TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY
FINANCIAL REPORT
DECEMBER 31, 2025

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Town of Bolton Local Development Corporation

Opinion

We have audited the consolidated financial statements of the Town of Bolton Local Development Corporation and its subsidiary, which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and net assets, functional expenses, and cash flows, for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Bolton Local Development Corporation and its subsidiary as of December 31, 2025 and 2024, and the respective changes in financial position, and where applicable, cash flows thereof 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 the Town of Bolton Local Development Corporation, and its subsidiary 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Bolton Local Development Corporation and its subsidiary's ability to continue as a going concern for twelve months beyond the consolidated financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bolton Local Development Corporation and its subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Bolton Local Development Corporation and its subsidiary'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 Consolidating Information

Our 2025 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 18 through 20 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the balance sheet, changes in net assets and cash flows of the individual entities, and it is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the balance sheet, changes in net assets and cash flows of the individual entities. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2026 on our consideration of the Town of Bolton Local Development Corporation and its subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bolton Local Development Corporation and its subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bolton Local Development Corporation and its subsidiary's internal control over financial reporting and compliance.

Mengel, Metzger, Barr & Co. LLP

Latham, New York
September 10, 2026

WE VALUE YOUR FUTURE

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	$ 215,341	$ 184,255
Accounts receivable	-	7,061
Prepaid expenses	25,493	22,755
Inventory	28,400	21,941
Total Current Assets	269,234	236,012
Property and Equipment	2,637,795	2,758,063
Other Assets		
Deferred tax asset	20,046	9,433
State franchise tax receivable	3,723	-
Application fee	5,300	5,300
Certificates of deposit	103,604	101,575
Intangible assets	34,835	68,592
Total Other Assets	167,508	184,900
TOTAL ASSETS	$ 3,074,537	$ 3,178,975
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued expenses	$ 5,826	$ -
Payroll liabilities	-	1,868
Deferred revenue	152,466	149,669
Income taxes	44,088	53,911
Current portion of long-term debt	17,332	197,493
Total Current Liabilities	219,712	402,941
Long-Term Liabilities		
Mortgage payable, long term, net of deferred financing costs	602,297	617,942
Note payable	2,000,000	2,000,000
Total Long-Term Liabilities	2,602,297	2,617,942
Total Liabilities	2,822,009	3,020,883
Net Assets (Deficit)		
Without donor restrictions:		
Undesignated	252,528	158,092
Total Net Assets	252,528	158,092
TOTAL LIABILITIES AND NET ASSETS	$ 3,074,537	$ 3,178,975

See accompanying notes to consolidated financial statements.

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
AND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Changes in Net Assets		
Revenues		
Dock space	$ 294,567	$ 280,625
Launches and retrievals	95,930	96,734
Parking	346,527	356,407
Gasoline sales	368,905	368,964
Store sales	54,414	55,561
State grants	-	35,000
Other sales	8,551	5,541
Total Revenue	1,168,894	1,198,832
Cost of Goods Sold	255,396	273,717
Gross Income	913,498	925,115
Expenses		
Management and general expenses	30,974	38,898
Norowal Marina expenses	701,778	633,023
Total Expenses	732,752	671,921
Total Operating Income	180,746	253,194
Other Income and (Expenses)		
Commissions	1,200	6,873
Interest income	47,348	760
Interest expense	(100,973)	(54,844)
Total Other Income and (Expenses)	(52,425)	(47,211)
Income Before Provision for Taxes	128,321	205,983
Provision for Taxes	33,885	62,782
Increase in Net Assets	94,436	143,201
Net Assets, Beginning of Year	158,092	14,891
Net Assets, End of Year	$ 252,528	$ 158,092

See accompanying notes to consolidated financial statements.

