

**ECONOMIC DEVELOPMENT CORPORATION  
FINANCIAL REPORT  
DECEMBER 31, 2021**

# ECONOMIC DEVELOPMENT CORPORATION

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## **Independent Auditor's Report**

To the Board of Directors of  
Economic Development Corporation

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Economic Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, 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 Economic Development Corporation as of December 31, 2021 and 2020, 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 Economic Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Economic Development Corporation'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 auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but 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 a 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 Economic Development Corporation'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 Economic Development Corporation'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 March 16, 2022 on our consideration of the Economic Development Corporation'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 Economic Development Corporation'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 Economic Development Corporation's internal control over financial reporting and compliance.

*Marvin and Company, P.C.*

Queensbury, New York  
March 16, 2022

**ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

<b>ASSETS</b>		<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Current Assets</b>			
Cash and cash equivalents	\$	563,675	\$ 1,018,769
Accounts receivable, net		424,130	96,888
Prepaid expenses		12,882	7,070
Total Current Assets		<u>1,000,687</u>	<u>1,122,727</u>
<b>Property and Equipment</b>			
Land and land development		130,437	130,437
Furniture and equipment		52,996	59,482
Software and website design		59,909	59,909
Total		<u>243,342</u>	<u>249,828</u>
Less accumulated depreciation and amortization		<u>69,850</u>	<u>70,492</u>
Net Property and Equipment		<u>173,492</u>	<u>179,336</u>
<b>Other Assets</b>			
Security deposits		<u>1,807</u>	<u>1,807</u>
Total Other Assets		<u>1,807</u>	<u>1,807</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>1,175,986</u></u></b>	<b><u><u>1,303,870</u></u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable	\$	26,748	\$ 24,893
Accrued expenses		<u>8,816</u>	<u>1,630</u>
Total Current Liabilities		<u>35,564</u>	<u>26,523</u>
<b>Net Assets</b>			
Without donor restrictions:			
Undesignated		600,553	737,478
Board designated		<u>539,869</u>	<u>539,869</u>
Total Net Assets		<u>1,140,422</u>	<u>1,277,347</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u><u>1,175,986</u></u></b>	<b><u><u>1,303,870</u></u></b>

See accompanying notes to financial statements.

**ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Changes in net assets without donor restrictions:</b>		
<b>Revenues and gains</b>		
Contract services	\$ 484,000	\$ 504,000
Contributions - investors	56,000	10,000
In-kind contributions	4,266	4,680
Annual meeting and other events	(620)	7,655
Interest income	460	791
Other income	125	-
Total revenues and gains without donor restrictions	<u>544,231</u>	<u>527,126</u>
<b>Expenses</b>		
Economic Development	462,167	385,416
General and Administrative Expenses	<u>218,989</u>	<u>224,964</u>
Total Expenses	<u>681,156</u>	<u>610,380</u>
Decrease in net assets without donor restrictions	<u>(136,925)</u>	<u>(83,254)</u>
Net Assets, Beginning of Year	<u>1,277,347</u>	<u>1,360,601</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 1,140,422</u></u>	<u><u>\$ 1,277,347</u></u>

See accompanying notes to financial statements.

**ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Economic Development</b>	<b>General and Administrative</b>	<b>Total</b>
<b>Functional Expenses</b>			
Advertising, marketing and promotion	\$ 81,181	\$ -	\$ 81,181
Depreciation and amortization	6,060	4,761	10,821
Dues - subscriptions	8,305	6,525	14,830
Development projects / studies	22,609	-	22,609
EDC events	3,098	-	3,098
Equipment lease and maintenance	1,571	1,570	3,141
Small equipment	475	374	849
Insurance	-	6,188	6,188
IT and telephone	19,863	14,585	34,448
Office expenses	4,322	4,324	8,646
Professional services	14,380	40,451	54,831
Professional development	275	275	550
Real estate taxes and property maintenance	7,120	-	7,120
Rent	10,844	10,843	21,687
Salaries and wages	225,865	111,348	337,213
Pension expense	12,792	3,198	15,990
Employee benefits	20,802	8,541	29,343
Payroll taxes	22,030	5,507	27,537
Bad debt expense	575	-	575
Insurance loss	-	499	499
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 462,167</u>	<u>\$ 218,989</u>	<u>\$ 681,156</u>

See accompanying notes to financial statements.

**ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Economic Development</b>	<b>General and Administrative</b>	<b>Total</b>
<b>Functional Expenses</b>			
Advertising, marketing and promotion	\$ 33,589	\$ 15,200	\$ 48,789
Depreciation and amortization	3,838	3,838	7,676
Dues - subscriptions	3,502	3,502	7,004
Development projects / studies	56,288	-	56,288
EDC events	11,132	-	11,132
Equipment lease and maintenance	1,220	1,219	2,439
Small equipment	4,167	4,167	8,334
Insurance	-	6,094	6,094
IT and telephone	13,144	13,145	26,289
Office expenses	4,499	4,499	8,998
Professional services	2,023	26,592	28,615
Professional development	28,835	28,835	57,670
Real estate taxes and property maintenance	8,165	-	8,165
Rent	10,843	10,844	21,687
Salaries and wages	174,615	92,100	266,715
Pension expense	8,041	4,241	12,282
Employee benefits	8,598	4,535	13,133
Payroll taxes	11,667	6,153	17,820
Bad debt expense	1,250	-	1,250
	<u>385,416</u>	<u>224,964</u>	<u>610,380</u>
Total expenses	<u>\$ 385,416</u>	<u>\$ 224,964</u>	<u>\$ 610,380</u>

See accompanying notes to financial statements.



**ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets from operating activities	\$ (136,925)	\$ (83,254)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	10,821	7,676
Bad Debt	575	1,250
(Increase) decrease in assets:		
Accounts receivable	(327,817)	(46,190)
Prepaid expenses	(5,812)	(1,566)
Land held for sale	-	50,000
Increase (decrease) in liabilities:		
Accounts payable	1,855	12,474
Accrued expenses	7,186	(3,553)
Net Cash Used by Operating Activities	<u>(450,117)</u>	<u>(63,163)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	<u>(4,977)</u>	<u>-</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(455,094)	(63,163)
Cash and Cash Equivalents, Beginning of Year	<u>1,018,769</u>	<u>1,081,932</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 563,675</u></u>	<u><u>\$ 1,018,769</u></u>

See accompanying notes to financial statements.

**ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Activities***

The Economic Development Corporation (EDC) was incorporated under the Not-For-Profit Corporation Law in New York State in November 1992. In May 2006, the Organization's name was changed from Warren County Economic Development Corporation to Economic Development Corporation (EDC). EDC was formed to plan and promote, and if necessary, to coordinate and execute programs in the Warren County region of New York aimed at improving the quality of life of its residents by enhancing and diversifying the economy of the region by attracting new industry and/or by encouraging the development of, or retention of, such businesses within the Warren County region.

***The Regional Counties Economic Development Loan Fund***

During 2017, the Regional Counties Economic Development Loan Fund (the Fund) began operations under a collaborative agreement between EDC and Lake Champlain Lake George Regional Planning Board (LCLGRPB). The revolving loan fund of up to \$500,000 will provide loans ranging from \$15,000 to \$225,000 for small to mid-sized businesses within the geographic region which includes Warren, Washington, Franklin, Essex and Clinton Counties. EDC and LCLGRPB will each facilitate loans depending on the geographic area the potential borrower operates in as well as the nature of the loan.

Financial resources for the Fund will come from a grant of up to \$250,000 from Empire State Development (ESD). The grant from ESD requires matching funds of up to \$250,000, which will be provided by a group of four (4) participating banks (Banks), each providing loans representing 25% of the required match. The loans from the Banks will be issued to EDC. Financing provided by ESD grants will not have to be repaid. However, as payments are received, EDC will be required to re-loan repayments attributable to ESD grant to new borrowers. As payments are received from borrowers, EDC will be required to make semi-annual payments to the Banks of principal and interest at the WSJ rate per annum. NY Business Development Corporation (NYBDC) will be retained to provide certain administration and portfolio services which will include underwriting, application and loan payment processing. Applications will be reviewed and approved, or denied, by a Loan Review Committee consisting of representatives from EDC, LCLGRPB and the Banks.

EDC and LCLGRPB will be required to participate in a loan loss reserve fund in an amount sufficient to cover one year's principal and interest payments.

For the years ended December 31, 2021 and 2020, no loan applications have been received and there are no loans outstanding.

***Basis of Accounting***

EDC prepares its financial statements on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred.

**ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The financial statements of EDC are presented in accordance with ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of EDC and changes therein are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by the actions of EDC and/or the passage of time and net assets subject to donor-imposed stipulations that they be maintained permanently by EDC.

At December 31, 2021 and 2020, EDC had no net assets with donor restrictions.

***Revenue Recognition***

EDC recognizes in accordance with the Financial Accounting Standards Board issued ASU 2014-19, *Revenue from Contracts with Customers (Topic 606)*. This guidance provides a single comprehensive model for accounting for revenue from contracts with customers.

