

**GREATER LOCKPORT  
DEVELOPMENT CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

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December 31, 2023

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Greater Lockport Development Corporation

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the consolidated balance sheets of Greater Lockport Development Corporation (the Corporation) as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, 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 Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

#### **Supplementary Information**

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the 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 25, 2024 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 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 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 Corporation's internal control over financial reporting and compliance.

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

March 25, 2024

GREATER LOCKPORT DEVELOPMENT CORPORATION

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**Consolidated Balance Sheets**

December 31,	2023	2022
<b>Assets</b>		
Cash	\$ 1,590,160	\$ 1,399,533
Grants, interest, and other receivables	145,849	42,998
Prepaid expenses and other	63,863	48,469
Property, net (Note 2)	4,670,118	5,210,215
	<u>\$ 6,469,990</u>	<u>\$ 6,701,215</u>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 250,979	\$ 87,305
Refundable advances	6,158	95,486
Due to City of Lockport	75,000	-
Security deposits	71,728	70,189
Long-term debt (Note 5)	2,860,212	3,031,075
	<u>3,264,077</u>	<u>3,284,055</u>
<b>Net assets:</b>		
With donor restrictions	256,783	725,015
Without donor restrictions	2,949,130	2,692,145
	<u>3,205,913</u>	<u>3,417,160</u>
	<u>\$ 6,469,990</u>	<u>\$ 6,701,215</u>

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See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Statements of Activities**

For the years ended December 31,	2023	2022
<b>Changes in net assets without donor restrictions:</b>		
Revenues and support:		
Lease and occupancy income	\$ 1,098,747	\$ 1,112,444
Contributions and grants	253,958	114,019
Other income and fees	369,652	39,878
Net assets released from restrictions	1,723,912	1,032,285
Total revenues and support	<u>3,446,269</u>	<u>2,298,626</u>
Expenses:		
Program:		
Economic development and revitalization	2,242,766	1,043,873
Lease operations	1,076,204	1,054,709
General and administrative	282,671	227,609
Total expenses	<u>3,601,641</u>	<u>2,326,191</u>
Change in net assets without donor restrictions	<u>(155,372)</u>	<u>(27,565)</u>
<b>Changes in net assets with donor restrictions:</b>		
Contributions	1,668,037	1,503,568
Net assets released from restrictions	(1,723,912)	(1,032,285)
Change in net assets with donor restrictions	<u>(55,875)</u>	<u>471,283</u>
<b>Change in net assets</b>	<b>(211,247)</b>	<b>443,718</b>
Net assets - beginning	<u>3,417,160</u>	<u>2,973,442</u>
<b>Net assets - ending</b>	<b>\$ 3,205,913</b>	<b>\$ 3,417,160</b>

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Statement of Functional Expenses**

For the year ended December 31, 2023

	Program		General and Administrative	Total
	Economic Development and Revitalization	Lease Operations		
Employee wages and benefits	\$ 122,837	\$ 152,000	\$ 6,160	\$ 280,997
Grants	2,018,319	-	-	2,018,319
Property management	1,380	153,227	46,616	201,223
Repairs and maintenance	22,130	136,981	-	159,111
Property taxes	-	79,417	-	79,417
Insurance	-	48,288	5,515	53,803
Commissions	-	-	99,452	99,452
Professional fees	3,550	-	91,161	94,711
Marketing and advertising	-	-	16,606	16,606
Events	4,902	-	-	4,902
Interest	-	106,771	82	106,853
Depreciation	65,460	399,520	-	464,980
Other expenses	4,188	-	17,079	21,267
	<b>\$ 2,242,766</b>	<b>\$ 1,076,204</b>	<b>\$ 282,671</b>	<b>\$ 3,601,641</b>

See accompanying notes.

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Statement of Functional Expenses**

For the year ended December 31, 2022

	Program		General and Administrative	Total
	Economic Development and Revitalization	Lease Operations		
Employee wages and benefits	\$ 132,287	\$ 157,596	\$ 4,500	\$ 294,383
Grants	787,436	-	-	787,436
Property management	2,300	182,022	53,384	237,706
Repairs and maintenance	18,708	87,325	-	106,033
Property taxes	1,142	66,466	-	67,608
Insurance	-	42,762	6,145	48,907
Commissions	-	-	41,372	41,372
Professional fees	41,059	-	83,410	124,469
Marketing and advertising	-	-	12,726	12,726
Events	5,415	-	-	5,415
Interest	-	112,765	117	112,882
Depreciation	53,363	405,538	-	458,901
Loss on sale of assets	-	-	8,678	8,678
Other expenses	2,163	235	17,277	19,675
	<u>\$ 1,043,873</u>	<u>\$ 1,054,709</u>	<u>\$ 227,609</u>	<u>\$ 2,326,191</u>

See accompanying notes.