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Activities	Support Activities	
	Norowal Marina, Inc.	Management and General	Totals
Cost of Goods Sold			
Inventory, beginning	$ 21,941	$ -	$ 21,941
Purchases	261,855	-	261,855
Inventory, ending	(28,400)	-	(28,400)
Total Cost of Goods Sold	255,396	-	255,396
Operating Expenses			
Advertising	4,502	807	5,309
Bank charges and merchant fees	36,714	140	36,854
Credit losses	7,061	-	7,061
Contracted services	-	4,000	4,000
Contributions	17,500	-	17,500
Depreciation and amortization	157,025	972	157,997
Dues and subscriptions	836	-	836
Fees and registrations	95	-	95
Insurance	37,412	1,714	39,126
Miscellaneous expenses	3,758	-	3,758
Office expenses	12,607	588	13,195
Payroll	301,672	-	301,672
Payroll taxes and employee benefits	40,945	-	40,945
Postage	4,687	-	4,687
Professional fees	12,345	21,798	34,143
Real estate taxes	8,475	832	9,307
Repairs and maintenance	42,085	-	42,085
Telephone expense	3,029	-	3,029
Utilities	11,030	123	11,153
Total Operating Expenses	701,778	30,974	732,752
Total Expenses	$ 957,174	$ 30,974	$ 988,148

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Activities	Support Activities	
	Norowal Marina, Inc.	Management and General	Totals
Cost of Goods Sold			
Inventory, beginning	$ 26,240	$ -	$ 26,240
Purchases	269,418	-	269,418
Inventory, ending	(21,941)	-	(21,941)
Total Cost of Goods Sold	273,717	-	273,717
Operating Expenses			
Advertising	2,279	807	3,086
Bank charges and merchant fees	32,431	-	32,431
Contracted services	214	4,763	4,977
Contributions	12,156	-	12,156
Depreciation and amortization	129,806	81	129,887
Dues and subscriptions	811	-	811
Fees and registrations	20	-	20
Insurance	38,481	316	38,797
Miscellaneous expenses	1,966	-	1,966
Office expenses	12,398	3,423	15,821
Payroll	287,792	-	287,792
Payroll taxes and employee benefits	39,709	-	39,709
Postage	4,473	-	4,473
Professional fees	9,149	28,561	37,710
Real estate taxes	8,510	827	9,337
Repairs and maintenance	40,880	-	40,880
Telephone expense	2,799	-	2,799
Utilities	9,149	120	9,269
Total Operating Expenses	633,023	38,898	671,921
Total Expenses	$ 906,740	$ 38,898	$ 945,638

See accompanying notes to consolidated financial statements.

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets from operating activities	$ 94,436	$ 143,201
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	157,997	129,887
Credit losses	7,061	-
(Increase) decrease in		
Accounts receivable	-	(5,561)
Prepaid expenses	(2,738)	(6,496)
Inventory	(6,459)	4,298
Deferred tax asset	(10,613)	4,906
State franchise tax receivable	(3,723)	-
Increase (decrease) in		
Accrued expenses	5,826	(7,881)
Payroll liabilities	(1,868)	1,868
Deferred revenue	2,797	53,931
Income taxes	(9,823)	5,828
Net Cash Provided By Operating Activities	232,893	323,981
Cash Flows From Investing Activities		
Purchase of investments	(2,029)	(191)
Purchase of property and equipment	(2,919)	(250,778)
Net Cash Used by Investing Activities	(4,948)	(250,969)
Cash Flows From Financing Activities		
Proceeds of long-term debt	357	144,422
Payments on long-term debt	(197,216)	(183,936)
Net Cash Used by Financing Activities	(196,859)	(39,514)
Net Increase in Cash and Cash Equivalents	31,086	33,498
Cash and Cash Equivalents, Beginning of Year	184,255	150,757
Cash and Cash Equivalents, End of Year	$ 215,341	$ 184,255
Supplemental Information		
Cash paid for business income taxes	$ 25	$ 25
Cash paid for interest	$ 100,973	$ 54,844

See accompanying notes to consolidated financial statements.

