



BUSINESS
ADVISORS
AND CPAS

March 20, 2024

To the Board of Directors
Economic Development Corporation

We have audited the financial statements of Economic Development Corporation (EDC) as of and for the year ended December 31, 2023, and have issued our report thereon dated March 20, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 26, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of EDC solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence. Safeguards in place to eliminate or reduce threats to independence to an acceptable level include a skilled, knowledgeable and experienced Director of Finance and Compliance who reviews the draft financial statements prior to issuance and accepts responsibility for them.

Significant Risks Identified

Professional auditing standards require that we identify and assess risks and design and perform our audit procedures to assess those risks. The identification of a risk does not mean that it has occurred, but rather it has the potential to impact the financial statements. We have identified the following significant risks:

Management override and improper revenue recognition. These are considered risks due to their potential impact on EDC's financial statements.

Qualitative Aspects of the Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by EDC is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, EDC changed its method of accounting for credit losses by adopting FASB Accounting Standards Codification (ASC) 326, *Credit Losses*. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 management's current judgments.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they were reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting EDC's financial statements relate to revenue recognition in Note 1, and functional expenses in Note 8.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements accumulated by us.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

Revenue overstated - \$7,726
Deferred revenue overstated - \$30,000
Accounts receivable overstated - \$37,726

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Fund's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated March 20, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with Economic Development Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting EDC, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as EDC's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Economic Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Mengel, Metzger, Barr & Co. LLP

MENGEL, METZGER, BARR & CO. LLP

**ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL REPORT
DECEMBER 31, 2023**

ECONOMIC DEVELOPMENT CORPORATION

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BUSINESS
ADVISORS
AND CPAS

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 financial statements of Economic Development Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Economic Development Corporation as of December 31, 2023 and 2022, 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 (GAAS) 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 Economic Development Corporation 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 opinion.

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 GAAS 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 GAAS 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 20, 2024 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.

Mengel, Metzger, Baw & Co. LLP

Latham, New York
March 20, 2024

ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 374,241 | \$ 693,029 |
| Investments | 251,326 | - |
| Accounts receivable | 66,038 | 85,000 |
| Prepaid expenses | 32,710 | 10,811 |
| Total Current Assets | 724,315 | 788,840 |
| Property and Equipment | | |
| Land and land development | 130,437 | 130,437 |
| Furniture and equipment | 35,385 | 52,996 |
| Software and website design | 59,909 | 59,909 |
| Total | 225,731 | 243,342 |
| Less accumulated depreciation and amortization | 65,186 | 75,921 |
| Net Property and Equipment | 160,545 | 167,421 |
| Other Assets | | |
| Right of use assets - operating leases | 172,051 | 216,036 |
| Security deposits | 3,895 | 3,895 |
| Total Other Assets | 175,946 | 219,931 |
| TOTAL ASSETS | \$ 1,060,806 | \$ 1,176,192 |

LIABILITIES AND NET ASSETS

| | | |
|--|---------------------|---------------------|
| Current Liabilities | | |
| Accounts payable | \$ 4,250 | \$ 6,584 |
| Accrued expenses | 16,576 | 12,102 |
| Current portion of operating lease liability | 44,011 | 43,985 |
| Deferred membership dues | 4,000 | - |
| Refundable advances | 57,000 | 57,000 |
| Total Current Liabilities | 125,837 | 119,671 |
| Long-Term Liabilities | | |
| Long-term portion of operating lease liability | 128,040 | 172,051 |
| Total Long-Term Liabilities | 128,040 | 172,051 |
| Net Assets | | |
| Without donor restrictions: | | |
| Undesignated | 237,060 | 344,601 |
| Board designated | 569,869 | 539,869 |
| Total Net Assets | 806,929 | 884,470 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,060,806 | \$ 1,176,192 |

**ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Changes in Net Assets Without Donor Restrictions: | | |
| Revenues and gains | | |
| Government grants | \$ 524,000 | \$ 474,000 |
| Membership dues | 74,750 | 60,750 |
| Memberships non-cash | 10,943 | 10,384 |
| Annual meeting and other events | 13,718 | 11,425 |
| Interest income | 5,233 | 417 |
| Grants | 14,274 | 30,000 |
| Other income | 619 | 150 |
| Total revenues and gains without donor restrictions | 643,537 | 587,126 |
| Expenses | | |
| Economic Development | 512,815 | 589,910 |
| General and Administrative Expenses | 208,264 | 253,168 |
| Total Expenses | 721,078 | 843,078 |
| Decrease in net assets without donor restrictions | (77,541) | (255,952) |
| Net Assets, Beginning of Year | 884,470 | 1,140,422 |
| Net Assets, End of Year | \$ 806,929 | \$ 884,470 |

See accompanying notes to financial statements.

**ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Functional Expenses | <u>Economic Development</u> | <u>General and Administrative</u> | <u>Total</u> |
|--|--|--|---------------------|
| Advertising, marketing and promotion | \$ 46,867 | \$ - | \$ 46,867 |
| Depreciation and amortization | 3,438 | 3,438 | 6,876 |
| Dues - subscriptions | 14,161 | - | 14,161 |
| Development projects / studies | 16,307 | - | 16,307 |
| EDC events | 38,279 | - | 38,279 |
| Equipment lease and maintenance | 1,305 | 1,305 | 2,610 |
| Insurance | - | 7,330 | 7,330 |
| IT and telephone | 21,638 | 13,154 | 34,792 |
| Office expenses | 5,643 | 6,520 | 12,163 |
| Office furniture and equipment | 854 | 855 | 1,709 |
| Professional services | 6,275 | 17,170 | 23,445 |
| Professional development | 325 | - | 325 |
| Real estate taxes and property maintenance | 12,134 | - | 12,134 |
| Rent | 20,670 | 20,670 | 41,340 |
| Salaries and wages | 258,343 | 109,836 | 368,179 |
| Pension expense | 22,094 | 7,613 | 29,707 |
| Employee benefits | 24,033 | 8,340 | 32,373 |
| Payroll taxes | 18,460 | 10,044 | 28,504 |
| Utilities | 1,815 | 1,815 | 3,630 |
| Travel | 174 | 174 | 347 |
| | <u>512,815</u> | <u>208,264</u> | <u>721,078</u> |
| Total expenses | <u>\$ 512,815</u> | <u>\$ 208,264</u> | <u>\$ 721,078</u> |

See accompanying notes to financial statements.

**ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

| Functional Expenses | <u>Economic Development</u> | <u>General and Administrative</u> | <u>Total</u> |
|--|--|--|---------------------|
| Advertising, marketing and promotion | \$ 100,253 | \$ - | \$ 100,253 |
| Depreciation and amortization | 3,036 | 3,035 | 6,071 |
| Dues - subscriptions | 13,313 | - | 13,313 |
| Development projects / studies | 3,436 | - | 3,436 |
| EDC events | 12,690 | - | 12,690 |
| Equipment lease and maintenance | 1,662 | 1,662 | 3,324 |
| Insurance | - | 7,528 | 7,528 |
| IT and telephone | 24,247 | 19,222 | 43,469 |
| Office expenses | 3,401 | 3,400 | 6,801 |
| Office furniture and equipment | - | 4,692 | 4,692 |
| Professional services | 6,615 | 18,660 | 25,275 |
| Professional development | 695 | 695 | 1,390 |
| Real estate taxes and property maintenance | 6,824 | - | 6,824 |
| Rent | 22,578 | 22,578 | 45,156 |
| Salaries and wages | 299,179 | 147,357 | 446,536 |
| Pension expense | 23,492 | 5,873 | 29,365 |
| Employee benefits | 30,706 | 7,677 | 38,383 |
| Payroll taxes | 29,482 | 7,371 | 36,853 |
| Miscellaneous | 250 | - | 250 |
| Utilities | 1,084 | 1,084 | 2,168 |
| Moving expenses | 6,718 | 2,085 | 8,803 |
| Travel | 249 | 249 | 498 |
| | <u>589,910</u> | <u>253,168</u> | <u>843,078</u> |
| Total expenses | <u>\$ 589,910</u> | <u>\$ 253,168</u> | <u>\$ 843,078</u> |

See accompanying notes to financial statements.

ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets from operating activities | \$ (77,541) | \$ (255,952) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 6,876 | 6,071 |
| (Increase) decrease in assets: | | |
| Accounts receivable | 18,962 | 339,130 |
| Prepaid expenses | (21,899) | 2,071 |
| Security deposit | - | (2,088) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (2,334) | (20,164) |
| Accrued expenses | 4,474 | 3,286 |
| Deferred membership dues | 4,000 | - |
| Refundable advances | - | 57,000 |
| Net Cash Provided (Used) by Operating Activities | <u>(67,462)</u> | <u>129,354</u> |
| Cash Flows From Investing Activities | | |
| Purchase of investments | <u>(251,326)</u> | - |
| Net Cash Used by Operating Activities | <u>(251,326)</u> | <u>-</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (318,788) | 129,354 |
| Cash and Cash Equivalents, Beginning of Year | <u>693,029</u> | <u>563,675</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 374,241</u> | <u>\$ 693,029</u> |

**ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 (LCLGRP). 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 LCLGRP 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, LCLGRP and the Banks.

EDC and LCLGRP will be required to participate in a loan loss reserve fund in an amount sufficient to cover one year's principal and interest payments when there are outstanding loans.

For the years ended December 31, 2023 and 2022, 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, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standard

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by EDC that are subject to the guidance in FASB ASC 326 were accounts receivable. EDC adopted the standard effective January 1, 2023. There was no material impact to the financial statements as a result of implementation.

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, 2023 and 2022, EDC had no net assets with donor restrictions.

Revenue Recognition

Membership seeks to advance economic development opportunities. Membership dues are recognized over the term of the membership (calendar year). For all membership agreements, the performance obligation (term of membership) is for one year. Dues received in advance for the following year are reflected in deferred membership dues in the accompanying statement of financial position. Certain memberships are provided in exchange for goods and services and are measured at fair market value.

EDC's government grant revenue is generated from agreements with various municipalities. Governmental grants are considered non-exchange transactions and are reported as increases in net assets without donor restrictions as the associated barriers are overcome, which generally is furnishing economic and community services. EDC's performance obligation relating to the governmental grants relates to agreements all with durations of one year or less. As a result, EDC is not required to separately disclose aggregate amounts of unsatisfied (or partially satisfied) performance obligations as of the end of the year.

Payments received in advance of the grant conditions being met are considered to be a liability and are reported on the statement of financial position as refundable advances.

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The most significant revenue derived from these agreements is with Warren County through which EDC receives reimbursement of its operating expenses, not to exceed the agreement amount. During the years ended December 31, 2023 and 2022, respectively, approximately 67% and 63% of EDC's government grant revenue were derived from the agreement with Warren County, and approximately 22% and 24% were derived from the agreement with the Town of Queensbury.

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.

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>Years</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 or 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, 2023 and 2022, depreciation and amortization expense was \$6,876 and \$6,071, 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.

**ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Accounts Receivable and Allowance for Credit Losses

Historically, there is no accounts receivable for membership revenue. Receivables from local governments are accounted for under contribution guidance and therefore, management has determined that an allowance for credit losses is not necessary. Accounts receivable consisted of the following for the years ended December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|------------------|------------------|
| Receivables from local governments | \$ 65,788 | \$ 85,000 |
| Other receivables | 250 | - |
| | <u>\$ 66,038</u> | <u>\$ 85,000</u> |

For the years ended December 31, 2023 and 2022, there was no credit loss expense.

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, 2023.

Advertising, Marketing and Promotion

EDC expenses advertising, marketing and promotion costs as they are incurred. These costs for the years ended December 31, 2023 and 2022 were \$46,867 and \$100,253, 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.

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments consist of U.S. Treasury Notes and U.S. Treasury Bills, all investments are carried at fair value.

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, 2023, 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.

3. LEASES

EDC leases a copier and office space. Terms of the leases vary from five to six years. None of the leases provide renewal or termination options at the sole discretion of EDC. The incremental borrowing rate utilized to calculate lease liabilities is based on a practical expedient using the risk free rate at commencement date, as the leases do not provide an implicit borrowing rate. EDC's operating leases do not contain any material guarantees or restrictive covenants. EDC does not have any sublease activities. These leases are included in the right-of-use assets-operating leases and operating lease liability in the accompanying statements of financial position.

EDC incurred lease expense for operating leases with terms in excess of one year of \$44,112 and \$40,655 for the years ended December 31, 2023 and 2022, respectively, which is included in rent and equipment lease and maintenance on the statement of functional expenses. Total cash paid for the amounts included in the measurement of operating lease liabilities during the years ended was \$41,340 and \$37,895 for rent, and \$2,772 and \$2,760 for equipment, respectively.

At December 31, 2023, future payments under the lease liabilities were as follows:

| | <u>Operating</u> |
|--|-------------------|
| 2024 | \$ 44,100 |
| 2025 | 42,030 |
| 2026 | 41,340 |
| 2027 | 41,340 |
| 2028 | 3,445 |
| Thereafter | - |
| Less: present value discount | (204) |
| Total Present Value of Lease Liabilities | <u>\$ 172,051</u> |

The right-of-use assets obtained in exchange for new operating lease liabilities were \$-0- and \$244,155 for the years ended December 31, 2023 and 2022, respectively.

**ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

3. LEASES

Other information related to leases is as follows:

| | |
|---------------------------------------|------------|
| Weighted average remaining lease term | 4.03 years |
| Weighted average discount rate | 0.06% |

Short term leases, defined as leases with initial terms of 12 months or less, are not reflected in the accompanying statements of financial position. Lease expense for such short-term leases was \$-0- and \$529 for the years ended December 31, 2023 and 2022, respectively.

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, 2023 and 2022, EDC made a contribution for eligible employees in the amount of \$29,707 and \$29,365, respectively.

5. 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.

6. 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.

7. BOARD DESIGNATED NET ASSETS

EDC's Board of Directors designated certain net assets be set aside for specific purposes. At December 31, 2023 and 2022 these designated funds had balances as follows:

| | <u>2023</u> | <u>2022</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 |
| Broadband | 30,000 | - |
| | <u>\$ 569,869</u> | <u>\$ 539,869</u> |

7. BOARD DESIGNATED NET ASSETS

**ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 agreement.

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

Broadband was established to cover projects related to Broadband connectivity in Warren County.

8. 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 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.

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.

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, 2023 and 2022, the following reflects 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.

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Financial assets as of December 31 | \$ 691,605 | \$ 778,029 |
| Less: Amounts set aside for board designations | 569,869 | 539,869 |
| | \$ 121,736 | \$ 238,160 |

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

9. INVESTMENTS

Fair Value Measurement of Financial Instruments

Generally accepted accounting principles establishes a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs in valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used at December 31, 2023.

Investments in Certificates of Deposit, U.S. Treasury Notes, and U.S. Treasury Bills are valued based on factors such as maturity dates and interest rates.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the EDC believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instrument could result in a different fair value measurement at the reporting date.

There were no investments at December 31, 2022. Fair values of assets measured on a recurring basis at December 31, 2023 are as follows:

| <u>2023</u> | <u>Fair Value</u> | <u>Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|----------------------------|-------------------|--|--|--|
| U.S. Treasury Notes | \$ 62,262 | \$ - | \$ 62,262 | \$ - |
| U.S. Treasury Bills | 189,064 | - | 189,064 | - |
| Total Assets at Fair Value | <u>\$ 251,326</u> | <u>\$ -</u> | <u>\$ 251,326</u> | <u>\$ -</u> |

Investment earnings are reflected in the accompanying financial statements and consist of realized and unrealized gains and losses and interest income.

Disclosures relating to risk and type of investments as presented above are indicative of the activity and the positions held during the year.

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

9. INVESTMENTS

Fair Value Measurement of Financial Instruments

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the year ended December 31, 2023, there were no transfers in or out of levels 1, 2 or 3.

