

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
FINANCIAL REPORT
DECEMBER 31, 2021**

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-3
CONSOLIDATED BALANCE SHEET	4
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT	5
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	6-7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9-16
CONSOLIDATING BALANCE SHEET	17-18
CONSOLIDATING STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT	19
CONSOLIDATING STATEMENT OF CASH FLOWS	20-21
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 <i>GOVERNMENT AUDITING STANDARDS</i>	22-23

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Town of Bolton Local Development Corporation (Organization), a public benefit corporation and subsidiary, which comprise the consolidated balance sheet as of December 31, 2021 and 2020, and the related consolidated statements of operations and accumulated deficit, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of Bolton Local Development Corporation as of December 31, 2021 and 2020, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Bolton Local Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Town of Bolton Local Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bolton Local 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 Town of Bolton Local 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.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 17 through 21 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the balance sheet, changes in accumulated deficit and cash flows of the individual entities, and it is not required part of the consolidated financial statements. Accordingly, we do not express an opinion on the balance sheet, changes in accumulated deficit and cash flows of the individual entities. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting 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 April 5, 2022 on our consideration of the Town of Bolton Local 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 Town of Bolton Local 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 Town of Bolton Local Development Corporation's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Queensbury, New York
April 5, 2022

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2021 AND 2020**

	ASSETS	
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 318,109	\$ 205,020
Accounts receivable	112,749	128,814
Prepaid income taxes	-	22,517
Prepaid expenses	4,609	5,069
Other receivables	15,048	-
Inventory	21,299	19,909
Total Current Assets	<u>471,814</u>	<u>381,329</u>
Property and Equipment	<u>2,025,193</u>	<u>2,042,344</u>
Other Assets		
Investments	101,081	100,929
Intangible assets	169,002	202,472
Total Other Assets	<u>270,083</u>	<u>303,401</u>
TOTAL ASSETS	<u>\$ 2,767,090</u>	<u>\$ 2,727,074</u>
LIABILITIES AND NET DEFICIT		
Current Liabilities		
Accrued Expenses	\$ 3,609	\$ 10,789
Payroll liabilities	1,340	1,154
Deferred revenue	209,353	208,215
Income taxes	42,199	13,555
Current portion of long-term debt	175,974	167,517
Total Current Liabilities	<u>432,475</u>	<u>401,230</u>
Long-Term Liabilities		
Mortgage payable, net of current portion	537,708	709,100
Note payable	2,000,000	2,000,000
Deferred taxes	1,773	7,465
Total Long-Term Liabilities	<u>2,539,481</u>	<u>2,716,565</u>
TOTAL LIABILITIES	<u>2,971,956</u>	<u>3,117,795</u>
Net Deficit		
Without donor restrictions:		
Undesignated	(204,866)	(390,721)
	<u>(204,866)</u>	<u>(390,721)</u>
TOTAL LIABILITIES AND NET DEFICIT	<u>\$ 2,767,090</u>	<u>\$ 2,727,074</u>

See accompanying notes to consolidated financial statements

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS
AND ACCUMULATED DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Changes in net assets without donor restrictions:		
Revenues		
Dock space	\$ 229,819	\$ 215,453
Launches and retrievals	118,249	124,930
Parking	352,799	325,319
Gasoline sales	293,460	224,067
Store sales	60,122	55,227
Other sales	2,449	1,776
Total Revenue	<u>1,056,898</u>	<u>946,772</u>
Cost of Goods Sold	<u>233,349</u>	<u>187,320</u>
Gross Income	823,549	759,452
Expenses		
Management and general expenses	30,922	169,195
Norowal Marina expenses	516,194	478,299
Total Expenses	<u>547,116</u>	<u>647,494</u>
Total Operating Income	<u>276,433</u>	<u>111,958</u>
Other Income and (Expenses)		
Commissions	6,188	5,124
Sales tax refund	16,076	-
Interest income	395	980
Interest expense	(45,295)	(54,470)
Total other income and (expenses)	<u>(22,636)</u>	<u>(48,366)</u>
Income before Provision for Taxes	253,797	63,592
Provision for Taxes	<u>67,942</u>	<u>22,455</u>
Increase in net assets without donor restrictions	185,855	41,137
Net Deficit, Beginning of Year	<u>(390,721)</u>	<u>(431,858)</u>
NET DEFICIT, END OF YEAR	<u>\$ (204,866)</u>	<u>\$ (390,721)</u>

