

**THE COLONIAL FARMHOUSE RESTORATION
SOCIETY OF BELLEROSE, INC.**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

**THE COLONIAL FARMHOUSE RESTORATION
SOCIETY OF BELLROSE, INC.**

TABLE OF CONTENTS

	<u>Page</u>
Report of Independent Certified Public Accountant	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Schedule of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6,7,8,9

Saverio L. Terenzi

CERTIFIED PUBLIC ACCOUNTANT
P.L.L.C.

225 WESTCHESTER AVENUE
PORT CHESTER, NEW YORK 10573
TEL: (914) 937-0601
FAX: (914) 937-6961
EMAIL: SAMTCPA@AOL.COM

CONNECTICUT OFFICE
1318 BEDFORD STREET
STAMFORD, CT 06905
TEL: (203) 325-3936

SAVERIO L. TEREZI, C.P.A.

PETER F. RENDE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Colonial Farmhouse Restoration
Society of Bellerose, Inc.

We have audited the accompanying statements of financial position of The Colonial Farmhouse Restoration Society of Bellerose, Inc. (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of The Society'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. These 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 the Colonial Farmhouse Restoration Society of Bellerose, Inc. as of June 30, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Saverio L. Terenzi & Associates, C.P.A.

Port Chester, New York 10573
August 15, 2011

THE COLONIAL FARMHOUSE RESTORATION SOCIETY OF BELLEROSE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30,

ASSETS

	2011	2010
CURRENT ASSETS		
Cash & cash equivalents	\$ 517,864	\$ 462,596
Grants receivable	35,349	92,025
Inventory	128,612	117,984
Prepaid expenses	33,020	39,198
TOTAL CURRENT ASSETS	714,845	711,803
BUILDING IMPROVEMENTS & EQUIPMENT	826,627	839,937
OTHER ASSETS	10,705	11,133
TOTAL ASSETS	\$ 1,552,177	\$ 1,562,873

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accrued expenses	\$ 11,992	\$ 48,172
Line of credit - Capital One Bank	29,006	40,633
TOTAL CURRENT LIABILITIES	40,998	88,805
TOTAL LIABILITIES	40,998	88,805
NET ASSETS		
Unrestricted net assets	1,511,179	1,474,068
TOTAL LIABILITIES AND NET ASSETS	\$ 1,552,177	\$ 1,562,873

See independent auditors' report and notes to financial statements

Saverio L. Terenzi & Associates
C.P.A.s, P.C.

THE COLONIAL FARMHOUSE RESTORATION SOCIETY OF BELLEROSE, INC.
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2011	2010
UNRESTRICTED NET ASSETS		
UNRESTRICTED NET ASSETS & SUPPORT		
Revenue		
Educational tours & seminars	\$ 1,341,721	\$ 1,442,118
Special events	565,657	574,294
Museum shop and vending machine sales	78,358	77,533
Produce and livestock sales	386,982	233,710
Memberships	28,648	24,313
Investment income	3,460	2,209
TOTAL UNRESTRICTED REVENUE	2,404,826	2,354,177
Support		
Grants - corporate	1,200	6,800
Contributions	26,513	27,645
Net assets released from donor restrictions	279,220	315,225
TOTAL UNRESTRICTED SUPPORT	306,933	349,670
TOTAL UNRESTRICTED REVENUE & SUPPORT	2,711,759	2,703,847
Expenses		
Program services		
Educational	1,176,746	1,250,091
Events	403,928	360,531
Agricultural	626,600	553,215
Supporting services		
Management and General	452,912	447,786
Fund-raising	14,462	14,119
TOTAL EXPENSES	2,674,648	2,625,742
NET CHANGE IN UNRESTRICTED NET ASSETS	37,111	78,105
TEMPORARILY RESTRICTED NET ASSETS		
Grants - state	0	67,000
Grants - municipal	210,220	187,225
Grants - corporate	14,000	11,000
Grants - foundations	55,000	50,000
Net assets released from donor restrictions	(279,220)	(315,225)
NET CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	0	0
INCREASE (DECREASE) IN NET ASSETS	37,111	78,105
NET ASSETS AT THE BEGINNING OF THE YEAR	1,474,068	1,395,963
NET ASSETS AT THE END OF THE YEAR	\$ 1,511,179	\$ 1,474,068

See independent auditors' report and notes to financial statements

Saverio L. Terenzi & Associates
C.P.A.s, P.C.

