

WARREN COUNTY LOCAL
DEVELOPMENT CORPORATION
(A Component Unit of Warren County)
Financial Statements and
Supplementary Information
December 31, 2025 and 2024
(With Independent Auditors' Report Thereon)

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Warren County)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Warren County Local Development Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Warren County Local Development Corporation (the Corporation), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Warren County Local Development Corporation as of December 31, 2025 and 2024, 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.

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 the 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 the 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 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 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 GAAS and Government Auditing Standards, we:

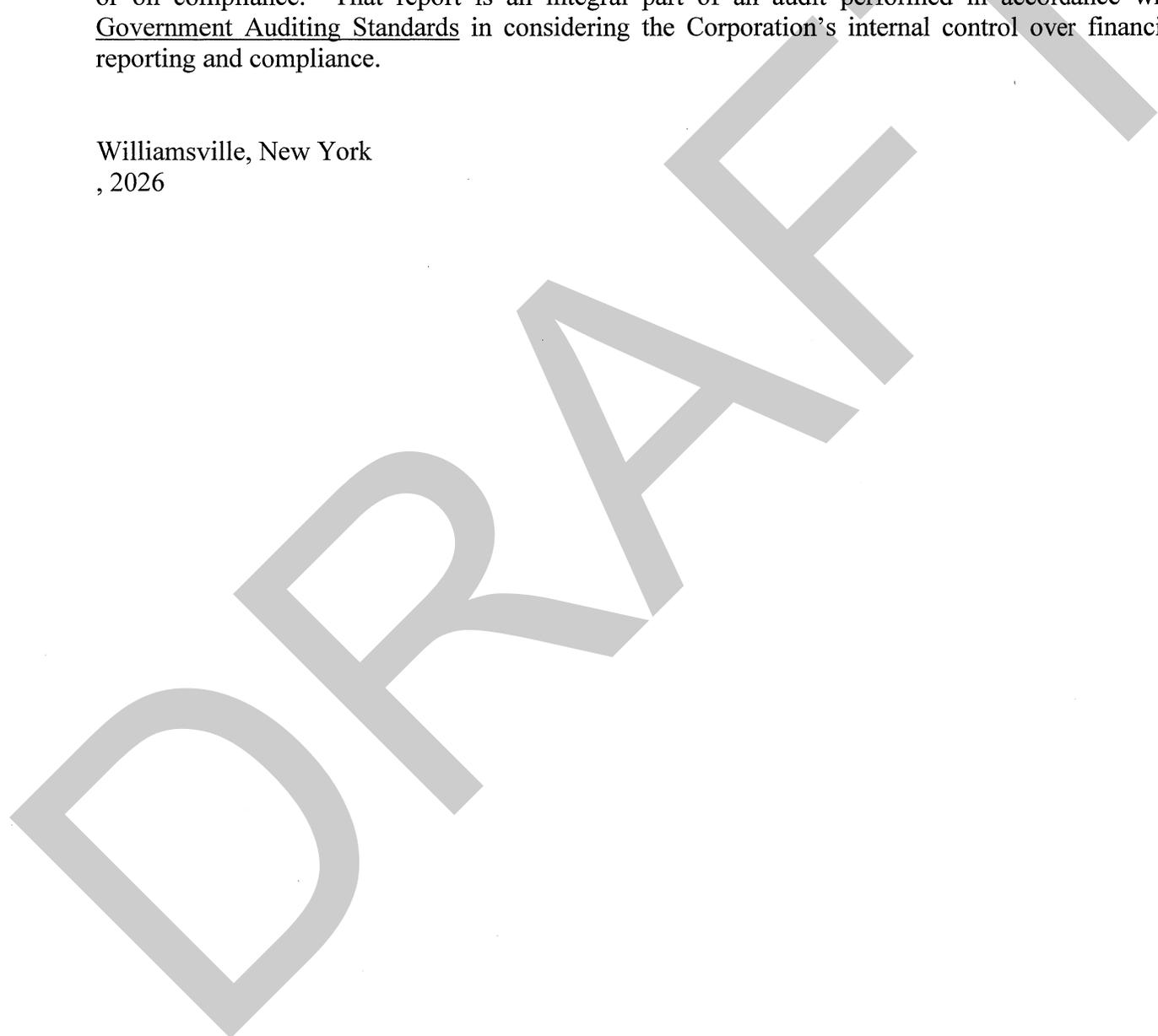
- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 audits.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated _____, 2026 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, and 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.

