

**OLEAN LOCAL
DEVELOPMENT CORPORATION**

REPORT ON FINANCIAL STATEMENTS

**YEARS ENDED
MAY 31, 2021 AND 2020**

**OLEAN LOCAL
DEVELOPMENT CORPORATION**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Olean Local Development Corporation
Olean, New York

We have audited the accompanying financial statements of ***Olean Local Development Corporation*** (a nonprofit organization) which comprise the statements of financial position as of May 31, 2021 and 2020, and the related statements of activities 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of ***Olean Local Development Corporation*** as of May 31, 2021 and 2020, 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.

Buffamante Whipple Buttafaro, P.C.

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
November 16, 2021

OLEAN LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION

As of May 31,	2021	2020
Assets		
Current assets:		
Cash	\$ 1,254	\$ 1,985
Accrued interest receivable	1,447	--
Notes receivable - current	31,961	--
	<hr/>	<hr/>
Total current assets	34,662	1,985
Non-current assets:		
Notes receivable - long term	168,039	--
	<hr/>	<hr/>
Total non-current assets	168,039	--
	<hr/>	<hr/>
Total assets	\$ 202,701	\$ 1,985
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 1,000	\$ --
	<hr/>	<hr/>
Total liabilities	1,000	--
Net assets:		
Without donor restrictions (deficit)	200,701	(15)
With donor restrictions	1,000	2,000
	<hr/>	<hr/>
Total net assets	201,701	1,985
	<hr/>	<hr/>
Total liabilities and net assets	\$ 202,701	\$ 1,985
	<hr/> <hr/>	<hr/> <hr/>

OLEAN LOCAL DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES

<i>For the years ended May 31,</i>	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Support and revenue						
Grant income	\$ 202,775	\$ --	\$ 202,775	\$ --	\$ --	\$ --
Interest revenue	1,447	--	1,447	--	--	--
Other income	340	--	340	--	--	--
Net assets released from restrictions- satisfaction of purpose restrictions	1,000	(1,000)	--	1,000	(1,000)	--
Total support and revenue	205,562	(1,000)	204,562	1,000	(1,000)	--
Expenses						
Professional fees	4,775	--	4,775	1,000	--	1,000
Miscellaneous expenses	71	--	71	72	--	72
Total expenses	4,846	--	4,846	1,072	--	1,072
Increase (decrease) in net assets	200,716	(1,000)	199,716	(72)	(1,000)	(1,072)
Net assets, beginning of year	(15)	2,000	1,985	57	3,000	3,057
Net assets, end of year	\$ 200,701	\$ 1,000	\$ 201,701	\$ (15)	\$ 2,000	\$ 1,985

OLEAN LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS

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<i>For the years ended May 31,</i>	2021	2020
Cash flows from operating activities:		
Change in net assets	<u>\$ 199,716</u>	<u>\$ (1,072)</u>
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Increase in accrued interest receivable	(1,447)	--
Increase in accounts payable	<u>1,000</u>	<u>--</u>
Total adjustments	<u>(447)</u>	<u>--</u>
Net cash provided by (used in) operating activities	<u>199,269</u>	<u>(1,072)</u>
Cash flows from investing activities:		
Loans made to companies	<u>(200,000)</u>	<u>--</u>
Net cash used in investing activities	<u>(200,000)</u>	<u>--</u>
Net change in cash	(731)	(1,072)
Cash, at beginning of year	<u>1,985</u>	<u>3,057</u>
Cash, at end of year	<u><u>\$ 1,254</u></u>	<u><u>\$ 1,985</u></u>

See accompanying independent auditor's report and notes to financial statements.

OLEAN LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2021 AND 2020

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Organization

Olean Local Development Corporation (OLDC) is dedicated to the promotion of the economic prosperity and social development of the City of Olean. Its mission includes the desire to renovate Bradner Stadium located in the City of Olean in order to facilitate growth and business around the existing location.

Basis of Accounting

OLDC maintains its financial records on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Codification Topic 958, Financial Statements of Not-for-profit Organizations. Under Topic 958, *Olean Local Development Corporation* is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - net assets that are not subject to or no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction - net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Federal Tax Status

OLDC is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and from New York State income taxes under Article 7-A of the Executive Law. Therefore, no provision has been made for federal or New York State income taxes in the accompanying financial statements. In addition, OLDC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Agency other than a private foundation under Section 509 (a)(3). Tax returns for the previous three years are subject to examination by the Internal Revenue Service.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies. Actual results may differ from those estimates.

Functional Allocation of Expenses

All costs of the OLDC are considered program related costs.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES
(continued)

Cash

OLDC considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Contributions, Grants and Contract Receivables

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Grant and contract receivables are carried at their estimated collectible amounts. Receivables deemed uncollectible are charged directly to expense. Trade credit is generally extended on a short- term basis, thus grant and contract receivables do not bear interest, although a finance charge may be applied to such receivables that are past due.

NOTE 2 – LIQUIDITY

As of May 31, 2021, OLDC had no financial assets available for general use. OLDC has \$1,000 available to be applied against costs associated with future audits, of which \$1,000 is anticipated to be utilized during the year ending May 31, 2022. During the fiscal year ended May 31, 2021, OLDC established a note receivable with a third party and anticipates receiving \$33,408, including accrued interest receivable, during the fiscal year ending May 31, 2022.

NOTE 3 – NOTE RECEIVABLE

In December 2020, the OLDC received \$200,000 of a NYS Office of Community Renewal grant (See Note 5) that was loaned to HK Olean Hotel, LLC to be utilized towards development located in Olean, New York. A corresponding note receivable was recognized by OLDC. The note has repayment terms of 2% over five years and the amount outstanding as of May 31 is as follows:

	<u>2021</u>	<u>2020</u>
Note receivable	\$ 200,000	\$ -
Less: Note receivable – current portion	<u>(31,961)</u>	<u>-</u>
Note receivable – long term portion	\$ <u>168,039</u>	<u>-</u>

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

During the year ended May 31, 2019, OLDC received \$4,000 from the Revolving Loan fund of the City of Olean with authorization from the Office of Community Renewal (OCR) to pay for future audits. OLDC spent \$1,000 on the audit during the year ended May 31, 2021, releasing the funds from restriction. The remaining unspent balance as of May 31, 2021 is \$1,000.

OLEAN LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2021 AND 2020

NOTE 5 – GRANT AWARD

On April 16, 2019, OLDC was awarded a \$416,000 grant from NYS Office of Community Renewal that will assist HK Olean Hotel, LLC in the development of land in the City of Olean. The grant is divided into a \$200,000 note receivable (See Note 3) and a \$200,000 deferred loan. The remaining funds of \$16,000 are to pay consultants related to the grant process. During the year ended May 31, 2021 the OLDC received \$202,775 of the grant, of which \$200,000 was recorded as a note receivable. OLDC will begin receiving payments from HK Olean Hotel, LLC related to the note receivable in July 2021. The remaining \$2,775 was used to pay consultant fees. The remaining grant was requested and received in August 2021 of which \$200,000 will be reported as a note receivable and deferred revenue until the conditions of the grant are met, at which time the loan will be forgiven.

NOTE 6 – PANDEMIC

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 16, 2021, which is the date the financial statements were available to be used.