

**GREATER LOCKPORT
DEVELOPMENT CORPORATION**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

Table of Contents

December 31, 2020

Independent Auditors' Report

Financial Statements

Consolidated Balance Sheets
Consolidated Statements of Activities
Consolidated Statements of Functional Expenses
Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements

Additional Information

Consolidating Balance Sheet
Consolidating Statement of Activities

Reports on Internal Control and Compliance

Independent Auditors' 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*
Independent Auditors' Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Greater Lockport Development Corporation

We have audited the accompanying consolidated balance sheets of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Additional Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 March 23, 2021 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 Corporation's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

March 23, 2021

GREATER LOCKPORT DEVELOPMENT CORPORATION

Consolidated Balance Sheets

December 31,	2020	2019
Assets		
Cash	\$ 552,202	\$ 822,314
Grants, interest, and other receivables	116,693	152,504
Prepaid expenses and other	37,820	30,520
Property, net (Note 2)	<u>5,707,678</u>	<u>5,600,106</u>
	<u>\$ 6,414,393</u>	<u>\$ 6,605,444</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 86,331	\$ 34,277
Refundable advances	17,600	222,397
Security deposits	67,634	64,749
Long-term debt (Note 4)	<u>3,351,826</u>	<u>3,500,863</u>
	<u>3,523,391</u>	<u>3,822,286</u>
Net assets:		
With donor restrictions	52,250	120,000
Without donor restrictions	<u>2,838,752</u>	<u>2,663,158</u>
	<u>2,891,002</u>	<u>2,783,158</u>
	<u>\$ 6,414,393</u>	<u>\$ 6,605,444</u>

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

Consolidated Statements of Activities

For the years ended December 31,	2020	2019
Changes in net assets without donor restrictions:		
Revenues and support:		
Rental and occupancy income	\$ 945,632	\$ 892,445
Contributions and grants	779,972	318,737
Interest from loans	-	804
Other income and fees	39,508	28,790
Net assets released from restrictions	87,750	-
Total revenues and support	<u>1,852,862</u>	<u>1,240,776</u>
Expenses:		
Program:		
Economic development and revitalization	547,290	304,773
Rental operations	1,015,196	992,455
General and administrative	114,782	110,798
Total expenses	<u>1,677,268</u>	<u>1,408,026</u>
Change in net assets without donor restrictions	<u>175,594</u>	<u>(167,250)</u>
Changes in net assets with donor restrictions:		
Contributions	20,000	100,000
Net assets released from restrictions	(87,750)	-
Change in net assets with donor restrictions	<u>(67,750)</u>	<u>100,000</u>
Change in net assets	107,844	(67,250)
Net assets - beginning	<u>2,783,158</u>	<u>2,850,408</u>
Net assets - ending	\$ 2,891,002	\$ 2,783,158

GREATER LOCKPORT DEVELOPMENT CORPORATION

Consolidated Statement of Functional Expenses

For the year ended December 31, 2020

	Programs		General and Administrative	Total
	Economic Development and Revitalization	Rental Operations		
Employee wages and benefits	\$ 69,931	\$ 138,177	\$ 4,500	\$ 212,608
Property remediation	388,173	-	-	388,173
Grants	17,500	-	-	17,500
Property management	20,590	143,671	42,847	207,108
Repairs and maintenance	5,931	83,148	-	89,079
Property taxes	15,337	48,112	-	63,449
Insurance	-	45,384	8,244	53,628
Commissions	-	31,759	-	31,759
Professional fees	16,124	-	41,741	57,865
Marketing and advertising	-	-	2,560	2,560
Interest	-	134,013	-	134,013
Depreciation	11,199	390,932	-	402,131
Other expenses	2,505	-	14,890	17,395
	\$ 547,290	\$ 1,015,196	\$ 114,782	\$ 1,677,268

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

Consolidated Statement of Functional Expenses

For the year ended December 31, 2019

	Programs		General and Administrative	Total
	Economic Development and Revitalization	Rental Operations		
Employee wages and benefits	\$ 64,837	\$ 159,898	\$ 7,204	\$ 231,939
Grants	157,958	-	-	157,958
Property management	18,505	141,520	40,300	200,325
Repairs and maintenance	22,191	61,098	-	83,289
Property taxes	14,708	35,606	-	50,314
Insurance	-	38,355	6,259	44,614
Commissions	-	29,212	-	29,212
Professional fees	15,993	-	27,204	43,197
Marketing and advertising	-	-	8,325	8,325
Events	5,762	-	-	5,762
Interest	-	139,330	-	139,330
Depreciation	2,000	387,436	-	389,436
Other expenses	2,819	-	21,506	24,325
	<u>\$ 304,773</u>	<u>\$ 992,455</u>	<u>\$ 110,798</u>	<u>\$ 1,408,026</u>