1. ORGANIZATION

The Town of Bolton Local Development Corporation (BLDC) was incorporated in New York State on March 10, 2005, as a special not-for-profit corporation pursuant to Article 14 of New York State Not-For-Profit Corporation Law. The core purpose of creating the corporation was to create a local development organization that would promote tourist business activities within the Town of Bolton, which is a municipality principally comprised of family-owned motels, a destination resort hotel, tourist-oriented retail shops and camping, boating, fishing and "day-use activities" on Lake George.

Norowal Marina, Inc. (Marina) is a wholly-owned subsidiary of the Town of Bolton Local Development Corporation. The Marina provides public access to Lake George to residents and visitors of Bolton Landing, NY. The Marina is operated as a park and launch facility with seasonal mooring slips, winter storage and basic amenities such as showers, laundry, bathrooms and limited general store supplies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of BLDC is present to assist in understanding BLDC's financial statements. The consolidated financial statements and notes are representations of BLDC's management, which is responsible for their integrity and objectivity.

Basis of Accounting

The BLDC prepares its consolidated financial statements on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The consolidated financial statements include the accounts of the Town of Bolton Local Development Corporation and its majority-owned subsidiary, Norowal Marina, Inc. Intercompany balances and transactions have been eliminated.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of BLDC 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 BLDC and/or the passage of time and net assets subject to donor-imposed stipulations that they be maintained permanently by BLDC.

When a donor-imposed restriction expires, the net assets are reported in the consolidated statement of activities as net assets released from restrictions.

At December 31, 2025 and 2024, BLDC had no net assets with donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The BLDC recognizes revenue in accordance with Financial Accounting Standards Board ASU 2014-19 *Revenue from Contracts with Customers (Topic 606)*. This guidance provides a single comprehensive model to account for revenue from contracts with customers. The BLDC's primary source of income is derived from operations of the Marina located in Bolton Landing, New York. The Marina recognizes revenue when its single performance obligation is satisfied upon transfer of control of the promised product or service, a point in time, to customers in an amount that reflects the consideration the Marina expects to receive in exchange for those goods and services. Generally, the timing of the revenue recognition and the cash collections occur at the same point in time and do not result in creation of a customer accounts receivable. The revenues recognized are reported in the consolidated statement of operations as launches and retrievals, parking, gasoline sales, store sales and other sales.

In addition to the revenues derived during the day-to-day operations, the Marina has seasonal dock space rental based on a rental agreement with individuals. The revenue from the dock space rentals is short term in nature covering the annual period that the Marina is open for operations.

Deferred revenue consisted of dock rental fees paid in advance for the subsequent year, and amounted to $152,466, $149,669, and $95,738 at December 31, 2025, 2024, and 2022, respectively.

Support With and Without 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.

Use of Estimates

The preparation of consolidated 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 disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The BLDC files a consolidated Federal Corporation Tax Return with its wholly-owned subsidiary, Norowal Marina, Inc., and a separate New York State General Business Tax Return. BLDC pays federal income tax and New York State franchise tax based on its net income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

The provision for income taxes represents income taxes payable for the current year plus the change in deferred income taxes during the year. Deferred income taxes have been determined using the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. This method also allows for the recognition of deferred tax assets in the current period for the future benefit of net operating loss carryforwards and items for which expenses have been recognized for financial statement purposes, but which will be deductible in future periods for income tax purposes. A valuation allowance is provided for deferred tax assets if it is uncertain as to the future realization of these benefits. Currently, there is no valuation allowance provided for in these statements.

BLDC has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles. BLDC believes that income tax filings positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the BLDC's financial condition, results of operations, or cash flows. Accordingly, the BLDC has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2025 and 2024.

BLDC recognizes interest accrued related to income taxes in interest expense and penalties in operating expenses.

Cash and Cash Equivalents

Cash and cash equivalents include bank accounts as well as certificates of deposit purchased with a maturity of three months or less. At times during the year cash balances may exceed federally insured limits. BLDC does not believe they are exposed to significant credit risk as a result.

