

**OLEAN LOCAL
DEVELOPMENT CORPORATION**

REPORT ON FINANCIAL STATEMENTS

**YEARS ENDED
MAY 31, 2025 AND 2024**

**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

Opinion

We have audited the accompanying financial statements of ***Olean Local Development Corporation*** (a nonprofit organization), which comprise the statement of financial position as of May 31, 2025, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ***Olean Local Development 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ***Olean Local Development Corporation's*** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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.

Auditor’s Responsibilities for the Audit of the Financial Statements (continued)

- 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 *Olean Local Development Corporation’s* internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about *Olean Local Development Corporation’s* ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

The Organization’s 2024 consolidated financial statements were audited by other auditors who expressed an unmodified opinion on those financial statements in their report dated September 19, 2024. In our opinion, the summarized comparative information presented as of and for the year ended May 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bysiek CPA, PLLC

**BYSIEK CPA, PLLC
JULY 10, 2025
OLEAN, NY**

OLEAN LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION

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| <i>As of May 31,</i> | <u>2025</u> | <u>2024</u> |
|---|--------------------------|--------------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 112,268 | \$ 75,914 |
| Notes receivable- current | 43,811 | 42,969 |
| Total current assets | <u>156,079</u> | <u>118,883</u> |
| Non-current assets: | | |
| Notes receivable- long term | 22,973 | 62,552 |
| Total non-current assets | <u>22,973</u> | <u>62,552</u> |
| Total assets | <u>\$ 179,052</u> | <u>\$ 181,435</u> |
| Liabilities and Net Assets | | |
| Current liabilities: | | |
| Accounts payable | \$ - | \$ 1,700 |
| Total liabilities | <u>-</u> | <u>1,700</u> |
| Net assets: | | |
| Without donor restrictions | 179,052 | 179,735 |
| Total net assets | <u>179,052</u> | <u>179,735</u> |
| Total liabilities and net assets | <u>\$ 179,052</u> | <u>\$ 181,435</u> |

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

OLEAN LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES

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| <i>For the years ended May 31,</i> | <u>2025</u> | <u>2024</u> |
|------------------------------------|-------------------|-------------------|
| Support and revenue | | |
| Application fees | \$ 250 | \$ 1,250 |
| Interest revenue | <u>5,483</u> | <u>2,497</u> |
| Total support and revenue | <u>5,733</u> | <u>3,747</u> |
| Expenses | | |
| Professional fees | - | 2,200 |
| Program expenditures | 5,000 | 24,629 |
| Donations | 1,000 | 1,000 |
| Miscellaneous expenses | <u>416</u> | <u>43</u> |
| Total expenses | <u>6,416</u> | <u>27,872</u> |
| Change in net assets | (683) | (24,125) |
| Net assets - beginning of year | <u>179,735</u> | <u>203,860</u> |
| Net assets - end of year | <u>\$ 179,052</u> | <u>\$ 179,735</u> |

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

OLEAN LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS

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| <i>For the years ended May 31,</i> | 2025 | 2024 |
|--|--------------------------|-------------------------|
| Cash flows from operating activities: | | |
| Change in net assets | <u>\$ (683)</u> | <u>\$ (24,125)</u> |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Change in accounts payable | <u>(1,700)</u> | <u>200</u> |
| Total adjustments | <u>(1,700)</u> | <u>200</u> |
| Net cash used in operating activities | <u>(2,383)</u> | <u>(23,925)</u> |
| Cash flows from investing activities: | | |
| Collections on notes receivable | 43,737 | 44,793 |
| Issuance of notes receivable | <u>(5,000)</u> | <u>(24,629)</u> |
| Net cash provided by investing activities | <u>38,737</u> | <u>20,164</u> |
| Net change in cash | 36,354 | (3,761) |
| Cash, at beginning of year | <u>75,914</u> | <u>79,675</u> |
| Cash, at end of year | <u>\$ 112,268</u> | <u>\$ 75,914</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, 2025 AND 2024

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 and other projects 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, 2025, OLDC had \$112,268 of cash available for general use. The OLDC also has note receivables established with third parties and anticipates receiving \$43,811 during the fiscal year ending May 31, 2026.

NOTE 3 - NOTES RECEIVABLE

In December 2020, the OLDC received \$200,000 of a NYS Office of Community Renewal grant 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% interest over five years maturing on June 1, 2026.

In addition, during the year ended May 31, 2024, OLDC issued 5 Exterior Housing Rehabilitation Loan Program (EHRLP) loans totaling \$24,629. This program is further discussed in Note 4. The notes have repayment terms of 4% interest over ten years with various maturity dates.

The amounts outstanding as of May 31 are as follows:

| | 2025 | 2024 |
|--|------------------|------------------|
| Note receivable-HK Olean Hotel LLC | \$ 45,045 | \$ 82,406 |
| Notes receivable-EHLRP | <u>21,739</u> | <u>23,115</u> |
| Total notes receivable | 66,784 | 105,521 |
| Less: Notes receivable – current portion | <u>(43,811)</u> | <u>(42,969)</u> |
| Notes receivable – long term portion | <u>\$ 22,973</u> | <u>\$ 62,552</u> |

OLEAN LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2025 AND 2024

NOTE 3 – NOTES RECEIVABLE (CONTINUED)

The aggregate amounts of notes receivable maturing in each of the next five years and thereafter are as follows:

| | | |
|-------------|----|--------|
| Year ending | | |
| 2026 | \$ | 43,811 |
| 2027 | | 2,285 |
| 2028 | | 2,378 |
| 2029 | | 2,475 |
| Thereafter | | 15,835 |

NOTE 4 – EXTERIOR HOUSING REHABILITATION LOAN PROGRAM

In January 2023, OLDC created the Exterior Housing Rehabilitation Program (EHRLP) to provide assistance to eligible owner-occupants within the City of Olean to complete exterior home repairs. The program is designed to improve and enhance housing conditions of properties in the City's residential neighborhoods with funds up to \$10,000 available for qualified exterior home repairs. The funds will be distributed as \$5,000 interest bearing loans and \$5,000 deferred loans to individuals. The interest-bearing notes have repayment terms of 4% interest over ten years with various maturity dates. During the 2023-24 fiscal year, the OLDC issued \$24,629 of EHRLP notes receivable and \$24,629 of deferred loans. As the deferred loans are not anticipated to be returned they have been recorded as program expenditures in the current year.

NOTE 5 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report.