

**BUFFALO RENAISSANCE
FOUNDATION, INC.**

Financial Statements

December 31, 2013 and 2012

BUFFALO RENAISSANCE FOUNDATION, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Buffalo Renaissance Foundation, Inc.
Buffalo, New York

We have reviewed the accompanying statement of financial position of Buffalo Renaissance Foundation, Inc. (the "Foundation") as of December 31, 2013 and 2012, and the related statements of activities and net assets, and of cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Foundation's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Feeley Bonaventura & Hyzy CPA's P.C.

January 8, 2014

Williamsville, New York

BUFFALO RENAISSANCE FOUNDATION, INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012**

	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash	\$ 233,853	\$ 213,471
Investments	693,164	571,244
Accounts receivable:		
Member dues	2,100	-
Fundraising events	7,000	5,800
Prepaid insurance	847	1,050
	<u>\$ 936,964</u>	<u>\$ 791,565</u>
NET ASSETS		
NET ASSETS:		
Unrestricted net assets:		
Unrestricted	\$ 802,320	\$ 672,048
Board Designated	30,981	31,154
	<u>833,301</u>	<u>703,202</u>
Temporarily restricted net assets	103,663	88,363
	<u>936,964</u>	<u>791,565</u>
	<u>\$ 936,964</u>	<u>\$ 791,565</u>

See independent accountants' review report and notes to financial statements.

BUFFALO RENAISSANCE FOUNDATION, INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013 (with comparative totals for 2012)**

	Unrestricted	Temporarily Restricted	2013 Total	2012 Total
REVENUES AND OTHER SUPPORT:				
Spring luncheon, net of expenses of \$15,834	\$ 68,716		\$ 68,716	\$ 61,907
Dues and initiation fees	68,050		68,050	65,200
Golf tournament, net of expenses of \$25,984	39,651		39,651	36,493
Donations	250	25,000	25,250	2,500
Interest and dividends	17,906		17,906	8,792
Christmas project	3,000		3,000	2,200
Veterans luncheon, net of expenses of \$3,990	1,860		1,860	3,994
Net assets released from restrictions	9,700	(9,700)	-	-
Total revenues and other support	<u>209,133</u>	<u>15,300</u>	<u>224,433</u>	<u>181,086</u>
NET REALIZED AND UNREALIZED GAINS ON INVESTMENTS	61,788	-	61,788	44,285
EXPENSES:				
Supporting services:				
General and administrative expenses	30,895		30,895	27,767
Director expenses	22,486		22,486	19,604
Bank charges and investment fees	4,516		4,516	3,053
Professional	2,575		2,575	3,433
Program - speaker forum	2,995		2,995	1,736
Insurance	1,895		1,895	1,922
Meeting expenses	1,203		1,203	1,715
Newsletter	300		300	275
Total supporting services	<u>66,865</u>	<u>-</u>	<u>66,865</u>	<u>59,505</u>
Operating income before program services	204,056	15,300	219,356	165,866
Program services:				
Grants	41,500		41,500	30,000
Donations	26,600		26,600	30,350
Renaissance Scholarship Fund	2,033		2,033	3,229
Veterans Scholarship Fund	3,000		3,000	2,000
Christmas giving	824		824	1,010
	<u>73,957</u>	<u>-</u>	<u>73,957</u>	<u>66,589</u>
CHANGES IN NET ASSETS	130,099	15,300	145,399	99,277
NET ASSETS, BEGINNING OF YEAR	<u>703,202</u>	<u>88,363</u>	<u>791,565</u>	<u>692,288</u>
NET ASSETS, END OF YEAR	<u>\$ 833,301</u>	<u>\$ 103,663</u>	<u>\$ 936,964</u>	<u>\$ 791,565</u>

See independent accountants' review report and notes to financial statements.

BUFFALO RENAISSANCE FOUNDATION, INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Unrestricted	Temporarily Restricted	2012 Total
REVENUES AND OTHER SUPPORT:			
Spring luncheon, net of expenses of \$17,043	\$ 61,907	\$ -	\$ 61,907
Dues and initiation fees	65,200	-	65,200
Golf tournament, net of expenses of \$27,637	36,493	-	36,493
Interest and dividends	8,792	-	8,792
Veterans luncheon, net of expenses of \$3,056	3,994	-	3,994
Donations	50	2,450	2,500
Christmas project	2,200	-	2,200
Net assets released from restrictions	15,150	(15,150)	-
Total revenues and other support	<u>193,786</u>	<u>(12,700)</u>	<u>181,086</u>
NET REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS	44,285	-	44,285
EXPENSES:			
Supporting services:			
General and administrative expenses	27,767	-	27,767
Director expenses	19,604	-	19,604
Professional	3,433	-	3,433
Bank charges and investment fees	3,053	-	3,053
Insurance	1,922	-	1,922
Program - speaker forum	1,736	-	1,736
Meeting expenses	1,715	-	1,715
Newsletter	275	-	275
Total supporting services	<u>59,505</u>	<u>-</u>	<u>59,505</u>
Operating income before program services	178,566	(12,700)	165,866
Program services:			
Grants	30,000	-	30,000
Donations	30,350	-	30,350
Renaissance Scholarship Fund	3,229	-	3,229
Veterans Scholarship Fund	2,000	-	2,000
Christmas giving	1,010	-	1,010
	<u>66,589</u>	<u>-</u>	<u>66,589</u>
CHANGES IN NET ASSETS	111,977	(12,700)	99,277
NET ASSETS, BEGINNING OF YEAR	<u>591,225</u>	<u>101,063</u>	<u>692,288</u>
NET ASSETS, END OF YEAR	<u>\$ 703,202</u>	<u>\$ 88,363</u>	<u>\$ 791,565</u>

See independent accountants' review report and notes to financial statements.

