

**The Town of Glenville Local Development  
Corporation, Schenectady County,  
New York**

**Financial Statements  
Year Ended December 31, 2019**



**BRYANS & GRAMUGLIA**  
CPAs, LLC

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
December 31, 2019**

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## **Independent Auditors' Report**

To the Board of Directors of  
The Town of Glenville Local Development  
Corporation, Schenectady County, New York

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of The Town of Glenville Local Development Corporation, Schenectady County, New York (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 The Town of Glenville Local Development Corporation, Schenectady County, New York as of December 31, 2019 and 2018, 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.

### ***Change in Accounting Principle***

As described in Note 2 to the financial statements, The Town of Glenville Local Development Corporation, Schenectady County, New York implemented Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, ASU 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*, ASU 2016-18, *Statement of Cash Flows: Restricted Cash* and ASU 2018-08, *Not for Profit Entities Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, and the effects have been included in these financial statements. Our opinion is not modified with respect to this matter.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2020, on our consideration of The Town of Glenville Local Development Corporation, Schenectady County, New York'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 solely 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 the effectiveness of the Town of Glenville Local Development Corporation, Schenectady County, New York's 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 The Town of Glenville Local Development Corporation, Schenectady County, New York's internal control over financial reporting and compliance.

***Bryans & Gramuglia CPAs, LLC***

Albany, New York

March 31, 2020

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statements of Financial Position  
December 31, 2019 and 2018**



	<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
<b>Current Assets</b>			
Cash and cash equivalents		\$ 237,360	\$ 182,013
Interest receivable		804	-
Current installments of loans receivable, net of allowance		61,808	63,573
Prepaid expense		1,109	1,085
Total Current Assets		<u>301,081</u>	<u>246,671</u>
<b>Other Assets</b>			
Loans receivable, net of current installments		<u>202,814</u>	<u>279,942</u>
<b>TOTAL ASSETS</b>		<u>\$ 503,895</u>	<u>\$ 526,613</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable		\$ -	\$ 300
Refundable advance		-	-
Total Current Liabilities		<u>-</u>	<u>300</u>
<b>Net Assets</b>			
Without donor restrictions		<u>503,895</u>	<u>526,313</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>\$ 503,895</u>	<u>\$ 526,613</u>

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statements of Activities  
For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Operating Revenues</b>		
Grant income	\$ -	\$ 68,194
Interest income	14,242	14,648
Other income	201	100
Total Operating Revenues	<u>14,443</u>	<u>82,942</u>
<b>Operating Expenses</b>		
Program services	22,057	460
Fundraising	-	-
Management and general	14,804	17,690
Total Operating Expenses	<u>36,861</u>	<u>18,150</u>
<b>Change in Net Assets</b>	(22,418)	64,792
Net Assets, Beginning of Year	<u>526,313</u>	<u>461,521</u>
<b>Net Assets, End of Year</b>	<u>\$ 503,895</u>	<u>\$ 526,313</u>

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statement of Functional Expenses  
For the Year Ended December 31, 2019**

	Program Services	Supporting Services			2019 Total
		Management and General	Fundraising		
Professional fees	\$ 2,194	\$ 8,161	\$ -	\$ -	\$ 10,355
Advertising	-	-	-	-	-
Insurance	-	2,637	-	-	2,637
Office expenses	-	856	-	-	856
Dues and subscriptions	-	400	-	-	400
Donations	-	2,750	-	-	2,750
Bad debt expense	19,863	-	-	-	19,863
<b>Total Functional Expenses</b>	<b>\$ 22,057</b>	<b>\$ 14,804</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,861</b>

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statement of Functional Expenses  
For the Year Ended December 31, 2018**

	Program Services	Supporting Services			2018 Total
		Management and General	Fundraising		
Professional fees	\$ 210	\$ 11,057	\$ -	\$ -	\$ 11,267
Advertising	250	-	-	-	250
Insurance	-	2,717	-	-	2,717
Office expenses	-	936	-	-	936
Dues and subscriptions	-	480	-	-	480
Donations	-	2,500	-	-	2,500
Bad debt expense	-	-	-	-	-
<b>Total Functional Expenses</b>	<b>\$ 460</b>	<b>\$ 17,690</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,150</b>