Risks and Uncertainties with Investments

The EDC invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amount reported in the statement of financial position.

10. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the statement of financial position date of December 31, 2023 through March 20, 2024 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.

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Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Governance Information (Authority-Related)

| Question | | Response | URL (if Applicable) |
|----------|---|----------|---------------------|
| 1. | Has the Authority prepared its annual report on operations and accomplishments for the reporting period as required by section 2800 of PAL? | Yes | www.edcwc.org |
| 2. | As required by section 2800(9) of PAL, did the Authority prepare an assessment of the effectiveness of its internal controls? | Yes | www.edcwc.org |
| 3. | Has the lead audit partner for the independent audit firm changed in the last five years in accordance with section 2802(4) of PAL? | Yes | N/A |
| 4. | Does the independent auditor provide non-audit services to the Authority? | No | N/A |
| 5. | Does the Authority have an organization chart? | Yes | www.edcwc.org |
| 6. | Are any Authority staff also employed by another government agency? | No | |
| 7. | Has the Authority posted their mission statement to their website? | Yes | www.edcwc.org |
| 8. | Has the Authority's mission statement been revised and adopted during the reporting period? | No | N/A |
| 9. | Attach the Authority's measurement report, as required by section 2824-a of PAL and provide the URL. | | www.edcwc.org |

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Governance Information (Board-Related)

| Question | Response | URL (If Applicable) |
|---|----------|---------------------|
| 1. Has the Board established a Governance Committee in accordance with Section 2824(7) of PAL? | Yes | N/A |
| 2. Has the Board established an Audit Committee in accordance with Section 2824(4) of PAL? | Yes | N/A |
| 3. Has the Board established a Finance Committee in accordance with Section 2824(8) of PAL? | Yes | N/A |
| 4. Provide a URL link where a list of Board committees can be found (including the name of the committee and the date established): | | www.edcwc.org |
| 5. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL? | Yes | N/A |
| 6. Provide a URL link to the minutes of the Board and committee meetings held during the covered fiscal year | | www.edcwc.org |
| 7. Has the Board adopted bylaws and made them available to Board members and staff? | Yes | www.edcwc.org |
| 8. Has the Board adopted a code of ethics for Board members and staff? | Yes | www.edcwc.org |
| 9. Does the Board review and monitor the Authority's implementation of financial and management controls? | Yes | N/A |
| 10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL? | Yes | N/A |
| 11. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL? | | |
| Salary and Compensation | Yes | N/A |
| Time and Attendance | Yes | N/A |
| Whistleblower Protection | Yes | N/A |
| Defense and Indemnification of Board Members | Yes | N/A |
| 12. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL? | Yes | N/A |
| 13. Are the Authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL? | Yes | N/A |
| 14. Was a performance evaluation of the board completed? | Yes | N/A |
| 15. Was compensation paid by the Authority made in accordance with employee or union contracts? | Yes | N/A |
| 16. Has the board adopted a conditional/additional compensation policy governing all employees? | No | |

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Board of Directors Listing

| | | | |
|---|--------------|--|-------|
| Name | Amado, Mitch | Nominated By | Local |
| Chair of the Board | Yes | Appointed By | Local |
| If yes, Chair Designated by | Local | Confirmed by Senate? | N/A |
| Term Start Date | 5/8/2015 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 04/01/2025 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|----------------------------|--|------------|
| Name | Collins, William | Nominated By | Ex-Officio |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 1/13/2014 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | Ex-Officio | Complied with Training Requirement of Section 2824? | Yes |
| Title | Mayor, City of Glens Falls | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | Yes | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | Yes |
| Designee Name | Judith Calogero | Ex-Officio | Yes |

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| | | | |
|---|---------------|--|-------|
| Name | Corney, Susan | Nominated By | Local |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 5/1/2022 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 05/01/2026 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|------------------------------------|--|-------|
| Name | Duffy, Dr. Kristine | Nominated By | Local |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 5/8/2015 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | Ex-Officio | Complied with Training Requirement of Section 2824? | Yes |
| Title | President, SUNY Adirondack College | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | No | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | Yes |

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| | | | |
|---|--------------------------|--|-------|
| Name | Fronhofer-Weber, Melanie | Nominated By | Local |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 11/21/2023 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 05/01/2026 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|---|--|------------|
| Name | Geraghty, Kevin | Nominated By | Ex-Officio |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 3/13/2014 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | Ex-Officio | Complied with Training Requirement of Section 2824? | Yes |
| Title | Chair, Warren County Board of Supervisors | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | Yes | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | Yes |
| Designee Name | Michael Wild | Ex-Officio | Yes |

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| | | | |
|---|-------------|--|-------|
| Name | Ladu, Laura | Nominated By | Local |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 5/1/2019 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 04/01/2027 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|------------------|--|-------|
| Name | McLarty, Michael | Nominated By | Local |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 7/19/2022 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 04/30/2025 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

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| | | | |
|---|-----------------|--|-------|
| Name | Muncil, Kathryn | Nominated By | Local |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 5/18/2021 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | 05/18/2025 | Complied with Training Requirement of Section 2824? | Yes |
| Title | | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | No |
| Designee Name | | Ex-Officio | |

| | | | |
|---|--------------------------------|--|------------|
| Name | Strough, John | Nominated By | Ex-Officio |
| Chair of the Board | No | Appointed By | Local |
| If yes, Chair Designated by | | Confirmed by Senate? | N/A |
| Term Start Date | 1/1/2014 | Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty? | Yes |
| Term Expiration Date | Ex-Officio | Complied with Training Requirement of Section 2824? | Yes |
| Title | Supervisor, Town of Queensbury | Does the Board Member/Designee also Hold an Elected or Appointed State Government Position? | No |
| Has the Board Member Appointed a Designee? | No | Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position? | Yes |
| Designee Name | | Ex-Officio | Yes |

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Staff Listing

| Name | Title | Group | Department/ Subsidiary | Union Name | Bargaining Unit | Full Time/ Part Time | Exempt | Base Annualized Salary | Actual salary paid to the Individual | Overtime paid by Authority | Performance Bonus | Extra Pay | Other Compensati on/Allowanc es/Adjustme nts | Total Compensati on paid by Authority | Individual also paid by another entity to perform the work of the Authority | If yes, Is the payment made by a State or local governme nt |
|-------------------------|--|--------------------------------|---------------------------|---------------|--------------------|-------------------------|--------|------------------------------|---|----------------------------------|----------------------|-----------|--|---|---|--|
| Dumouchel, Diane M | Director of Finance and Compliance | Managerial | | | | FT | Yes | \$72,100.00 | \$72,059.70 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$72,059.70 | No | |
| Hartle, Patricia | Economic Development Coordinator | Administrative and Clerical | | | | PT | No | \$0.00 | \$24,143.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$24,143.00 | No | |
| James, Siplon | President/CEO | Executive | | | | FT | Yes | \$138,586.50 | \$138,509.13 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$138,509.13 | No | |
| Oldenburg, Linda M | Economic Development Coordinator | Administrative and Clerical | | | | FT | No | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$3,249.00 | \$3,249.00 | No | |
| Potter, Amy L | Marketing/Com munication Director | Managerial | | | | FT | Yes | \$76,760.00 | \$32,431.60 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$32,431.60 | No | |
| Schrammel, Michael P | Intern | Administrative and Clerical | | | | PT | No | \$0.00 | \$216.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$216.00 | No | |
| Shaughnessy, Autumn | Intern | Administrative and Clerical | | | | PT | No | \$0.00 | \$1,328.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,328.00 | No | |
| Smith, Erica A | Office Assistant | Administrative and Clerical | | | | PT | No | \$0.00 | \$639.20 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$639.20 | No | |
| West, Haley | Intern | Administrative and Clerical | | | | PT | No | \$0.00 | \$264.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$264.00 | No | |
| Wheatley, John S | Intern | Administrative and Clerical | | | | PT | No | \$0.00 | \$6,570.40 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$6,570.40 | No | |
| Wheatley, John W | VP | Executive | | | | FT | Yes | \$91,676.00 | \$91,624.73 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$91,624.73 | No | |

