

Financial Statements



For the Years Ended
December 31, 2014 and 2013



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
RUPCO, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of RUPCO, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 RUPCO, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and

See accompanying notes to the financial statements.

Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2015, on our consideration of RUPCO Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RUPCO, Inc.'s internal control over financial reporting and compliance.



Daniel D. Gagnon CPA, P.C.

Kingston, NY
April 17, 2015

RUPCO, Inc.
Statement of Financial Position
December 31, 2014 and 2013

ASSETS	2014	2013
Current Assets:		
Cash	\$ 2,140,908	\$ 2,034,935
Cash - Escrow	130,019	130,272
Cash - Tenant Security	66,021	63,936
Accounts Receivable	35,070	48,096
Grants Receivable	292,508	1,074,498
Prepaid Expenses	100,776	76,210
Total Current Assets	2,765,302	3,628,805
 Land, Buildings, and Equipment, net	 5,797,579	 6,122,391
 Other Assets:		
Notes Receivable - Net	1,233,502	1,386,287
Developers Fee Receivable	1,154,582	1,321,339
New Home Loan Receivables	110,085	153,928
Revolving Loan Receivable	46,930	46,930
Investments	1,997,277	1,897,070
Development Costs - Net	1,188,725	1,141,040
Deposits	650	650
Total Other Assets	5,731,751	5,746,386
 TOTAL ASSETS	 \$ 14,294,632	 \$ 15,497,582
 LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 95,912	\$ 234,544
Accrued Expenses	73,887	204,760
Security Deposits Payable	66,736	64,742
Construction Loan Payable	700,000	800,000
Deferred Revenue	989,988	685,549
Mortgage Payable Current Portion	121,369	1,090,153
Prepaid Rental Income	176	470
Program Payables	15,164	10,134
Total Current Liabilities	2,063,232	3,090,352
 Long Term Liabilities:		
Accrued Interest Payable	334,997	670,960
Mortgage Payable	1,619,797	1,818,326
Total Long Term Liabilities	1,954,794	2,489,286
 NET ASSETS:		
Unrestricted Net Assets	8,171,863	8,076,081
Temporarily Restricted Net Assets	608,654	887,444
Permanently Restricted Net Assets	1,496,089	954,419
Total Net Assets	10,276,606	9,917,944
 TOTAL LIABILITIES & NET ASSETS	 \$ 14,294,632	 \$ 15,497,582

RUPCO, Inc.
Statement of Activities
December 31, 2014 and 2013

	UNRESTRICTED FUNDS	TEMPORARILY RESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL 2014	TOTAL 2013
PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS					
GRANTS:		\$ 2,681,815		\$ 2,681,815	\$ 2,835,644
REVENUES:					
Administrative Fees	\$ 1,123,007			1,123,007	1,140,741
Repaid Grants	15,010			15,010	9,293
Contribution Income	67,418			67,418	47,636
Damage/Vacancy Fees	1,883			1,883	685
Interest Income	2,330			2,330	2,865
Late Fees	3,121			3,121	3,119
Program Income	153,925			153,925	154,634
Laundry Income	3,356			3,356	3,681
Management Fees	209,436			209,436	224,164
Management Development Fees	147,215			147,215	1,499,588
Miscellaneous Income	168,924			168,924	134,700
Repayment-Cost of Projects	-			-	1,134,835
Net Gain/Loss -Sale of Projects	738,000			738,000	-
Process Fees	3,200			3,200	52,000
Rental Income	1,091,227			1,091,227	1,091,819
Sponsorships	15,725			15,725	42,001
Total Support & Revenue	3,743,777	2,681,815	-	6,425,592	8,377,405
Development Loans					
Net assets released or restricted					
Satisfaction of Program Restrictions	121,002		(121,002)	-	-
Satisfaction of Time Restrictions	278,790	(278,790)		-	-
Restrictions Placed on Grant Income	(662,672)	-	662,672	-	-
	(262,880)	(278,790)	541,670	-	-
EXPENSES AND LOSSES					
Programs	2,422,319	2,681,815	-	5,104,134	6,972,032
Management and General	917,165	-	-	917,165	898,984
Fundraising	45,631	-	-	45,631	59,945
Total Expenses & Losses	3,385,115	2,681,815	-	6,066,930	7,930,961
Other Changes in Net Assets				-	-
Change in Net Assets	95,782	(278,790)	541,670	358,662	446,444
Extraordinary Loss on Acquisition				-	(191,482)
Net Assets as of beginning of year	8,076,081	887,444	954,419	9,917,944	9,662,982
Other Changes				-	-
Net Assets as of end of year	\$ 8,171,863	\$ 608,654	\$ 1,496,089	\$ 10,276,606	\$ 9,917,944

RUPCO, Inc.
Statement of Cash Flow
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Activities:		
Net Increase (Decrease) in Net Assets Before Prior Period Adjustments	\$ 358,662	\$ 446,444
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation/Amortization	377,470	390,845
Development Fee Receivable	166,757	(490,152)
Accounts Receivable	15,174	(30,304)
Prepaid Expenses	(24,566)	(10,248)
Accrued Expenses	(130,873)	43,002
Notes Receivable	196,628	(1,061,287)
Accounts Payable	(138,632)	164,687
Program Liabilities	5,030	(9,780)
Accrued Interest	(335,963)	42,037
Grants Receivable	781,990	(669,430)
Security Deposits Payable	1,994	2,016
Deposits	-	50,000
Deferred Grant Income	304,439	426,235
Tenant Security	(2,085)	(1,265)
Rents Receivable	(2,148)	(35)
Prepaid Rental Income	(294)	401
Cash Escrow	253	(3,490)
	<u>1,573,836</u>	<u>(710,324)</u>
Net cash provided by operating activities		
Investing Activities:		
Fixed Asset Purchases(Retirement/Sales)	(52,657)	(105,367)
Development Costs	(47,685)	1,422,225
	<u>(200,549)</u>	<u>1,125,376</u>
Net cash used in investing activities		
Financing Activities:		
Adjustments to Net Assets		
Loans/ Mortgages Payable	(1,167,314)	(704,943)
Development Loans & Lines of Credit	(100,000)	650,000
	<u>(1,267,314)</u>	<u>(54,943)</u>
Net cash used in financing activities		
Net Increase (Decrease) in Cash	105,973	360,109
Cash at Beginning of Period	<u>2,034,935</u>	<u>1,674,826</u>
Cash at End of Period	<u>\$ 2,140,908</u>	<u>\$ 2,034,935</u>
Supplemental Information:		
Cash paid for interest	\$ 98,724	\$ 109,427
Cash paid for taxes	-	-

