

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

**Financial Statements  
Year Ended December 31, 2022**



**BRYANS & GRAMUGLIA**  
CPAs, LLC

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
December 31, 2022**

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## **Independent Auditors' Report**

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

### ***Opinion***

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements 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, 2022 and 2021, 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.

### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Town of Glenville Local Development Corporation, Schenectady County, New York and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Town of Glenville Local Development Corporation, Schenectady County, New York's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Glenville Local Development Corporation, Schenectady County, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Town of Glenville Local Development Corporation, Schenectady County, New York's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023, 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

October 30, 2023

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statements of Financial Position  
December 31, 2022 and 2021**



<b>ASSETS</b>	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 78,058	\$ 228,252
Investments	200,585	-
Current installments of accounts/loans receivable, net of allowance	46,005	71,788
Prepaid expense	1,228	1,109
<b>Total Current Assets</b>	<b>325,876</b>	<b>301,149</b>
<b>Other Assets</b>		
Accounts/loans receivable, net of current installments and allowance	100,746	120,896
<b>TOTAL ASSETS</b>	<b>\$ 426,622</b>	<b>\$ 422,045</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 960	\$ -
Refundable advance	-	-
<b>Total Current Liabilities</b>	960	-
<b>Net Assets</b>		
Without donor restrictions	425,662	422,045
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 426,622</b>	<b>\$ 422,045</b>

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statements of Activities  
For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Operating Revenues</b>		
Grant income	\$ -	\$ -
Loan interest income	14,858	6,061
Other interest income	675	53
Other income	8,867	2,500
Total Operating Revenues	<u>24,400</u>	<u>8,614</u>
<b>Operating Expenses</b>		
Program services	10,886	5,000
Fundraising	-	-
Management and general	9,897	13,066
Total Operating Expenses	<u>20,783</u>	<u>18,066</u>
<b>Change in Net Assets</b>	3,617	(9,452)
Net Assets, Beginning of Year	<u>422,045</u>	<u>431,497</u>
<b>Net Assets, End of Year</b>	<u>\$ 425,662</u>	<u>\$ 422,045</u>

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statement of Functional Expenses  
For the Year Ended December 31, 2022**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>2022 Total</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Professional fees	\$ 9,595	\$ 5,137	\$ -	\$ 14,732
Bank charges	-	12	-	12
Insurance	-	2,920	-	2,920
Office expenses	-	1,388	-	1,388
Dues and subscriptions	-	440	-	440
Bad debt expense	1,291	-	-	1,291
<b>Total Functional Expenses</b>	<u>\$ 10,886</u>	<u>\$ 9,897</u>	<u>\$ -</u>	<u>\$ 20,783</u>



**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statement of Functional Expenses  
For the Year Ended December 31, 2021**

	<u>Supporting Services</u>			<u>2021 Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Professional fees	\$ -	\$ 9,595	\$ -	\$ 9,595
Bank charges	-	1	-	1
Insurance	-	2,800	-	2,800
Office expenses	-	125	-	125
Dues and subscriptions	-	545	-	545
Bad debt expense	5,000	-	-	5,000
<b>Total Functional Expenses</b>	<u>\$ 5,000</u>	<u>\$ 13,066</u>	<u>\$ -</u>	<u>\$ 18,066</u>

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 3,617	\$ (9,452)
Adjustments to reconcile change in net assets to to net cash provided (used) by operating activities		
Bad debt expense	1,291	5,000
(Increase) decrease in assets:		
Prepaid expense	(119)	-
Increase (decrease) in liabilities:		
Accounts payable	960	(2,641)
Net Cash Provided (Used) by Operating Activities	<u>5,749</u>	<u>(7,093)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(200,585)	-
Proceeds from the sale of investments	-	-
Issuance of loans receivable	-	-
Proceeds from loans receivable	44,642	102,635
Net Cash Provided (Used) by Investing Activities	<u>(155,943)</u>	<u>102,635</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(150,194)	95,542
Cash and Cash Equivalents, Beginning of Year	<u>228,252</u>	<u>132,710</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 78,058</u>	<u>\$ 228,252</u>

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2022 and 2021**

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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.