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Benefit Information

| | |
|---|----|
| During the fiscal year, did the Authority continue to pay for any of the above mentioned benefits for former staff or individuals affiliated With the Authority after those individuals left the Authority? | No |
|---|----|

Board Members

| Name | Title | Severance Package | Payment for Unused Leave | Club Memberships | Use of Corporate Credit Cards | Personal Loans | Auto | Transportation | Housing Allowance | Spousal / Dependent Life Insurance | Tuition Assistance | Multi-Year Employment | None of these Benefits | Other |
|--------------------------|--------------------|-------------------|--------------------------|------------------|-------------------------------|----------------|------|----------------|-------------------|------------------------------------|--------------------|-----------------------|------------------------|-------|
| Amado, Mitch | Board of Directors | | | | | | | | | | | | X | |
| Calogero, Judith | Board of Directors | | | | | | | | | | | | X | |
| Collins, William | Board of Directors | | | | | | | | | | | | X | |
| Corney, Susan | Board of Directors | | | | | | | | | | | | X | |
| Duffy, Dr. Kristine | Board of Directors | | | | | | | | | | | | X | |
| Fronhofer-Weber, Melanie | Board of Directors | | | | | | | | | | | | X | |
| Geraghty, Kevin | Board of Directors | | | | | | | | | | | | X | |
| Ladu, Laura | Board of Directors | | | | | | | | | | | | X | |
| McLarty, Michael | Board of Directors | | | | | | | | | | | | X | |
| Muncil, Kathryn | Board of Directors | | | | | | | | | | | | X | |
| Strough, John | Board of Directors | | | | | | | | | | | | X | |
| Wild, Michael | Board of Directors | | | | | | | | | | | | X | |

Staff

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| Name | Title | Severance Package | Payment for Unused Leave | Club Memberships | Use of Corporate Credit Cards | Personal Loans | Auto | Transportation | Housing Allowance | Spousal / Dependent Life Insurance | Tuition Assistance | Multi-Year Employment | None of these Benefits | Other |
|---------------|----------------|-------------------|--------------------------|------------------|-------------------------------|----------------|------|----------------|-------------------|------------------------------------|--------------------|-----------------------|------------------------|-------|
| James, Siplon | President/ CEO | | | | | | | | | | | | X | |

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Subsidiary/Component Unit Verification

| | |
|--|-----|
| Is the list of subsidiaries, as assembled by the Office of the State Comptroller, correct? | Yes |
| Are there other subsidiaries or component units of the Authority that are active, not included in the PARIS reports submitted by this Authority and not independently filing reports in PARIS? | No |

| Name of Subsidiary/Component Unit | Status |
|-----------------------------------|--------|
|-----------------------------------|--------|

Request Subsidiary/Component Unit Change

| Name of Subsidiary/Component Unit | Status | Requested Changes |
|-----------------------------------|--------|-------------------|
|-----------------------------------|--------|-------------------|

Request Add Subsidiaries/Component Units

| Name of Subsidiary/Component Unit | Establishment Date | Purpose of Subsidiary/Component Unit |
|-----------------------------------|--------------------|--------------------------------------|
|-----------------------------------|--------------------|--------------------------------------|

Request Delete Subsidiaries/Component Units

| Name of Subsidiary/Component Unit | Termination Date | Reason for Termination | Proof of Termination Document Name |
|-----------------------------------|------------------|------------------------|------------------------------------|
|-----------------------------------|------------------|------------------------|------------------------------------|

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Summary Financial Information
SUMMARY STATEMENT OF NET ASSETS

| | | | Amount |
|-------------------------------|---|--|-----------------------|
| Assets | | | |
| Current Assets | | | |
| | Cash and cash equivalents | | \$374,241.00 |
| | Investments | | \$251,326.00 |
| | Receivables, net | | \$66,038.00 |
| | Other assets | | \$32,710.00 |
| | Total current assets | | \$724,315.00 |
| Noncurrent Assets | | | |
| | Restricted cash and investments | | \$0.00 |
| | Long-term receivables, net | | \$0.00 |
| | Other assets | | \$175,946.00 |
| Capital Assets | | | |
| | | Land and other nondepreciable property | \$130,437.00 |
| | | Buildings and equipment | \$35,385.00 |
| | | Infrastructure | \$59,909.00 |
| | | Accumulated depreciation | \$65,186.00 |
| | | Net Capital Assets | \$160,545.00 |
| | Total noncurrent assets | | \$336,491.00 |
| Total assets | | | \$1,060,806.00 |
| Liabilities | | | |
| Current Liabilities | | | |
| | Accounts payable | | \$4,250.00 |
| | Pension contribution payable | | \$0.00 |
| | Other post-employment benefits | | \$0.00 |
| | Accrued liabilities | | \$16,576.00 |
| | Deferred revenues | | \$61,000.00 |
| | Bonds and notes payable | | \$0.00 |
| | Other long-term obligations due within one year | | \$44,011.00 |
| | Total current liabilities | | \$125,837.00 |
| Noncurrent Liabilities | | | |

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

| | | | |
|----------------------------|---|--|--------------|
| | Pension contribution payable | | \$0.00 |
| | Other post-employment benefits | | \$0.00 |
| | Bonds and notes payable | | \$0.00 |
| | Long term leases | | \$128,040.00 |
| | Other long-term obligations | | \$0.00 |
| | Total noncurrent liabilities | | \$128,040.00 |
| Total liabilities | | | \$253,877.00 |
| Net Asset (Deficit) | | | |
| Net Assets | | | |
| | Invested in capital assets, net of related debt | | \$0.00 |
| | Restricted | | \$569,869.00 |
| | Unrestricted | | \$237,060.00 |
| | Total net assets | | \$806,929.00 |

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

| | | | Amount |
|--------------------------------|---------------------------------|--|---------------|
| Operating Revenues | | | |
| | Charges for services | | \$524,000.00 |
| | Rental and financing income | | \$0.00 |
| | Other operating revenues | | \$99,411.00 |
| | Total operating revenue | | \$623,411.00 |
| Operating Expenses | | | |
| | Salaries and wages | | \$368,179.00 |
| | Other employee benefits | | \$62,080.00 |
| | Professional services contracts | | \$96,187.00 |
| | Supplies and materials | | \$13,872.00 |
| | Depreciation and amortization | | \$6,876.00 |
| | Other operating expenses | | \$173,884.00 |
| | Total operating expenses | | \$721,078.00 |
| Operating income (loss) | | | (\$97,667.00) |
| Nonoperating Revenues | | | |
| | Investment earnings | | \$5,233.00 |
| | State subsidies/grants | | \$14,274.00 |
| | Federal subsidies/grants | | \$0.00 |
| | Municipal subsidies/grants | | \$0.00 |
| | Public authority subsidies | | \$0.00 |

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

| | | | |
|---|---------------------------------------|--|---------------|
| | Other nonoperating revenues | | \$619.00 |
| | Total nonoperating revenue | | \$20,126.00 |
| Nonoperating Expenses | | | |
| | Interest and other financing charges | | \$0.00 |
| | Subsidies to other public authorities | | \$0.00 |
| | Grants and donations | | \$0.00 |
| | Other nonoperating expenses | | \$0.00 |
| | Total nonoperating expenses | | \$0.00 |
| | Income (loss) before contributions | | (\$77,541.00) |
| Capital contributions | | | \$0.00 |
| Change in net assets | | | (\$77,541.00) |
| Net assets (deficit) beginning of year | | | \$884,470.00 |
| Other net assets changes | | | \$0.00 |
| Net assets (deficit) at end of year | | | \$806,929.00 |

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Current Debt

| Question | | Response |
|----------|--|----------|
| 1. | Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period? | No |
| 2. | If yes, has the Authority issued any debt during the reporting period? | |

New Debt Issuances

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Schedule of Authority Debt

| Type of Debt | | | Statutory Authorization(\$) | Outstanding Start of Fiscal Year(\$) | New Debt Issuances(\$) | Debt Retired (\$) | Outstanding End of Fiscal Year(\$) |
|-------------------------------------|-------------------------------------|--|-----------------------------|--------------------------------------|------------------------|-------------------|------------------------------------|
| State Obligation | State Guaranteed | | | | | | |
| State Obligation | State Supported | | | | | | |
| State Obligation | State Contingent Obligation | | | | | | |
| State Obligation | State Moral Obligation | | | | | | |
| Other State-Funded | Other State-Funded | | | | | | |
| Authority Debt - General Obligation | Authority Debt - General Obligation | | | | | | |
| Authority Debt - Revenue | Authority Debt - Revenue | | | | | | |
| Authority Debt - Other | Authority Debt - Other | | | | | | |
| Conduit | | Conduit Debt | | | | | |
| Conduit | | Conduit Debt - Pilot Increment Financing | | | | | |
| TOTALS | | | | | | | |

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Real Property Acquisition/Disposal List

This Authority has indicated that it had no real property acquisitions or disposals during the reporting period.