RUPCO, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

RUPCO, Inc. is a private not-for-profit housing corporation organized in 1981 for the purpose of preserving and creating decent, permanent housing for residents in the state of New York. RUPCO is also committed to stabilizing and revitalizing commercial districts so that rural people can easily obtain essential services. The organization's support comes primarily from various government grants and contracts.

RUPCO is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

During their year ended 2013 RUPCO formally changed their name from Rural Ulster Preservation Company, Inc. to RUPCO, Inc. The name change was filed with the Department of State, the NYS Charities Bureau and the IRS.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets to be held in perpetuity with use of income for program operations in accordance with donor-imposed stipulations.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the organization considers all cash in banks and financial institutions including cash in escrow for the payment of property taxes, sewer and insurance to be cash.

Support and Revenue

All support and revenue are considered available for unrestricted use unless specifically restricted by the donor. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. 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.

RUPCO receives revenue through grants and contracts as well as through property management, rental income, and real estate development. Grant and contract revenues are received from Federal and State agencies. Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by RUPCO with the terms of the grants/contracts. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Advertising

RUPCO follows the policy of charging the costs of promotion and advertising to expense are incurred. For the years ended December 31, 2014 and 2013, advertising expenses amounted to \$19,580 and \$20,610 respectively.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized. Property and equipment are recorded at cost or estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. RUPCO reclassifies temporarily restricted net assets to unrestricted net assets when donor restrictions have expired. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been allocated among the programs and supporting services based on their estimated benefit.

Receivables and Allowances for Bad Debt/Uncollectable Rents

Receivables that have been determined to be uncollectable are charged to Bad Debt Expense and an allowance is established. This is in accordance with accounting principles generally accepted in the United States of America. In certain cases where there is no security interest and the debt has been determined to be uncollectable, the direct method is used. RUPCO as parts of its various contractual agreements maintains separate accounts for required grants.

NOTE 3 – CASH AND COLLATERAL

RUPCO maintains cash balances at several financial institutions. The Federal Deposit Insurance Corporation insures accounts up to \$250,000 at each institution. At institutions where amounts exceed \$250,000, the balances have been collateralized.

NOTE 4 – MATCHING CONTRIBUTIONS

Other income must equal or exceed 33-1/3% of Division of Housing and Community Renewal grant funds and is summarized as follows:

	<u>2014</u>	<u>2013</u>
HCR grant revenues	\$ 67,013	\$ 65,940
Administrative fees and other income and grants	3,752,819	4,078,373
Total	<u>\$3,819,832</u>	<u>\$4,144,313</u>

NOTE 5 – PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2014, is as follows:

	<u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Dec. 31, 2014</u>
Land and Buildings				
Arabio	\$ 111,466	\$ -	\$ (12,282)	\$ 99,184
Brede	531,768	31,000	(3,317)	559,451
Hunter	614,221	-	(21,577)	592,644
Stuyvesant	5,266,534	4,100	(166,527)	5,104,107
Blair	838,715	9,375	(8,009)	840,081
Hasbrouck	685,525	-	(5,193)	680,332
Park Heights	2,414,553	12,656	(12,603)	2,414,606
Equip & Machinery	488,301	22,153	(7,896)	502,558
	<u>10,951,083</u>	<u>79,284</u>	<u>(237,404)</u>	<u>10,792,963</u>
Accumulated Depr	(4,828,693)	(377,470)	210,779	(4,995,384)
Net	<u>6,122,390</u>	<u>(298,186)</u>	<u>(26,625)</u>	<u>5,797,579</u>

During 2014 RUPCO retired \$237,404 of assets which resulted in a net loss on disposition of \$4,473.

NOTE 6 – GRANTS RECEIVABLE

Grants receivable are deemed to be fully collectible by management and are composed of the following amounts due at December 31, 2014 and 2013:

	<u>2014</u>		<u>2013</u>
NYS Office of Temp & Dis Asst. - HOPWA	\$ 10,402	NYS Office of Temp & Dis Asst. - HOPWA	\$ 11,264
HUD CHC	3,763	HUD CHC	13,045
Healthy Homes in UC	36,876	Healthy Homes in UC	56,333
NFMC	2,800	NFMC	1,613
NYSERDA	21,437	NYSERDA	15,880
HOME	56,915	HOME	155,453
Rural LISC	3,750	Rural LISC	3,750
SRO	11,105	SRO	12,102
STEHP	5,890	STEHP	91,439
AHC 5L33	500	AHC 5G18	40,000
AHC 5N54	5,500	UC AHC Homeownership	99,454
Town of Thompson	3,361	Homeownership Initiative	486,000
CDBG	15,889	CDBG- UC HRP III	88,165
CDBG UC Rehab	114,320		
Total Grants Receivable	<u>\$ 292,508</u>	Total Grants Receivable	<u>\$ 1,074,498</u>

NOTE 7 – DEVELOPMENT LOANS – CONSTRUCTION

RUPCO has a construction loan from Community Housing Capital for the Lace Factory project on Cornell Street and Foxhall Avenue in Kingston, NY. The amount due at year end of 2013 was \$500,000. An additional letter of credit was secured from First Niagara in the amount of \$300,000. The total amount due as of December 31, 2013 was \$800,000. During 2014 RUPCO made a payment on principal of the loan for \$100,000. The total amount due as of December 31, 2014 was \$700,000.