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Activities	Support Activities	
	Norowal Marina, Inc.	Management and General	Totals
Cost of Goods Sold			
Inventory, beginning	\$ 19,908	\$ -	\$ 19,908
Purchases	234,739	-	234,739
Inventory, ending	(21,298)	-	(21,298)
Total cost of goods sold	<u>233,349</u>	<u>-</u>	<u>233,349</u>
Operating Expenses			
Advertising	1,628	-	1,628
Bank charges and merchant fees	21,517	-	21,517
Contracted services	4,501	4,000	8,501
Contributions	16,000	-	16,000
Depreciation and amortization	102,434	-	102,434
Fees and registrations	10	-	10
Insurance	26,566	2,655	29,221
Miscellaneous expenses	2,781	-	2,781
Office expenses	7,258	3,705	10,963
Payroll	229,763	-	229,763
Payroll taxes and employee benefits	32,572	-	32,572
Postage	2,264	-	2,264
Professional fees	12,595	19,075	31,670
Real estate taxes	8,223	1,407	9,630
Repairs and maintenance	38,913	-	38,913
Telephone expense	2,463	-	2,463
Utilities	6,706	80	6,786
Total Operating Expenses	<u>516,194</u>	<u>30,922</u>	<u>547,116</u>
Total Expenses	<u>\$ 749,543</u>	<u>\$ 30,922</u>	<u>\$ 780,465</u>

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Activities	Support Activities	
	Norowal Marina, Inc.	Management and General	Totals
Cost of Goods Sold			
Inventory, beginning	\$ 21,205	\$ -	\$ 21,205
Purchases	186,023	-	186,023
Inventory, ending	(19,908)	-	(19,908)
Total cost of goods sold	<u>187,320</u>	<u>-</u>	<u>187,320</u>
Operating Expenses			
Advertising	2,032	610	2,642
Bank charges and merchant fees	18,609	-	18,609
Bad Debt	500	-	500
Contracted Services	-	4,750	4,750
Contributions	18,236	-	18,236
Depreciation and amortization	100,553	140,587	241,140
Dues and Subscriptions	48	-	48
Fees and registrations	10	-	10
Insurance	21,714	1,811	23,525
Miscellaneous expenses	1,765	-	1,765
Office expenses	6,100	3,621	9,721
Payroll	223,418	-	223,418
Payroll taxes and employee benefits	28,726	-	28,726
Postage	3,247	-	3,247
Professional fees	10,171	15,125	25,296
Real estate taxes	8,174	1,885	10,059
Repairs and maintenance	27,806	-	27,806
Telephone expense	2,437	-	2,437
Utilities	4,753	806	5,559
Total Operating Expenses	<u>478,299</u>	<u>169,195</u>	<u>647,494</u>
Total Expenses	<u>\$ 665,619</u>	<u>\$ 169,195</u>	<u>\$ 834,814</u>

