

**H**ERKIMER LOCAL DEVELOPMENT  
CORPORATION

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*FINANCIAL STATEMENTS*

December 31, 2024

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## **INDEPENDENT AUDITOR'S REPORT**

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### **BOARD OF DIRECTORS**

#### **Herkimer Local Development Corporation**

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

#### **Opinion**

We have audited the accompanying financial statements of Herkimer Local Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Herkimer Local Development Corporation as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Herkimer 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 Herkimer 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:

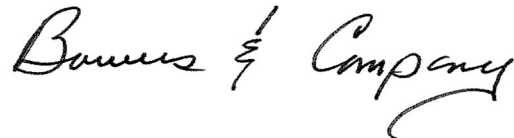
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Herkimer 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 Herkimer 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025, on our consideration of Herkimer 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 Herkimer 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 Herkimer Local Development Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the main text block.

Watertown, New York  
February 25, 2025

**25HERKIMER LOCAL DEVELOPMENT CORPORATION**

**AUDITED FINANCIAL STATEMENTS**

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**STATEMENT OF FINANCIAL POSITION**

December 31, 2024

**ASSETS**

|                        |                          |
|------------------------|--------------------------|
| PROPERTY AND EQUIPMENT | <u>\$ 189,136</u>        |
| <b>TOTAL ASSETS</b>    | <u><u>\$ 189,136</u></u> |

**LIABILITIES AND NET ASSETS**

|   |                          |
|---|--------------------------|
| LIABILITIES                             |                          |
| Due to Related Party                    | \$ 249,533               |
| NET ASSETS                              |                          |
| Net Assets Without Donor Restrictions   | <u>(60,397)</u>          |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <u><u>\$ 189,136</u></u> |

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See notes to financial statements.

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**HERKIMER LOCAL DEVELOPMENT CORPORATION**

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**STATEMENT OF ACTIVITIES**

Year Ended December 31, 2024

SUPPORT AND REVENUE

|                           |           |
|---------------------------|-----------|
| Miscellaneous Income      | \$ 11     |
| Total Support and Revenue | <u>11</u> |

EXPENSES

|                        |               |
|------------------------|---------------|
| Program Service        |               |
| Economic Development   | 60,397        |
| Supporting Service     |               |
| Management and General | <u>11</u>     |
| Total Expenses         | <u>60,408</u> |

CHANGE IN NET ASSETS (60,397)

NET ASSETS, BEGINNING OF YEAR -

NET ASSETS, END OF YEAR \$ (60,397)

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See notes to financial statements.

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**HERKIMER LOCAL DEVELOPMENT CORPORATION**

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**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2024

|                       | <b>Program Service<br/>Economic<br/>Development</b> | <b>Management<br/>and<br/>General</b> | <b>Totals</b>    |
|-----------------------|---|---------------------------------------|------------------|
| Professional Fees     | \$ 59,143   | \$ -                                  | \$ 59,143        |
| Property Taxes        | 1,254   | -                                     | 1,254            |
| Miscellaneous Fees    | -   | 11                                    | 11               |
|                       | <hr/>   | <hr/>                                 | <hr/>            |
| <b>TOTAL EXPENSES</b> | <b>\$ 60,397</b>                                    | <b>\$ 11</b>                          | <b>\$ 60,408</b> |
|                       | <hr/> <hr/>   | <hr/> <hr/>                           | <hr/> <hr/>      |

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See notes to financial statements.



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**HERKIMER LOCAL DEVELOPMENT CORPORATION**

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**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets \$ (60,397)

Adjustments to Reconcile Change in Net Assets to  
Net Cash Provided By Operating Activities:

Increase in Operating Liabilities:

Due to Related Party 249,533

Net Cash Provided By Operating Activities 189,136

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Property and Equipment (189,136)

Net Cash Used in Investing Activities (189,136)

Net Change in Cash -

Cash, Beginning of Year -

Cash, End of Year \$ -

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See notes to financial statements.

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## HERKIMER LOCAL DEVELOPMENT CORPORATION

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### NOTES TO FINANCIAL STATEMENTS

December 31, 2024

#### NOTE 1 – NATURE OF ACTIVITIES

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Herkimer Local Development Corporation (the LDC) is a non-profit organization, incorporated in New York State. The LDC was formed August 16, 2024. The purpose of the LDC is to develop and cultivate a strong economic environment, which supports business and nurtures growth and new investment in Herkimer County, NY (the County).