NOTE 8 – REPLACEMENT & OPERATING RESERVES

In accordance with agreements with the NYS Housing Trust Fund Corporation and the NYS Housing Finance Agency, the organization maintains replacement reserves to offset future operating deficits and the cost of improvements to rental buildings. In addition, the organization has established replacement reserves for rental properties not covered by such agreements. Additionally, the corporation has established an escrow account.

	<u>2014</u>	<u>2013</u>
Cash held in Reserves	\$ 639,282	\$ 607,629
Cash held in Escrow- HFA	84,937	89,176
Cash held in Escrow- HTF	45,082	41,096
Total Reserves	<u>\$ 769,301</u>	<u>\$ 737,901</u>

NOTE 9 – OCCUPANCY RATES

The following is the average occupancy rates for 2014 and 2013 by location:

<u>Location</u>	<u># of Units</u>	<u>2014</u> <u>Occupancy</u>	<u>2013</u> <u>Occupancy</u>
Stuyvesant	40	99%	98%
Blair	9	86%	100%
Brede	7	90%	100%
Hasbrouck	6	97%	93%
Hunter	8	93%	85%
Arabio	2	100%	100%
Park Heights	40	97%	99%

NOTE 10 – EMPLOYEE BENEFIT PLAN

During 2014 RUPCO sponsored a 403(b) retirement plan which replaced the previously established SIMPLE IRA plan. All employees receiving at least \$5,000 in annual compensation are eligible to participate. Eligible employees may make elective deferrals up to the limit established by the IRS. RUPCO has elected to match employee contributions on a dollar-for-dollar basis, up to 3% of the employee's compensation with certain exceptions. Employer contributions for 2014 were \$48,534 and employer contributions for 2013 were \$34,472.

NOTE 11 – PAYMENT IN LIEU OF TAXES AGREEMENT

Upon the acquisition of Park Heights in 2011, RUPCO acquired a payment in lieu of tax agreement for each calendar year in the amount of \$400 per unit regardless of occupancy, totaling \$16,000, or 8% of basic annual rent, whichever is greater. For the 2014 tax year and 2013 tax year RUPCO paid 8% of basic annual rent which amounted to \$23,916 and \$25,438 respectively.

NOTE 12 – INVESTMENT/RELATED PARTY

RUPCO is a managing member with 100% interest in Mid-Hudson CDFI. During 2014 RUPCO gave a loan to Mid-Hudson CDFI of \$100,000. RUPCO loaned the money to provide initial operating capital for Mid-Hudson CDFI.

RUPCO is a managing member with a 100% interest in Kirkland Associates, LLC. RUPCO's investment of \$1,897,277 which is also stated at cost since it does not have a readily determinable fair value.

During 2013 RUPCO formed Kirkland Partners, LLC (a single member LLC) to purchase the 99.9% membership interest in Clinton and Main. RUPCO's initial capital expenditure was \$70,290 for the transfer of 99.9% interest from Key Community Development Corp. This investment is accounted for by using the equity method in

NOTE 12 – INVESTMENT/RELATED PARTY (continued)

accordance with SOP 94-3. The full capital advance to Kirkland Partners LLC was fully reimbursed by refunding the reserve account. This resulted in a zero net capital balance for the partnership interest in Clinton and Main. Because of the close held nature it is reflected at equity value of zero.

NOTE 13 – LONG-TERM DEBT

A summary of long-term debt at December 31, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
12% mortgage payable to NYS Housing Trust Fund Corporation. The principal amount of \$140,305 plus accrued interest is due 30 years after final disbursement of funds by HTF. The total interest to date is \$331,120. This note is secured by the Blair Road property. Balance is due 2/13/2025.	\$ 471,425	\$ 454,588
0% mortgage payable to the City of Kingston issued in December, 2005 for \$40,000 exists on the Pettit House on 97 Clinton Avenue. During the first 10 years, if property is sold the full amount of the mortgage will be transferred to the buyer, or if the property is re-mortgaged RUPCO is liable for the full amount. During years 11-15, the mortgage principal is forgiven 20% per year. Balance due forgiven in full at the end of the 15 th year after certificate of completion.	\$ 40,000	\$ 40,000
0% note payable to the City of Kingston issued in January, 2006 for \$145,000 exists on the Kirkland building. If the property is sold or transferred during the first 10 years the full amount of the mortgage is due. During years 11-15, the mortgage principal is forgiven 20% per year. Balance due forgiven in full at the end of the 15 th year after certificate of completion.	\$ 145,000	\$ 145,000
0% note payable to the City of Kingston issued in August, 2006 for \$240,000 exists on the Kirkland building. If the property is sold or transferred during the first 5 years the full amount of the mortgage is due. During years 6-10 the mortgage principal is forgiven at 20% per year. Balance due forgiven in full at the end of the 10 th year after certificate of completion.	\$ 96,000	\$ 144,000
6.125% mortgage payable to Ulster Savings Bank in the amount of \$85,500 was utilized to pay-off the final balance on the CPC loan. The monthly installments are \$557.43 amortized over 25 years and balloons on January 1, 2015. During 2014 RUPCO paid off the remaining balance in full.	\$ 0	\$ 79,090

NOTE 13 -- LONG-TERM DEBT (continued)

7% mortgage payable to Ulster Savings Bank for Park Heights. The mortgage is payable in monthly installments of principal and interest in the amount of \$1,863 through 2030.