Accounts Receivable and Deferred Revenue

Accounts receivable represents the amounts due from customers. BLDC considers all accounts receivable as of December 31, 2025 and 2024 to be fully collectible, therefore no allowance for credit losses has been recorded. It is the BLDC’s policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. For the years ended December 31, 2025 and 2024, credit loss expense was $7,061 and $-0-, respectively.

Amounts received in advance for subsequent year dock space is recorded as deferred revenue as the performance obligations have not been met.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for major renewals and betterments that extend useful lives of equipment are capitalized. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations using the straight-line method over the following estimated useful lives:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

	Years
Furniture, fixtures and equipment	3-7
Buildings and improvements	10-39

For the years ended December 31, 2025 and 2024, depreciation expense was $123,268 and $96,336, respectively.

Maintenance and repairs are charged to operations when incurred.

Intangible Assets

The Marina has adopted *FASB Accounting Standards Update (ASU)* No. 2014-02 *Intangibles - Goodwill and Other (Topic 350) Accounting for Goodwill*, which allows the Marina to amortize its goodwill over a period of ten years or less if the Marina can demonstrate another useful life is more appropriate. The Marina has chosen to amortize its goodwill on a straight-line basis over ten years. By adopting the provisions of ASU No. 2014-02, management must test its goodwill for impairment when a triggering event has occurred that indicates that fair value of the intangible is less than its carrying amount. For the years ended December 31, 2025 and 2024, management does not believe that a triggering event had occurred, therefore, no impairment testing was required to be performed.

Presentation of Sales Tax

New York State and Warren County impose a sales tax on the Marina's merchandise sales. The Marina collects that sales tax from customers and remits the entire amount to the respective taxing authority. The BLDC's accounting policy is to exclude the tax collected and remitted from revenue and cost of sales.

Inventory

Inventory for BLDC consists of gasoline and store merchandise that is reported at the lower of cost or market. BLDC reports the usage of inventory at the lower of FIFO cost and net realizable value.

Advertising, Marketing and Promotion

BLDC expenses advertising, marketing and promotion costs as they are incurred. These costs for the years ended December 31, 2025 and 2024 were $5,309 and $3,086, respectively.

Future Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09, "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures.*" This ASU enhances the transparency and decision usefulness of income tax disclosures by requiring additional information about rate reconciliation and income taxes paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Future Accounting Pronouncements

The ASU is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted. Management is currently determining the impact this standard will have on its financial position, results of operations, and/or disclosures.

In July 2025, the FASB issued ASU 2025-05: *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU provides a practical expedient for estimating expected credit losses on current trade receivables and contract assets for non-public entities, an option to consider post-balance sheet collections. The ASU requires prospective application and is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted. Management is currently determining the impact this standard will have on its financial position, results of operations, and/or disclosures.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2025	2024
Land and improvements	$ 1,894,320	$ 1,894,320
Building and improvements	519,697	519,697
Furniture, equipment and fixtures	1,232,387	1,230,440
	3,646,404	3,644,457
Less Accumulated Depreciation	1,008,609	886,394
Property, Plant and Equipment, Net	$ 2,637,795	$ 2,758,063

4. INTANGIBLE ASSETS

Intangible assets, net, at December 31, 2025 consists of:

Asset	Town of Bolton Local Development Corporation	Norowal Marina, Inc.	Total
Goodwill	$ -	$ 334,702	$ 334,702
Option to purchase land	1,650	-	1,650
Total	1,650	334,702	336,352
Less Accumulated Amortization	-	301,517	301,517
Intangible Assets, Net	$ 1,650	$ 33,185	$ 34,835

4. INTANGIBLE ASSETS

Intangible assets, net, at December 31, 2024 consists of:

Asset	Town of Bolton Local Development Corporation	Norowal Marina, Inc.	Total
Goodwill	$ -	$ 334,702	$ 334,702
Option to purchase land	1,650	-	1,650
Total	1,650	334,702	336,352
Less Accumulated Amortization	-	267,760	267,760
Intangible Assets, Net	$ 1,650	$ 66,942	$ 68,592

Annual amortization of the goodwill will be $33,757 through December 31, 2026.