EDC's contract service revenue is generated from contracts with various municipalities. EDC's revenue contains performance obligations and revenue is recognized annually at a single point in time when the performance obligations are performed. EDC's management has analyzed the provisions of Topic 606 and have concluded that no changes in the timing of revenue recognition are necessary to conform with the new accounting standard.

EDC's performance obligation relating to the municipal service contracts relates to contracts all with durations of one year or less. As a result, the Company is not required to separately disclose aggregate amounts of unsatisfied (or partially satisfied) performance obligations as of the end of the year.

The most significant revenue derived from these service contracts is with Warren County through which EDC receives reimbursement of its operating expenses, not to exceed the contract amount. During the years ended December 31, 2021 and 2020, respectively, approximately 62% and 59% of EDC's contract services revenue were derived from the service contract with Warren County.

***Revenue and Support Without and With Donor Restrictions***

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions.

**ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

***Property and Equipment***

Property and equipment are recorded at cost. For financial statement purposes, depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets involved.

Estimated useful lives of related assets are as follows:

	<u><b>Years</b></u>
Furniture and equipment	3 - 6
Software and website design	4

Expenditures for major renewals and betterments that extend the useful lives of property and equipment at a cost of \$2,500 or greater with a minimum useful life of 12 months or more are capitalized. Expenditures for maintenance and repairs or purchases of equipment with a cost of \$2,500 less or with a useful life of less than 12 months are charged to the appropriate expense as incurred.

For the years ended December 31, 2021 and 2020, depreciation and amortization expense was \$10,821 and \$7,676, respectively.

***Land and Land Development Costs***

Land and land development costs represent land and improvements held by EDC to further its mission of developing industrial parks and other real estate to attract new business and industry to Warren County. Land and land development costs are stated at cost.

***Accounts Receivable and Allowance for Uncollectible Accounts***

Accounts receivable are recorded net of an allowance for uncollectable accounts. The allowance is estimated based on management's estimates. The determination of accounts receivable that will be charged off is made by management and is evaluated on a case-by-case basis. Accounts receivable net of the allowance for uncollectable accounts consisted of the following for the years ended December 31, 2021 and 2020:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Receivable from local governments	\$ 424,000	\$ 88,575
Other receivables	130	24,313
	<u>424,130</u>	<u>112,888</u>
Less: Allowance for uncollectable accounts	-	16,000
Total	<u>\$ 424,130</u>	<u>\$ 96,888</u>

For the years ended December 31, 2021 and 2020, bad debt expense was \$575 and \$1,250, respectively.

**ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**1. NATURE OF ACTIVITIES AND 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Income Taxes***

EDC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been provided for in these financial statements. In addition, EDC qualifies for the charitable contribution deduction under Section 170(B)(1)(a)(6) and has been classified as an organization that is not a private foundation under Section 509(a).

The tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize tax-exempt status. EDC believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on EDC's financial condition, results of operations or cash flows. Accordingly, EDC has not recorded any liabilities, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021.

***Advertising, Marketing and Promotion***

EDC expenses advertising, marketing and promotion costs as they are incurred. These costs for the years ended December 31, 2021 and 2020 were \$81,181 and \$48,789, respectively.

***Cash Equivalents***

For purposes of the statement of cash flows, EDC considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

***Future Accounting Standards***

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*, which was effective for fiscal years beginning after December 15, 2019. Subsequently, in November 2019 FASB issued ASU 2019-10 extending the effective date to fiscal years beginning after December 15, 2020 and in June 2020, the FASB issued ASU 2020-05, which extended the effective date to fiscal years beginning after December 15, 2021. EDC's management is currently evaluating the impact of this standard on their financial statements.

**2. CONCENTRATION OF CREDIT RISK**

EDC maintains its cash balances with several financial institutions. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC). At times during the year ended December 31, 2021, the account balances at these financial institutions exceeded the federally insured limits. The risk is managed by maintaining all deposits in high-quality financial institutions.

**ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**3. OPERATING LEASES**

EDC entered into a five-year lease for the use of office space for the amount of \$1,807 per month ending on September 30, 2021. Subsequently, EDC entered into a month to lease for the same office space. Payments made during 2021 and 2020 totaled \$21,687, respectively.

EDC has entered into non-cancellable operating leases for office equipment expiring at various times through 2023. Total equipment lease and related maintenance expense for these leases for the years ended December 31, 2021 and 2020 was \$3,141 and \$2,439 respectively.

The following is a schedule of future minimum rental payments under these leases for the years ending December 31:

2022	\$	3,245
2023		2,800
2024		2,760
2025		2,070

**4. RETIREMENT PLAN**

EDC has a retirement plan in the form of a simplified employee pension (SEP) plan, to which EDC is required to make annual contributions on behalf of eligible employees. For the years ended December 31, 2021 and 2020, EDC made a contribution for eligible employees in the amount of \$15,990 and \$12,282, respectively.