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net deficit from operating activities	\$ 185,855	\$ 41,137
Adjustments to reconcile change in net deficit to net cash provided by operating activities		
Depreciation and amortization	102,434	241,140
Bad debts	-	500
Deferred taxes	(5,692)	(7,178)
(Increase) decrease in		
Accounts receivable	16,065	9,779
Prepaid income taxes	22,517	(22,298)
Prepaid expenses	460	6,345
Inventory	(1,390)	1,295
Other receivables	(15,048)	3,251
Increase (decrease) in		
Accrued expenses	(7,180)	8,494
Payroll Liabilities	186	135
Deferred revenue	1,138	3,710
Income taxes	28,644	(21,239)
Net Cash Provided By Operating Activities	<u>327,989</u>	<u>265,071</u>
Cash Flows From Investing Activities		
Purchase of investments	(152)	(252)
Purchase of property and equipment	(51,813)	(117,210)
Net Cash Used by Investing Activities	<u>(51,965)</u>	<u>(117,462)</u>
Cash Flows From Financing Activities		
Payments on long-term debt	<u>(162,935)</u>	<u>(153,938)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	113,089	(6,329)
Cash and Cash Equivalents, Beginning of Year	<u>205,020</u>	<u>211,349</u>
Cash and Cash Equivalents, End of Year	<u>\$ 318,109</u>	<u>\$ 205,020</u>
Supplemental Information		
Cash paid for business income taxes	<u>\$ (298)</u>	<u>\$ 37,695</u>
Cash paid for interest	<u>\$ 45,295</u>	<u>\$ 54,470</u>

See accompanying notes to consolidated financial statements

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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 the BLDC's financial statements. The consolidated financial statements and notes are representation 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 statement of activities as net assets released from restrictions.

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

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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.

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 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 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.

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020.

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.

Accounts Receivable

Accounts receivable represents the amount due from seasonal dock space customers. BLDC considers all accounts receivable as of December 31, 2021 and 2020 to be fully collectible, therefore no allowance for bad debts 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, 2021 and 2020, bad debt expense was \$-0- and \$500, respectively.

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:

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

	<u>Years</u>
Furniture, fixtures and equipment	3-7
Buildings and improvements	10-39

For the years ended December 31, 2021 and 2020, depreciation and amortization expense was \$102,434 and \$241,140, 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 year ended December 31, 2021 and 2020, 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.

Reclassifications

Certain reclassifications have been made to the 2020 consolidated financial statement presentation to correspond to the current year's format. Net deficit and changes in net deficit are unchanged to these reclassifications.

Advertising, Marketing and Promotion

BLDC expenses advertising, marketing and promotion costs as they are incurred. These costs for the years ended December 31, 2021 and 2020 were \$1,628 and \$2,642, respectively.

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land and improvements	\$ 1,894,320	\$ 1,876,795
Building and improvements	427,997	427,997
Furniture, equipment and fixtures	352,791	318,503
	<u>2,675,108</u>	<u>2,623,295</u>
Less Accumulated Depreciation	649,915	580,951
Property, Plant and Equipment, Net	<u>\$ 2,025,193</u>	<u>\$ 2,042,344</u>

4. INTANGIBLE ASSETS

Intangible assets, net, at December 31, 2021 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	<u>1,650</u>	<u>334,702</u>	<u>336,352</u>
Less Accumulated Amortization	-	167,350	167,350
Intangible Assets, Net	<u>\$ 1,650</u>	<u>\$ 167,352</u>	<u>\$ 169,002</u>

Intangible assets, net, at December 31, 2020 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	<u>1,650</u>	<u>334,702</u>	<u>336,352</u>
Less Accumulated Amortization	-	133,880	133,880
Intangible Assets, Net	<u>\$ 1,650</u>	<u>\$ 200,822</u>	<u>\$ 202,472</u>

Annual amortization of the goodwill will be \$33,470 through December 31, 2026.

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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, 2021, the BLDC has not received notice of an intent to sell the three parcels.

6. INVESTMENTS

Investments consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Certificates of deposits	\$ 101,081	\$ 100,929

The investments are stated at fair value based on quoted prices for similar assets in active markets and inputs that are observable for the asset either directly or indirectly, for substantially the full term of the financial instrument (Level 2).

7. LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
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 5.5% and the mortgage matures in September 2025.	\$ 713,682	\$ 876,617
Note payable to the Town of Bolton, guaranteed by the Town of Bolton Local Development Corporation. Payment on this note is deferred for both principal and interest until the Town Board deems necessary.	<u>2,000,000</u>	<u>2,000,000</u>
Total	<u>2,713,682</u>	<u>2,876,617</u>
Less current portion	<u>175,974</u>	<u>167,517</u>
Long-term portion	<u>\$ 2,537,708</u>	<u>\$ 2,709,100</u>

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

2022	175,974
2023	182,604
2024	192,905
2025	162,199
Thereafter	<u>2,000,000</u>
Total	<u>\$ 2,713,682</u>

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

8. INCOME TAXES

The Organization'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:

	<u>2021</u>	<u>2020</u>
Current Tax Provision		
Federal	\$ 53,699	\$ 12,153
State	19,933	17,480
Total Current Tax Provision	<u>73,632</u>	<u>29,633</u>
Deferred tax provision (benefit)		
Federal	(4,573)	(5,392)
State	(1,117)	(1,786)
Provision for income tax	<u>\$ 67,942</u>	<u>\$ 22,455</u>

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:

	<u>2021</u>	<u>2020</u>
Current:		
Deferred tax liabilities	\$ -	\$ -
Deferred tax assets	-	-
Net deferred tax assets – Current portion	<u>-</u>	<u>-</u>
Non- current:		
Deferred tax liabilities	(1,773)	(7,465)
Deferred tax assets	-	-
Net deferred tax liabilities – Non-current portion	<u>(1,773)</u>	<u>(7,465)</u>
Total net deferred tax liabilities	<u>\$ (1,773)</u>	<u>\$ (7,465)</u>

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.

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

10. AVAILABLE RESOURCES AND LIQUIDITY

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

Financial assets at year-end

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 318,109	\$ 205,020
Investments in Certificates of Deposit	101,081	100,929
Accounts receivable	112,749	128,814
Other receivable	15,048	-
Total financial assets at year-end	<u>\$ 546,987</u>	<u>\$ 434,763</u>

Financial assets available to meet general expenditures over the next 12 months

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 318,109	\$ 205,020
Investments in Certificates of Deposit	101,081	100,929
Accounts receivable	112,749	128,814
Other receivable	15,048	-
Total financial assets at year-end	<u>\$ 546,987</u>	<u>\$ 434,763</u>

11. FUTURE ACCOUNTING STANDARDS

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

12. RISKS AND UNCERTAINTIES

The outbreak of COVID-19, a respiratory disease has been characterized as a pandemic by the World Health Organization on March 11, 2020. The full impact of the COVID-19 outbreak continues to evolve as of the date these financial statements were available to be issued. It is uncertain as to the full magnitude that the pandemic will have on the financial condition, liquidity, and future results of operations.

13. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the balance sheet date of December 31, 2021 through April 5, 2022 which is the date the 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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

ASSETS

	<u>Town of Bolton, LDC</u>	<u>Norwal Marina Inc.</u>	<u>Eliminations</u>	<u>2021 Total</u>	<u>2020 Total</u>
Current Assets					
Cash and cash equivalents	\$ 72,433	\$ 245,676	\$ -	\$ 318,109	\$ 205,020
Accounts receivable	-	112,749	-	112,749	128,814
Prepaid income taxes	-	-	-	-	22,517
Prepaid expenses	-	4,609	-	4,609	5,069
Other receivables	-	15,048	-	15,048	-
Inventory	-	21,299	-	21,299	19,909
Total Current Assets	<u>72,433</u>	<u>399,381</u>	<u>-</u>	<u>471,814</u>	<u>381,329</u>
Property and Equipment	<u>108,050</u>	<u>1,917,143</u>	<u>-</u>	<u>2,025,193</u>	<u>2,042,344</u>
Other Assets					
Investments	2,326,197	101,081	(2,326,197)	101,081	100,929
Intangible assets	1,650	167,352	-	169,002	202,472
Total Current Assets	<u>2,327,847</u>	<u>268,433</u>	<u>(2,326,197)</u>	<u>270,083</u>	<u>303,401</u>
TOTAL ASSETS	<u>\$ 2,508,330</u>	<u>\$ 2,584,957</u>	<u>\$ (2,326,197)</u>	<u>\$ 2,767,090</u>	<u>\$ 2,727,074</u>

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

LIABILITIES AND NET ASSETS (DEFICIT)

