

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

**Financial Statements
Year Ended December 31, 2020**



BRYANS & GRAMUGLIA
CPAs, LLC

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
December 31, 2020**

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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, 2020 and 2019, 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, 2020 and 2019, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2021, 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

May 6, 2021

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Statements of Financial Position
December 31, 2020 and 2019**

ASSETS		
	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 132,710	\$ 237,360
Interest receivable	-	804
Current installments of loans receivable, net of allowance	197,361	61,808
Prepaid expense	1,109	1,109
Total Current Assets	<u>331,180</u>	<u>301,081</u>
Other Assets		
Loans receivable, net of current installments and allowance	<u>102,958</u>	<u>202,814</u>
TOTAL ASSETS	<u><u>\$ 434,138</u></u>	<u><u>\$ 503,895</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 2,641	\$ -
Refundable advance	-	-
Total Current Liabilities	<u>2,641</u>	<u>-</u>
Net Assets		
Without donor restrictions	<u>431,497</u>	<u>503,895</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 434,138</u></u>	<u><u>\$ 503,895</u></u>

The notes to the financial statements are an integral part of this statement.

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Statements of Activities
For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Grant income	\$ -	\$ -
Interest income	8,169	14,242
Other income	564	201
Total Operating Revenues	<u>8,733</u>	<u>14,443</u>
Operating Expenses		
Program services	66,911	22,057
Fundraising	-	-
Management and general	14,220	14,804
Total Operating Expenses	<u>81,131</u>	<u>36,861</u>
Change in Net Assets	(72,398)	(22,418)
Net Assets, Beginning of Year	<u>503,895</u>	<u>526,313</u>
Net Assets, End of Year	<u>\$ 431,497</u>	<u>\$ 503,895</u>

The notes to the financial statements are an integral part of this statement.

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Statement of Functional Expenses
For the Year Ended December 31, 2020**

	Program Services	Supporting Services Management and General	Fundraising	2020 Total
Professional fees	\$ 2,641	\$ 10,776	\$ -	\$ 13,417
Bank charges	-	23	-	23
Insurance	-	2,678	-	2,678
Office expenses	-	323	-	323
Dues and subscriptions	-	420	-	420
Donations	-	-	-	-
Bad debt expense	64,270	-	-	64,270
Total Functional Expenses	\$ 66,911	\$ 14,220	\$ -	\$ 81,131

The notes to the financial statements are an integral part of this statement.

**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 Management and General	Fundraising	2019 Total
Professional fees	\$ 2,194	\$ 8,161	\$ -	\$ 10,355
Bank charges	-	-	-	-
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
Total Functional Expenses	\$ 22,057	\$ 14,804	\$ -	\$ 36,861

The notes to the financial statements are an integral part of this statement.

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (72,398)	\$ (22,418)
Adjustments to reconcile change in net assets to to net cash provided (used) by operating activities		
Bad debt expense	64,270	19,863
(Increase) decrease in assets:		
Interest receivable	804	(804)
Prepaid expense	-	(24)
Increase (decrease) in liabilities:		
Accounts payable	2,641	(300)
Net Cash Provided (Used) by Operating Activities	<u>(4,683)</u>	<u>(3,683)</u>
Cash Flows From Investing Activities		
Issuance of loans receivable	(176,000)	-
Proceeds from loans receivable	76,033	59,030
Net Cash Provided (Used) by Investing Activities	<u>(99,967)</u>	<u>59,030</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(104,650)	55,347
Cash and Cash Equivalents, Beginning of Year	<u>237,360</u>	<u>182,013</u>
Cash and Cash Equivalents, End of Year	<u>\$ 132,710</u>	<u>\$ 237,360</u>

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Notes to Financial Statements
December 31, 2020 and 2019**

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.

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 \$25,000 and \$19,863 for the years ended December 31, 2020 and 2019, respectively. Bad debt expense for the years ended December 31, 2020 and 2019 was \$64,270 and \$19,863 respectively.

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Notes to Financial Statements
December 31, 2020 and 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prepaid Expenses

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

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.

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Notes to Financial Statements
December 31, 2020 and 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advertising Expense

The Organization expenses advertising costs as they are incurred. Advertising costs were \$-0- for the years ended December 31, 2020 and 2019.

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.

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 2020 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 statements 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 2017, 2018, and 2019 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, 2020 and 2019**

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>2020</u>	<u>2019</u>
Financial assets at year-end	\$ 330,071	\$ 299,972
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 330,071</u>	<u>\$ 299,972</u>

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 three loans to two local businesses with interest rates ranging from 3.75% to 6.5%. The outstanding balance related to these loans is \$151,719 as of December 31, 2020.

Loans receivable also consists of fourteen unsecured loans made to local businesses with a 0% interest rate in response to the COVID-19 pandemic. These loans all become due in 2021. The outstanding balance related to these loans is \$173,600 as of December 31, 2020.

Expected repayments on the loans receivable at December 31, 2020 are as follows:

2021	\$ 197,361
2022	37,902
2023	39,644
2024	27,246
2025	21,370
Thereafter	<u>1,796</u>
Total	325,319
Less current portion	197,361
Less allowance for credit losses	25,000
Loans receivable, net of current portion	<u>\$ 102,958</u>

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Notes to Financial Statements
December 31, 2020 and 2019**

5. 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.

6. SUBSEQUENT EVENT – COVID-19 PANDEMIC

The spread of COVID-19 has continued to severely impact many local economies around the world since December 31, 2020. Businesses have been forced to cease or limit operations for extended periods of time. Measures taken to limit the spread of the virus, including quarantines, social distancing and closures of non-essential services have resulted in significant disruptions to businesses and created economic uncertainty and volatility.

Although there has been government intervention to stabilize the economic conditions, the effectiveness of these responses and the duration and final future impact of the pandemic remains unclear. It is therefore not possible to reliably estimate the overall future impact on the financial operations of GLDC for future periods.

GLDC has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020 have not been adjusted to reflect future financial impacts of the COVID-19 pandemic.

7. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 6, 2021, 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, 2020, 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 May 6, 2021.

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

May 6, 2021

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

**Auditor Communications
December 31, 2020**



BRYANS & GRAMUGLIA
CPAs, LLC



BRYANS & GRAMUGLIA
CPAs, LLC

May 6, 2021

To the Board of Directors of
The Town of Glenville Local Development
Corporation, Schenectady County, New York
c/o Town of Glenville
18 Glenridge Road
Glenville, New York 12302

We have audited the financial statements of The Town of Glenville Local Development Corporation, Schenectady County, New York (the Organization) for the year ended December 31, 2020, and have issued our report thereon dated May 6, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 8, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Town of Glenville Local Development Corporation, Schenectady County, New York are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimate affecting the financial statements was management's estimate of the allowance for uncollectible loans receivable.

Management's estimate of the allowance for uncollectible loans receivable 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.

We evaluated the key factors and assumptions used to develop this estimate and determined that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Auditor Communications
December 31, 2020**

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. A listing of the adjustments made has been provided to the Board of Directors.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 6, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**The Town of Glenville Local Development
Corporation, Schenectady County, New York
Auditor Communications
December 31, 2020**

This information is intended solely for the use of the Board of Directors and management of The Town of Glenville Local Development Corporation, Schenectady County, New York and is not intended to be, and should not be, used by anyone other than these specified parties.

If any board member has questions related to the conduct of our audit or the results thereof, please do not hesitate to call us directly.

Very truly yours,

Bryans & Gramuglia CPAs, LLC

Albany, New York