The mission of the LDC includes promoting community and economic development and creating jobs for the citizens of the County.

#### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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##### **Basis of Accounting**

The LDC's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

##### **Basis of Presentation**

The LDC reports information regarding its financial position and activities according to one class of net assets: net assets without donor restrictions.

Net Assets Without Donor Restrictions– Net assets that are not subject to or are no longer subject to donor-imposed stipulations. They are currently available for operating purposes subject only to the broad limits resulting from the nature of the LDC. Net assets without donor restrictions generally result from Herkimer County Industrial Development Agency's (HCIDA) support, less expenses incurred in providing program-related services and performing administrative functions.

##### **Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

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**HERKIMER LOCAL DEVELOPMENT CORPORATION**

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2024

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Cash and Cash Equivalents**

The LDC considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. For the year ended December 31, 2024, the LDC held no cash equivalents.

**Property and Equipment**

Property and equipment are recorded at cost. The LDC follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$1,000. Expenditures for repairs and maintenance that do not improve or extend the life of the asset are expensed as incurred.

Depreciation will be computed using the straight-line method over the estimated useful life of the capital asset. Estimated useful lives for assets shall be assessed at acquisition and classified via the New York State Comptroller’s Capital Assets local government guide.

**Tax Status**

The LDC is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation under Section 509(a). Accordingly, no provision has been made for Federal or State taxes.

The LDC has adopted the provisions of Financial Accounting Standards Board Codification, “*Income Taxes.*” In determining the recognition of uncertain tax positions, the LDC applies a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with taxing authorities.

The LDC recognizes potential liabilities associated with anticipated tax audit issues that may arise during an examination. Interest and penalties that are anticipated to be due upon examination are recognized as accrued interest and other liabilities with an offset to interest and other expense. The LDC will analyze its tax positions taken on their Federal and State tax returns for open tax years. Based on this analysis, the LDC determined that there were no uncertain tax positions and that the LDC should prevail upon examination by the taxing authorities.

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**HERKIMER LOCAL DEVELOPMENT CORPORATION**

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2024

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Functional Allocation of Expenses**

Expenses consist of costs related to economic development and administrative functions. The LDC's operating costs have been allocated based on direct identification when possible and allocated if a single expenditure benefits more than one function. For the year ended December 31, 2024, all costs have been allocated based on direct identification.

**Concentration of Revenue**

The LDC's revenues are primarily obtained from the administrative agreement maintained with the Herkimer County Industrial Development Agency (HCIDA). The HCIDA supplied 100% of total revenues reported for the year ended December 31, 2024.

**Revenue Recognition**

In accordance with ASU 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" (Topic 958), the LDC recognizes nonreciprocal transactions at time of transaction and was applied to the following sources of revenue:

Contract Revenues

The LDC receives contract monies from the Herkimer County Industrial Development Agency. The contract revenue is deemed a nonreciprocal transaction to be used for the general mission of the LDC and, accordingly, recognized as revenue in the year the funds are received.

**Statement of Cash Flows**

There were no noncash investing and financing activities for the year ended December 31, 2024.

**Date of Management's Review**

Management has evaluated subsequent events and transactions that occurred between December 31, 2024 through February 25, 2025, which is the date the financial statements were available to be issued. Management has determined no such events have occurred.

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**HERKIMER LOCAL DEVELOPMENT CORPORATION**

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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2024

**NOTE 3 – PROPERTY AND EQUIPMENT**

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Property and equipment consisted of the following as of December 31, 2024:

|                                |                          |
|--------------------------------|--------------------------|
| Site Development               | \$ 189,136               |
| Less: Accumulated Depreciation | <u>          -</u>       |
| Total Property and Equipment   | <u><u>\$ 189,136</u></u> |

No depreciation expense was recorded for the year ended December 31, 2024.

**NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

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During the current year, the HCIDA has funded all expenses.

**NOTE 5 – CASH FLOW INFORMATION**

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There were no noncash financing or investing activities during 2024.

**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**

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**BOARD OF DIRECTORS  
Herkimer 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 financial statements of Herkimer Local Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2025.

**Report on Internal Control Over Financial Reporting**

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

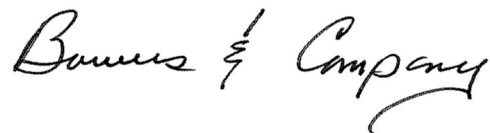
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Herkimer 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Banner & Company". The signature is written in black ink and is positioned to the right of the date and location information.

Watertown, New York  
February 25, 2025