Williamsville, New York
, 2026



WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Warren County)
Statements of Financial Position
December 31, 2025 and 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and equivalents	\$ 309,495	281,526
Investment in certificates of deposit	902,182	1,100,005
Accounts receivable	15,750	30,450
Loans receivable - current portion	95,894	66,443
Total current assets	1,323,321	1,478,424
Non-current assets:		
Loans receivable, net of current portion	354,324	178,122
Allowance for credit losses	(123,071)	(67,195)
Total non-current assets	231,253	110,927
Total assets	\$ 1,554,574	1,589,351
<u>Liabilities and Net Assets</u>		
Current liabilities - accounts payable	234	111
Net assets without donor restrictions	1,554,340	1,589,240
Total liabilities and net assets	\$ 1,554,574	1,589,351

See accompanying notes to financial statements.

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Warren County)
Statements of Activities
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue:		
Interest and late fees on loans	\$ 21,208	9,319
Investment interest	19,571	65,356
Program service fees	-	8,309
Warren County support fee	<u>60,000</u>	<u>60,000</u>
Total revenue	<u>100,779</u>	<u>142,984</u>
Expenses:		
Supporting services - management and general:		
Professional fees	9,709	9,175
Legal fees	3,804	8,196
Bad debt expense	55,876	196
Housing study	10,000	-
Other expenses	6,290	1,942
Service contract - Economic Development Corporation of Warren County	<u>50,000</u>	<u>50,000</u>
Total expenses	<u>135,679</u>	<u>69,509</u>
Change in net assets without donor restrictions	(34,900)	73,475
Net assets without donor restrictions at beginning of year	<u>1,589,240</u>	<u>1,515,765</u>
Net assets without donor restrictions at end of year	<u>\$ 1,554,340</u>	<u>1,589,240</u>

See accompanying notes to financial statements.

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Warren County)
Statements of Cash Flows
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ (34,900)	73,475
Adjustments to reconcile net assets without donor restriction to net cash provided by operating activities:		
Bad debt	55,786	196
Changes in:		
Accounts receivable	14,700	(10,450)
Accounts payable	123	(6,838)
Net cash provided by operating activities	<u>35,709</u>	<u>56,383</u>
Cash flows from investing activities:		
Purchase of investment in certificate of deposit	(1,776,789)	(2,338,441)
Proceeds from investment in certificate of deposit	1,974,702	2,273,085
Issuance of new loan	(225,000)	(100,000)
Repayment of loans receivable	<u>19,347</u>	<u>23,546</u>
Net cash used in investing activities	<u>(7,740)</u>	<u>(141,810)</u>
Change in cash and equivalents	27,969	(85,427)
Cash and equivalents at beginning of year	<u>281,526</u>	<u>366,953</u>
Cash and equivalents at end of year	<u>\$ 309,495</u>	<u>281,526</u>

See accompanying notes to financial statements.

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

(A Component Unit of Warren County)

Notes to Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

The Warren County Local Development Corporation (the Corporation) was incorporated in 1986 under the Not-for-Profit Law of the State of New York for the purpose of relieving and reducing unemployment by promoting and providing job opportunities for low to moderate income residents of Warren County. This is accomplished through the Corporation's community development and housing programs as follows:

Community Economic Development - Administration and management of small business lending programs, economic development loans, and economic development grant programs that benefit low and moderate income persons. This is accomplished through grants and loans made to qualifying employers.

Housing - Administration and management of grants to eligible homeowners who need funds to make health and safety related repairs to their homes.

Warren County contracts with the Corporation to administer a revolving loan program funded by the repayments of low interest loans issued by the Warren County Community Development Program. The County Board of Supervisors assigned all loans to the Corporation for no consideration. The Corporation is a component unit of Warren County and is included as such in the County's financial statements.

(b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

The Corporation reports 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 represents resources available for the general support of the Corporation's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations and either expire by passage of time or can be fulfilled by actions of the Corporation. The Corporation had only net assets without donor restrictions in 2025 and 2024.

(d) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

(A Component Unit of Warren County)

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Cash and Equivalents

For purposes of the statements of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and equivalents.

(f) Revenue Recognition

The Corporation's primary sources of revenue are from interest payments received on loans issued by the Corporation through its Micro-Enterprise Loan Program and from grants administered by New York State and the U.S. Department of Housing and Urban Development. Revenue is recognized when earned.

(g) Loans Receivable

The Corporation's receivable are primarily derived from loan principle payments. At each statement of financial position date, the Corporation recognizes an expected allowance for credit losses. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

The Corporation has elected to apply the practical expedient and the accounting policy election introduced by Accounting Standards Update (ASU) 2025-05, Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses for Accounts Receivable and Contract Assets. These elections are applied consistently to all current receivables and current contract assets arising from transactions accounted for under ASC Topic 606, Revenue from Contracts with Customers.

Under the practical expedient, the Corporation assumes that current economic conditions as of the statement of financial position date remain unchanged for the remaining life of the applicable assets. As a result, the Corporation does not develop reasonable and supportable forecasts of future economic conditions for these assets.