5. OPTION TO PURCHASE LAND

As part of a purchase transaction during 2017, BLDC obtained a purchase option with the sellers for the purchase of three identified separate properties located in the Town of Bolton, New York. If the sellers of the property decide to sell any or all of the properties, BLDC will have the first opportunity to purchase them at a price equal to the property's tax roll value. In addition, the seller is given the right to request a life tenancy in the property, which would further reduce the purchase price of the property. The option will expire 45 days after notification of the owner's intent to sell the properties. As of December 31, 2025, the BLDC has not received notice of an intent to sell the three parcels.

6. CERTIFICATES OF DEPOSIT

Certificates of deposit with an original maturity greater than 90 days and less than one year are classified as certificates of deposit on the consolidated statements of financial position. BLDC holds two certificates of deposit with six-month maturity dates.

7. LONG-TERM DEBT

	2025	2024
Mortgage note payable to Glens Falls National Bank and Trust Company, collateralized by property of Norowal Marina, Inc., payable in monthly installments of $17,308 inclusive of principal and interest. Interest rate is 4.25% and the mortgage matured in December 2025.	$ -	$ 197,493
Mortgage note payable to Glens Falls National Bank and Trust Company up to $750,000, collateralized by property of Norowal Marina, Inc., interest only payments during 12-month draw period. Payable in monthly installments for 20 years after completion of the draw period. Interest rate is 195 basis points over the five year FHLBNY Regular Fixed Advanced Rate, 6.92% at December 31, 2025. The note is subject to a financial covenant requiring a minimum debt service coverage ratio of 1.0:1.0. At December 31, 2024 and 2025 this covenant was met.	633,159	632,525
Note payable to the Town of Bolton, guaranteed by the Town of Bolton Local Development Corporation. Payment on this note for both principal and interest may be deferred, reduced, or forgiven by the Town of Bolton based upon expenses, realized net profit, and community benefit.*	2,000,000	2,000,000
Total	2,633,159	2,830,018
Less deferred financing costs, net of amortization	13,530	14,583
Less current portion	17,332	197,493
Long-Term Portion	$ 2,602,297	$ 2,617,942

* The Note referenced above originated in 2005 when the Town of Bolton, acting through the Bolton Local Development Corporation (LDC) partially funded the acquisition of Norowal Marina Inc. through the purchase of a Conservation Easement (CE) by the State of New York. The State of New York provided the Town of Bolton with a grant in the sum of Two Million Dollars ($2,000,000). The Town of Bolton paid those funds to the previous shareholders of Norowal Marina Inc. who had been holding a promissory note and mortgage on the real property owned by Norowal Marina Inc. As consideration for the funds, the Town of Bolton received an assignment of the existing note and mortgage, which was modified to state that the Town may request a payment if the LDC realizes a net profit at the end of the fiscal year. Alternatively, the Town may "…forgive, assign or otherwise dispose of all or any part of the indebtedness, "in kind" as may be appropriate…" at any time. The note and mortgage have not been discharged of record.

7. LONG-TERM DEBT

The aggregate maturities of notes payable for the next five years and thereafter are as follows:

2026	$ 17,332
2027	18,571
2028	19,897
2029	21,319
2030	22,842
Thereafter	2,533,198
	$ 2,633,159

8. INCOME TAXES

The BLDC's wholly owned subsidiary, Norowal Marina, Inc. (Marina), is a taxable entity and is, therefore, subject to federal and state income taxes. As noted in Note 2, BLDC files a consolidated corporate and separate state tax return. The provisions for income taxes consist of the following components:

	2025	2024
Current Tax Provision		
Federal	$ 33,296	$ 39,222
State	11,202	18,654
Total Current Tax Provision	44,498	57,876
Deferred Tax Provision (benefit)		
Federal	(7,973)	3,686
State	(2,640)	1,220
Provision for Income Tax	$ 33,885	$ 62,782

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of Marina's assets and liabilities. Differences are primarily attributable to depreciation of assets.