	<u>2014</u>	<u>2013</u>
	\$ 207,314	\$ 214,844

1% mortgage payable of \$387,696 to HTFC for Park Heights. The entire outstanding principal combined with any unpaid interest is due December 17, 2029, the 13th anniversary of the date of execution of the mortgage note. Interest is payable annually, in the month of December, and is paid from excess income as defined in the regulatory agreement. Deferred interest payable to date is \$3,877.

	\$ 391,573	\$ 391,573
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5.5% three year note payable to NeighborWorks Capital for the Buttermilk Falls project in Ellenville, NY. The remaining unpaid principal balance of the \$1,443,000 is due on October 11, 2014. The project consists of 14 housing units. As each unit is sold RUPCO will elect to pay a portion of the balance due. During 2014 RUPCO paid off the remaining balance in full.

	\$ 0	\$ 610,347
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7% mortgage payable to Ulster Savings Bank from a Federal Home Loan Affordable Housing program subsidy for Park Heights. Principal balance in the amount of \$360,000 along with accrued interest shall be due and payable on the maturity date. Until maturity, interest shall accrue on the outstanding principal balance. The note matures and is expected to be forgiven in December 2014. Deferred interest payable on the mortgage was \$378,000. During 2014 the mortgage as well as the interest paid on the mortgage was forgiven.

	\$ 0	\$ 712,800
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0% loan payable to Volkswagen Credit for a new 2013 Volkswagen PAS in the amount of \$31,555 to be satisfied with 59 monthly payments of \$525.92 beginning 9/22/2013 with 1 final payment of 526.22 on 8/22/2018. This note is secured by the vehicle.

	\$ 23,141	\$ 29,452
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5.09% mortgage payable to NYS Housing Finance Agency in monthly installments of \$8,564.72 through February 15, 2006, then decreases to \$7,775.81. The final payment is due August 15, 2024. This mortgage is secured by the Stuyvesant property.

	<u>\$ 701,709</u>	<u>\$ 757,744</u>
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TOTAL -	<u>\$2,076,162</u>	<u>\$3,579,439</u>
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NOTE 13 – LONG-TERM DEBT (continued)

	<u>2014</u>	<u>2013</u>
Total Long Term Liabilities plus Current Maturities	\$2,076,162	\$3,579,439
Less: Accrued Interest		
NYSHTF	\$331,120	\$314,283
HTFC	3,877	3,877
FHLB	-	352,800
Total Accrued Interest	(334,997)	(670,960)
Less: Current Maturities	(121,369)	(1,090,153)
Total Long Term Loans/ Mortgages Payable	<u>\$1,619,796</u>	<u>\$1,818,326</u>

The following is a schedule of long-term debt payable in the next five years:

12-31-2015	\$ 121,369
12-31-2016	133,026
12-31-2017	117,706
12-31-2018	119,858
12-31-2019	119,949
Thereafter	<u>1,464,254</u>
Total	<u>\$ 2,076,162</u>

NOTE 14 – DEFERRED REVENUE

RUPCO's deferred revenue represents products or services that are owed to the customer. As the product or service is delivered over time, it is recognized as revenue on the income statement.

	<u>2014</u>	<u>2013</u>
NeighborWorks	\$145,027	\$115,767
97 Clinton RARP	25,000	25,000
HOPP	47,510	25,858
Ellenville	488,625	488,625
CXHE	193,040	16,868
Dyson	13,003	13,431
Pettit House LTP	72,000	-
HCR	5,783	-
Total	<u>\$989,988</u>	<u>\$685,549</u>

NOTE 15 – HOUSING VOUCHER PROGRAM (SECTION 8) INCOME

During the past year RUPCO earned \$1,123,007 in administrative fees as income in the Section 8 program. Additionally, the State of New York paid landlords directly \$11,993,598 under the Section 8 Housing Assistance Program. RUPCO accounted for a total of \$13,116,605 of Section 8 Housing Assistance.

NOTE 16 – PERMANENTLY RESTRICTED NET ASSETS

During 2014 RUPCO received an approval to reclassify \$92,602 and \$\$28,400 of permanently restricted assets to unrestricted funds on July 23rd and December 31st respectively. On May 31, 2014 RUPCO transferred capital funding in the amount of \$662,672 from NeighborWorks and was permanently restricted.

	<u>2014</u>	<u>2013</u>
Permanently Restricted Assets as of previous year end	\$ 954,419	\$ 912,866
Additions	662,672	130,000
Released from Restriction	121,002	88,447
Restricted Assets as of year end	<u>\$ 1,496,089</u>	<u>\$ 954,419</u>

Permanently restricted balances consist of \$1,496,089 from NeighborWorks as of December 31, 2014.

NOTE 17 – TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2014</u>		<u>2013</u>
DHCR - Rural Preservation	\$ 67,013	DHCR - Rural Preservation	\$ 65,940
FSS Section 8	47,531	FSS Section 8	49,180
HPRP	286,733	HPRP	346,266
HOPWA	141,588	HOPWA	172,011
HOME	212,880	HOME	258,789
United Way	9,718	United Way	10,904
CDBG	577,164	CDBG	362,576
Neighbor Works America	497,474	Neighbor Works America	480,372
Rural LISC	16,654	Rural LISC	18,709
AHP	58,400	AHP	342,633
NYSERDA	336,586	NYSERDA	427,970
DYSON	23,429	DYSON	86,568
Homeowner In.	9,000	Homeowner In.	54,000
SRO(OTDA)	57,600	SRO(OTDA)	57,600
HOPP	112,225	DHCR - Foreclosure	100,032
NYS HCR	150,000	FEMA - Food and Shelter	6,804
CHC	16,870	TD Banknorth Found	100,000
Miscellaneous	60,950	Miscellaneous	36,500
Totals	<u>\$ 2,681,815</u>	Totals	<u>\$ 2,976,854</u>

NOTE 17 – TEMPORARILY RESTRICTED NET ASSETS (Continued)

Financial awards from federal and state governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since amounts, if any, cannot be determined at this date.