Additionally, under the accounting policy election, the Corporation considers cash collection activity occurring after the statement of financial position date but before the date the financial statements are available to be issued when estimating expected credit losses. As a result, management has determined that the allowance for credit losses is adequate.

The Corporation writes off receivables when there is information that indicates that there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in revenue. There were no write-offs for the years ended December 31, 2025 and 2024.

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Warren County)
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Loans Receivable, Continued

The allowance for credit losses and the related activity for the years ended December 31, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 67,195	66,999
Bad debts	<u>55,876</u>	<u>196</u>
Balance at end of year	\$ <u>123,071</u>	<u>67,195</u>

(h) Expense Allocation

The costs of providing programs and other activities have been adequately detailed in the statements of activities. Allocation of management and general expenses between program and supporting services is not considered significant to the operations of the Corporation, therefore, no such allocation has been made.

(i) Contributed Services

During the years ended December 31, 2025 and 2024, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Corporation.

(j) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(k) Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. As a result, no provision for income taxes is reflected in the accompanying financial statements. The Corporation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(l) New Accounting Policies

At the beginning of the year ended December 31, 2025, the Corporation adopted Accounting Standards Update 2025-05, Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses for Accounts Receivable and Contract Assets, which allows: (1) the election of a practical expedient that assumes that current conditions as of the statement of financial position date do not change for the remaining life of the asset and (2) an accounting policy election to consider collection activity after the statement of financial position when estimating expected credit losses. The adoption of this standard was applied prospectively and did not have a material impact on the Corporation's financial statements.

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Warren County)
Notes to Financial Statements, Continued

(2) Liquidity

The Corporation has approximately \$1,227,427 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$309,495 of cash, \$902,182 of investments and \$15,750 of accounts receivables. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2025 statement of financial position.

(3) Concentration of Credit Risk

Financial instruments which potentially expose the Corporation to concentrations of credit risk consist primarily of loans receivable. Management considers the loans, net of allowances, to be fully collectible.

The Corporation had funds on deposit at two banks totaling \$309,495 and \$281,526 at December 31, 2025 and 2024, respectively. These deposits were fully secured by Federal Deposit Insurance Corporation insurance and letters of credit at December 31, 2025 and 2024.

(4) Fair Value Measurements

A framework has been established for measuring fair value of its loans receivable. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Warren County)
Notes to Financial Statements, Continued

(4) Fair Value Measurements, Continued

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The investment in certificates of deposit in the amount of \$902,182 and \$1,100,005 at December 31, 2025 and 2024, respectively, are level 1 assets.

(5) Loans Receivable

The Corporation maintains a revolving loan program. The loans, which are considered to be level 3 assets as described in note 4, have varying interest rates ranging from 3% to 6% and have repayment terms ranging from 3 to 15 years. The loans are collateralized by a priority security interest in any equipment, machinery, furnishings or fixtures refinanced or purchased from loan proceeds.

The table below sets forth a summary of changes in the fair value of the Corporation's Level 3 assets for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 244,565	168,111
Issued loan	225,000	100,000
Less amounts repaid	<u>(19,347)</u>	<u>(23,546)</u>
Balance at end of year	450,218	244,565
Less current portion	<u>(95,894)</u>	<u>(66,443)</u>
Loans receivable, net of current portion	\$ <u>354,324</u>	<u>178,122</u>

WARREN COUNTY LOCAL DEVELOPMENT CORPORATION
(A Component Unit of Warren County)
Notes to Financial Statements, Continued

(5) Loans Receivable, Continued

Expected repayments on the loans receivable at December 31, 2025 are as follows:

2026	\$ 95,894
2027	124,138
2028	76,095
2029	67,290
2030	16,638
Thereafter	<u>70,163</u>
Total	\$ <u>450,218</u>

(6) Related Party Transactions

An agreement between the Corporation and Warren County requires the County to pay a support fee for services rendered in administrating the development grants of the County. The support fee revenue amounted to \$60,000 for the years ended December 31, 2025 and 2024.

The Corporation contracts for administrative and management services with the Economic Development Corporation (EDC) of Warren County at a cost of \$50,000 per year.

**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
Warren County Local 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 financial statements of Warren County Local Development Corporation (the Corporation) (a non-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated _____, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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 Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's 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.

Williamsville, New York
, 2026

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE INVESTMENT GUIDELINES

The Board of Directors
Warren County Local Development Corporation:

Report on Investment Compliance

Opinion on Investment Compliance

We have audited the Warren County Local Development Corporation's (the Corporation), compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law (the investment guidelines) that could have a direct and material effect on its investments for the year ended December 31, 2025.

