

**16. LEASES**

The Organization has entered into a lease for office equipment. Lease expense for the years ending June 30, 2021 and 2020 totaled \$1,262 and \$2,713, respectively.

Future minimum annual lease commitments under this non-cancelable long-term operating lease for the years ending June 30 follow:

Year Ended June 30,	<u>Amount</u>
2022	\$ 1,479
2023	1,479
2024	1,479
2025	1,479
2026	986
	<u>\$ 6,902</u>

**17. REVENUE ACCOUNTING STANDARDS**

The Organization adopted ASU 2014-09 – *Revenue from Contracts with Customers (Topic 606)* during the year ended June 30, 2021. This guidance requires an entity to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

**PRIDE OF TICONDEROGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**18. EXPENSES REPORTED BY PREVIOUS AUDITOR**

Accounting standards require not-for-profit organizations to report expenses by functional expense classification on the statement of activities. Functional expense classification is defined as a method of grouping expenses according to the purpose for which costs are incurred. The primary functional classifications of a not-for-profit entity are program services and supporting services, which generally include management and general activities and fundraising activities. The expenses for the year ending June 30, 2020 were audited by other auditors who did not report expenses on the statement of activities in this manner.

**STANDARD FORM TO CONFIRM ACCOUNT  
BALANCE INFORMATION WITH FINANCIAL INSTITUTIONS**



**PRIDE of Ticonderoga, Inc.**  
CUSTOMER NAME

Financial Institution Name and Address

Community Loan Fund of the Capital Region  
255 Orange Street  
Albany, NY 12210

We have provided to our accountants the following information as of the close of business on June 30, 20 21 regarding our deposit and loan balances. Please confirm the accuracy of the information, noting any exceptions to the information provided. If the balances have been left blank, please complete this form by furnishing the balances in the appropriate space below. Although we do not request nor expect you to conduct a comprehensive, detailed search of your records, if during the process of completing this confirmation additional information about other deposit and loan accounts we may have with you comes to your attention, please include such information below. Please use the enclosed envelope to return the form directly to our accountants.

1. At the close of business on the date listed above, our records indicated the following deposit balance(s):

ACCOUNT NAME	ACCOUNT NO.	INTEREST RATE	BALANCE*
N/A	N/A	N/A	N/A

2. We were directly liable to the financial institution for loans at the close of business on the date listed above as follows:

ACCOUNT NO./ DESCRIPTION	BALANCE*	DUE DATE	INTEREST RATE	DATE THROUGH WHICH INTEREST IS PAID	DESCRIPTION OF COLLATERAL
Line of Credit #0890	\$95,800.00	1st of each month	4.5%	6/15/21	lien on ALL BUSINESS ASSETS
Line of Credit #0937	\$0	" "	4.5%	Paid in Full	

*Stephen J. ...*  
(Customer's Authorized Signature)

9/28/21  
(Date)

The information presented above by the customer is in agreement with our records. Although we have not conducted a comprehensive, detailed search of our records, no other deposit or loan accounts have come to our attention except as noted below.

*David L. ...*  
(Financial Institution Authorized Signature)

11/2/21  
(Date)

*Sr. Lending Officer*  
(Title)

EXCEPTIONS AND/OR COMMENTS

Please return this form directly to our accountants:

Martindale Keyser & Co., PLLC  
24 Margaret Street, Suite 4  
Plattsburgh, NY 12901

\*Ordinarily, balances are intentionally left blank if they are not available at the time the form is prepared.