

GREENE COUNTY ECONOMIC
DEVELOPMENT CORPORATION

Financial Statements

December 31, 2023

(With Independent Auditors' Report Thereon)

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Greene County Economic Development Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Greene County Economic Development Corporation (the Corporation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greene County Economic Development Corporation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 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 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.

Report on Summarized Comparative Information

We have previously audited the Corporation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 9, 2024

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION
 Statement of Financial Position
 December 31, 2023
 with comparative totals for 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash - unrestricted	\$ 51,117	26,561
Cash - restricted	53,224	22,283
Loans receivable - current installments	<u>30,462</u>	<u>30,941</u>
Total current assets	134,803	79,785
Loans receivable, less current installments	<u>193,023</u>	<u>223,485</u>
Total assets	<u>\$ 327,826</u>	<u>303,270</u>
<u>Net Assets</u>		
Net assets:		
Without donor restrictions	51,117	26,561
With donor restrictions	<u>276,709</u>	<u>276,709</u>
Total net assets	<u>\$ 327,826</u>	<u>303,270</u>

See accompanying notes to financial statements.

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Statement of Activities

Year ended December 31, 2023
with comparative totals for 2022

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2023</u>	<u>2022</u>
Revenue - operating grants	\$ 33,394	-	33,394	10,000
Expenses:				
Program expenses:				
Legal and professional services	8,026	-	8,026	10,220
Advertising and marketing	1,100	-	1,100	-
Insurance	1,112	-	1,112	-
Travel	402	-	402	-
Dues	850	-	850	850
Office supplies	2,322	-	2,322	2,808
Miscellaneous expense	1,336	-	1,336	-
Total expenses	15,148	-	15,148	13,878
Change in net assets from operations	18,246	-	18,246	(3,878)
Nonoperating revenue - interest income	6,310	-	6,310	7,466
Change in net assets	24,556	-	24,556	3,588
Net assets at beginning of year	26,561	276,709	303,270	299,682
Net assets at end of year	\$ 51,117	276,709	327,826	303,270

See accompanying notes to financial statements.

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Statement of Cash Flows

Year ended December 31, 2023
with comparative totals for 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 24,556	3,588
Adjustments to reconcile change in net assets to net cash provided by operating activities - changes in:		
Loans issued	-	(25,000)
Loan payments received	<u>30,941</u>	<u>35,213</u>
Net cash provided by operating activities	55,497	13,801
Cash at beginning of year	<u>48,844</u>	<u>35,043</u>
Cash at end of year	<u><u>\$ 104,341</u></u>	<u><u>48,844</u></u>
Supplemental schedule of cash flow information - classification of cash:		
Cash - unrestricted	\$ 51,117	26,561
Cash - restricted	<u>53,224</u>	<u>22,283</u>
	<u><u>\$ 104,341</u></u>	<u><u>48,844</u></u>

See accompanying notes to financial statements.

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

The Greene County Economic Development Corporation (the Corporation) was incorporated in December 2018. The Corporation was organized and operates as a not-for-profit corporation under the provisions of Section 1411 of New York's Not-For-Profit Corporation Law.

The Corporation establishes programs to encourage the creation of employment opportunities primarily for low-income residents of Greene County and to provide entrepreneurial training to low-income residents of Greene County thereby encouraging the creation of businesses by low-income residents of Greene County.

The Corporation encourages the restoration, rehabilitation, and sustainable use of vacant and underused properties within Greene County and other remedial actions to eliminate physical, economic, and social deterioration within the County, and to provide education and training to members of the public to encourage the rehabilitation and preservation of properties with the County.

The Corporation acquires by purchase, grant, gift or otherwise, real property within Greene County (including property which is contaminated), to improve, maintain and manage such property (or contract for the improvement, maintenance and improvement of such property), to enter into contracts to sell, lease or otherwise dispose of such property, to mortgage such property and otherwise take steps to facilitate the redevelopment, preservation, use of reuse of vacant, underused or deteriorated properties within Greene County and to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto.

The Corporation applies for and makes grants and loans, and executes any documents necessary in connection therewith, and borrows money and makes, draws, accepts, endorses, executes and issues negotiable bonds, debentures, notes and other obligations therefore.

The Corporation enters into agreements and covenants and to comply with all the terms, conditions and provisions thereof, and otherwise to carry out its corporate purposes and to foster and encourage the location or expansion of facilities and related businesses within Greene County.

The Corporation undertakes such other activities as deemed advisable by the Corporation to advance its corporate purposes, but not for the pecuniary profit or financial gain of any member, director, officer or any private person.

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation

The Corporation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Corporation's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Corporation.

(c) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash and Equivalents

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

(e) Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash accounts in financial institutions. The Corporation maintains financial instruments at financial institutions which periodically may exceed federally insured limits. At December 31, 2023 and 2022, the Corporation did not have any amounts in excess of the federally insured limits.

Credit risk for loans receivable is concentrated as all the loans are to businesses located within the boundaries of the County. The Corporation performs ongoing credit evaluations of its receivable and substantially all loans require collateral.

