

**CONEY ISLAND DEVELOPMENT CORPORATION  
110 WILLIAM STREET  
NEW YORK, NY 10038**

**FINANCIAL STATEMENTS AND AUDITORS' REPORT  
FOR THE YEAR ENDED JUNE 30, 2009  
(WITH COMPARATIVE TOTALS FOR 2008)**

**BALLO & CO.**

CONEY ISLAND DEVELOPMENT CORPORATION

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Independent Auditors' Report

To the Board of Directors of Coney Island Development Corporation

We have audited the accompanying statement of financial position of Coney Island Development Corporation as of June 30, 2009 and the related statements of activities and of cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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. 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 Coney Island Development Corporation as of June 30, 2009 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements referred to above taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



Ballo & Co.

New York, NY  
September 25, 2009

CONEY ISLAND DEVELOPMENT CORPORATION  
 STATEMENT OF FINANCIAL POSITION  
 AS OF JUNE 30, 2009  
 (WITH COMPARATIVE TOTALS FOR 2008)

ASSETS	<u>2009</u>	<u>2008</u>
Current assets		
Cash in bank (Note 3)	\$ 298,055	\$ 325,157
Grants receivable	-	28,273
Prepayments (Note 4)	<u>1,721</u>	<u>1,721</u>
Total Current Assets	<u>299,776</u>	<u>355,151</u>
 Total Assets	 <u>\$ 299,776</u>	 <u>\$ 355,151</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 30,605	\$ 12,756
Due to NYC Economic Dev. Corp. (Note 5)	<u>80,251</u>	<u>59,189</u>
 Total Liabilities	 110,856	 71,945
 Net assets		
Unrestricted	-	-
Temporarily restricted (Note 6)	188,920	283,206
Permanently restricted	<u>-</u>	<u>-</u>
 Total Net Assets	 <u>188,920</u>	 <u>283,206</u>
 Total Liabilities and Net Assets	 <u>\$ 299,776</u>	 <u>\$ 355,151</u>

The accompanying notes are an integral part of these financial statements.

CONEY ISLAND DEVELOPMENT CORPORATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009  
(WITH COMPARATIVE TOTALS FOR 2008)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2009 Total</u>	<u>2008 Total</u>
Revenues and other support					
Local development corporation grants	\$	\$ 400,000	\$	\$ 400,000	\$ 400,000
Commercial revitalization program				-	54,000
Foundation support		500		500	-
In-Kind Contributions (Note 8)	183,491			183,491	-
Net assets release from restrictions					
Program restrictions satisfied	<u>494,786</u>	<u>(494,786)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Support	678,277	(94,286)	-	583,991	454,000
Expenses					
Program services					
Re-development of Coney Island community	664,768			664,768	329,245
Commercial revitalization program	-			-	54,000
Total Program Expenses	<u>664,768</u>	<u>-</u>	<u>-</u>	<u>664,768</u>	<u>383,245</u>
Management and general	13,509			13,509	7,802
Fund raising	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>678,277</u>	<u>-</u>	<u>-</u>	<u>678,277</u>	<u>391,047</u>
Increase (decrease) in net assets	-	(94,286)	-	(94,286)	62,953
Net assets, beginning	<u>-</u>	<u>283,206</u>	<u>-</u>	<u>283,206</u>	<u>220,253</u>
Net assets, ending	<u>\$ -</u>	<u>\$ 188,920</u>	<u>\$ -</u>	<u>\$ 188,920</u>	<u>\$ 283,206</u>

The accompanying notes are an integral part of these financial statements.

**CONEY ISLAND DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from grants	\$ 428,773	\$ 425,727
Cash paid for salaries and fringe benefits	(227,101)	(139,109)
Cash paid to vendors	<u>(228,774)</u>	<u>(238,569)</u>
Net cash provided (used) by operating activities	(27,102)	48,049
Cash flows from investing activities	-	-
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(27,102)	48,049
Cash, beginning	<u>325,157</u>	<u>277,108</u>
Cash, ending	<u>\$ 298,055</u>	<u>\$ 325,157</u>
Reconciliation of changes in net assets to net cash provided by operating activities:		
Net increase (decrease) in net assets:	\$ (94,286)	\$ 62,953
(Increase) decrease in grants receivable	28,273	(28,273)
(Increase) decrease in prepayments	-	(360)
Increase (decrease) in accounts payable & accrued expenses	17,849	(11,442)
Increase (decrease) in Due to NYC EDC	<u>21,062</u>	<u>25,171</u>
Net cash provided by operating activities	<u>\$ (27,102)</u>	<u>\$ 48,049</u>

The accompanying notes are an integral part of these financial statements.

CONEY ISLAND DEVELOPMENT CORPORATION  
 SCHEDULE OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 2009  
 (WITH COMPARATIVE TOTALS FOR 2008)

	<u>Re-development of Coney Island Community</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2009 Total</u>	<u>2008 Total</u>
Salaries & wages	\$ 250,926	\$ 3,949	\$ -	\$ 254,875	\$ 119,949
Fringe benefits	86,538	1,398	-	87,936	43,206
Sanitation services	65,360	-	-	65,360	46,786
Meeting & seminars	1,711	-	-	1,711	5,669
Consulting expense	90,000	-	-	90,000	-
Audit fee	-	3,000	-	3,000	3,000
Insurance	-	5,162	-	5,162	4,802
Marketing & promotions	68,963	-	-	68,963	157,120
Supplies & printing	711	-	-	711	7,060
Telephone	2,142	-	-	2,142	1,739
Travel	18,365	-	-	18,365	888
Dues & subscriptions	846	-	-	846	753
Postage	6,000	-	-	6,000	-
Admission tickets	72,000	-	-	72,000	-
Miscellaneous	1,206	-	-	1,206	75
	<u>664,768</u>	<u>13,509</u>	<u>-</u>	<u>678,277</u>	<u>391,047</u>
Total	\$ <u>664,768</u>	\$ <u>13,509</u>	\$ <u>-</u>	\$ <u>678,277</u>	\$ <u>391,047</u>

The accompanying notes are an integral part of these financial statements.