Deferred Tax Liability

The net deferred tax liabilities in the accompanying consolidated statements of financial position include the following components:

8. INCOME TAXES

	2025	2024
Current:		
Deferred tax liabilities	$ -	$ -
Deferred tax assets	-	-
Net Deferred Tax Assets - Current portion	-	-
Non-current:		
Deferred tax liabilities	-	-
Deferred tax assets	20,046	9,433
Net Deferred Tax Asset - Non-Current Portion	20,046	9,433
Total Net Deferred Tax Assets	$ 20,046	$ 9,433

9. FUNCTIONAL EXPENSES

All expenses for the Marina are directly identifiable and are considered to be BLDC's program expenditures. Management and general expenses are directly identifiable and are charged to BLDC's accounts. There are no accounts which require further allocation.

10. AVAILABLE RESOURCES AND LIQUIDITY

The BLDC 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 a 12-month period, BLDC considers all expenditures related to its ongoing program services as well as the services undertaken to support this activity to be general expenditures.

At December 31, the following table shows the financial assets held by the BLDC that could readily be made available within one year of the consolidated balance sheet date to meet general expenditures over the next 12 months:

	2025	2024
Cash and cash equivalents	$ 215,341	$ 184,255
Investments in Certificates of Deposit	103,604	101,575
Accounts receivable	-	7,061
Total Financial Assets at Year-End	$ 318,945	$ 292,891

11. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the consolidated balance sheet date of December 31, 2025 through September 10, 2026 which is the date the consolidated financial statements were available to be issued, and has determine that there are no subsequent events that require recording or disclosure.

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

ASSETS

	Town of Bolton, LDC	Norowal Marina Inc.	Eliminations	2025 Total	2024 Total
Current Assets					
Cash and cash equivalents	$ 78,808	$ 136,533	$ -	$ 215,341	$ 184,255
Accounts receivable	-	-	-	-	7,061
Prepaid expenses	-	25,493	-	25,493	22,755
Due from related party	633,159	-	(633,159)	-	-
Inventory	-	28,400	-	28,400	21,941
Total Current Assets	711,967	190,426	(633,159)	269,234	236,012
Property and Equipment	108,050	2,529,745	-	2,637,795	2,758,063
Other Assets					
Deferred tax asset	-	20,046	-	20,046	9,433
State franchise tax receivable	-	3,723	-	3,723	-
Application fees	-	5,300	-	5,300	5,300
Certificates of deposit	-	103,604	-	103,604	101,575
Investments	2,050,105	-	(2,050,105)	-	-
Intangible assets	1,650	33,185	-	34,835	68,592
Total Other Assets	2,051,755	165,858	(2,050,105)	167,508	184,900
TOTAL ASSETS	$ 2,871,772	$ 2,886,029	$ (2,683,264)	$ 3,074,537	$ 3,178,975

LIABILITIES AND NET ASSETS

	Town of Bolton, LDC	Norowal Marina Inc.	Eliminations	2025 Total	2024 Total
Current Liabilities					
Accrued expenses	$ -	$ 5,826	$ -	$ 5,826	$ -
Payroll liabilities	-	-	-	-	1,868
Deferred revenue	-	152,466	-	152,466	149,669
Due to related party	-	633,159	(633,159)	-	-
Income taxes	(385)	44,473	-	44,088	53,911
Current portion of long-term debt	17,332	-	-	17,332	197,493
Total Current Liabilities	16,947	835,924	(633,159)	219,712	402,941
Long-Term Liabilities					
Mortgage payable, long term, net of deferred financing costs	602,297	-	-	602,297	617,942
Note payable	2,000,000	-	-	2,000,000	2,000,000
Total Long-Term Liabilities	2,602,297	-	-	2,602,297	2,617,942
Total Liabilities	2,619,244	835,924	(633,159)	2,822,009	3,020,883
Net Assets (Net Deficit)					
Without donor restrictions:					
Undesignated					
Common stock	-	78,000	(78,000)	-	-
Additional paid-in-capital	-	3,949,055	(3,949,055)	-	-
Net Assets	252,528	(1,976,950)	1,976,950	252,528	158,092
Net Assets	252,528	2,050,105	(2,050,105)	252,528	158,092
TOTAL LIABILITIES AND NET ASSETS	$ 2,871,772	$ 2,886,029	$ (2,683,264)	$ 3,074,537	$ 3,178,975