(f) Receivables and Bad Debts

The Corporation's receivables are primarily derived from loan principle payments. At each statement of financial position date, the Corporation recognizes an expected allowance for credit losses. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

The allowance method is derived from a review of the Corporation's historical losses based on an aging of receivables. Historical losses have been consistent. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors. As a result, management has determined that the allowance for credit losses is adequate.

The Corporation writes off receivables when there is information that indicates that there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in income. There were no write-offs for the years ended December 31, 2023 and 2022.

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Grant Revenue

Revenue from restricted grants is recognized when the expenses are incurred under the terms of the grant. Amounts unspent are recorded in the statements of financial position as net assets with donor restrictions. Revenue from operating grants is generally recognized when a release from restriction occurs. These grants are subject to review and audit by various funding sources. Adjustments, if any, are recognized in the year they are known.

(h) Revenue Recognition

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised good or services are transferred to customers in an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for these goods or services. The Corporation utilizes a five-step framework as identified in ASU No. 2014-09. The primary source of revenue from contracts with customers is property sales. Those sales contain a single delivery element and revenue is recognized at a single point in the time when ownership, risks and rewards transfer. There are no related contract assets or liabilities.

(i) Allocation of Costs

The Corporation charges costs using the direct identification method where possible. However, certain costs have been allocated using various methods.

(j) Fair Value Measurements

A framework has been established for measuring fair value of loans receivable. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(j) Fair Value Measurements, Continued

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value 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 methods 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 Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(k) Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes is reflected in the financial statements. The Corporation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Corporation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Corporation has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Corporation are subject to examination by taxing authorities.

(l) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(m) New Accounting Policies

At the beginning of 2023, the Corporation adopted Accounting Standards Codification 326, Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Statements, as amended, which modifies the measurement of expected credit losses on certain financial instruments, including accounts receivable, and requires organizations to measure all expected credit losses for financial instruments based on historical experience, current conditions, and reasonable and supportive forecasts for collectability. The Corporation adopted this new standard utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Corporation's financial statements.

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Notes to Financial Statements, Continued

(2) Liquidity

The Corporation had financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$104,341 of cash. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2023 statement of financial position.

(3) Loans Receivable

The Corporation administers a revolving loan fund offering low interest loans to area businesses. The governing board approves loans after giving consideration to the major criteria, i.e., enhancement of the economic environment. A summary of the loans receivable at December 31, 2023 and 2022 is as follows:

	Interest rate	<u>2023</u>	<u>2022</u>
Subversive, LLC	3.625%	\$ 10,452	16,134
South Equine Facility	0.000%	3,000	3,000
Gallagher's Catching Rays	0.000%	-	913
Black Bear Lodge, LLC	0.000%	-	1,667
The Kaaterskill Network, Inc.	0.000%	-	1,667
Potter's Table Living	2.625%	13,325	18,246
7883 Hunter, LLC	2.625%	177,654	188,973
BMTA, LLC	2.625%	<u>19,054</u>	<u>23,826</u>
Total loans receivable		223,485	254,426
Less current installments		<u>(30,462)</u>	<u>(30,941)</u>
Loans receivable, less current installments		\$ <u>193,023</u>	<u>223,485</u>

The table that follows presents a summary of changes in the fair value of the Corporation's level 3 assets (loans receivable) for the years ended December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 254,426	264,639
Add loans issued	-	25,000
Less amounts repaid	<u>(30,941)</u>	<u>(35,213)</u>
Balance at end of year	\$ <u>223,485</u>	<u>254,426</u>

All loans are current on their payments

GREENE COUNTY ECONOMIC DEVELOPMENT CORPORATION
Notes to Financial Statements, Continued

(3) Loans Receivable, Continued

The aggregate maturity of the loans receivable for the five years following December 31, 2023 and thereafter is as follows:

2024	\$ 30,462
2025	26,705
2026	20,497
2027	16,533
2028	12,905
Thereafter	<u>116,383</u>
	\$ <u>223,485</u>

(4) Net Assets With Donor Restrictions

The Corporation entered into an agreement with Greene County to implement an economic development revolving loan fund under the County's Housing and Urban Development Community Development Block Grant Program. The County provides grants to the Corporation to fund such revolving loans. The funds are restricted for use in the revolving loan program. Any revenues derived from the program can be used for operations. Net assets with donor restrictions consists of loans receivable and cash that amounted to \$276,709 at December 31, 2023 and 2022.

(5) Commitments and Contingencies

The Corporation is subject to audits and reviews of reimbursable costs by its various governmental agencies and other funding sources. The outcome of these audits and reviews may have the effect of retroactively increasing or decreasing revenue. In the event that a subsequent audit or review determines that an adjustment is required, the amount will be recognized in the period in which it becomes fixed and determinable. Management does not expect that such adjustments, if any, will be significant.

The Corporation may take ownership of properties in distress and, as a result, the potential exists for the commitment of substantial additional costs to be incurred in order to sell the related properties.