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

Consolidated Statements of Cash Flows

For the years ended December 31,	2020	2019
Operating activities:		
Change in net assets	\$ 107,844	\$ (67,250)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	402,131	389,436
Changes in other assets and liabilities:		
Grants, interest, and other receivables	35,811	153,728
Prepaid expenses and other	(7,300)	1,457
Accounts payable and accrued expenses	52,054	7,098
Deferred revenue	(204,797)	62,397
Security deposits	2,885	1,023
Net operating activities	<u>388,628</u>	<u>547,889</u>
Investing activities:		
Property expenditures	(509,703)	(333,854)
Payments received on loan receivable	-	26,788
Net investing activities	<u>(509,703)</u>	<u>(307,066)</u>
Financing activities:		
Payments on long-term debt	<u>(149,037)</u>	(143,719)
Net change in cash	(270,112)	97,104
Cash - beginning	<u>822,314</u>	725,210
Cash - ending	<u>\$ 552,202</u>	<u>\$ 822,314</u>

See accompanying notes.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies:

Organization

Greater Lockport Development Corporation (GLDC) is a not-for-profit organization and the financial statements include its related but separate entities, 210 Walnut Street, LLC (210 Walnut) and Lockport Locks Heritage District Corporation (Lockport Locks) (collectively, the Corporation). The Corporation is the sole member of 210 Walnut, which was formed to own and manage industrial rental property acquired by the Corporation through foreclosure proceedings. Lockport Locks is a not-for-profit entity established to attract investment and stimulate the economic revitalization of Lockport's Erie Canal Corridor. All significant inter-entity accounts and transactions have been eliminated.

The principal purpose of the Corporation is to aid the efforts of the Economic Development Program of the City of Lockport, New York (the City). The Corporation administers loan programs to create favorable conditions for City enterprises to expand or locate businesses engaged in the manufacturing, assembling, wholesaling, or retailing of goods or services. Further, it provides for the financing of capital improvements, equipment, or working capital, where such financing will assist in creating employment opportunities for persons of low and moderate income or assist in the elimination of slums and/or blight in the City.

The Corporation's funding was established through grants awarded by the United States Department of Housing and Urban Development (HUD), Urban Development Action Grant (UDAG), and Community Development Block Grant for Small Cities (CDBG) programs. The Corporation has the right to re-use principal repayments and interest income for the furtherance of its mission.

New Accounting Standard Adopted

In 2020, the Corporation adopted Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (topic 606). ASU 2014-09 is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The adoption of the new standard did not impact the Corporation's recognition of revenue and related accounts.

Net Assets

The Corporation's financial position and activities are reported according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors to a specific time, period, or purpose, or to be maintained by the Corporation in perpetuity. At December 31, 2020 and 2019, amounts arose from contributions restricted for property and equipment acquisitions.

Cash

Custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned to it. At December 31, 2020 and 2019, the Corporation's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging bank's agent in the Corporation's name.

Revenue Recognition

Contributions

Contributions, including government grants, are reported at fair value at the date the contribution is made. Contributions are recorded as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions whose stipulated purpose restriction is accomplished in the same reporting period as received are reported as an increase in net assets without donor restrictions.

The entities periodically receive contributions in the form of grants from State and local governments which contain various conditions. To the extent expenditures have been incurred and the conditions are met, government support revenue is recognized. Any funding received before required conditions are met is reported as a refundable advance on the accompanying consolidated balance sheets.

Rent

The Corporation recognizes rental and occupancy income over the monthly rental periods. All leases between the Corporation and its tenants are operating leases.

Functional Expenses

The Corporation's costs of providing its services have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, a majority of costs are specifically identified and charged to the functions to which they benefit with the remaining costs allocated based on employee time and effort.

Grant Expense

The Corporation also issues loans that may be forgiven in accordance with the terms of the loan agreement if the borrower meets certain criteria relative to grant terms. The forgiveness is recorded as grant expense at the inception of the loan. Included in grant expense for the year ended December 31, 2019 are \$98,000 of forgivable loans issued during the year.