RUPCO has entered into a Grant Agreement with NYS Agencies which are evidenced by Grant Enforcement Notes and which are secured by a mortgage on the following property. The grants shall be due and payable upon the occurrence of an event of default under the agreement. The mortgage will be deemed satisfied upon completion of all obligations.

<u>Date</u>	<u>Project</u>	<u>Period</u>	<u>Amount</u>
6/8/1998	Hasbrouck	25 years	<u>\$ 608,654</u>
Total Temporarily Restricted Net Assets			<u>\$ 608,654</u>

NOTE 18 – DEVELOPER FEES / REVENUE RECOGNITION

For its services in connection with the Kirkland Hotel project, RUPCO is due a developer's fee in the amount of \$550,000. Since the partnership did not have sufficient cash flow to pay the fee, a non-interest bearing note was executed for the entire amount. During 2014, RUPCO recognized payments against the fee of \$24,000, leaving a remaining balance of \$526,000 due. RUPCO has first claim on excess cash flow until the note is satisfied.

For its services with the Woodstock Commons project there was a developer's fee due to RUPCO of \$1,830,450 from Playhouse & Elwynn LP. RUPCO received \$1,201,868 upon completion of the project leaving a deferred balance of \$628,582. The balance will be paid from excess cash flow over the course of 15 years until paid in full.

Total Developer fees receivable at year end was \$1,154,582.

NOTE 19 – ACCOUNTS RECEIVABLE AND NOTES RECEIVABLE- NET

Accounts receivable & Rents receivable at year end includes:		
	<u>2014</u>	<u>2013</u>
Due from Playhouse & Elwynn	\$ 8,731	\$ 10,786
Due from Tongore	9,615	9,279
Due from Clinton & Main	2,925	8,931
Due from Buttermilk Falls	972	2,810
Rents Receivable	9,404	7,256
Miscellaneous Receivables	3,423	9,034
Total Accounts Receivable	<u>\$ 35,070</u>	<u>\$ 48,096</u>

NOTE 19 – ACCOUNTS RECEIVABLE AND NOTES RECEIVABLE- NET (continued)

Notes Receivable –Net Consists of multiple notes for funds that RUPCO used to develop projects in Woodstock and Kingston, NY.

The following is a schedule of Notes Receivable- Net as of year end 2014:

Two note receivables for \$1,233,502. The notes consist of the acquisition for \$50,000, a RUPCO sponsored loan of \$618,304, a LP Closing and Sponsor Loans of \$824,483, and \$506,500 in various grants that RUPCO will use for the Lace Factory Project. Lace Mill LP made repayments to RUPCO on the loans for \$259,285. An allowance of \$400,000 of the note was made during 2014. (See Note 20)

	<u>Dec. 31, 2013</u>	<u>Loan/ Recovery</u>	<u>Payments/ Allowance</u>	<u>Dec. 31, 2014</u>
Notes Receivable				
Lace Mill LP	\$ 1,492,787	\$ 506,500	\$(259,285)	\$ 1,740,002
Allowance	(106,500)	-	(400,000)	(506,500)
Playhouse and Elwym	1,005,420	-	-	1,005,420
Allowance	(1,005,420)	-	-	(1,005,420)
Net - Notes Receivable	<u>1,386,287</u>	<u>506,500</u>	<u>(659,285)</u>	<u>1,233,502</u>

NOTE 20 – ALLOWANCE FOR BAD DEBT

During 2014, a notes receivable in the amount of \$400,000 which RUPCO used for the Lace Mill project is also deemed to be currently uncollectable. The total currently uncollectable amount of \$400,000 has been included in bad debt expense. RUPCO has created an allowance because it has been determined that the likelihood of collection is low. RUPCO will include any amounts repaid in future years as income recovered from a bad debt in the year in which it is received.

NOTE 21 – UNCOLLECTIBLE RENTS

During the year, \$5,739 in uncollectible rents from seven tenants was written off and is included as bad debt expense. All other accounts are current.

NOTE 22 – DEVELOPMENT COSTS

The development costs included the Buttermilk Falls project on Broadhead and Canal Streets in Ellenville, NY. RUPCO provided a concession on the units in 2011 to improve the prospect of sales. The project sold no units during the year; five unsold units remained at year end. Development costs for the project at year end were \$851,928.

Development costs for the Pettit House project on 97 Clinton Ave in Kingston, NY totaled \$289,112 at year end.

See Independent Auditor's Report

NOTE 22 – DEVELOPMENT COSTS (continued)

During 2014 the Newburgh Community Land Bank invited RUPCO to be the developer in working with them in the creation of affordable housing for inner city neighborhoods. Development costs for the project are \$44,684 to date.

Also in 2014 RUPCO submitted a real estate funding application for the 40 units of affordable housing in Saugerties, New York. Development costs for that project are \$3,000 to date.

The total development costs at year end were \$1,188,725.

Park Heights
Schedule of Excess Income
Year Ended December 31, 2014 and 2013

A calculation of the excess income of Park Heights
for the year ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Net Income (Loss)	\$ 644,655	\$ (92,491)
Add:		
Depreciation	87,496	106,378
Interest Expense	44,901	44,384
Less:		
Required reserve deposits	(25,726)	(25,726)
Other Mortgage principal and interest payments - 7% Ulster Savings Bank mortgage	(22,356)	(22,354)
Capital Expenditures (not expensed) Improvements	<u>-</u>	<u>-</u>
Excess Income before HTFC debt service	<u>\$ 728,970</u>	<u>\$ 10,191</u>
HTFC debt service requirement	<u>\$ 3,877</u>	<u>\$ 3,877</u>
Payment required	<u>Yes</u>	<u>Yes</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the Board of Trustees of
RUPCO, INC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of RUPCO, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RUPCO, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RUPCO, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of RUPCO, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether RUPCO, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

See Independent Auditor's Report and Notes to the Financial Statements

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Daniel D. Gagnon CPA, P.C.