BUFFALO RENAISSANCE FOUNDATION, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 145,399	\$ 99,277
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net unrealized and realized (gains) losses on investments	(61,788)	(44,285)
Changes in assets and liabilities affecting operating cash flows:		
Accounts receivable:		
Fundraising events	(1,200)	(700)
Member dues	(2,100)	-
Prepaid insurance and other current assets	203	-
Net cash provided by operating activities	<u>80,514</u>	<u>54,292</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments made	(589,935)	(53,097)
Proceeds from sale of investments	542,935	10,497
Reinvested investment income, net	<u>(13,132)</u>	<u>(5,527)</u>
Net cash used in investing activities	<u>(60,132)</u>	<u>(48,127)</u>
NET CHANGE IN CASH	20,382	6,165
CASH, BEGINNING OF YEAR	<u>213,471</u>	<u>207,306</u>
CASH, END OF YEAR	<u><u>\$ 233,853</u></u>	<u><u>\$ 213,471</u></u>

See independent accountants' review report and notes to financial statements.

BUFFALO RENAISSANCE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(See Independent Accountants' Review Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Buffalo Renaissance Foundation, Inc. (the “Foundation”) is a nonprofit corporation dedicated to “Building a Better Buffalo” through active support of public, educational, scientific, charitable and benevolent organizations and activities in the Western New York area. The Foundation fulfills its activities with support and contributions from its members and the general public through donations and fundraising activities. Our mission is to help the community move forward for generations to come by fostering change through our charitable giving and speaker forums.

Method of Accounting – The Foundation’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, certain revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred, rather than when cash is disbursed.

Financial Statement Presentation – In accordance with generally accepted accounting principles the Foundation 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. The Foundation had no permanently restricted assets at December 31, 2013 and 2012.

Revenue and Support Recognition – Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional.

Investments – Investments in marketable securities with readily determinable fair values, and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities and changes in net assets.

Income Taxes – The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management 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, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – The Foundation has evaluated the effects of all subsequent events through January 8, 2014 to determine if events or transactions occurring through January 8, 2014 require potential adjustment or disclosure in the financial statements.

Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

2. INVESTMENTS

Investments are reported at fair value, and consisted of a diverse portfolio of mutual funds and corporate notes at December 31, as follows:

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
UBS Cashfund Inc.	\$ 101,644	\$ 101,644	\$ 83,550	\$ 83,550
Mutual funds	583,900	591,521	461,811	487,694
Total investments	<u>\$ 685,543</u>	<u>\$ 693,164</u>	<u>\$ 545,361</u>	<u>\$ 571,244</u>

Mutual fund investments are allocated approximately 66% to equity funds, 5% to fixed income funds and 29% to alternative investments as of December 31, 2013. Mutual fund investments are allocated approximately 66% to equity funds, 15% to fixed income funds and 19% to alternative investments as of December 31, 2012.

3. TEMPORARILY RESTRICTED NET ASSETS

During the years ended December 31, 2013 and 2012, two directors made temporary restricted contributions to the Foundation. These donations contained specific restrictions as to the nature of charitable donations to be made. The donors both requested that any interest earned on the restricted funds shall be used for the benefit of the Foundation. The Foundation had support from such directors that accounted for \$25,000 and \$2,450 for the years ended December 31, 2013 and 2012, respectively.

The donor restrictions that are temporarily restricted at December 31 are as follows:

	<u>2013</u>	<u>2012</u>
Donor-advised restrictions	\$ 25,400	\$ 20,700
Veterans Scholarship Program	1,692	4,692
Downtown Buffalo Sculptural Art Initiative	<u>76,571</u>	<u>62,971</u>
Total temporarily restricted funds	<u>\$ 103,663</u>	<u>\$ 88,363</u>

4. NET ASSETS RELEASED FROM RESTRICTIONS

During the years ended December 31, 2013 and 2012, \$9,700 and \$15,150 was released from restrictions and represented donations to charitable institutions. During the year ended December 31, 2013, \$3,000 was released from restrictions from the Veterans Scholarship Fund, \$20,300 represented donor-advised donations and \$13,600 was transferred from Board Designated Funds to the Downtown Buffalo Sculptural Art Initiative. During the year ended December 31, 2012, \$2,000 was released from restrictions from the Veterans Scholarship Fund, \$21,750 represented donor-advised donations and \$8,600 was transferred from Board Designated Funds to the Downtown Buffalo Sculptural Art Initiative.

5. BOARD DESIGNATED FUNDS

The Board of Directors from time to time designates monies to be used for scholarship programs and cultural initiatives. Proceeds from its spring luncheon and current year grant allocations amounting were designated for future periods to be spent on the Renaissance Scholars Program. Proceeds from its Veterans Day luncheon were designated for future periods to be spent on the Veterans Scholarship Program. The Board also restricted \$8,600 of 2013 grant appropriations and \$5,000 of Spring Luncheon proceeds to the Downtown Buffalo Sculptural Art Initiative, which commenced in 2011 (see Note 4). The Board has committed to fund this project out of grant appropriations through 2016.

Board designated funds amounted to the following at December 31:

	2013	2012
Renaissance Scholars Program	\$ 11,191	\$ 13,224
Veterans Scholarship Program	<u>19,790</u>	<u>17,930</u>
Total Board designated	<u>\$ 30,981</u>	<u>\$ 31,154</u>

6. COMMITMENT

In January 2014, the Board of Directors committed the Foundation to a pledge of \$50,000 to the Women's and Children's Hospital Foundation in support of the proposed new children's hospital to be built on the downtown Buffalo Niagara Medical Campus. The Directors will be pledging funds over the next five years to the Foundation to support this effort in full.

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