GREATER LOCKPORT DEVELOPMENT CORPORATION

**Consolidated Statements of Cash Flows**

For the years ended December 31,	2023	2022
<b>Operating activities:</b>		
Change in net assets	\$ (211,247)	\$ 443,718
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	464,980	458,901
(Gain) loss on sale of property	(297,508)	8,678
Changes in other assets and liabilities:		
Grants, interest, and other receivables	(102,851)	(16,006)
Prepaid expenses and other	(15,394)	(12,775)
Accounts payable and accrued expenses	163,674	(46,676)
Refundable advances	(89,328)	74,449
Due to City of Lockport	75,000	-
Security deposits	1,539	760
<b>Net operating activities</b>	<b>(11,135)</b>	<b>911,049</b>
<b>Investing activities:</b>		
Property expenditures	(677,375)	(363,117)
Proceeds from sale of property	1,050,000	101,691
<b>Net investing activities</b>	<b>372,625</b>	<b>(261,426)</b>
<b>Financing activities:</b>		
Payments on long-term debt	(170,863)	(164,869)
<b>Net change in cash</b>	<b>190,627</b>	<b>484,754</b>
Cash - beginning	1,399,533	914,779
<b>Cash - ending</b>	<b>\$ 1,590,160</b>	<b>\$ 1,399,533</b>

See accompanying notes.

## Notes to Consolidated Financial Statements

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### 1. Summary of Significant Accounting Policies:

#### Organization

Greater Lockport Development Corporation (GLDC) is a nonprofit 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). GLDC is the sole member of 210 Walnut, which was formed to own and manage industrial rental property acquired by GLDC through foreclosure proceedings. In 2014, GLDC created Lockport Locks as a nonprofit 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 financing for 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) through the 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.

#### 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, 2023 and 2022, contributions are restricted for investments in property, improvements, and equipment.

#### Cash

Cash in financial institutions may exceed insured limits at various times during the year and subject the Corporation to concentrations of credit risk.

#### Receivables

Receivables are stated at the principal amount outstanding, net of an allowance for uncollectible amounts. The allowance method is used to compute the provision for uncollectible amounts.

Determination of the balance of the allowance for uncollectible amounts is based on an analysis of outstanding receivables and reflects an amount that, in management's judgment, is adequate to provide for potential losses. Amounts are written off when, in management's judgment, no legal recourse is available to collect the amount owed.

#### Contributions

Contributions, including government grants, are reported at fair value at the date the contribution or pledge 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 increases 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 grant revenue is recognized. Any funding received before required conditions are met is reported as a refundable advance on the accompanying consolidated balance sheets.

#### Leases

The Corporation recognizes leases 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 they benefit with the remaining costs allocated based on employee time and effort.

### 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 25, 2024, the date the financial statements were available to be issued.

## 2. Property:

	2023	2022
Buildings and improvements	\$ 8,241,799	\$ 9,059,129
Accumulated depreciation	<u>(3,571,681)</u>	<u>(3,848,914)</u>
	<u>\$ 4,670,118</u>	<u>\$ 5,210,215</u>

## 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, 2023 and 2022.

## 4. Due to City of Lockport:

In 2023, GLDC borrowed \$75,000, non-interest bearing, from the City of Lockport for cash flow purposes which will be repaid when grant reimbursement is received.

## 5. Long-Term Debt:

	2023	2022
210 Walnut bank term loan with monthly payments of \$20,882 including interest at 3.7%, balloon payment of \$2,114,488 due November 2026, guaranteed by assets of the Corporation.	\$ 2,548,984	\$ 2,700,840
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.	<u>311,228</u>	<u>330,235</u>
	<u>\$ 2,860,212</u>	<u>\$ 3,031,075</u>

The bank loan agreement requires compliance with certain covenants.

Aggregate maturities on long-term debt subsequent to December 31, 2023 are:

2024	\$ 159,524
2025	180,759
2026	2,519,929
	<u>\$ 2,860,212</u>

#### 6. Lease Income:

210 Walnut leases space, with a carrying value of \$3,268,000, to various companies under the terms of non-cancellable operating leases. Lease and occupancy income for 2023 and 2022, including month-to-month leases, was \$1,098,747 and \$1,112,444. Future minimum payments to be received subsequent to December 31, 2023 are:

2024	\$ 775,565
2025	562,545
2026	181,974
2027	21,977
2028	7,536
	<u>\$ 1,549,597</u>

#### 7. Cash Flows Information:

Cash flows from operating activities reflect cash payments for interest of \$106,853 in 2023 and \$112,882 in 2022.