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Personal Property

This Authority has indicated that it had no personal property disposals during the reporting period.

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Property Documents

| Question | | Response | URL (If Applicable) |
|----------|---|----------|--|
| 1. | In accordance with Section 2896(3) of PAL, the Authority is required to prepare a report at least annually of all real property of the Authority. Has this report been prepared? | Yes | www.edcwc.org |
| 2. | Has the Authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property? | Yes | www.edcwc.org |
| 3. | In accordance with Section 2896(1) of PAL, has the Authority named a contracting officer who shall be responsible for the Authority's compliance with and enforcement of such guidelines? | No | N/A |

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Grant Information

This Authority has indicated that it did not award any grants during the reporting period.

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Loan Information

This Authority has indicated that it did not have any outstanding loans during the reporting period.

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Bond Information

This Authority has indicated that it did not have any outstanding bonds during the reporting period.

Annual Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Additional Comments

Certified Financial Audit for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024
 Status: CERTIFIED
 Certified Date : 03/25/2024

Financial Documents

| Question | Response |
|--|----------|
| 1. Attach the independent audit of the Authority's financial statements. | N/A |

| URL (if Applicable) | Attachments |
|---------------------|---------------------|
| www.edcwc.org | Attachment Included |

| Question | Response |
|--|----------|
| 2. Has the Authority's independent auditor issued a management letter to the Authority in connection with its audit of the Authority's financial statements? | Yes |

| URL (if Applicable) | Attachments |
|---------------------|---------------------|
| www.edcwc.org | Attachment Included |

| Question | Response |
|--|----------|
| 3. Has the Authority's independent auditor issued a Report on Internal Controls Over Financial Reporting to the Authority? | Yes |

| URL (if Applicable) | Attachments |
|---------------------|---------------------|
| www.edcwc.org | Attachment Included |

| Question | Response |
|--|----------|
| 4. Attach any other communication required or allowed by government auditing standards issued by the Comptroller General of the United States to be issued by the Authority's independent auditor in connection with its annual audit of the Authority's financial statements. | |

| URL (if Applicable) | Attachments |
|---------------------|-------------|
| | |

Additional Comments

**ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL REPORT
DECEMBER 31, 2023**

ECONOMIC DEVELOPMENT CORPORATION

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BUSINESS
ADVISORS
AND CPAS

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 financial statements of Economic Development Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Economic Development Corporation as of December 31, 2023 and 2022, 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 (GAAS) 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 Economic Development Corporation 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 opinion.

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 GAAS 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 GAAS 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 20, 2024 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.

Mengel, Metzger, Baw & Co. LLP

Latham, New York
March 20, 2024

ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

| | <u>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Current Assets | | |
| Cash and cash equivalents | \$ 374,241 | \$ 693,029 |
| Investments | 251,326 | - |
| Accounts receivable | 66,038 | 85,000 |
| Prepaid expenses | 32,710 | 10,811 |
| Total Current Assets | 724,315 | 788,840 |
| Property and Equipment | | |
| Land and land development | 130,437 | 130,437 |
| Furniture and equipment | 35,385 | 52,996 |
| Software and website design | 59,909 | 59,909 |
| Total | 225,731 | 243,342 |
| Less accumulated depreciation and amortization | 65,186 | 75,921 |
| Net Property and Equipment | 160,545 | 167,421 |
| Other Assets | | |
| Right of use assets - operating leases | 172,051 | 216,036 |
| Security deposits | 3,895 | 3,895 |
| Total Other Assets | 175,946 | 219,931 |
| TOTAL ASSETS | \$ 1,060,806 | \$ 1,176,192 |

LIABILITIES AND NET ASSETS

| | | |
|--|---------------------|---------------------|
| Current Liabilities | | |
| Accounts payable | \$ 4,250 | \$ 6,584 |
| Accrued expenses | 16,576 | 12,102 |
| Current portion of operating lease liability | 44,011 | 43,985 |
| Deferred membership dues | 4,000 | - |
| Refundable advances | 57,000 | 57,000 |
| Total Current Liabilities | 125,837 | 119,671 |
| Long-Term Liabilities | | |
| Long-term portion of operating lease liability | 128,040 | 172,051 |
| Total Long-Term Liabilities | 128,040 | 172,051 |
| Net Assets | | |
| Without donor restrictions: | | |
| Undesignated | 237,060 | 344,601 |
| Board designated | 569,869 | 539,869 |
| Total Net Assets | 806,929 | 884,470 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,060,806 | \$ 1,176,192 |

ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Changes in Net Assets Without Donor Restrictions: | | |
| Revenues and gains | | |
| Government grants | \$ 524,000 | \$ 474,000 |
| Membership dues | 74,750 | 60,750 |
| Memberships non-cash | 10,943 | 10,384 |
| Annual meeting and other events | 13,718 | 11,425 |
| Interest income | 5,233 | 417 |
| Grants | 14,274 | 30,000 |
| Other income | 619 | 150 |
| Total revenues and gains without donor restrictions | 643,537 | 587,126 |
| Expenses | | |
| Economic Development | 512,815 | 589,910 |
| General and Administrative Expenses | 208,264 | 253,168 |
| Total Expenses | 721,078 | 843,078 |
| Decrease in net assets without donor restrictions | (77,541) | (255,952) |
| Net Assets, Beginning of Year | 884,470 | 1,140,422 |
| Net Assets, End of Year | \$ 806,929 | \$ 884,470 |

See accompanying notes to financial statements.

**ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Functional Expenses | <u>Economic Development</u> | <u>General and Administrative</u> | <u>Total</u> |
|--|--|--|---------------------|
| Advertising, marketing and promotion | \$ 46,867 | \$ - | \$ 46,867 |
| Depreciation and amortization | 3,438 | 3,438 | 6,876 |
| Dues - subscriptions | 14,161 | - | 14,161 |
| Development projects / studies | 16,307 | - | 16,307 |
| EDC events | 38,279 | - | 38,279 |
| Equipment lease and maintenance | 1,305 | 1,305 | 2,610 |
| Insurance | - | 7,330 | 7,330 |
| IT and telephone | 21,638 | 13,154 | 34,792 |
| Office expenses | 5,643 | 6,520 | 12,163 |
| Office furniture and equipment | 854 | 855 | 1,709 |
| Professional services | 6,275 | 17,170 | 23,445 |
| Professional development | 325 | - | 325 |
| Real estate taxes and property maintenance | 12,134 | - | 12,134 |
| Rent | 20,670 | 20,670 | 41,340 |
| Salaries and wages | 258,343 | 109,836 | 368,179 |
| Pension expense | 22,094 | 7,613 | 29,707 |
| Employee benefits | 24,033 | 8,340 | 32,373 |
| Payroll taxes | 18,460 | 10,044 | 28,504 |
| Utilities | 1,815 | 1,815 | 3,630 |
| Travel | 174 | 174 | 347 |
| | <u>512,815</u> | <u>208,264</u> | <u>721,078</u> |
| Total expenses | <u>\$ 512,815</u> | <u>\$ 208,264</u> | <u>\$ 721,078</u> |

See accompanying notes to financial statements.

**ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

| Functional Expenses | <u>Economic Development</u> | <u>General and Administrative</u> | <u>Total</u> |
|--|--|--|---------------------|
| Advertising, marketing and promotion | \$ 100,253 | \$ - | \$ 100,253 |
| Depreciation and amortization | 3,036 | 3,035 | 6,071 |
| Dues - subscriptions | 13,313 | - | 13,313 |
| Development projects / studies | 3,436 | - | 3,436 |
| EDC events | 12,690 | - | 12,690 |
| Equipment lease and maintenance | 1,662 | 1,662 | 3,324 |
| Insurance | - | 7,528 | 7,528 |
| IT and telephone | 24,247 | 19,222 | 43,469 |
| Office expenses | 3,401 | 3,400 | 6,801 |
| Office furniture and equipment | - | 4,692 | 4,692 |
| Professional services | 6,615 | 18,660 | 25,275 |
| Professional development | 695 | 695 | 1,390 |
| Real estate taxes and property maintenance | 6,824 | - | 6,824 |
| Rent | 22,578 | 22,578 | 45,156 |
| Salaries and wages | 299,179 | 147,357 | 446,536 |
| Pension expense | 23,492 | 5,873 | 29,365 |
| Employee benefits | 30,706 | 7,677 | 38,383 |
| Payroll taxes | 29,482 | 7,371 | 36,853 |
| Miscellaneous | 250 | - | 250 |
| Utilities | 1,084 | 1,084 | 2,168 |
| Moving expenses | 6,718 | 2,085 | 8,803 |
| Travel | 249 | 249 | 498 |
| | <u>589,910</u> | <u>253,168</u> | <u>843,078</u> |
| Total expenses | <u>\$ 589,910</u> | <u>\$ 253,168</u> | <u>\$ 843,078</u> |

See accompanying notes to financial statements.

ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|--|--------------------------|--------------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets from operating activities | \$ (77,541) | \$ (255,952) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation and amortization | 6,876 | 6,071 |
| (Increase) decrease in assets: | | |
| Accounts receivable | 18,962 | 339,130 |
| Prepaid expenses | (21,899) | 2,071 |
| Security deposit | - | (2,088) |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (2,334) | (20,164) |
| Accrued expenses | 4,474 | 3,286 |
| Deferred membership dues | 4,000 | - |
| Refundable advances | - | 57,000 |
| Net Cash Provided (Used) by Operating Activities | <u>(67,462)</u> | <u>129,354</u> |
| Cash Flows From Investing Activities | | |
| Purchase of investments | <u>(251,326)</u> | <u>-</u> |
| Net Cash Used by Operating Activities | <u>(251,326)</u> | <u>-</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (318,788) | 129,354 |
| Cash and Cash Equivalents, Beginning of Year | <u>693,029</u> | <u>563,675</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 374,241</u></u> | <u><u>\$ 693,029</u></u> |

See accompanying notes to financial statements.

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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 (LCLGRP). 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 LCLGRP 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, LCLGRP and the Banks.

EDC and LCLGRP will be required to participate in a loan loss reserve fund in an amount sufficient to cover one year's principal and interest payments when there are outstanding loans.

For the years ended December 31, 2023 and 2022, 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, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standard

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by EDC that are subject to the guidance in FASB ASC 326 were accounts receivable. EDC adopted the standard effective January 1, 2023. There was no material impact to the financial statements as a result of implementation.

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, 2023 and 2022, EDC had no net assets with donor restrictions.

Revenue Recognition

Membership seeks to advance economic development opportunities. Membership dues are recognized over the term of the membership (calendar year). For all membership agreements, the performance obligation (term of membership) is for one year. Dues received in advance for the following year are reflected in deferred membership dues in the accompanying statement of financial position. Certain memberships are provided in exchange for goods and services and are measured at fair market value.

EDC's government grant revenue is generated from agreements with various municipalities. Governmental grants are considered non-exchange transactions and are reported as increases in net assets without donor restrictions as the associated barriers are overcome, which generally is furnishing economic and community services. EDC's performance obligation relating to the governmental grants relates to agreements all with durations of one year or less. As a result, EDC is not required to separately disclose aggregate amounts of unsatisfied (or partially satisfied) performance obligations as of the end of the year.

Payments received in advance of the grant conditions being met are considered to be a liability and are reported on the statement of financial position as refundable advances.

**ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The most significant revenue derived from these agreements is with Warren County through which EDC receives reimbursement of its operating expenses, not to exceed the agreement amount. During the years ended December 31, 2023 and 2022, respectively, approximately 67% and 63% of EDC's government grant revenue were derived from the agreement with Warren County, and approximately 22% and 24% were derived from the agreement with the Town of Queensbury.

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.

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>Years</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 or 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, 2023 and 2022, depreciation and amortization expense was \$6,876 and \$6,071, 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.

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Accounts Receivable and Allowance for Credit Losses

Historically, there is no accounts receivable for membership revenue. Receivables from local governments are accounted for under contribution guidance and therefore, management has determined that an allowance for credit losses is not necessary. Accounts receivable consisted of the following for the years ended December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|-------------------------|-------------------------|
| Receivables from local governments | \$ 65,788 | \$ 85,000 |
| Other receivables | 250 | - |
| | <u><u>\$ 66,038</u></u> | <u><u>\$ 85,000</u></u> |

For the years ended December 31, 2023 and 2022, there was no credit loss expense.

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, 2023.

Advertising, Marketing and Promotion

EDC expenses advertising, marketing and promotion costs as they are incurred. These costs for the years ended December 31, 2023 and 2022 were \$46,867 and \$100,253, 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.

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments consist of U.S. Treasury Notes and U.S. Treasury Bills, all investments are carried at fair value.

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, 2023, 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.

3. LEASES

EDC leases a copier and office space. Terms of the leases vary from five to six years. None of the leases provide renewal or termination options at the sole discretion of EDC. The incremental borrowing rate utilized to calculate lease liabilities is based on a practical expedient using the risk free rate at commencement date, as the leases do not provide an implicit borrowing rate. EDC's operating leases do not contain any material guarantees or restrictive covenants. EDC does not have any sublease activities. These leases are included in the right-of-use assets-operating leases and operating lease liability in the accompanying statements of financial position.

EDC incurred lease expense for operating leases with terms in excess of one year of \$44,112 and \$40,655 for the years ended December 31, 2023 and 2022, respectively, which is included in rent and equipment lease and maintenance on the statement of functional expenses. Total cash paid for the amounts included in the measurement of operating lease liabilities during the years ended was \$41,340 and \$37,895 for rent, and \$2,772 and \$2,760 for equipment, respectively.

At December 31, 2023, future payments under the lease liabilities were as follows:

| | <u>Operating</u> |
|--|-------------------|
| 2024 | \$ 44,100 |
| 2025 | 42,030 |
| 2026 | 41,340 |
| 2027 | 41,340 |
| 2028 | 3,445 |
| Thereafter | - |
| Less: present value discount | (204) |
| Total Present Value of Lease Liabilities | <u>\$ 172,051</u> |

The right-of-use assets obtained in exchange for new operating lease liabilities were \$-0- and \$244,155 for the years ended December 31, 2023 and 2022, respectively.

**ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

3. LEASES

Other information related to leases is as follows:

| | |
|---------------------------------------|------------|
| Weighted average remaining lease term | 4.03 years |
| Weighted average discount rate | 0.06% |

Short term leases, defined as leases with initial terms of 12 months or less, are not reflected in the accompanying statements of financial position. Lease expense for such short-term leases was \$-0- and \$529 for the years ended December 31, 2023 and 2022, respectively.

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, 2023 and 2022, EDC made a contribution for eligible employees in the amount of \$29,707 and \$29,365, respectively.

5. 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.

6. 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.