**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statements of Cash Flows  
For the Years Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (22,418)	\$ 64,792
Adjustments to reconcile change in net assets to to net cash provided (used) by operating activities		
Bad debt expense	19,863	-
(Increase) decrease in assets:		
Interest receivable	(804)	504
Prepaid expense	(24)	16
Increase (decrease) in liabilities:		
Accounts payable	(300)	60
Refundable advance	-	(68,194)
Net Cash Provided (Used) by Operating Activities	<u>(3,683)</u>	<u>(2,822)</u>
<b>Cash Flows From Investing Activities</b>		
Issuance of loans receivable	-	(98,000)
Proceeds from loans receivable	59,030	61,593
Net Cash Provided (Used) by Investing Activities	<u>59,030</u>	<u>(36,407)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	55,347	(39,229)
Cash and Cash Equivalents, Beginning of Year	<u>182,013</u>	<u>221,242</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 237,360</u>	<u>\$ 182,013</u>

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2019 and 2018**

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**1. NATURE OF OPERATIONS**

The Town of Glenville Local Development Corporation, Schenectady County, New York, (the Organization) is a not-for-profit corporation established in June 2012 with a mission to serve as a resource to stimulate economic development within the Town of Glenville through the growth and retention of new and existing businesses, job creation and retention, and other initiatives designed to benefit the citizens of Glenville. Grant proceeds to carry out this mission were received during the year ended December 31, 2013.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies used to prepare the accompanying financial statements follows:

***Basis of Presentation***

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principles***

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, and has subsequently issued supplemental and/or clarifying ASUs (collectively “ASC 606”). ASC 606 outlines a five-step framework that supersedes the principles for recognizing revenue and eliminates industry-specific guidance. The core principle of the guidance in ASC 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, ASC 606 revises current disclosure requirements in an effort to help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. Policies related to recognition of revenue for the Organization are discussed in the recognition of income portion of this Note 2 to the financial statements. Adoption of this standard did not have an impact on the revenue recognized by the Organization for the year ended December 31, 2019.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*. This update provided guidance on eight specific cash flow issues and the summary of amendments for each. Furthermore, in November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows: Restricted Cash*. This update requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Adoption of these standards did not have an impact on the Organization for the year ended December 31, 2019.

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2019 and 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Change in Accounting Principles***

In June 2018, the FASB issued ASU 2018-08, *Not for Profit Entities Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendments in ASU 2018-08 provide guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. Adoption of this standard did not have an impact on the revenue recognized by the Organization for the year ended December 31, 2019.

***Cash and Cash Equivalents***

For purposes of the statements of cash flows, the Organization considers all highly liquid accounts with an original maturity of three months or less to be cash equivalents.

***Allowance and Loan Impairment***

The allowance for credit losses is maintained at a level which, in management's judgment, is adequate to absorb credit losses inherent to the loan portfolio. The amount of the allowance is based on management's evaluation of the collectability of the loan portfolio, including the nature of the portfolio, credit concentrations, trends in historical loss experience, specific impaired loans, and economic conditions. Allowances for impaired loans are generally determined based on collateral values or the present value of estimated cash flows. Because of uncertainties associated with the regional economic conditions, collateral value and future cash flows on impaired loans, it is reasonably possible that management's estimate of credit losses inherent in the loan portfolio and the related allowance may change materially in the near term. The allowance is increased by a provision for credit losses, which is charged to expense and reduced by charge-offs, net of recoveries.

The allowance for credit losses was \$19,863 and \$-0- for the years ended December 31, 2019 and 2018, respectively. Bad debt expense for the years ended December 31, 2019 and 2018 was \$19,863 and \$-0-, respectively.

***Prepaid Expenses***

Prepaid expenses consist of expenditures made prior to the year-end for goods or services that will be received in future years.

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2019 and 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Net Assets Without Donor Restrictions***

None of the Organization's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restrictions.