THE COLONIAL FARMHOUSE RESTORATION SOCIETY OF BELLEROSE, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Program Services			Supporting Services		Total
	Educational	Events	Agricultural	General	Fund Raising	
Compensation and related expenses:						
Compensation	\$ 488,888	\$ 158,186	\$ 409,834	\$ 192,415	\$ 10,095	\$ 1,259,418
Consultants and performers	60,053	39,620				99,673
Employee medical benefits	21,264	6,880	17,826	8,369	439	54,778
Profit sharing expense	3,935	1,273	3,299	1,549	81	10,137
Workers' compensation insurance	497	161	417	196	11	1,282
Payroll service expense	6,131	1,984	5,139	2,413	127	15,794
Payroll taxes	49,173	15,910	41,221	19,353	1,015	126,672
	<u>629,941</u>	<u>224,014</u>	<u>477,736</u>	<u>224,295</u>	<u>11,768</u>	<u>1,567,754</u>
Cost of sales						
Museum shop and vending machine	44,496					44,496
Christmas trees			3,914			3,914
Produce and livestock			3,992			3,992
	<u>44,496</u>	<u>0</u>	<u>7,906</u>	<u>0</u>	<u>0</u>	<u>52,402</u>
Other expenses						
Supplies and equipment expense	109,910	71,966	65,389	18,653		265,918
Animal care and supply expense	63,614		28,111			91,725
Preservation and restoration expense	0	145	0			145
Animal sanitary sink expense	24,311					24,311
Depreciation						
Insurance expense						
Vehicle expense	15,963		12,145			35,138
Computer expense				4,456		82,466
Conferences and training	0		380			28,108
Interest expense				16,891		4,456
Repair and maintenance	33,340		29,866			380
Utilities and fuel expense	0		2,965			16,891
Development & public relations	10,546	89,786	2,102			63,206
Postage	17,683	1,082		9,657	1,112	2,965
Printing expenses	8,473	2,465		745	1,582	102,434
Equipment and livestock rentals	218,469	14,470				29,534
Telephone						13,265
Professional fees				16,436		232,939
Tax expense				24,000		16,436
	<u>502,309</u>	<u>179,914</u>	<u>140,958</u>	<u>228,617</u>	<u>2,694</u>	<u>1,054,492</u>
	<u>\$ 1,176,746</u>	<u>\$ 403,928</u>	<u>\$ 626,600</u>	<u>\$ 452,912</u>	<u>\$ 14,462</u>	<u>\$ 2,674,648</u>

See independent auditors' report and notes to financial statements.

Saverio L. Terenzi & Associates
 C.P.A.s, P.C.

THE COLONIAL FARMHOUSE RESTORATION SOCIETY OF BELLEROSE, INC.
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30,

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 37,111	\$ 78,105
Adjustments to reconcile increases in net assets to net cash provided by operating activities:		
Depreciation	35,138	37,899
(Increase) decrease in operating assets:		
Grants receivable	56,676	(87,025)
Inventory	(10,628)	(13,940)
Prepaid expenses	6,178	9,618
Increase (decrease) in operating liabilities:		
Accrued expenses	(35,752)	25,313
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	88,723	49,970
CASH FLOWS (USED) BY INVESTING ACTIVITIES		
Investments in buildings improvements and equipment	(21,828)	(26,639)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(21,828)	(26,639)
CASH FLOWS (USED) BY FINANCING ACTIVITIES		
Borrowings from (payment of) line of credit	(11,627)	11,729
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(11,627)	11,729
NET (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	55,268	35,060
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	462,596	427,536
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 517,864	\$ 462,596
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 1,302	\$ 955
Income taxes paid	\$ 19,975	\$ 19,532

See independent auditors' report and notes to financial statements

Saverio L. Terenzi & Associates
C.P.A.S, P.C.