7. BOARD DESIGNATED NET ASSETS

EDC's Board of Directors designated certain net assets be set aside for specific purposes. At December 31, 2023 and 2022 these designated funds had balances as follows:

| | <u>2023</u> | <u>2022</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 |
| Broadband | 30,000 | - |
| | <u>\$ 569,869</u> | <u>\$ 539,869</u> |

7. BOARD DESIGNATED NET ASSETS

**ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 agreement.

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

Broadband was established to cover projects related to Broadband connectivity in Warren County.

8. 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 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.

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.

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, 2023 and 2022, the following reflects 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.

| | <u>2023</u> | <u>2022</u> |
|--|--------------------|--------------------|
| Financial assets as of December 31 | \$ 691,605 | \$ 778,029 |
| Less: Amounts set aside for board designations | 569,869 | 539,869 |
| | \$ 121,736 | \$ 238,160 |

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

9. INVESTMENTS

Fair Value Measurement of Financial Instruments

Generally accepted accounting principles establishes a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs in valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used at December 31, 2023.

Investments in Certificates of Deposit, U.S. Treasury Notes, and U.S. Treasury Bills are valued based on factors such as maturity dates and interest rates.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the EDC believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instrument could result in a different fair value measurement at the reporting date.

There were no investments at December 31, 2022. Fair values of assets measured on a recurring basis at December 31, 2023 are as follows:

| <u>2023</u> | <u>Fair Value</u> | <u>Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|----------------------------|-------------------|--|--|--|
| U.S. Treasury Notes | \$ 62,262 | \$ - | \$ 62,262 | \$ - |
| U.S. Treasury Bills | 189,064 | - | 189,064 | - |
| Total Assets at Fair Value | <u>\$ 251,326</u> | <u>\$ -</u> | <u>\$ 251,326</u> | <u>\$ -</u> |

Investment earnings are reflected in the accompanying financial statements and consist of realized and unrealized gains and losses and interest income.

Disclosures relating to risk and type of investments as presented above are indicative of the activity and the positions held during the year.

ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

9. INVESTMENTS

Fair Value Measurement of Financial Instruments

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the year ended December 31, 2023, there were no transfers in or out of levels 1, 2 or 3.

Risks and Uncertainties with Investments

The EDC invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amount reported in the statement of financial position.

10. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the statement of financial position date of December 31, 2023 through March 20, 2024 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.



BUSINESS
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AND CPAS

**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 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 (*Government Auditing Standards*), the financial statements of the Economic Development Corporation (EDC) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise EDC's basic financial statements, and have issued our report thereon dated March 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered EDC's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EDC's internal control. Accordingly, we do not express an opinion on the effectiveness of EDC'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 EDC'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether EDC'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 EDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Barw & Co. LLP

Latham, NY
March 20, 2024

Procurement Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date : 03/25/2024

Procurement Information:

| Question | Response | URL (If Applicable) |
|--|----------|--|
| 1. Does the Authority have procurement guidelines? | Yes | www.edcwc.org |
| 2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board? | Yes | |
| 3. Does the Authority allow for exceptions to the procurement guidelines? | Yes | |
| 4. Does the Authority assign credit cards to employees for travel and/or business purchases? | No | |
| 5. Does the Authority require prospective bidders to sign a non-collusion agreement? | No | |
| 6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts? | Yes | |
| 7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"? | Yes | |
| 8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law? | No | |
| 8a. If Yes, was a record made of this impermissible contact? | | |
| 9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law? | Yes | |

Procurement Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date : 03/25/2024

Procurement Transactions Listing:

| | | | |
|--|--|--------------------------------|---------------------|
| 1. Vendor Name | Adirondack Technical Solutions | Address Line1 | 5457 State Route 40 |
| Type of Procurement | Technology - Consulting/Development or Support | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | ARGYLE |
| Award Date | 1/1/2013 | State | NY |
| End Date | | Postal Code | 12809 |
| Fair Market Value | \$19,840.00 | Plus 4 | |
| Amount | \$19,840.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$19,840.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | IT Service |

| | | | |
|--|--|--------------------------------|--|
| 2. Vendor Name | Atlas Integrated LLC | Address Line1 | 1860 Blake Street, Suite B101 |
| Type of Procurement | Technology - Consulting/Development or Support | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | DENVER |
| Award Date | 10/5/2018 | State | CO |
| End Date | | Postal Code | 80202 |
| Fair Market Value | \$8,485.00 | Plus 4 | |
| Amount | \$8,485.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$8,485.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Update of current website ,including improving data collection, connectivity with other social media platforms, compliance .with ADA requirements, service-maintenance |

Procurement Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date : 03/25/2024

| | | | |
|--|--|--------------------------------|--------------------------|
| 3. Vendor Name | Behan Communications Inc. | Address Line1 | 136 Glen Street |
| Type of Procurement | Other Professional Services | Address Line2 | Floor 2 |
| Award Process | Authority Contract - Non-Competitive Bid | City | GLENS FALLS |
| Award Date | 8/5/2020 | State | NY |
| End Date | | Postal Code | 12801 |
| Fair Market Value | \$35,104.00 | Plus 4 | |
| Amount | \$35,104.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$35,104.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Public Relation Services |

| | | | |
|--|--|--------------------------------|----------------------------|
| 4. Vendor Name | Harris Beach | Address Line1 | 431-433 Broadway Suite 304 |
| Type of Procurement | Legal Services | Address Line2 | |
| Award Process | Authority Contract - Non-Competitive Bid | City | SARATOGA SPRINGS |
| Award Date | 1/7/2019 | State | NY |
| End Date | | Postal Code | 12866 |
| Fair Market Value | \$9,372.00 | Plus 4 | |
| Amount | \$9,372.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$9,372.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | general legal services |

Procurement Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date: 03/28/2024

Status: CERTIFIED

Certified Date : 03/25/2024

| | | | |
|--|--------------------------------------|--------------------------------|--|
| 5. Vendor Name | MMB & Co. | Address Line1 | 111 Everts Avenue |
| Type of Procurement | Financial Services | Address Line2 | |
| Award Process | Authority Contract - Competitive Bid | City | QUEENSBURY |
| Award Date | 9/21/2021 | State | NY |
| End Date | 12/31/2024 | Postal Code | 12804 |
| Fair Market Value | | Plus 4 | |
| Amount | \$11,801.00 | Province/Region | |
| Amount Expended For Fiscal Year | \$11,801.00 | Country | United States |
| Explain why the Fair Market Value is Less than the Amount | | Procurement Description | Audit and state filing CHAR. Marvin & Company merged with MMB & Co. in January 2023 |

Additional Comments



Policy No. 9

ECONOMIC DEVELOPMENT CORPORATION

PROCUREMENT POLICY

A. Introduction

1. Scope – In accordance with the Public Authorities Accountability Act of 2005, as amended by Chapter 506 of the Laws of 2009 of the State of New York, the Economic Development Corporation (the “Corporation”) is required to adopt procurement policies that will apply to the procurement of goods and services not subject to the competitive bidding requirements the New York State General Municipal Law and paid for by the Corporation for its own use and account.

2. Purpose – The primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of a political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. Procurement Policy

Any purchase/contract for goods or services with an annualized expenditure in excess of fifteen thousand (\$15,000) must adhere to the following:

Definitions:

best value - the basis for awarding all service purchases/contracts to the offeror which optimizes quality, cost and efficiency, among responsive and responsible offerors. Such basis shall be, whenever possible, quantifiable.

responsible - Such requirements may include, but are not limited to, the offerors' qualifications, financial stability and integrity.

responsive - Applies to the extent to which the offer has complied with the specifications or requirements of the solicitation for goods or services.

1) For the purchase of goods, proposals must be requested from a minimum of three (3) offerors. The lowest responsible, responsive bidder shall be accepted unless it is otherwise in the best interest of the Corporation, as justified in writing by the Contracting Officer of the

Corporation. Such justification must be maintained in the procurement record. Contracting Officer is CEO of organization.