***Recognition of Income***

Revenues from government grants are recognized when the funds are spent in accordance with the requirements of the grants. Interest income is recognized when earned.

***Contributions***

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are met in the same year in which the contributions are recognized.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization reports gifts of land, buildings and equipment as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

***Functional Allocation of Expenses***

Expenses of the Organization are directly charged to program and supporting services.

***Advertising Expense***

The Organization expenses advertising costs as they are incurred. Advertising costs were \$-0- and \$250 for the years ended December 31, 2019 and 2018, respectively.

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2019 and 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***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 and disclosures. Accordingly, actual results could differ from those estimates.

***Reclassifications***

Certain amounts in the 2018 financial statements have been reclassified to conform with the presentation in the 2019 financial statements.

***Income Taxes***

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and comparable New York State law. The Organization has been classified as a publicly-supported organization, which is not a private foundation under Section 509(a) of the Code.

The Financial Accounting Standards Board (FASB) issued FASB ASC 740-10 which requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax-exempt status. However, the Organization has no knowledge of events or circumstances that would jeopardize its tax-exempt status.

The Organization implemented FASB ASC 740-10 and its current accounting policy for evaluating uncertain tax positions in accordance with generally accepted accounting principles. The Organization has not recognized any benefits from uncertain tax positions in 2019 and believes it has no uncertain tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the statement of financial position date.

The Organization evaluated its tax position and concluded that all the positions taken by the Organization would more likely than not be sustained upon examination, based on technical merits. The information returns of the Organization for 2016, 2017, and 2018 are subject to examination by tax authorities, generally three years after they were filed.

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2019 and 2018**

**3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>2019</u>	<u>2018</u>
Financial assets at year-end	\$ 299,972	\$ 245,586
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 299,972	\$ 245,586

The Organization generally maintains and keeps available all financial assets to meet its operating expenses as they become due.

**4. LOANS RECEIVABLE, NET OF ALLOWANCE**

Loans receivable consist of six loans to four local businesses with interest rates ranging from 3.75% to 6.25%.

Expected repayments on the loans receivable at December 31, 2019 are as follows:

2020	\$	61,808
2021		106,961
2022		54,120
2023		28,041
2024		13,283
Thereafter		20,272
Total		284,485
Less current portion		61,808
Less allowance for credit losses		19,863
Loans receivable, net of current portion	\$	202,814

**5. REFUNDABLE ADVANCE**

The Organization received a refundable advance as a subrecipient to a United States Department of Housing and Urban Development (HUD) 2007 Community Development Block Grant – Economic Development (CDBG-ED) from the Town of Glenville.

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2019 and 2018**

**5. REFUNDABLE ADVANCE**

The Organization recorded this refundable advance in a manner consistent with the HUD Program Income Rules as detailed in the Subrecipient Agreement maintained by the Organization. The activity in the refundable advance account is reported as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Refundable advance, beginning of year	\$ -	\$ 68,194
Grant awards received	-	-
Grant expenditures	-	(68,194)
Refundable advance, end of year	<u>\$ -</u>	<u>\$ -</u>

**6. CONTINGENCIES**

In previous years, the Organization received a significant grant for specific purposes that is subject to review and audit by the grantor or their designee. Such audit could lead to a request for repayment to the grantor for expenditures disallowed under the terms of the grant. Repayments, if any, are recognized in the year known. The Organization believes such disallowances, if any, will be immaterial to the financial statements.

**7. EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 31, 2020, the date which the financial statements were available to be issued.



**Independent Auditors' 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 Directors of  
The Town of Glenville Local Development  
Corporation, Schenectady County, New York

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 the Town of Glenville Local Development Corporation, Schenectady County, New York (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Glenville Local Development Corporation, Schenectady County, New York'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 the Town of Glenville Local Development Corporation, Schenectady County, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the Town of Glenville Local Development Corporation, Schenectady County, New York'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*.

## **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.

***Bryans & Gramuglia CPAs, LLC***

Albany, New York

March 31, 2020