Kingston, NY
April 17, 2015

**Findings on Compliance and Internal Control and Compliance
In Accordance With Government Auditing Standards**

April 17, 2015

**To the Board of Directors
RUPCO, Inc.**

We have audited the financial statements of RUPCO, Inc. (a nonprofit organization) as of and for the year ended December 31, 2014, and have issued our report thereon dated April 16, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Current Year Findings

Material Findings- None

Non-Material Findings- None

Prior Year Findings

Material Findings- None

Non-Material Findings- None

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Trustees of
RUPCO, Inc.

Report on Compliance for Each Major Federal Program

We have audited RUPCO, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of RUPCO, Inc.'s major federal programs for the year ended December 31, 2014. RUPCO, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of RUPCO, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about RUPCO, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of RUPCO, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, RUPCO, Inc.'s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of RUPCO, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered RUPCO, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the


See Independent Auditor's Report and Notes to the Financial Statements

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of RUPCO, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Daniel D. Gagnon CPA, P.C.

Kingston, NY
April 17, 2015

**Findings on Compliance and Internal Control over Compliance
In Accordance with OMB Circular A-133**

April 17, 2015

**To the Board of Directors
RUPCO, Inc.**

We have audited the compliance of RUPCO, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2014.

Current Year Findings

Material Findings- None

Non-Material Findings- None

Prior Year Findings

Material Findings- None

Non-Material Findings- None

Rural Ulster Preservation Company, Inc.
 Schedule of Expenditures of Federal and Selected State Awards
 Year Ended December 31, 2014

<u>Federal Programs</u>	CFDA #	SHARS ID#	Disbursements/ Expenditures
Department of Housing and Urban Development			
Passed Through			
NYS Division of Housing and Community Renewal			
Housing Choice Voucher Program (Section 8)	14.871		\$ 11,993,598
HOME	14.239	20113154	104,946
HOME	14.239	20113155	128,682
HOME (Homeownership Initiative)	14.239	20040204	81,000
NYS Office of Temporary & Disability Assistance			
HOPWA	14.241	C020970	141,588
SHP SRO		C021447	57,600
Ulster County			
CDBG	14.218	1160HR 93-12	628,398
CDBG	14.218	1160HO 45-13	15,889
CDBG	14.218	1160HR 4-11	46,811
Direct Grants			
HUD Housing Counseling	14.169		16,870
STEHP	14.257	C021285	286,733
Total Federal Programs			<u><u>\$ 13,502,115</u></u>
 <u>Select New York State Programs</u>			
New York State Housing Agency:			
NYS Division of Housing and Community Renewal			
Rural Preservation	N/A		\$ 67,013
NYS Affordable Housing Corporation			
Foreclosure Counseling	N/A		76,404
Total New York State			<u><u>\$ 143,417</u></u>

Rural Ulster Preservation Company, Inc.
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2014

Section I - Summary of Auditors Results

<u>Financial Statements</u>	<u>Response</u>
Type of Auditor's report issued	Unqualified
Internal control over financial reportings	
Material weakness identified	No
Reportable conditions identified that are	No
Non-Compliance material to Financial Statement noted?	No
 <u>Federal Awards</u>	
Internal Control over major programs:	
Material Weakness Identified	No
Reportable conditions identified that are not considered to be a material weakness	No
Type of Auditor's report issued on compliance for Major Programs	Unqualified
Any Audit finding disclosed that are required to be reported	No
Identification of Major Programs:	
<u>Federal Program</u>	<u>CFDA #'s</u>
Housing Choice Voucher Program (Section 8)	14.871
CDBG	14.218
Dollar threshold used to distinguish between type A and type B programs	\$300,000
Auditee qualifies as a low risk auditee	Yes

SUPPLEMENTAL INFORMATION

RUPCO, Inc.
Statement of Support and Revenue
and Changes in Net Assets
December 31, 2014 & December 31, 2013

	Admin	Rental Assistance	Property Management	Homeowner Center	Community Development	Real Estate Development	December 31, 2014	December 31, 2013
Total Public Support and Revenue	\$ 224,841	\$ 1,320,984	\$ 2,144,158	\$ 1,729,934	\$ 341,053	\$ 664,622	\$ 6,425,592	\$ 8,377,405
Expenditures								
Support Services	908,296						908,296	891,311
Program Services	-	713,523	1,214,711	1,840,533	370,936	641,461	4,781,164	6,648,805
Total Expenditures	908,296	713,523	1,214,711	1,840,533	370,936	641,461	5,689,460	7,540,116
Change in Net Assets Before Deprac.	(683,455)	607,461	929,447	(110,599)	(29,883)	23,161	736,132	837,289
Depreciation	8,869	-	367,713	450	-	438	377,470	390,845
Change in Net Assets	(692,324)	607,461	561,734	(111,049)	(29,883)	22,723	358,662	446,444
Net Assets - Beginning	(990,863)	2,246,895	4,277,070	1,461,977	(349,200)	3,272,065	9,917,944	9,662,982
Net Assets - Ending	\$ (1,683,187)	\$ 2,854,356	\$ 4,838,804	\$ 1,350,928	\$ (379,083)	\$ 3,294,788	\$ 10,276,606	\$ 9,917,944

SUPPLEMENTAL INFORMATION

RUPCO, Inc.