Property

Property is stated at cost or fair value at date of donation, net of accumulated depreciation. Depreciation is computed by the straight-line method over estimated service lives. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

Certain property is known to contain asbestos. The Corporation is obligated to remediate the asbestos upon the related assets' retirement, disposal, or sale. The fair value of the liability cannot currently be estimated with reasonable certainty. Additionally, the property is expected to be maintained through repair and maintenance activities that would not involve the removal of the asbestos. The need for major renovations caused by technology changes, operational changes, or other factors has not been identified.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

GLDC and Lockport Locks are 501(c)(3) organizations exempt from Federal income taxes under §501(a) of the Internal Revenue Code. 210 Walnut is considered a disregarded entity for tax purposes.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 23, 2021, the date the financial statements were available to be issued.

2. Property:

	2020	2019
Buildings and improvements	\$ 8,652,475	\$ 8,142,772
Less accumulated depreciation	2,944,797	2,542,666
	\$ 5,707,678	\$ 5,600,106

Included in buildings and improvements are assets held for sale with estimated fair values totaling \$351,459 and \$350,589 at December 31, 2020 and 2019, respectively. The Corporation has accepted offers to purchase these assets subject to the completion of certain property improvements, with anticipated closing dates in 2021.

3. Short-Term Borrowings:

GLDC has available a \$25,000 bank demand line of credit with interest payable at prime plus 2.25% and has available a \$175,000 working capital loan, with interest only payments for up to 12 months at prime plus 1.75%. The borrowings are secured by all assets of the Corporation. No amounts were outstanding at December 31, 2020 and 2019.

4. Long-Term Debt:

	2020	2019
210 Walnut bank term loan with monthly payments of \$21,334 including interest at 4.01% through October 2021, interest adjusted at the discretion of the lender thereafter, balloon payment of \$2,114,488 due November 2026, guaranteed by assets of the Corporation.	\$ 2,984,970	\$ 3,116,372
210 Walnut term loan through Niagara Economic Development Fund with monthly payments of \$2,254 including interest at 2.5% through October 2026 with final balloon payment of \$256,977 due November 2026, secured by a second security interest in 210 Walnut's assets.	366,856	384,491
	<u>\$ 3,351,826</u>	<u>\$ 3,500,863</u>

The bank loan agreement requires compliance with certain covenants.

Aggregate maturities on long-term debt subsequent to December 31, 2020 are:

2021	\$ 142,299
2022	160,894
2023	167,260
2024	173,590
2025	180,759
Thereafter	2,527,024
	<u>\$ 3,351,826</u>

5. Rental Income:

210 Walnut leases space, with a carrying value of \$4,646,000, to various companies under the terms of non-cancellable operating leases. Rental income for 2020 and 2019, including month-to-month leases, was \$945,632 and \$892,445. Future minimum rental payments to be received subsequent to December 31, 2020 are:

2021	\$ 745,240
2022	623,082
2023	384,068
2024	55,562
2025	9,180
	<u>\$ 1,817,132</u>

6. Cash Flows Information:

Cash flows from operating activities reflect cash payments for interest of \$134,013 in 2020 and \$139,330 in 2019.

7. Financial Resources Available for Operations:

The Corporation obtains financial assets generally through government grants and rental income. The financial assets are acquired throughout the year to meet the Corporation's cash needs for general expenditures. If necessary, the Corporation also has access to \$200,000 of bank financing (Note 3).

The Corporation's unrestricted financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist of the following at December 31:

	2020	2019
Cash	\$ 499,952	\$ 702,314
Grants, interest, and other receivables	116,693	152,504
	<u>\$ 616,645</u>	<u>\$ 854,818</u>

8. Risks and Uncertainties:

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and resulted in a severe disruption of operations for organizations. Financial markets also experienced significant fluctuations. The extent of the impact of COVID-19 on the Corporation's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on customers, employees, and vendors, none of which can be predicted.