THE COLONIAL FARMHOUSE RESTORATION SOCIETY OF BELLEROSE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Colonial Farmhouse Restoration Society of Bellerose, Inc. ("The Society") is a not-for-profit corporation created by an act of the New York State Legislature in 1978 for the purpose of preserving and restoring the colonial vintage farm property on the former grounds of the Creedmore State Hospital in Floral Park, New York. The Society's mission is to provide educational services to the public and to restore and preserve the Farmhouse grounds and buildings. The Society has managed, maintained, and operated the farm properties since its inception.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Boards in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS NO. 117, the Society 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.

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 the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, The Society considers all unrestricted liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents at June 30, 2011 and 2010 were as follows:

Saverio L. Terenzi & Associates
C.P.A.S, P.C.

THE COLONIAL FARMHOUSE RESTORATION SOCIETY OF BELLEROSE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	2011	2010
Cash in operating checking accounts		
- Capital One	53,593	74,125
- Other	6,809	9,456
Investment in short term money market funds maintained by:		
Capital One Money Market Account		356,205
Capital One Savings Account	457,462	
Dreyfus Basic Money Market Fund, Inc.		22,810
	\$ 517,864	\$ 462,596

At June 30, 2011 and 2010 and at times throughout the Society's fiscal year, balances may be in excess of the FDIC insurance limit.

Restrictive and Unrestricted Revenue

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the donor 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 the restriction expires temporarily restricted net assets are reclassified as unrestricted net assets.

Building Improvements and Equipment

Building Improvements and equipment owned by the Society are carried at cost. Depreciation is computed using the straight-line method and is deducted ratably over the useful life of the related asset.

Income Tax Status

The Society is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Society's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Society qualifies for the charitable contribution deduction under section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

Saverio L. Terenzi & Associates
C.P.A.S, P.C.

THE COLONIAL FARMHOUSE RESTORATION SOCIETY OF BELLEROSE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories of \$128,612 and \$117,984 at June 30, 2011 and 2010 respectively consist of gift shop, concession items, and wine that are stated at the lower of first-in, first-out cost or market.

Included in inventory for the fiscal years ended June 30, 2011 and 2010 were wine and grapes in the amount of \$96,632 and \$78,540 respectively, that the Society has placed with an outside winery, as part of the Society's wine producing program.

Expense Allocation

The cost of providing program and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Grants Receivable and Related Revenue

The grants receivable at June 30, 2011 were fully collectible. All grant revenue recognized, by the Society, in the Statement of Activities for the fiscal year ended June 30, 2011 was derived from transactions that were mutual exchanges of approximate equal consideration and have been recorded as unrestricted revenue.

NOTE 2 - FARMHOUSE GROUNDS AND BUILDINGS

Farmhouse grounds and buildings located thereon are owned by the City of New York. The Society receives capital grants which are restricted for the preservation and restoration of the farmhouse buildings and grounds. Improvement and preservation projects which create a significant future benefit to the Society are capitalized and depreciated over the estimated useful life of the asset.

Saverio L. Terenzi & Associates
C.P.A.S, P.C.

THE COLONIAL FARMHOUSE RESTORATION SOCIETY OF BELLEROSE, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 2 - FARMHOUSE GROUNDS AND BUILDINGS (Continued)

Building improvements and equipment as of June 30, 2011 and 2010 were as follows:

	2011	2010
Building improvements	\$ 1,010,113	\$ 1,010,113
Equipment	325,992	304,592
	1,336,105	1,314,705
Less: accumulated depreciation	509,478	474,768
	\$ 826,627	\$ 839,937

NOTE 3 - LINE OF CREDIT - Capital One Bank

The Society has a \$100,000 line of credit with Capital One Bank, secured by furniture and fixtures, inventory and equipment. The line bears interest at .5% above the bank's prime lending rate, with principal and interest payments due monthly. The balance owed was \$29,006 and \$40,633 at June 30, 2011 and 2010, respectively.

NOTE 4 - PETTING ZOO MANAGEMENT AGREEMENT

On January 1, 2011, the Society entered into a two-year agreement with Green Meadows Farm Entertainment Corp. (Green Meadows), whereby Green Meadows agreed to manage the operation of a petting zoo for the Society. The management fee payable, under this agreement, is limited to the net proceeds from the operation of the petting zoo.

Saverio L. Terenzi & Associates
C.P.A.s, P.C.