Statement of Support and Revenue

For the Years Ended December 31, 2014 and December 31, 2013

	Admin	Rental Assistance	Property Management	Homeowner Center	Community Development	Real Estate Development	December 31, 2014	December 31, 2013
GRANTS:								
TD Banknorth Found							\$ -	\$ 100,000
CHC							16,870	-
DHCR	\$ 67,013			\$ 16,870			67,013	65,940
DHCR Foreclosure Grt							-	100,032
Dyson Emergency Funds				8,432			8,432	-
Dyson Foreclosure Grt	9,997			5,000			14,997	86,568
FSS Sec 8		\$ 47,531					47,531	49,180
HPRP							-	346,266
HOPWA		141,588					141,588	172,011
United Way		9,718					9,718	10,904
FEMA							-	6,804
HOPP				112,225			112,225	-
HOME				94,768			94,768	165,046
HOME Healthy Home				10,400			10,400	-
CDBG - UC Rehab			\$ 64,001	106,696	\$ 4,279	205,144	438,904	362,576
Neighborworks	58,784						16,654	265,661
Rural LISC	16,654						58,400	18,709
AHP			57,600	58,400			57,600	342,633
SRO OTDA							10,500	57,600
AHC							10,500	-
NFMC				58,570			58,570	73,501
UC CDBG				577,164			577,164	-
NYS HCR						150,000	150,000	-
City of Kingston Community Dev.						50,000	50,000	-
NYSERDA					336,586		336,586	427,970
HOME UC Rehab				107,712			107,712	93,743
STEHP				286,733			286,733	-
Stewart's Foundation Grant	450					9,000	450	-
Homeowner Initiative							9,000	54,000
Alcoa							-	15,000
Citizens Bank							-	15,000
Ulster Savings							-	15,000
TOTAL GRANT INCOME	\$ 152,898	\$ 198,837	\$ 121,601	\$ 1,453,470	\$ 340,865	\$ 414,144	\$ 2,681,815	\$ 2,835,644

RUPCO, Inc.

Statement of Support and Revenue

For the Years Ended December 31, 2014 and December 31, 2013

	Admin	Rental Assistance	Property Management	Homeowner Center	Community Development	Real Estate Development	December 31, 2014	December 31, 2013
REVENUES:								
Administrative Fees	1,500	\$ 1,121,507					\$ 1,123,007	\$ 1,140,741
Repaid Grants				\$ 15,010			15,010	9,293
Contribution Income	\$ 66,418				\$ 1,000		67,418	47,636
Damage/ Vacancy Fees			\$ 1,883				1,883	685
Interest Income			806	67			2,330	2,865
Late Fees	1,457		2,673			\$ 448	3,121	3,119
Program Income				153,925			153,925	154,634
Laundry Income			3,356				3,356	3,681
Management Fees			209,436				209,436	224,164
Management Development Fees						147,215	147,215	1,499,588
Miscellaneous Income	2,568	640	28,980	88,537	\$ 188	48,011	168,924	134,700
Mortgage Forgiveness			738,000				738,000	-
Process Fees				3,200			3,200	52,000
Rental Income			1,037,423				1,091,227	1,091,819
Repayment - Cost of Projects						53,804		1,134,835
Sponsorships							-	42,001
Total Revenues	71,943	1,122,147	2,022,557	276,464	188	250,478	3,743,777	5,541,761
Total Public Support and Revenue	\$ 224,841	\$ 1,320,984	\$ 2,144,158	\$ 1,729,934	\$ 341,053	\$ 664,622	\$ 6,425,592	\$ 8,377,405

RUPCO, Inc.

Schedule of Expenditures

For the Years Ended December 31, 2014 and December 31, 2013

	Admin	Rental Assistance	Property Management	Homeowner Center	Community Development	Real Estate Development	December 31, 2014	December 31, 2013
EXPENSES:								
Advertising	\$ 2,541	\$ 9,075	\$ 3,437	\$ 3,328	\$ 407	\$ 670	\$ 19,458	\$ 20,610
Bad Debt/ Write Down	-		5,699	-		400,040	405,739	682,217
Bank Charges	576		33	112		50	771	2,500
Capital Expenditure	7,100		41,527			700	49,327	1,000
Computer Expense	8,016	10,068	4,802	5,266	2,390	1,554	32,096	32,436
Conference Training	8,943	3,387	4,884	7,368	164	1,280	26,026	27,598
Copier Service	911	1,123	610	930	689	172	4,435	7,906
Credit Reports			796	3,718			4,514	4,383
Depreciation/Amortization	8,869		367,713	450		438	377,470	390,845
(Gain)Loss on Dispositions			4,473				4,473	-
Development Expense								
Electricity/Utilities	3,852	8,381	160,204	6,139	761	89,093	89,093	1,576,956
Employee Memberships	1,100	2,480	1,732	2,117	700	43	18,121	159,267
Equipment Expense	724	734	13,221	4,066	5,465	849	8,172	8,487
Equipment Repairs	376	3,677	4,148	165			25,059	11,065
FICA Expense	38,294	28,089	23,865	30,866	18,652	6,760	146,526	142,347
Insurance - Building			45,665				45,665	42,425
Insurance - Liability	3,321	6,548	2,271	1,688	712	840	15,380	13,548
Insurance - Other	68,442	57,036	76,888	95,181	21,606	18,855	338,008	329,128
Interest Expense		8	139,482	-			712	106,174
Maintenance/Repair							139,857	86,109
Marketing Expense	8,065	2,968	2,237	2,179	6,843	768	23,060	36,846
Meeting Expense	3,605	1,179	899	1,844	281	483	8,291	7,501
Miscellaneous	3,769	178	744	1,254	504	78	6,527	11,187
Mortgage Fees			3,543				3,543	3,872
Office Supplies	11,405	11,351	4,263	8,356	2,127	432	37,934	34,514
Pension Expense	14,733	7,215	8,139	11,412	4,492	2,543	48,534	34,473
Postage	2,968	6,187	3,942	3,390	861	1,372	18,720	16,493
Printing		1,673	405	1,660	170	318	4,226	1,111
Prof. Fees	29,552	8,551	7,722	190,699	10,294	1,595	248,415	281,719
Temporary Workers		889					889	7,548
Real Estate Taxes			158,258					
Rehab/Subsidy		119,582		979,341		2,964	161,222	156,860
Rent	139,090	33,485	15,367	18,475	34,401	20,117	1,098,923	1,375,063
Refuse Removal	565		48,572	36,808			260,935	237,372
Special Events	35,450			452	9,749		85,945	46,864
Staff Recognition	2,278	296	671	174	49	80	45,631	59,945
Subscriptions/Dues	2,556	3,936	2,228	1,824	555	550	3,548	1,492
Software Expense	991						11,649	12,098
Telephone	3,185	5,326	5,136	1,585	2,989	879	19,100	16,812
Travel	5,578	6,130	5,388	7,431	9,599	2,258	36,384	37,920
Wages/Salaries	500,310	373,971	315,448	412,725	236,476	83,155	1,922,085	1,893,449
Total Expenses	\$ 917,165	\$ 713,523	\$ 1,582,424	\$ 1,840,983	\$ 370,936	\$ 641,899	\$ 6,066,930	\$ 7,930,961

