

GREAT LAKES UNITED, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 1989
with
INDEPENDENT AUDITOR'S REPORT

GREAT LAKES UNITED, INC.

INDEX

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Balance Sheet	2
Statement of Support and Revenue, Expenses and Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5-6
Supplementary Information:	
Schedule of Revenues and Expenses of Operations	7

FREED MAXICK
SACHS & MURPHY, PC

CERTIFIED PUBLIC ACCOUNTANTS

800 LIBERTY BUILDING • BUFFALO, NEW YORK 14202-3508 • (716) 847-2651 • FAX (716) 847-0069

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Great Lakes United, Inc.
Buffalo, New York

We have audited the accompanying balance sheet of Great Lakes United, Inc. as of December 31, 1989, and the related statements of support and revenue, expenses and changes in fund balances, and 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. The financial statements of Great Lakes United, Inc. for the year ended December 31, 1988 were audited by other auditors whose report, dated January 27, 1989, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. 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 Great Lakes United, Inc. as of December 31, 1989, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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

Freed Maxick Sachs & Murphy, PC

March 6, 1990

GREAT LAKES UNITED, INC.

BALANCE SHEET

December 31, 1989

ASSETS

CURRENT FUNDS

Unrestricted
Cash

\$ 34,109

Restricted

Cash
Grant receivable

53,202

10,000

63,202

FURNITURE AND EQUIPMENT FUND

Unrestricted

Furniture and equipment, at cost

16,260

\$113,571

LIABILITIES AND FUND BALANCES

CURRENT FUNDS

Unrestricted

Deferred revenue
Fund balance (deficit)

\$ 49,970

(15,861)

34,109

Restricted

Deferred revenue
Fund balance

63,202

-

63,202

FURNITURE AND EQUIPMENT FUND

Unrestricted

Fund balance

16,260

\$113,571

See accompanying notes.

GREAT LAKES UNITED, INC.

STATEMENT OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

Year Ended December 31, 1989

	<u>Current Funds</u>		<u>Furniture and Equipment Fund</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	
Support grant revenue	\$ 50,000	\$76,234	\$ -	\$ -	\$126,234
Other revenue:					
Other	44,808	-	-	-	44,808
Interest income	<u>5,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,730</u>
	<u>50,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,538</u>
Total support and revenue	100,538	76,234	-	-	176,772
Operating expenses	<u>140,315</u>	<u>76,234</u>	<u>-</u>	<u>-</u>	<u>216,549</u>
Deficiency of expenses over support and revenue	(39,777)	-	-	-	(39,777)
Fund balance - beginning of year	<u>23,916</u>	<u>-</u>	<u>16,260</u>	<u>-</u>	<u>40,176</u>
Fund balance (deficit) - end of year	<u>\$(15,861)</u>	<u>\$ -</u>	<u>\$16,260</u>	<u>\$ -</u>	<u>\$ 399</u>

See accompanying notes.

GREAT LAKES UNITED, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 1989

	<u>Current Funds</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Cash was provided by:			
(Deficiency) of support and revenue less expenses	\$ (39,777)	\$ -	\$ (39,777)
Decrease in prepaid expenses	46	-	46
Increase in deferred revenue	<u>-</u>	<u>40,429</u>	<u>40,429</u>
	(39,731)	40,429	698
Cash was used for:			
Increase in grants receivable	-	10,000	10,000
Decrease in accounts payable	-	750	750
Decrease in deferred revenues	<u>30</u>	<u>-</u>	<u>30</u>
	<u>30</u>	<u>10,750</u>	<u>10,780</u>
Increase (decrease) in cash	(39,761)	29,679	(10,082)
Cash - beginning of year	<u>73,870</u>	<u>23,523</u>	<u>97,393</u>
Cash - end of year	<u>\$ 34,109</u>	<u>\$53,202</u>	<u>\$ 87,311</u>

See accompanying notes.

GREAT LAKES UNITED, INC.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. - Summary of Significant Accounting Policies

Nature of Business - Great Lakes United, Inc. (the Corporation) is organized as a nonprofit corporation for the purpose of soliciting contributions in order to promote public support for the Great Lakes ecosystem research, education and management.

The Corporation follows the practice of reporting on the use of resources by specific fund groups. Fund groups included are defined as follows:

Current Unrestricted Funds - These funds are available for current operating purposes. The sources of these funds originate from planning grants, membership fees, contributions, and interest income.

Current Restricted Funds - These funds are expendable only for purposes specified by the donor or grantor. Sources of these funds are private foundations.

Furniture and Equipment Fund - Unrestricted - These funds are transferred from the current fund for the acquisition of furniture and equipment. The Corporation follows the practice of recording fixed assets at cost, or if donated, at the respective fair value when received. All capital expenditures made from grant funds are expensed at the time of purchase and are capitalized for accountability.

Revenue Recognition - Grant revenues of the restricted funds are recognized only to the extent that funds are needed for the payment of current expenses and capital asset expenditures.

Donated Facilities - No value has been reflected in the financial statements for donated facilities at SUNY College at Buffalo Campus.

Income Taxes - The Corporation is exempt from taxation and, accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

Note 2. - Grant Receivable

The grant receivable at December 31, 1989 represents funds due to the Corporation from the Ruth Mott Fund for support of providing general technical assistance to local organizations regarding toxic contamination issues facing the Great Lakes.

GREAT LAKES UNITED, INC.

NOTES TO THE FINANCIAL STATEMENTS

Note 3. - Deferred Revenues

During the year, the Corporation received advances or signed contracts for program revenues that are designated to be finalized subsequent to December 31, 1989. These cash advances and program accounts receivable that do not impact the period ending December 31, 1989 are reflected as deferred revenues. In addition, restricted revenues which have not been expended for their donor-specified purposes are also recorded as deferred revenues.

Note 4. - Related Party Transactions

The Corporation's offices are located in Buffalo, New York. A completely separate corporation exists in Canada which shares, in part, common program goals. Both corporations, although separate, also share a common board of directors. There were no significant transactions between these related parties.

GREAT LAKES UNITED, INC.

SUMMARY SCHEDULE OF REVENUE AND EXPENSES OF OPERATIONS

Year Ended December 31, 1989

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
REVENUES			
Grants	\$50,000	\$76,234	\$126,234
Other:			
Membership fees:			
Organizational	13,300	-	13,300
Individual	9,095	-	9,095
Contributions	17,318	-	17,318
Interest	5,730	-	5,730
Annual meeting	4,285	-	4,285
Fund raising and other	810	-	810
	<u>50,538</u>	<u>-</u>	<u>50,538</u>
	<u>\$100,538</u>	<u>\$76,234</u>	<u>\$176,772</u>
OPERATING EXPENSES			
Salaries and wages	\$58,243	\$50,233	\$108,476
Payroll taxes and benefits	10,192	9,507	19,699
Professional services	9,791	-	9,791
Regional meeting	5,916	790	6,706
Office supplies	6,077	1,200	7,277
Travel	10,417	6,484	16,901
Printing and photocopy	10,119	4,139	14,258
Rental of equipment	3,403	-	3,403
Utilities	698	-	698
Postage	7,724	1,250	8,974
Telephone	6,628	2,117	8,745
Board reimbursement	5,103	-	5,103
President's fund	4,000	-	4,000
Fund raising	1,080	514	1,594
Miscellaneous	924	-	924
	<u>\$140,315</u>	<u>\$76,234</u>	<u>\$216,549</u>