

**ADVANCE ALBANY COUNTY ALLIANCE LOCAL  
DEVELOPMENT CORPORATION**

**Financial Statements as of  
December 31, 2021  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

March 23, 2022

To the Board of Directors of  
Advance Albany County Alliance Local Development Corporation:

### Opinion

We have audited the accompanying financial statements of Advance Albany County Alliance Local Development Corporation (a New York nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 Advance Albany County Alliance Local Development Corporation as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principle generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit 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 Advance Albany County Alliance Local Development Corporation and to meet our other ethical responsibilities in accordance with the 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 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 Advance Albany County Alliance 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.

6 Wembley Court  
Albany, New York 12205  
p (518) 464-4080  
f (518) 464-4087

[www.bonadio.com](http://www.bonadio.com)

(Continued)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### **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, including omissions, 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.
- 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 Advance Albany County Alliance 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 Advance Albany County Alliance 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.

# ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

## STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2021

---

### ASSETS

#### CURRENT ASSETS:

|                      |    |                |
|----------------------|----|----------------|
| Cash                 | \$ | 195,351        |
| Accounts receivable  |    | 121,976        |
| Prepaid expenses     |    | <u>5,398</u>   |
| Total current assets |    | <u>322,725</u> |

#### PROPERTY AND EQUIPMENT:

|                                |  |               |
|--------------------------------|--|---------------|
| Projects in process            |  | 36,000        |
| Computer equipment             |  | 3,082         |
| Less: Accumulated depreciation |  | <u>(466)</u>  |
| Property and equipment, net    |  | <u>38,616</u> |

TOTAL ASSETS \$ 361,341

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES:

|                           |    |               |
|---------------------------|----|---------------|
| Accounts payable          | \$ | 9,580         |
| Accrued payroll           |    | <u>734</u>    |
| Total current liabilities |    | <u>10,314</u> |

#### NET ASSETS:

|                            |  |                |
|----------------------------|--|----------------|
| Without donor restrictions |  | (148,973)      |
| With donor restrictions    |  | <u>500,000</u> |
| Total Net Assets           |  | <u>351,027</u> |

TOTAL LIABILITIES AND NET ASSETS \$ 361,341

The accompanying notes are an integral part of these statements.

**ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

|                                       | <u>Without donor<br/>restrictions</u> | <u>With donor<br/>restrictions</u> | <u>Total</u>      |
|---------------------------------------|---------------------------------------|------------------------------------|-------------------|
| REVENUES:                             |                                       |                                    |                   |
| Agency fees                           | \$ 121,976                            | \$ -                               | \$ 121,976        |
| Net assets released from restrictions | <u>500,000</u>                        | <u>(500,000)</u>                   | <u>-</u>          |
| Total revenues                        | <u>621,976</u>                        | <u>(500,000)</u>                   | <u>121,976</u>    |
| EXPENSES:                             |                                       |                                    |                   |
| Program                               | 752,560                               | -                                  | 752,560           |
| Administrative                        | <u>18,389</u>                         | <u>-</u>                           | <u>18,389</u>     |
| Total expenses                        | <u>770,949</u>                        | <u>-</u>                           | <u>770,949</u>    |
| CHANGE IN NET ASSETS                  | (148,973)                             | (500,000)                          | (648,973)         |
| NET ASSETS - BEGINNING OF YEAR        | <u>-</u>                              | <u>1,000,000</u>                   | <u>1,000,000</u>  |
| NET ASSETS - END OF YEAR              | <u>\$ (148,973)</u>                   | <u>\$ 500,000</u>                  | <u>\$ 351,027</u> |

The accompanying notes are an integral part of these statements.

**ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

---

|                                 | <u>Program<br/>Expenses</u> | <u>Administrative<br/>Expenses</u> | <u>Total</u>          |
|---------------------------------|-----------------------------|------------------------------------|-----------------------|
| Grant related disbursements     | \$ 500,000                  | \$ -                               | \$ 500,000            |
| Salaries and benefits           | 122,243                     | 13,583                             | 135,826               |
| Legal and professional services | 87,078                      | -                                  | 87,078                |
| Office supplies                 | 14,818                      | 1,646                              | 16,464                |
| Sponsorship                     | 12,726                      | 1,414                              | 14,140                |
| Dues and subscriptions          | 7,846                       | 872                                | 8,718                 |
| Travel                          | 3,654                       | 406                                | 4,060                 |
| Conference                      | 2,921                       | 325                                | 3,246                 |
| Depreciation                    | 419                         | 47                                 | 466                   |
| Insurance                       | 355                         | 40                                 | 395                   |
| Filing fees                     | 247                         | 28                                 | 275                   |
| Telephone                       | 157                         | 18                                 | 175                   |
| Miscellaneous                   | <u>95</u>                   | <u>11</u>                          | <u>106</u>            |
| <br>Total expenses              | <br><u>\$ 752,560</u>       | <br><u>\$ 18,389</u>               | <br><u>\$ 770,949</u> |

The accompanying notes are an integral part of these statements.

# ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

---

|  |                   |
|--|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:  |                   |
| Change in net assets   | \$ (648,973)      |
| Adjustments to reconcile change in net assets to net cash from operating activities: |                   |
| Depreciation   | 466               |
| Changes in:  |                   |
| Accounts receivable  | 78,024            |
| Prepaid expenses   | (5,398)           |
| Accounts payable   | 9,580             |
| Accrued payroll  | <u>734</u>        |
| Net cash flows from operating activities   | <u>(565,567)</u>  |
| CASH FLOWS FROM INVESTING ACTIVITIES:  |                   |
| Purchase of property and equipment   | <u>(39,082)</u>   |
| Net cash flows from investing activities   | <u>(39,082)</u>   |
| CHANGE IN CASH   | (604,649)         |
| CASH - BEGINNING OF YEAR   | <u>800,000</u>    |
| CASH - END OF YEAR   | <u>\$ 195,351</u> |

The accompanying notes are an integral part of these statements.

# ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

---

### 1. THE ORGANIZATION

Advance Albany County Alliance Local Development Corporation (the Corporation) was formed in November 2020 to relieve and reduce unemployment in Albany County (the County), promote and provide additional adult employment in the County, maintain adult job opportunities in the County, and to carry on scientific distribution of grants to qualifying small businesses in the County. Since its inception, the Corporation has substantially been supported by grants from the County.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **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 (GAAP).

#### **Use of Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures. Actual results could differ from those estimates.

#### **Cash**

The Corporation maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks on cash.

#### **Accounts Receivable**

The Corporation considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been reflected in the financial statements. If in the future, management determines that amounts may be uncollectible, an allowance will be established and operations will be changed when that determination is made. Accounts for which no payments have been received for several months are considered delinquent and customary collection efforts are begun. After all collection efforts are exhausted the account is written off. As of December 31, 2021, management determined that the outstanding balances are fully collectible, and no allowance is necessary.

#### **Property and Equipment**

All acquisitions of property and equipment that materially prolong the useful lives of assets costing over \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Financial Reporting**

The Corporation reports information regarding its activities and the related net assets using two net asset categories: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions - Includes amounts that have no external donor restrictions on their use or purpose. The Board of Directors can authorize use of these funds as it desires to carry on the purpose of the Corporation according to its by-laws.

Net Assets with Donor Restrictions - Includes amounts that have donor-imposed restrictions that expire when the donor-imposed restrictions have been satisfied by actions of the Corporation.

### **Revenue Recognition**

During the year ending December 31, 2020, substantially all of the Corporation's revenue was derived from restricted grants and donations. Revenue without donor restrictions is recognized when expenses relative to the contracts, grants, and donations are incurred. Revenue with donor restrictions is recognized with specific program purposes when the donor makes an unconditional commitment to the Corporation. This revenue is then released from with donor restrictions into without donor restrictions when the program expends funds.

During 2021, substantially all of the Corporation's revenue was derived from an agency fee from Albany County Business Development Corporation (ACBDC). The Corporation's performance obligation is to provide staff to ACBDC to fulfill its mission. The performance obligation is met, and revenue is recognized, when the staff hours are provided. The Corporation's transaction price is stated in the annual agreement contracted with ACBDC.

### **Functional Allocation of Expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated amongst the programs and supporting services benefited. The most significant expenses with allocations include salaries and benefits, which are recorded based on hours spent.

### **Income Tax Status**

The Corporation is a non-profit organization generally exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Corporation has been classified as a publicly supported organization that is not a private foundation.

### 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At December 31, 2021, the Corporation has the following financial assets available to meet cash needs for general expenditure within one year of the statement of financial position date:

|  |                     |
|--|---------------------|
| Financial assets:  |                     |
| Cash   | \$ 195,351          |
| Accounts receivable  | <u>121,976</u>      |
| Total financial assets   | 317,327             |
| Less: Net assets with donor restrictions   | <u>(500,000)</u>    |
| Financial assets available to meet cash<br>needs for general expenditure within one year | <u>\$ (182,673)</u> |

The Corporation's ability to meet its cash needs is highly dependent on timely receipt of grant funds, which are primarily due from its granting source. The arrangements require the Corporation to incur costs in advance and then bill for reimbursements after the cash outlay has been made. The Corporation has designed procedures to collect from these payers as quickly as possible. As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Corporation could also manage vendor relationships to extend payment terms where possible.

### 4. CONTINGENCIES

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

### 5. SUBSEQUENT EVENTS

The Corporation has evaluated events through March 23, 2022, which is the date the financial statements were available to be issued.