	Town of Bolton, LDC	Norowal Marina Inc.	Eliminations	2021 Total	2020 Total
Current Liabilities					
Accrued expenses	\$ -	\$ 3,609	\$ -	\$ 3,609	\$ 10,789
Payroll liabilities	-	1,340	-	1,340	1,154
Deferred revenue	-	209,353	-	209,353	208,215
Income taxes	(486)	42,685	-	42,199	13,555
Current portion of long-term debt	175,974	-	-	175,974	167,517
Total Current Liabilities	<u>175,488</u>	<u>256,987</u>	<u>-</u>	<u>432,475</u>	<u>401,230</u>
Long-Term Liabilities					
Mortgage payable, net of current portion	537,708	-	-	537,708	709,100
Note payable	2,000,000	-	-	2,000,000	2,000,000
Deferred Taxes	-	1,773	-	1,773	7,465
Total Long-Term Liabilities	<u>2,537,708</u>	<u>1,773</u>	<u>-</u>	<u>2,539,481</u>	<u>2,716,565</u>
TOTAL LIABILITIES	<u>2,713,196</u>	<u>258,760</u>	<u>-</u>	<u>2,971,956</u>	<u>3,117,795</u>
Net Assets (Deficit)					
Without donor restrictions:					
Undesignated					
Common Stock	-	78,000	(78,000)	-	-
Dividends	-	(273,000)	273,000	-	-
Additional Paid-In-Capital	-	3,949,055	(3,949,055)	-	-
Net Deficit	<u>(204,866)</u>	<u>(1,427,858)</u>	<u>1,427,858</u>	<u>(204,866)</u>	<u>(390,721)</u>
TOTAL NET ASSETS (DEFICIT)	<u>(204,866)</u>	<u>2,326,197</u>	<u>(2,326,197)</u>	<u>(204,866)</u>	<u>(390,721)</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 2,508,330</u>	<u>\$ 2,584,957</u>	<u>\$ (2,326,197)</u>	<u>\$ 2,767,090</u>	<u>\$ 2,727,074</u>

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	Town of Bolton, LDC	Norowal Marina Inc.	Eliminations	2021 Total	2020 Total
Changes in net assets without donor restrictions:					
Revenues					
Dock space	\$ -	\$ 229,819	\$ -	\$ 229,819	\$ 215,453
Launches and retrievals	-	118,249	-	118,249	124,930
Parking	-	352,799	-	352,799	325,319
Gasoline sales	-	293,460	-	293,460	224,067
Store sales	-	60,122	-	60,122	55,227
Other sales	-	2,449	-	2,449	1,776
Total Revenue	<u>-</u>	<u>1,056,898</u>	<u>-</u>	<u>1,056,898</u>	<u>946,772</u>
Cost of Goods Sold	<u>-</u>	<u>233,349</u>	<u>-</u>	<u>233,349</u>	<u>187,320</u>
Gross Income	<u>-</u>	<u>823,549</u>	<u>-</u>	<u>823,549</u>	<u>759,452</u>
Expenses					
Management and general expenses	30,922	-	-	30,922	169,195
Operating expenses	-	516,194	-	516,194	478,299
Total Expenses	<u>30,922</u>	<u>516,194</u>	<u>-</u>	<u>547,116</u>	<u>647,494</u>
TOTAL OPERATING INCOME	<u>(30,922)</u>	<u>307,355</u>	<u>-</u>	<u>276,433</u>	<u>111,958</u>
Other Income and (Expenses)					
Commissions	-	6,188	-	6,188	5,124
Equity in net income of Narowal Marina, Inc.	261,202	-	(261,202)	-	-
Sales tax refund	-	16,076	-	16,076	-
Interest income	44	351	-	395	980
Interest expense	(44,767)	(528)	-	(45,295)	(54,470)
Total other income and (expenses)	<u>216,479</u>	<u>22,087</u>	<u>(261,202)</u>	<u>(22,636)</u>	<u>(48,366)</u>
Income Before Provision for Taxes	185,557	329,442	(261,202)	253,797	63,592
Provision for Taxes	(298)	68,240	-	67,942	22,455
Increase in net assets without donor restrictions	<u>185,855</u>	<u>261,202</u>	<u>(261,202)</u>	<u>185,855</u>	<u>41,137</u>
Net Deficit, Beginning of Year	<u>(390,721)</u>	<u>(1,689,060)</u>	<u>1,689,060</u>	<u>(390,721)</u>	<u>(431,858)</u>
Net Deficit, End of Year	<u>\$ (204,866)</u>	<u>\$ (1,427,858)</u>	<u>\$ 1,427,858</u>	<u>\$ (204,866)</u>	<u>\$ (390,721)</u>