**5. CONTRIBUTED SERVICES**

EDC records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, (c) are provided by individuals possessing those skills, and (d) would typically need to be purchased if not provided by donation.

The following contributed services have been reflected in the financial statements:

	<u>2021</u>	<u>2020</u>
In-Kind Donation		
Janitorial services donated by a related party	\$ 3,816	\$ 4,680
Other	450	-
Total	<u>\$ 4,266</u>	<u>\$ 4,680</u>

**6. CONTINGENCIES**

EDC's contracts for services are subject to audit by the funding sources at their discretion. Such audits could result in claims against EDC for disallowed costs. EDC's management believes such claims, if any, which may arise, would be immaterial. As such, no provision for potential claims has been made in the financial statements.

**ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**7. OPTION AGREEMENT**

EDC had an option agreement with Warren County for the purchase of four identified separate lots located in Warren County at a price of \$1,600 per acre plus an option price of \$36 per acre. The option agreement expired on May 15, 2021, and was not renewed.

**8. FUNCTIONAL EXPENSES**

Directly identifiable expenditures are charged to EDC's program for economic development or general and administrative services which includes costs associated with compliance and reporting under New York State's Public Authorities Accountability Act. Expenses related to program support general and administrative including depreciation, dues, IT and telephone, equipment lease and maintenance, office expenses, rent, payroll and benefits are allocated based on roles and responsibilities of various staff members.

**9. BOARD DESIGNATED NET ASSETS**

EDC's Board of Directors designated certain net assets be set aside for specific purposes. At December 31, 2021 and 2020 these designated funds had balances as follows:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Operating Reserve	\$ 241,473	\$ 241,473
Property Carrying Costs	110,660	110,660
Queensbury Project Fund	137,433	137,433
Regional Loan Fund	50,303	50,303
Total Designated Cash and Cash Equivalents	<u>\$ 539,869</u>	<u>\$ 539,869</u>

The designated funds were established for the following purposes:

Operating Reserve was established to cover cash-flow shortfalls that may arise due to reliance on a majority of EDC's funding through local municipalities.

Property Carrying Costs was established to cover the carrying costs of real property.

Queensbury Project Fund was established to cover projects specific to the Town of Queensbury outside of the scope of the annual service contract.

Regional Loan Fund was established to cover EDC's portion of a loan loss reserve for the regional loan fund.

**10. AVAILABLE RESOURCES AND LIQUIDITY**

The EDC regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize its available funds. For purposes of analyzing resources available to meet general expenditures over the a 12-month period, EDC considers all expenditures related to its ongoing activities of economic development as well as the conduct of services undertaken to support those activities to be expenditures.

**ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**10. AVAILABLE RESOURCES AND LIQUIDITY**

In addition to financial assets available to meet general expenditures over the next 12 months, EDC operates with a budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of EDC's cash and shows positive cash generated by operations for the years ended December 31, 2021 and 2020.

EDC's governing board has designated funds for specific purposes. Those amounts are identified as board designated net assets in Note 9. In the event the need arises to utilize the board designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

At December 31, 2021 and 2020, the following tables show the total financial assets held by the EDC and the amount of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures.

Financial assets at years end:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Cash and cash equivalents	\$ 563,675	\$ 1,018,769
Accounts receivable, net	424,130	96,888
Total financial assets at year-end	<u>\$ 987,805</u>	<u>\$ 1,115,657</u>

Financial assets available to meet general expenditures over the next 12 months at the years ended:

	<u><b>2021</b></u>	<u><b>2020</b></u>
Cash and cash equivalents	\$ 563,675	\$ 1,018,769
Accounts receivable, net	424,130	96,888
Less: Amounts set aside for board designations	<u>(539,869)</u>	<u>(539,869)</u>
Total financial assets available at year-end	<u>\$ 447,936</u>	<u>\$ 575,788</u>

**11. UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a respiratory disease, to be a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date these financial statements were available to be issued.

**12. SUBSEQUENT EVENTS**

Management has evaluated events subsequent to the statement of financial position date of December 31, 2021 through March 16, 2022 which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require recording or disclosure.



**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**

Board of Directors  
Economic Development Corporation

We have audited, 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, the financial statements of the Economic Development Corporation (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, 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 16, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Economic Development Corporation'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 Economic Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Economic Development Corporation'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.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Economic Development Corporation'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marvin and Company, P.C.*

Queensbury, NY  
March 16, 2022