

C APE VINCENT LOCAL
DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

BOARD OF DIRECTORS CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CAPE VINCENT LOCAL DEVELOPMENT CORPORATION** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Cape Vincent Local Development Corporation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

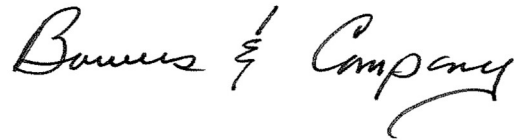
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Cape Vincent 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 Cape Vincent 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 March 1, 2024, on our consideration of Cape Vincent 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 Cape Vincent 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 Cape Vincent 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 date and location information.

Watertown, New York
March 1, 2024

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

AUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

Cash	\$ 123,384
Prepaid Expense	<u>5,625</u>
TOTAL ASSETS	<u>\$ 129,009</u>

LIABILITIES AND NET ASSETS

LIABILITIES	<u>\$ -</u>
NET ASSETS	
Net Assets Without Donor Restrictions	<u>129,009</u>
Total Net Assets	<u>129,009</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 129,009</u>

See notes to financial statements.

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

SUPPORT AND REVENUE

Contract Revenues	\$ 186,458
Interest	124
	<hr/>
Total Support and Revenue	186,582
	<hr/>

EXPENSES

Program Service	
Economic Development	45,550
Supporting Service	
Management and General	12,023
	<hr/>
Total Expenses	57,573
	<hr/>

CHANGE IN NET ASSETS 129,009

NET ASSETS, BEGINNING OF YEAR

-

NET ASSETS, END OF YEAR

\$ 129,009

See notes to financial statements.

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	Program Service Economic Development	Management and General	Totals
Membership Dues	\$ -	\$ 80	\$ 80
Insurance	-	1,023	1,023
Occupancy Expense	-	1,800	1,800
Professional Fees	45,550	7,579	53,129
Supplies	-	1,541	1,541
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 45,550	\$ 12,023	\$ 57,573

See notes to financial statements.

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 129,009
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:	
Increase in Operating Assets:	
Prepaid Expense	(5,625)
Net Cash Provided By Operating Activities	<u>123,384</u>
Net Increase in Cash	123,384
Cash, Beginning of Year	<u>-</u>
Cash, End of Year	<u><u>\$ 123,384</u></u>

See notes to financial statements.

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1 – NATURE OF ACTIVITIES

Cape Vincent Local Development Corporation (the Organization) was established in 2022 under the Not-for-Profit Corporation Law of the State of New York to serve as a resource to the Cape Vincent, New York community in attracting investment, fostering compatible growth, and protecting/enhancing quality of life through advancement of its strategic imperatives.

The Organization works in conjunction with the Town of Cape Vincent, New York (the Town) and Village of Cape Vincent, New York (the Village) and relies primary on contract revenues to fund its operations. The Town and Village have the authority to appoint seven voting members to the Organization's Board.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization 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 Organization. Net assets without donor restrictions generally result from the Town and Village contract revenues, 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.

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. As of December 31, 2023, the Organization held no cash equivalents.

Property and Equipment

The Organization does not maintain a formal capitalization policy. Expenditures for the acquisition, repairs, and betterments that materially prolong the useful lives of assets will be capitalized.

Depreciation will be computed using the straight-line method over the estimated useful life of the capital asset. Land is not depreciated. Estimated useful lives for assets shall be assessed at acquisition and classified via consultation with the New York State Comptroller.

The Organization did not recognize the capitalization of property and equipment for the year ended December 31, 2023.

Tax Status

The Organization 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 a private foundation under Section 509(a). Accordingly, no provision has been made for Federal or State taxes.

The Organization has adopted the provisions of Financial Accounting Standards Board Codification, *“Income Taxes.”* In determining the recognition of uncertain tax positions, the Organization 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 Organization 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 Organization will analyze its tax positions taken on their Federal and State tax returns for open tax years. Based on this analysis, the Organization determined that there were no uncertain tax positions and that the Organization should prevail upon examination by the taxing authorities.

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

Expenses consist of costs related to economic development and administrative functions. The Organization’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, 2023, all costs have been allocated based on direct identification.

Concentration of Revenue

The Organization’s revenues are primarily obtained from the inter-municipal agreement (IMA) maintained with the Town and Village of Cape Vincent, New York. The IMA supplied 99% of total revenues reported for the year ended December 31, 2023.