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 its investments for the year ended December 31, 2025.

Basis for Opinion on Investment Compliance

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, and the audit requirements of the investment guidelines. Our responsibilities under those standards and the investment guidelines 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 with the investment guidelines. 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 investments.

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 investment guidelines, 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 the investment guidelines as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards and the investment guidelines, 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 investment guidelines, but not for the purpose of expressing an opinion on the effectiveness of 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 the investment guidelines 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 investment guidelines 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 the investment guidelines 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 in internal control over compliance 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 investment guidelines. Accordingly, this report is not suitable for any other purpose.

Williamsville, New York
, 2026

REPORT TO THE BOARD

, 2026

The Board of Directors
Warren County Local Development Corporation

Dear Board Members:

We have audited the financial statements of Warren County Local Development Corporation (the Corporation) for the year ended December 31, 2025, and have issued our report thereon dated , 2026. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in note 1 to the financial statements. For the year ended December 31, 2025, the Corporation adopted Accounting Standards Update 2025-05, Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses for Accounts Receivable and Contract Assets. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Corporation's financial statements was the allowance for credit losses regarding loans receivable.

For the year ended December 31, 2025, we evaluated the key factors and assumptions used to develop the provision for uncollectible loans in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant Disclosures

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of our audit.

Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

* * * * *

This information is intended solely for the use of the Board of Directors and management of Warren County Local Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

EFPR GROUP, CPAs, PLLC

Warren County LDC
Monthly Financial Report

WCLDC 2025 Year-End Financials Review

The following is an itemized list of changes made to the 2025 Financials approved by the WCLDC Board of Directors on January, 29, 2026.

Statement of Financial Position (Balance Sheet)

Allowance for doubtful accounts: Based on guidance from our auditor, we added \$55,876 to account for potential losses.

Certificates of Deposit: The adjustment of \$3,275 accounts for the 2025 portion of interest gains for CD funds that were invested in 2025, but mature in 2026.

Accrued Expense: There is always a bit of a lag for legal invoices, so I habitually put a placeholder in accrued expenses. I had overestimated the amount for Dec 2025 by \$444.

Statement of Activities (P&L)

Interest- Savings, Short-Term CDs: We overreported the interest gains in 2024, so this adjustment accounts for that.

Legal Fees: This is the adjustment to the accrued legal fees.

Bad Debt: This is the other side of the Allowance for Doubtful Account entry; it is standard to adjust this amount at the end of every fiscal year.

Housing Study: This is the EDC's contribution to the County's Housing Study that the WCLDC has held in escrow since 2020 ss per the terms of a 2020 MOU between the EDC and WCLDC.

WCLDC
Balance Sheet 12/31/2025
BoD Approved VS. Audited
2026-03-13

	WCLDC APPROVED Dec 31, 25	EFPR AUDITED FINAL Dec 31, 25	VARIANCE
2026-03-13			
ASSETS			
Current Assets			
Checking/Savings	309,495	309,495	(0)
Accounts Receivable	15,750	15,750	-
Allowance for Doubtful Accounts	(67,195)	(123,071)	(55,876)
Loan Receivable	450,218	450,218	(0)
Certificates of Deposit	898,907	902,182	3,275
TOTAL ASSETS	1,607,175	1,554,573	(52,602)
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	178	178	-
Accrued Expense	500	56	(445)
Total Current Liabilities	678	234	(445)
Total Liabilities	678	234	(445)
Equity			
Board Designated Fund	300,966	300,966	(0)
Opening Balance Equity	473,514	497,608	24,094
Unrestricted Net Assets	790,666	790,666	-
Net Income	41,351	(34,900)	(76,251)
Total Equity	1,606,497	1,554,340	(52,157)
TOTAL LIABILITIES & EQUITY	1,607,175	1,554,573	(52,602)

WCLDC
Profit & Loss 01/01 to 12/31/2025
BoD Approved VS. Audited

2026-03-13

	WCLDC APPROVED Jan - Dec 25	EFPR AUDITED FINAL Jan - Dec 25	VARAIANCE
Ordinary Income/Expense			
Income			
Investments	30,390	19,571	(10,819)
Program Income	81,208	81,208	0
Total Income	<u>111,598</u>	<u>100,779</u>	(10,819)
Gross Profit	111,598	100,779	(10,819)
Expense			-
Bank Service Charges	208	208	-
Contract Services	19,647	19,203	(444)
Program Expense	50,392	116,268	65,876
Total Expense	<u>70,247</u>	<u>135,679</u>	65,432
Net Ordinary Income	<u>41,351</u>	<u>(34,900)</u>	(76,251)
Net Income	<u><u>41,351</u></u>	<u><u>(34,900)</u></u>	(76,251)