2) For purchases of services, proposals must be requested from a minimum of three (3) offerors. The best value bidder shall be accepted unless it is otherwise in the best interest of the Corporation, as justified in writing by the Contracting Officer of the Corporation. Such justification must be maintained in the procurement record.

3) The requirement for competitive bidding may be waived upon prior written approval of the Contracting Officer provided that prior to the acceptance of such goods or services, a written statement is prepared describing the justification for waiving competitive bidding and the reasonableness of the proposed expenditure.

Approved and adopted this 25th day of February 2014.

Revised and approved March 21, 2017.

Re-Affirmed March 20, 2024



BUSINESS
ADVISORS
AND CPAS

**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 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 (*Government Auditing Standards*), the financial statements of the Economic Development Corporation (EDC) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise EDC's basic financial statements, and have issued our report thereon dated March 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered EDC's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EDC's internal control. Accordingly, we do not express an opinion on the effectiveness of EDC'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 EDC'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether EDC'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 EDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Barw & Co. LLP

Latham, NY
March 20, 2024

Investment Report for Economic Development Corporation - Warren County

Fiscal Year Ending: 12/31/2023

Run Date : 03/28/2024

Status: CERTIFIED

Certified Date: 03/25/2024

Investment Information

| Question | Response | URL (If Applicable) |
|--|----------|--|
| 1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925 (6) of PAL? | Yes | www.edcwc.org |
| 2. Are the Authority's investment guidelines reviewed and approved annually? | Yes | |
| 3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL? | Yes | www.edcwc.org |
| 4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments? | Yes | www.edcwc.org |

Additional Comments



Policy No. 6

ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY

I. INVESTMENT AND DEPOSIT POLICY

A. Introduction

1. Scope – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.
2. Objectives – The primary objectives of the Economic Development Corporation's (the “Corporation”) investment activities are, in priority order:
 - a. to conform with all applicable federal, state and other legal requirements (legal);
 - b. to adequately safeguard principal (safety);
 - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
 - d. to obtain a reasonable rate of return (yield).
3. Prudence – All participants in the investment process and all participants responsible for depositing the Corporation’s funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Corporation to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Corporation’s funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation’s funds or which could impair their ability to make impartial investment decisions.

4. Diversification – It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.
5. Internal Controls
 - a. All moneys collected by an officer or employee of the Corporation shall be immediately deposited in such depositories and designated by the Corporation for the receipt of such funds.
 - b. The Corporation shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Corporation for investment and deposit purposes.
 - c. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly and are managed in compliance with applicable laws and regulations.

1. Designation of Depositories

In order to minimize risk and maximize benefit, EDC will utilize only federally insured local banking and savings institutions. Recommendations will be made by the Audit & Finance Committee as to those institutions to be designated based upon ratings commonly used for business purposes. The amount on deposit with any one institution may not in the usual course of business exceed the FDIC insured limit. The Committee may also recommend the purchase of collateral, when necessary, as well.

- B. Investment Policy

1. Permitted Investments

Pursuant to the Not-For-Profit Corporation Law (“N-PCL”), the Corporation is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts; *
- b. Certificates of deposit; *
- c. Obligations of the United States of America; **

- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America; **
- e. Obligations of the State of New York; *

*Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are collateralized in the same manner as set forth in paragraph (C) below for deposits of public funds.

**All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

2. Authorized Financial Institutions and Dealers

The Corporation shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Chief Executive Officer or Chairperson of the Board of Directors is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

3. Purchase of Investments

The Corporation may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to the N-PCL where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board of Directors.

- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the board of Directors.

All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company shall be held pursuant to a written custodial agreement as described in the N-PCL.

The custodial agreement shall provide those securities held by the bank or trust company, as agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

C. Deposit Policy

1. Collateralization of Deposits

When deposits of the Corporation, including certificates of deposit and special time deposits, are in excess of the amount insured under the provisions of the Federal Deposit Insurance Act the Audit & Finance Committee may make a recommendation to secure deposits through the purchase of collateral:

- a. By pledge of “eligible securities” with an aggregate “market value” as provided by the N-PCL, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least on nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the Board of Directors.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide those eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.

The custodial agreement shall provide those securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement

shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

Re-Affirmed March 20, 2024

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EXHIBIT A

SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an Agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by any Corporation of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of no longer than 60 days from the date they are pledged.
- (10) Zero Coupon obligations of the United States government marketed as "Treasury strips".



EDC Warren County 2023 Annual Investment Report

As required by Section 2925 (6) of the NYS Public Authorities Law, EDC Warren County has prepared the following Annual Investment Report:

EDC Warren County's Investment Policy was reviewed and re-adopted on March 20, 2023, with no amendments made. The Investment Policy can be viewed with the meeting materials on the Agendas & Minutes page at www.edcwc.org

- 1. A) Independent Audit Results can be viewed at www.edcwc.org
B) The Management Letter can be viewed at www.edcwc.org**

- 2. Record of Investment Income**

In 2023, EDC Warren County's investment income was \$1,220.75

- 3. List of Fees Paid for Investment Services**

In 2023, EDC Warren County's investment fees were \$262.45

- 4. Explanation of any Amendments to the Investment Policy**

In 2023, EDC Warren County had no investment policy amendments to report.

- 5. EDC Warren County's Summary of Investment Holdings Chart:**

EDC Warren County | SUMMARY OF INVESTMENT HOLDINGS through 12/31/2023

| Institution | Type of Investment | Balance as of 12/31/2023 | Principle Cost as of 12/31/2023 | Rate | Date of Maturity | Realized Gains for 2023 |
|-----------------------|-------------------------------|---------------------------------|--|--------------|-------------------------|--------------------------------|
| NBT Wealth Management | Money Market | \$3,340.02 | \$3,340.02 | 5.29% | n/a | \$1,220.75 |
| NBT Wealth Management | U.S. Treasury Bills | \$63,709.02 | \$62,303.60 | 5.43% | 02/01/2024 | n/a |
| NBT Wealth Management | U.S. Treasury Bills | \$62,763.26 | \$61,394.94 | 5.30% | 05/16/2024 | n/a |
| NBT Wealth Management | U.S. Treasury Bills | \$62,592.51 | \$62,340.81 | 5.27% | 06/06/2024 | n/a |
| NBT Wealth Management | U.S. Treasury Notes & Bonds | \$62,261.52 | \$61,578.93 | 3.04% | 07/31/2024 | n/a |
| | Total Assets | \$254,666.33 | \$250,958.30 | 4.77% | | \$1,220.75 |
| | <i>Estimated Annual Yield</i> | | | | | \$12,154.23 |
| | | | | | | |



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Economic Development Corporation

We have examined the Economic Development Corporation's (EDC) compliance with its investment guidelines and with the requirements of Section 2925 of the New York State Public Authorities Law during the year ended December 31, 2023. EDC's management is responsible for the EDC's compliance with the requirements of Section 2925 of the New York State Public Authorities Law. Our responsibility is to express an opinion on the EDC's compliance with those requirements for the year ended December 31, 2023 based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the EDC's investments are in accordance with the aforementioned requirements, in all material respects. An examination involves performing procedures to obtain evidence about the EDC's compliance with those requirements for the year ended December 31, 2023. The nature, timing, and extent of the of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Economic Development Corporation complied, in all material respects with the aforementioned requirements for the year ended December 31, 2023.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the EDC's compliance with its investment guidelines and with the requirements of Section 2925 of the New York State Public Authorities Law; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the subject matter. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the EDC complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over the EDC's compliance with those requirements or other matters; accordingly, we express no such opinions. Our examination disclosed no matters that are required to be reported under *Government Auditing Standards*.

Our examination is not intended to provide any assurance as to the income from investments, fees paid, or investments at the end of the year. This report is for the examination of the EDC's compliance with its investment guidelines and with the requirements of Section 2925 of the New York State Public Authorities Law for the year ended December 31, 2023 and is not suitable for any other purpose.

Mengel, Metzger, Barw & Co. LLP

Latham, NY
March 20, 2024