#### 8. 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:

	<u>2023</u>	<u>2022</u>
Cash	\$ 1,261,649	\$ 604,329
Grants, interest, and other receivables	69,718	42,998
	<u>\$ 1,331,367</u>	<u>\$ 647,327</u>

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Supplementary Information**  
**Consolidating Balance Sheet**

December 31, 2023

	GLDC	210 Walnut	Lockport Locks	Eliminations	Consolidated
<b>Assets</b>					
Cash	\$ 128,506	\$ 1,134,892	\$ 326,762	\$ -	\$ 1,590,160
Grants, interest, and other receivables	320,645	33,850	26,002	(234,648)	145,849
Prepaid expenses and other	2,274	57,404	4,185	-	63,863
Loan receivable	695,154	-	-	(695,154)	-
Property, net	-	3,343,147	1,326,971	-	4,670,118
	<u>\$ 1,146,579</u>	<u>\$ 4,569,293</u>	<u>\$ 1,683,920</u>	<u>\$ (929,802)</u>	<u>\$ 6,469,990</u>
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 101,801	\$ 231,457	\$ 152,369	\$ (234,648)	\$ 250,979
Refundable advances	-	4,158	2,000	-	6,158
Due to City of Lockport	75,000	-	-	-	75,000
Security deposits	-	71,728	-	-	71,728
Long-term debt	-	3,547,212	8,154	(695,154)	2,860,212
	<u>176,801</u>	<u>3,854,555</u>	<u>162,523</u>	<u>(929,802)</u>	<u>3,264,077</u>
<b>Net assets:</b>					
With donor restrictions	3,904	-	252,879	-	256,783
Without donor restrictions	965,874	714,738	1,268,518	-	2,949,130
	<u>969,778</u>	<u>714,738</u>	<u>1,521,397</u>	<u>-</u>	<u>3,205,913</u>
	<u>\$ 1,146,579</u>	<u>\$ 4,569,293</u>	<u>\$ 1,683,920</u>	<u>\$ (929,802)</u>	<u>\$ 6,469,990</u>

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Supplementary Information**  
**Consolidating Statement of Activities**

For the year ended December 31, 2023

	GLDC	210 Walnut	Lockport Locks	Eliminations	Consolidated
<b>Changes in net assets without donor restrictions:</b>					
Revenues and support:					
Lease and occupancy income	\$ -	\$ 1,098,747	\$ -	\$ -	\$ 1,098,747
Contributions and grants	126,131	-	127,827	-	253,958
Interest from loans	27,880	-	-	(27,880)	-
Other income and fees	55,793	309,982	23,742	(19,865)	369,652
Net assets released from restrictions	1,362,777	-	361,135	-	1,723,912
Total revenues and support	1,572,581	1,408,729	512,704	(47,745)	3,446,269
Expenses:					
Program:					
Economic development and revitalization	1,992,184	-	260,982	(10,400)	2,242,766
Lease operations	-	1,103,684	-	(27,480)	1,076,204
General and administrative	82,963	155,477	54,096	(9,865)	282,671
Total expenses	2,075,147	1,259,161	315,078	(47,745)	3,601,641
Change in net assets without donor restrictions	(502,566)	149,568	197,626	-	(155,372)
<b>Change in net assets with donor restrictions:</b>					
Contributions	1,366,681	-	301,356	-	1,668,037
Net assets released from restrictions	(1,362,777)	-	(361,135)	-	(1,723,912)
Change in net assets with donor restrictions	3,904	-	(59,779)	-	(55,875)
<b>Change in net assets</b>	(498,662)	149,568	137,847	-	(211,247)
Net assets - beginning	1,468,440	565,170	1,383,550	-	3,417,160
<b>Net assets - ending</b>	\$ 969,778	\$ 714,738	\$ 1,521,397	\$ -	\$ 3,205,913

GREATER LOCKPORT DEVELOPMENT CORPORATION

**Supplementary Information**  
**Schedule of Expenditures of Federal Awards**

For the year ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Passed through City of Lockport:			
COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	663CV9F24-21	\$ 601,969
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	663ED501-22	110,297
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	663ME985-21	186,192
Passed through Niagara County:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	<u>86,000</u>
<u>Total Expenditures of Federal Awards</u>			<u>\$ 984,458</u>

**Notes to Schedule of Expenditures of Federal Awards**

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**1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs administered by Greater Lockport Development Corporation (the Corporation), an entity as defined in Note 1 to the Corporation's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the Schedule of Expenditures of Federal Awards.

**Basis of Accounting**

The Corporation uses the full accrual basis of accounting for each federal program, consistent with the financial statements.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the Corporation's financial reporting system.

**Indirect Costs**

The Corporation does not use the 10% de minimis indirect cost rate permitted by the Uniform Guidance.



**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, 2023, 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 25, 2024.

**Report on 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. 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 have not been identified.

**Report on 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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lyndon & McCormick, LLP

March 25, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Director  
Greater Lockport Development Corporation

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Greater Lockport Development Corporation's (the Corporation) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended December 31, 2023. The Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Corporation's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Symon & McCormick, LLP*

March 25, 2024

**Schedule of Findings and Questioned Costs**

For the year ended December 31, 2023

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**Section I. Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number	Amount
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	\$ 984,458

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**Section II. Financial Statement Findings**

No matters were reported.

**Section III. Federal Award Findings and Questioned Costs**

No matters were reported.

**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, 2023, 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 25, 2024.

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, 2023. 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 25, 2024