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATING SCHEDULE OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

Changes in Net Assets Without Donor Restrictions	Town of Bolton, LDC	Norowal Marina Inc.	Eliminations	2025 Total	2024 Total
Revenues					
Dock space	$ -	$ 294,567	$ -	$ 294,567	$ 280,625
Launches and retrievals	-	95,930	-	95,930	96,734
Parking	-	346,527	-	346,527	356,407
Gasoline sales	-	368,905	-	368,905	368,964
Store sales	-	54,414	-	54,414	55,561
State Grants	-	-	-	-	35,000
Other sales	-	8,551	-	8,551	5,541
Total Revenue	-	1,168,894	-	1,168,894	1,198,832
Cost of Goods Sold	-	255,396	-	255,396	273,717
Gross Income	-	913,498	-	913,498	925,115
Expenses					
Management and general expenses	30,974	-	-	30,974	38,898
Operating expenses	-	701,778	-	701,778	633,023
Total Expenses	30,974	701,778	-	732,752	671,921
Total Operating Income	(30,974)	211,720	-	180,746	253,194
Other Income and (Expenses)					
Commissions	-	1,200	-	1,200	6,873
Equity in net income of Narowal Marina, Inc.	129,233	-	(129,233)	-	-
Interest income	45,319	2,029	-	47,348	760
Interest expense	(49,117)	(51,856)	-	(100,973)	(54,844)
Total Other Income and (Expenses)	125,435	(48,627)	(129,233)	(52,425)	(47,211)
Income Before Provision for Taxes	94,461	163,093	(129,233)	128,321	205,983
Provision for Taxes	25	33,860	-	33,885	62,782
Increase in Net Assets Without Donor Restrictions	94,436	129,233	(129,233)	94,436	143,201
Net Assets (Deficit), Beginning of Year	158,092	(1,880,943)	1,880,943	158,092	14,891
Dividends Paid	-	(225,240)	225,240	-	-
Net Assets, End of Year	$ 252,528	$ (1,976,950)	$ 1,976,950	$ 252,528	$ 158,092

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	Town of Bolton, LDC	Norowal Marina, Inc.	Eliminations	2025 Total	2024 Total
Cash Flows Provided (Used) By Operating Activities					
Change in net assets from operating activities	$ 94,436	$ 129,233	$ (129,233)	$ 94,436	$ 143,201
Adjustments to reconcile change in net deficit to net cash used by operating activities					
Depreciation and amortization	972	157,025	-	157,997	129,887
Equity in net profit of Norowal Marina, Inc.	(129,233)	-	129,233	-	-
Credit losses	-	7,061	-	7,061	-
(Increase) decrease in					
Accounts receivable	-	-	-	-	(5,561)
Prepaid expenses	-	(2,738)	-	(2,738)	(6,496)
Inventory	-	(6,459)	-	(6,459)	4,298
Due from related party	2,972	-	(2,972)	-	-
Deferred tax asset	-	(10,613)	-	(10,613)	4,906
State franchise tax receivable	-	(3,723)	-	(3,723)	-
Increase (decrease) in					
Accrued expenses	-	5,826	-	5,826	(7,881)
Payroll liabilities	-	(1,868)	-	(1,868)	1,868
Due to related party	-	(2,972)	2,972	-	-
Deferred revenue	-	2,797	-	2,797	53,931
Income taxes	25	(9,848)	-	(9,823)	5,828
Net Cash Provided (Used) By Operating Activities	(30,828)	263,721	-	232,893	323,981
Cash Flows From Investing Activities					
Purchase of investments	-	(2,029)	-	(2,029)	(191)
Dividends from subsidiary	225,240	(225,240)	-	-	-
Purchases of property and equipment	-	(2,919)	-	(2,919)	(250,778)
Net Cash Provided (Used) by Investing Activities	225,240	(230,188)	-	(4,948)	(250,969)
Cash Flows From Financing Activities					
Deferred financing costs	-	-	-	-	-
Proceeds of long-term debt	357	-	-	357	144,422
Payments on long-term debt	(197,216)	-	-	(197,216)	(183,936)
Net Cash Provided (Used) by Financing Activities	(196,859)	-	-	(196,859)	(39,514)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,447)	33,533	-	31,086	33,498
Cash and Cash Equivalents, Beginning of Year	81,255	103,000	-	184,255	150,757
Cash and Cash Equivalents, End of Year	$ 78,808	$ 136,533	$ -	$ 215,341	$ 184,255
Supplemental Information					
Cash paid for business income taxes	$ 25	$ -	$ -	$ 25	$ 25
Cash paid for interest	$ 100,973	$ -	$ -	$ 100,973	$ 54,844

