

Hamburg New York Land Development Corporation

**Financial Statements
As of December 31, 2020 and 2019
Together With
Independent Auditor's Report**

HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hamburg New York Land Development Corporation
Hamburg, New York 14075

Report on the Financial Statements

We have audited the accompanying financial statements of the Hamburg New York Land Development Corporation, Inc., (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

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.

Opinions

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

Allied CPAs, P.C.

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March 24, 2021

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FINANCIAL STATEMENTS

HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

| | 2020 | 2019 |
|--|--------------|-------------|
| <u>CURRENT ASSETS</u> | | |
| Cash | \$ 740,704 | \$ 384,558 |
| TOTAL CURRENT ASSETS | 740,704 | 384,558 |
| <u>PROPERTY AND EQUIPMENT</u> | | |
| Land | 419,628 | 452,666 |
| TOTAL PROPERTY AND EQUIPMENT | 419,628 | 452,666 |
| TOTAL ASSETS | \$ 1,160,332 | \$ 837,224 |

LIABILITIES AND NET ASSETS

| | | |
|---|--------------|------------|
| <u>LIABILITIES</u> | | |
| Deferred revenue | \$ 176,209 | \$ - |
| <u>NET ASSETS</u> | | |
| Without donor restriction | 984,123 | 837,224 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,160,332 | \$ 837,224 |

The accompanying notes are an integral
part of the basic financial statements

HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------------------------|-------------------|-------------------|
| <u>REVENUES</u> | | |
| Sale of land | \$ 210,000 | \$ 56,605 |
| Interest earnings | 2,106 | 2,043 |
| Grant income | 3,569 | - |
| TOTAL REVENUES | <u>215,675</u> | <u>58,648</u> |
| <u>EXPENSES</u> | | |
| Cost of sales | 33,038 | 11,812 |
| Professional fees | 25,615 | 9,305 |
| Promotional expenses | 7,071 | - |
| Taxes and filing fees | 125 | 125 |
| Property taxes | 1,710 | 1,310 |
| Insurance | 1,217 | 1,186 |
| Office expenses | - | 85 |
| Bank fees | - | 187 |
| TOTAL EXPENSES | <u>68,776</u> | <u>24,010</u> |
| Change in net assets | 146,899 | 34,638 |
| Net assets - beginning of year | <u>837,224</u> | <u>802,586</u> |
| Net assets - end of year | <u>\$ 984,123</u> | <u>\$ 837,224</u> |

The accompanying notes are an integral
part of the basic financial statements

HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|--|-------------------|-------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Change in net position | \$ 146,899 | \$ 34,638 |
| Adjustments: | | |
| Gain on sale of land | (176,962) | (44,793) |
| Deferred revenue | 176,209 | - |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 146,146 | (10,155) |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Sale of land | 210,000 | 56,605 |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | 210,000 | 56,605 |
| NET CHANGE IN CASH | 356,146 | 46,450 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | 384,558 | 338,108 |
| CASH AND CASH EQUIVALENTS - ENDING OF YEAR | \$ 740,704 | \$ 384,558 |

The accompanying notes are an integral
part of the basic financial statements

HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 1 – Organization

The Hamburg New York Land Development Corporation was created in 2010 under the provisions of the New York Not-for-Profit Corporation Law. Its principal place of business is located at 6122 South Park Ave, Hamburg, NY 14075.

The purpose of the Corporation is to promote community and economic development and the creation of jobs in the not-for-profit and for-profit sectors for the citizens of the Town of Hamburg by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects. The Corporation is a part of the Hamburg Industrial Development Agency, but is independently run and operated. The Corporation is governed by a volunteer board of directors

Note 2 - Significant Accounting Policies

This summary of significant accounting policies of the Hamburg New York Land Development Corporation, Inc. (the Corporation) is presented to assist in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements based on guidelines set for nonprofit Corporation.

Basis of Accounting

The Hamburg New York Land Development Corporation uses the accrual basis of accounting for recording transactions. Under this method, revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958. Under ASC Topic 958, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for any purpose in performing the primary objectives of the Corporation. From time to time, the Board may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and / or purpose restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Corporation maintains cash equivalents in financial institutions which, at times, may exceed federally insured limits. The Corporation has not experienced any losses on such accounts and believes that it is not exposed to any significant credit risk with respect to cash and cash equivalents.

Income Taxes

The Corporation is tax exempt status under Section 501(c)(3) of the Internal Revenue Code. As a result, the Corporation is not subject to Federal or New York State income taxes on revenue generated from its not-for-profit Activities. The Corporation files its Return of Organization Exempt from Income Tax in the U.S. federal jurisdiction and its Annual Filing of Charitable Organizations in New York State.

HAMBURG NEW YORK LAND DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

Note 2 – Significant Accounting Policies

Revenue Recognition

The majority of the Corporation's revenue is derived from the sale of land. Revenue is recognized when the title has transferred and risk of ownership has passed. The Corporation recognizes revenue from contracts using the following five-step process: 1) Identify the contract(s) with a customer, 2) Identify the performance obligations in the contract, 3) Determine the transaction price, 4) Allocate the transaction price to the performance obligations in the contract, and 5) Recognize revenue as the Corporation satisfies a performance obligation. The majority of the Corporation's revenue is recognized at a point in time based on the transfer of title to customers. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the Corporation's contracts do not contain variable consideration and contract modifications are generally minimal.

Deferred Revenue

Deferred revenues represents revenue not yet recognized for deposits made on the sale of land. These amounts are recognized as revenue in future periods as the sale of land is approved and finalized.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Note 3 - Liquidity and Availability of Resources

The Corporation's financial assets available within one year of the financial position statement date for general expenditures are as follows:

| | <u>2020</u> | <u>2019</u> |
|---|--------------------------|--------------------------|
| Cash and cash equivalents | \$ 740,704 | \$ 384,558 |
| Total financial assets available for expenses within one year: | <u>\$ 740,704</u> | <u>\$ 384,558</u> |

Note 4 - Subsequent Events

The Corporation has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 24, 2021 the date the financial statements were available to be issued.

Subsequent to December 31, 2020, local, U.S., and world governments have continued to encourage self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. These limitations may limit the Corporation's ability to conduct activities on a global basis. There is also unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. This uncertainty and the economic uncertainty in particular may reduce the Corporation's ability to raise money to fund its operations. While management cannot quantify the financial and other impacts to the Corporation, there is a reasonable possibility that the impact on the Corporation's financial position and results of future operations could be material.