CONEY ISLAND DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

Note 1. Organization and Nature of Business

Coney Island Development Corporation is a non profit organization incorporated under sections 402 and 1411 of the Not for Profit Corporation Law of the State of New York on September 3, 2003. The Corporation is formed for the exclusively charitable or public purposes of relieving and reducing unemployment; promoting and providing for additional and maximum employment; bettering and maintaining job opportunities; carrying on research for the purpose of aiding the Coney Island community of the City of New York by attracting new industry and commerce to this community and by encouraging the development and retention of industry therein; lessening the burdens of government; and acting in the public interest.

The Corporation is a not for profit organization operating under the Internal Revenue Code of 1986, as amended, Section 501 (c) (3) and is, therefore, not subject to Federal State or City income taxes.

Note 2. Summary of Significant Accounting Policies

A. Basis of presentation

Coney Island Development Corporation's financial statements have been prepared on the basis of recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the corporation 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.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Unconditional promises to give are recognized as revenues in the period in which the promise amount is received. Conditional promises to give are recognized as revenues upon meeting such conditions.

B. Basis of accounting

The organization uses the accrual method of accounting to account for its revenues and expenses.

C. Concentrations

Financial instruments that potentially expose Coney Island Development Corporation to concentrations of credit and market risk consist primarily of cash in bank. Cash in bank is maintained at a high quality financial institution.

Approximately 99.9% of support and revenue is from one funder, NYC Economic Development Corporation.

CONEY ISLAND DEVELOPMENT CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2009

Note 2. Summary of Significant Accounting Policies (Continued)

D. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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

Note 3. Cash in bank

As of June 30, 2009 cash in bank consisted of:

JP Morgan Chase  
 One Chase Manhattan Plaza, New York, NY 10031  
 Checking account no. 530-636441 \$ 298,055

The account is non-interest bearing account.

Note 4. Prepayments

Prepayments consisted of prepaid insurance.

Note 5. Due to NYC Economic Development Corporation

NYC Economic Development Corporation (EDC) provides fiscal services to Coney Island Development Corporation (CIDC) where CIDC's personnel and other charges are paid and recorded within EDC's accounting system and CIDC subsequently issued reimbursements for these expenditures.

As of June 30, 2009 \$80,251, was outstanding. \$61,282 was subsequently reimbursed.

Note 6. Temporarily Restricted Net Assets

As of June 30, 2009, temporarily restricted net assets consisted of the following:

<u>Program</u>	<u>Beginning Balance</u>	<u>Additional Receipts</u>	<u>Revenue Recognized</u>	<u>Ending Balance</u>
Re-development of Coney Island community	\$ <u>283,206</u>	\$ <u>400,500</u>	\$ <u>494,786</u>	\$ <u>188,920</u>

CONEY ISLAND DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

Note 7. Support and Revenue

The Corporation received funding of up to \$400,000 from NYC Economic Development Corporation for the maintenance and preparation of a strategic plan for the re-development of Coney Island community. For the current year, a total of \$400,000 was received and a total of \$494,286 was expended for the program.

Note 8. In-Kind Contributions

Coney Island Development Corporation received \$111,491 of donated personnel services for the accounting, planning and development of the program. The corporation also received \$72,000 of donated tickets for distribution to Coney Island residents for admission to various community events.

Note 9. Lease Commitment

The Coney Island Development Corporation occupies its office space rent free, located at 110 William Street, New York, NY 10038.

Note 10. Contingent Liability

There are no contingent liabilities as of June 30, 2009.

Note 11. Pension Plan

Employees are covered under the Defined Contribution Pension Plan for New York City Economic Development Corporation after one year of full time employment. Coney Island Development Corporation will contribute for each plan year 6% of the compensation of participants who have completed one year of service, 12% for those who have completed two years of service and 14% for participants who have completed three or more years of service.

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NEW YORK, NY 10038**

**AUDITORS' MANAGEMENT LETTER  
JUNE 30, 2009**

**BALLO & CO.**

Independent Auditors' Management Letter Report

To the Board of Directors of Coney Island Development Corporation:

In planning and performing our audit of the financial statements of Coney Island Development Corporation for the year ended June 30, 2009, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. Such consideration would not necessarily disclose all matters in the internal control structure that might be material weakness under standards established by the American Institute of Certified Public Accountants.

A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce, to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

The management of Coney Island Development Corporation is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any control structure, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information of the audit committee, management, and Board of Directors of Coney Island Development Corporation. This restriction is not intended to limit the distribution of this report, which upon acceptance by Coney Island Development Corporation is a matter of public record.



Ballo & Co.

New York, NY  
September 25, 2009

CONEY ISLAND DEVELOPMENT CORPORATION

FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2009

Internal Control Structure Finding:

Current year

None

Follow-up of prior year findings:

None