Revenue Recognition

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

Contract Revenues

The Organization receives contract monies from the Town and Village of Cape Vincent, New York. The contract revenue is deemed a nonreciprocal transaction to be used for the general mission of the Organization and, accordingly, recognized as revenue in the year the funds are received.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise.

Date of Management’s Review

Management has evaluated subsequent events and transactions that occurred between December 31, 2023 through March 1, 2024, which is the date the financial statements were available to be issued. Management has determined no such events have occurred.

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization typically maintains cash deposits in local federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits. As of December 31, 2023, all of the Organization’s deposits were covered by FDIC insurance.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet the operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization operates collecting sufficient revenue to cover general expenditures. The following table reflects the Organization’s financial assets as of December 31, 2023, reduced by amounts that are not available to meet general expenditures within one year.

Financial Assets:

Cash	\$ 123,384
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Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 123,384
	<hr/> <hr/>

NOTE 5 – CASH FLOW INFORMATION

There were no noncash financing or investing activities during 2023.

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**BOARD OF DIRECTORS
CAPE VINCENT 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 Cape Vincent Local Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 March 1, 2024.

Report on Internal Control Over Financial Reporting

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

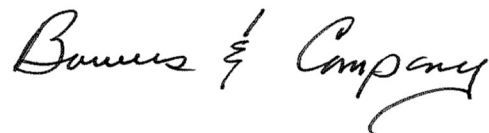
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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Watertown, New York
March 1, 2024

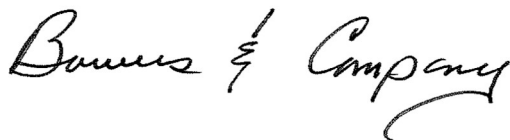
**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH SECTION 2925(3)(F)
OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

**TO THE BOARD OF DIRECTORS
CAPE VINCENT LOCAL DEVELOPMENT CORPORATION**

We have audited, 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, the financial statements of Cape Vincent Local Development Corporation, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Organization’s basic financial statements and have issued our report thereon dated March 1, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the Organization failed to comply with the Organization’s Investment Policy, The New York State Comptroller’s Investment Guidelines, and Section 2925(3)(F) of the NYS Public Authorities Law during the year ended December 31, 2023. However, our audit was not directed primarily toward obtaining knowledge of noncompliance with such investment guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Organization’s noncompliance with the above rules and regulations.

This report is intended solely for the information and use of management of the Organization, the Board of Directors, and the Office of the State Comptroller of the State of New York. It is not intended to be, and should not be, used by anyone other than these specified parties.



Watertown, New York
March 1, 2024

To the Board of Directors
Cape Vincent Local Development Corporation

In planning and performing our audit of the financial statements of Cape Vincent Local Development Corporation as of and for the year ended December 31, 2023, 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, we considered Cape Vincent Local Development Corporation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comment and suggestion regarding those matters. This letter does not affect our report dated March 1, 2024, on the financial statements of Cape Vincent Local Development Corporation.

Formal accounting policies

As part of our audit procedures, we reviewed current Organization policies and discussed the internal control environment and processes with members of management. The Organization does not currently have any formal policy or procedure in place to establish capitalization thresholds for the Organization or ensure review of journal entries reported within the accounting system.

Recommendation

We recommend the Organization adopt policies to establish a capitalization threshold and a review process of journal entries.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Organization personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matters, or to assist you in implementing the recommendation.

Bonus & Company

Watertown, New York
March 1, 2024

March 1, 2024

Board of Directors and Management
Cape Vincent Local Development Corporation

We have audited the financial statements of Cape Vincent Local Development Corporation for the year ended December 31, 2023, and we will issue our report thereon dated March 1, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cape Vincent Local Development Corporation are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the functional expense allocation is based on an analysis of the Organization's operating activities. We evaluated the methods, assumptions, and data used to develop the functional expenses allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following schedule of material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 1, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.


Board of Directors and Management
Cape Vincent Local Development Corporation
March 1, 2024
Page 3

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Very truly yours,

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned below the "Very truly yours," text.

Adjusting Journal Entries JE # 1

To adjust the down payment for 2024 grant writer to prepaid expenses.

1500	Prepaid Expenses	\$ 5,625	
5004	Town & Village Fund Expenditures: Grant Consulting		\$ 5,625
Total		\$ 5,625	\$ 5,625