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	<u>Town of Bolton, LDC</u>	<u>Norowal Marina, Inc.</u>	<u>Eliminations</u>	<u>2021 Total</u>	<u>2020 Total</u>
Cash Flows Provided (Used) By Operating Activities					
Change in net deficit from operating activities	\$ 185,855	\$ 261,202	\$ (261,202)	\$ 185,855	\$ 41,137
Adjustments to reconcile change in net deficit to net cash used by operating activities					
Depreciation and amortization	-	102,434	-	102,434	241,140
Equity in net profit of Norowal Marina, Inc.	(261,202)	-	261,202	-	-
Bad debts	-	-	-	-	500
Deferred taxes	-	(5,692)	-	(5,692)	(7,178)
(Increase) decrease in					
Accounts receivable	-	16,065	-	16,065	9,779
Prepaid income taxes	194	22,323	-	22,517	(22,298)
Prepaid expenses	-	460	-	460	6,345
Inventory	-	(1,390)	-	(1,390)	1,295
Other receivables	-	(15,048)	-	(15,048)	3,251
Increase (decrease) in					
Accounts payable	-	-	-	-	-
Accrued expenses	(2,225)	(4,955)	-	(7,180)	8,494
Payroll Liabilities	-	186	-	186	135
Deferred revenue	-	1,138	-	1,138	3,710
Income taxes	(486)	29,130	-	28,644	(21,239)
Net Cash Provided (Used) By Operating Activities	<u>(77,864)</u>	<u>405,853</u>	<u>-</u>	<u>327,989</u>	<u>265,071</u>
Cash Flows From Investing Activities					
Purchase of investments	-	(152)	-	(152)	(252)
Dividends from Subsidiary	273,000	(273,000)	-	-	-
Purchases of property and equipment	-	(51,813)	-	(51,813)	(117,210)
Net Cash Provided (Used) by Investing Activities	<u>273,000</u>	<u>(324,965)</u>	<u>-</u>	<u>(51,965)</u>	<u>(117,462)</u>
Payments on long-term debt	<u>(162,935)</u>	<u>-</u>	<u>-</u>	<u>(162,935)</u>	<u>(153,938)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,201	80,888	-	113,089	(6,329)
Cash and Cash Equivalents, Beginning of Year	<u>40,232</u>	<u>164,788</u>	<u>-</u>	<u>205,020</u>	<u>211,349</u>
Cash and Cash Equivalents, End of Year	\$ 72,433	\$ 245,676	\$ -	\$ 318,109	\$ 205,020

**TOWN OF BOLTON LOCAL DEVELOPMENT CORPORATION
AND SUBSIDIARY
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	<u>Town of Bolton, LDC</u>	<u>Norowal Marina, Inc.</u>	<u>Eliminations</u>	<u>2021 Total</u>	<u>2020 Total</u>
Supplemental Information					
Cash paid for business income taxes	\$ (298)	\$ -	\$ -	\$ (298)	\$ 37,695
Cash paid for interest	\$ 45,295	\$ -	\$ -	\$ 45,295	\$ 54,470

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, the consolidated financial statements of the Town of Bolton Local Development Corporation and subsidiary, which comprise the consolidated balance sheet as of December 31, 2021, and the related consolidated statements of operations and accumulated deficit, 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 April 5, 2022.

Report Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bolton Local Development Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Marvin and Company, P.C.

Queensbury, NY
April 5, 2022