***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 \$10,000 and \$30,000 for the years ended December 31, 2022 and 2021, respectively. Bad debt expense for the years ended December 31, 2022 and 2021 was \$1,291 and \$5,000 respectively.

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2022 and 2021**

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**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***

The Organization's primary sources of revenue are from interest payments received on loans issued by the Organization through its loan program and are recognized when earned.

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.

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2022 and 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Donated Services***

The Organization receives a significant amount of donated services from unpaid volunteers who assist with services provided by the Organization. These services are not accounted for in the financial statements.

***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- for the years ended December 31, 2022 and 2021.

***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 2022 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 Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2022 and 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Income Taxes*

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 2019, 2020, and 2021 are subject to examination by tax authorities, generally three years after they were filed.

*Reclassifications*

Certain amounts in the December 31, 2021 financial statements have been reclassified to conform with the presentation of the December 31, 2022 financial statements.

**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>2022</u>	<u>2021</u>
Financial assets at year-end	\$ 324,648	\$ 300,040
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	\$ 324,648	\$ 300,040

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

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

Accounts receivable consists of payments in arrears related to select loans receivable.

Loans receivable consist of six loans to five local businesses with interest rates ranging from 3.75% to 6.5%. The outstanding balance related to these loans is \$156,751 as of December 31, 2022.

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2022 and 2021**

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

Expected repayments on the loans receivable at December 31, 2022 are as follows:

2023	\$	46,005
2024		47,966
2025		40,316
2026		22,464
Total		156,751
Less current portion		46,005
Less allowance for credit losses		10,000
Loans receivable, net of current portion	\$	100,746

**5. INVESTMENTS**

Investments are carried on the financial statements at fair value based on readily determinable market prices and consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Money market funds	\$ 29	\$ -
Certificate of deposits	200,556	-
Total	\$ 200,585	\$ -

Interest is accrued as earned for the years ended December 31, 2022 and 2021.

**6. FAIR VALUE MEASUREMENTS**

The fair value of assets measured on a recurring basis at December 31, 2022 and 2021 is as follows:

**Fair Value Measurements at the  
End of the Reporting Period Using:**

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b><u>December 31, 2022</u></b>			
Investments (Note 5)	\$ 200,556	\$ 200,556	\$ -
<b><u>December 31, 2021</u></b>			
Investments (Note 5)	\$ -	\$ -	\$ -

**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2022 and 2021**

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**6. FAIR VALUE MEASUREMENTS**

FASB ASC 820, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consisting of quoted prices in active markets for identical assets and liabilities have the highest priority, Level 2 consists of other observable inputs other than Level 1 prices, and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its financial instruments. When available, the Organization measures fair value using Level 1 and Level 2 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

All of the Organization's investments at December 31, 2022 and 2021, except for the money market funds (cost basis) of \$29 and \$-0-, respectively, are valued utilizing Level 1 inputs.

*Level 1 Fair Value Measurements*

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels for the years ended December 31, 2022 and 2021.

**7. CONCENTRATION OF CREDIT RISK**

*Credit Risk*

Financial instruments which potentially expose the Organization to concentration of credit risk consist primarily of loans receivable. Management considers the loans, net of allowances, to be fully collectible.

The Organization maintains its cash in a financial institution located in Glenville, New York. Accounts at this institution were insured during the years ended December 31, 2022 and 2021 by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, the Organization had bank deposits in excess of amounts insured by the FDIC.

*Service Investor Protection Corporation (SIPC)*

The Organization maintains its investments with a brokerage firm that is a member of the SIPC. Cash and securities held at a member brokerage firm are insured by the SIPC up to \$500,000 per customer, including a maximum of \$250,000 for cash.



**The Town of Glenville Local Development  
Corporation, Schenectady County, New York  
Notes to Financial Statements  
December 31, 2022 and 2021**

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**8. 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.

**9. EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through October 30, 2023, 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, 2022, 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 October 30, 2023.

**Report on 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) as a basis for designing 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 were not identified.

## **Report on 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 financial statements. 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

October 30, 2023