RUPCO, Inc.

**Statement of Support and Revenue
and Changes in Net Assets**

December 31, 2014 & December 31, 2013

	Stuyvesant	Blair	Brede	Hasbrouck	Hunter	Arabic	Park Heights	Total 2014	Total 2013
Total Public Support and Revenue	\$ 454,093	\$ 65,468	\$ 91,163	\$ 57,503	\$ 74,888	\$ 28,217	\$ 1,039,855	\$ 1,811,187	\$ 1,109,895
Expenditures									
Support Services	404,637	76,495	70,518	46,126	60,077	19,384	320,360	997,597	818,730
Program Services	404,637	76,495	70,518	46,126	60,077	19,384	320,360	997,597	818,730
Total Expenditures Before Depreciation									
Change in Net Assets Before Depreciation	49,456	(11,027)	20,645	11,377	14,811	8,833	719,495	813,590	291,165
Improvements								-	55,858
Depreciation	(179,113)	(31,599)	(19,060)	(25,538)	(21,319)	(3,588)	(87,496)	(367,713)	(382,404)
Change in Net Assets	(129,657)	(42,626)	1,585	(14,161)	(6,508)	5,245	631,999	445,877	(35,381)
Net Assets - Beginning	2,163,885	(92,483)	477,257	467,369	340,689	110,444	2,292,474	5,759,635	5,795,016
Net Assets - Ending	\$ 2,034,228	\$ (135,109)	\$ 478,842	\$ 453,208	\$ 334,181	\$ 115,689	\$ 2,924,473	\$ 6,205,512	\$ 5,759,635

RUPCO, Inc.
Statements of Support and Revenue
For the Years Ended December 31, 2014 & December 31, 2013

	Stuyvesant	Blair	Brede	Hasbrouck	Hunter	Arabio	Park Heights	Total 2014	Total 2013
REVENUES:									
Interest Income	\$ 1,122	\$ 414	\$ 146	\$ 252	\$ 335	\$ 17	\$ 760	\$ 760	\$ 886
Late Fees	1,847						387	2,673	3,013
Laundry Income	600		1,254				1,509	3,356	3,681
Damage/ Vacancy Fees								1,854	685
Mortgage Forgiveness	26,840		5	11	20		738,000	738,000	-
Miscellaneous Income	423,684	65,054	89,758	57,240	74,533	28,200	245	27,121	28,920
Rental Income							298,954	1,037,423	1,072,710
Total Rental Revenue	\$ 454,093	\$ 65,468	\$ 91,163	\$ 57,503	\$ 74,888	\$ 28,217	\$ 1,039,855	\$ 1,811,187	\$ 1,109,895

RUPCO, Inc.

Schedule of Expenditures

December 31, 2014 & December 31, 2013

	Stuyvesant	Blair	Brede	Hasbrouck	Hunter	Arabio	Park Heights	Total 2014	Total 2013
EXPENSES:									
Bad Debt	\$ 26	\$ 1,179	\$ 89	\$ 1,295	\$ 2,979		\$	\$ 5,568	\$ 4,480
Bank Charges	30				2,843		3	2,876	3
Capital Expenditures	13,339	4,265	4,000	600			6,579	28,783	3
Credit Reports	177	138	113	157	59		152	796	561
Depreciation	179,113	31,599	19,060	25,538	21,319	\$ 3,588	87,496	367,713	382,404
Equipment Expense	11,192					499	1,356	13,047	5,101
Equipment Repairs	1,031	130				85	2,792	4,038	2,409
Insurance - Building	17,075	3,061	2,598	1,371	2,588	1,135	16,528	44,356	41,316
Interest Expense	37,284	16,837					49,901	98,022	101,270
Meeting Expense	20						20		17
Mortgage Fees	3,543							3,543	3,872
Office Supplies	145						179	324	149
Prof. Fees	627				1,288		1,636	3,551	3,686
Real Estate Taxes	95,003	5,131	12,061	7,735	7,152	2,658	28,518	158,258	154,015
Refuse Removal	14,722	5,898	8,942		4,298	2,174	12,537	48,571	40,391
Repairs	51,940	8,127	13,024	9,681	8,831	2,946	32,423	126,972	80,162
Subscriptions & Dues	5	5	5	5	5	5	405	435	660
Telephone	1,146						1,242	2,388	1,176
Travel	72	801	835	92	226	72	1,278	3,376	3,552
Utilities	31,314	7,070	6,441	6,340	6,820	2,091	56,635	116,711	100,261
Wages	114,476	21,243	20,403	16,073	19,596	5,946	101,158	298,895	240,044
Water & Sewer	11,470	2,610	2,007	2,777	3,392	1,773	13,038	37,067	35,605
Total Expenses	\$ 583,750	\$ 108,094	\$ 89,578	\$ 71,664	\$ 81,396	\$ 22,972	\$ 407,856	\$ 1,365,310	\$ 1,201,137