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*

To the Board of Directors
Town of Bolton Local 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 consolidated financial statements of the Town of Bolton Local Development Corporation and subsidiary, which comprise the consolidated balance sheet as of December 31, 2025, and the related consolidated statements of operations and net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 10, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Town of Bolton Local Development Corporation and its subsidiary's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bolton Local Development Corporation and its subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bolton Local Development Corporation and its subsidiary's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses we did identify a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-001 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bolton Local Development Corporation and its subsidiary's consolidated 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 consolidated 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.*

Town of Bolton Local Development Corporation's Response to Findings

The Town of Bolton Local Development Corporation and subsidiary's response to the finding identified in our audit is described in the accompanying schedule of audit findings and responses. The Town of Bolton Local Development Corporation and its subsidiary's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bolton Local Development Corporation and its subsidiary's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bolton Local Development Corporation and its subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Barr & Co. LLP

Latham, NY
September 10, 2026

WE VALUE YOUR FUTURE

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
DECEMBER 31, 2025

2025-001 TIMELINESS OF BANK RECONCILIATIONS - REPEATED FROM 2024

Criteria

Best practices are that bank reconciliations be completed on a timely basis to ensure that all financial transactions processed by the financial institution have been recorded in the organization's accounting system.

Condition

Our auditing procedures disclosed that certain bank accounts had not been completely reconciled on a timely basis. Additionally, review of financial reports other than bank statements is not documented in board minutes.

Cause

Banking and accounting information had not been provided to the Town of Bolton Local Development Corporation's (BLDC) accountant on a regularly scheduled basis so that the bank reconciliations could be reviewed or completed on a timely basis.

Effect

The consolidated financial statements of the BLDC could be misstated for banking transactions not recorded in the BLDC's accounting system, or transactions recorded in the accounting system but have not been processed by the bank.

Recommendation

We recommend that banking and accounting information be provided to the BLDC's accountant on a regularly scheduled basis so that a review of the bank reconciliation completed by the BLDC is done on a timely basis. As part of the reconciliation process a comparison of the transactions reported on the bank statement to the BLDC's accounting system should be done to ensure that all transactions have been recorded. Additionally, we recommend that review of financial reports be documented in board minutes to evidence review.

Response

BLDC agrees with the recommendation, in 2026, the management of the Marina will be working BLDC's accountant to establish a schedule where the bank accounts are reconciled within 15 days after receipt of the monthly bank statements and other related information. The Marina's management will be report to the BLDC's Board about the completion of the monthly reconciliations.

TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2025

2024-001 TIMELINESS OF BANK RECONCILIATIONS

Current Status: Repeated in 2025 as finding 2025-001.