GREATER LOCKPORT DEVELOPMENT CORPORATION

Additional Information
Consolidating Balance Sheet

December 31, 2020

	GLDC	210 Walnut	Lockport Locks	Eliminations	Consolidated
Assets					
Cash	\$ 129,573	\$ 290,601	\$ 132,028	\$ -	\$ 552,202
Grants, interest, and other receivables	330,217	92,919	30	(306,473)	116,693
Prepaid expenses and other	7,788	28,674	1,358	-	37,820
Loan receivable	697,000	-	-	(697,000)	-
Property, net	351,459	4,657,082	699,137	-	5,707,678
	<u>\$ 1,516,037</u>	<u>\$ 5,069,276</u>	<u>\$ 832,553</u>	<u>\$ (1,003,473)</u>	<u>\$ 6,414,393</u>
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 118,833	\$ 261,272	\$ 12,699	\$ (306,473)	\$ 86,331
Deferred revenue	-	8,784	8,816	-	17,600
Security deposits	-	67,634	-	-	67,634
Long-term debt	-	4,038,826	10,000	(697,000)	3,351,826
	<u>118,833</u>	<u>4,376,516</u>	<u>31,515</u>	<u>(1,003,473)</u>	<u>3,523,391</u>
Net assets:					
With donor restrictions	-	-	52,250	-	52,250
Without donor restrictions	1,397,204	692,760	748,788	-	2,838,752
	<u>1,397,204</u>	<u>692,760</u>	<u>801,038</u>	<u>-</u>	<u>2,891,002</u>
	<u>\$ 1,516,037</u>	<u>\$ 5,069,276</u>	<u>\$ 832,553</u>	<u>\$ (1,003,473)</u>	<u>\$ 6,414,393</u>

GREATER LOCKPORT DEVELOPMENT CORPORATION

Additional Information
Consolidating Statement of Activities

For the year ended December 31, 2020

	GLDC	210 Walnut	Lockport Locks	Eliminations	Consolidated
Changes in net assets without donor restrictions:					
Revenues and support:					
Rental and occupancy income	\$ -	\$ 945,632	\$ -	\$ -	\$ 945,632
Contributions and grants	383,788	-	396,184	-	779,972
Interest from loans	27,880	-	-	(27,880)	-
Other income and fees	136	27,692	11,680	-	39,508
Net assets released from restrictions	-	-	87,750	-	87,750
Total revenues and support	411,804	973,324	495,614	(27,880)	1,852,862
Expenses:					
Program:					
Economic development and revitalization	525,072	-	22,618	(400)	547,290
Rental operations	-	1,042,676	-	(27,480)	1,015,196
General and administrative	45,073	56,456	13,253	-	114,782
Total expenses	570,145	1,099,132	35,871	(27,880)	1,677,268
Change in net assets without donor restrictions	(158,341)	(125,808)	459,743	-	175,594
Change in net assets with donor restrictions:					
Contributions	-	-	20,000	-	20,000
Net assets released from restrictions	-	-	(87,750)	-	(87,750)
Change in net assets with donor restrictions	-	-	(67,750)	-	(67,750)
Change in net assets	(158,341)	(125,808)	391,993	-	107,844
Net assets - beginning	1,555,545	818,568	409,045	-	2,783,158
Net assets - ending	\$ 1,397,204	\$ 692,760	\$ 801,038	\$ -	\$ 2,891,002

INDEPENDENT AUDITORS' 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*

The Board of Directors
Greater Lockport 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 balance sheet of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, as of December 31, 2020, and the related consolidated 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 23, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, as described below, that we consider to be a significant deficiency.

Segregation of Duties

Because of the small number of staff at the Corporation, it is difficult to achieve adequate segregation of duties. The risk that material errors, whether intentional or unintentional, may occur and go undetected is increased given the small staff size.

We encourage the Board to remain committed to its involvement in the financial operations of the Corporation by thoroughly reviewing monthly financial data, requesting support for all payments when checks are signed, asking questions about unusual transactions, reviewing monthly reconciliations for all major balance sheet accounts, and routing the monthly statements for all bank accounts to the Board Treasurer for review before giving them to the person responsible for the reconciliation process.

Management's Response: The Board will continue to provide oversight and review and approve financial activity to reduce the risk caused by its small staff.

The Corporation's Response to Findings

The Corporation's response to the finding identified in our audit as included above was not subject to the auditing procedures applied in the audit of the financial statements. and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Corporation'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.

A handwritten signature in blue ink that reads "Lumsden & McCormick, LLP". The signature is written in a cursive, flowing style.

March 23, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Greater Lockport Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March 23, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2020. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.



March 23, 2021