

LEWIS COUNTY DEVELOPMENT
CORPORATION AND
SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

BOARD OF DIRECTORS LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY** (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Lewis County Development Corporation and Subsidiary as of December 31, 2025, and the changes in their net assets and their 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 audit in accordance with 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. 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 the Lewis County Development Corporation and Subsidiary 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lewis County Development Corporation and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Lewis County Development Corporation and Subsidiary'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lewis County Development Corporation and Subsidiary'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

We have previously audited the Lewis County Development Corporation and Subsidiary's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 6, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2026, on our consideration of Lewis County Development Corporation and Subsidiary'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 Lewis County Development Corporation and Subsidiary'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 Lewis County Development Corporation and Subsidiary's internal control over financial reporting and compliance.

Bowen & Company CPAs, PLLC

Watertown, New York
March 5, 2026

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY
AUDITED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2025 with Comparative Totals for 2024

	ASSETS	
	2025	2024
Cash	\$ 1,132,980	\$ 1,514,378
Accounts Receivable	-	1,000
Grant Receivable	85,485	31,385
Loans Receivable, Net	148,328	129,487
Property and Equipment, Net	73,922	87,443
	<hr/>	<hr/>
TOTAL ASSETS	\$ 1,440,715	\$ 1,763,693
	<hr/>	<hr/>
 LIABILITIES AND NET ASSETS 		
LIABILITIES		
Accounts Payable	\$ 47,600	\$ -
Unearned Revenue	591,209	958,937
Notes Payable	143,565	155,859
	<hr/>	<hr/>
Total Liabilities	782,374	1,114,796
	<hr/>	<hr/>
NET ASSETS		
Net Assets Without Donor Restrictions		
Board Designated	300,000	400,000
Undesignated	276,607	167,546
Total Net Assets Without Donor Restrictions	576,607	567,546
	<hr/>	<hr/>
Net Assets With Donor Restrictions	81,734	81,351
	<hr/>	<hr/>
Total Net Assets	658,341	648,897
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 1,440,715	\$ 1,763,693
	<hr/>	<hr/>

See notes to consolidated financial statements.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2025 with Summarized Totals for 2024

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024 (Summarized)
SUPPORT AND REVENUE				
Contributions	\$ -	\$ -	\$ -	\$ 25,000
Grant Revenue	693,262	-	693,262	714,058
Interest	34,631	383	35,014	13,280
Loss on Sale of Property	(3,659)	-	(3,659)	-
Rent	11,000	-	11,000	11,270
Total Support and Revenue	735,234	383	735,617	763,608
EXPENSES				
Program Service				
Economic Development	666,899	-	666,899	679,396
Supporting Service				
Management and General	59,274	-	59,274	21,243
Total Expenses	726,173	-	726,173	700,639
CHANGE IN NET ASSETS	9,061	383	9,444	62,969
NET ASSETS, BEGINNING OF YEAR	567,546	81,351	648,897	585,928
NET ASSETS, END OF YEAR	\$ 576,607	\$ 81,734	\$ 658,341	\$ 648,897

See notes to consolidated financial statements.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025 with Summarized Totals for 2024

	Program Service Economic Development	Management and General	Totals 2025	2024 (Summarized)
Grants Paid	\$ 524,128	\$ -	\$ 524,128	\$ 514,017
Credit Losses	128,763	-	128,763	152,584
Taxes, Fees, and Permits	1,560	-	1,560	872
Insurance	343	856	1,199	1,199
Interest	1,559	-	1,559	1,681
Administrative Service	-	41,623	41,623	7,588
Miscellaneous	-	-	-	50
Professional Fees	-	16,579	16,579	12,749
Repairs and Maintenance	684	-	684	-
Supplies	-	216	216	-
Depreciation	9,862	-	9,862	9,899
TOTAL EXPENSES	\$ 666,899	\$ 59,274	\$ 726,173	\$ 700,639

See notes to consolidated financial statements.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2025 with Comparative Totals for 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 9,444	\$ 62,969
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Depreciation Expense	9,862	9,899
Credit Losses	128,763	152,584
Loss on Sale of Property	3,659	-
(Increase) Decrease in Operating Assets:		
Accounts Receivable	1,000	(1,000)
Grants Receivable	(54,100)	-
Loan Receivable	-	(12,071)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	47,600	-
Unearned Revenue	(367,728)	56,489
Net Cash Provided By (Used In) Operating Activities	<u>(221,500)</u>	<u>268,870</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Loan Repayment	22,235	-
Loan Originations	<u>(169,839)</u>	<u>(260,000)</u>
Net Cash Used In Investing Activities	<u>(147,604)</u>	<u>(260,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Notes Payable	<u>(12,294)</u>	<u>(12,173)</u>
Net Cash Used In Financing Activities	<u>(12,294)</u>	<u>(12,173)</u>
Net Decrease in Cash	(381,398)	(3,303)
Cash, Beginning of Year	<u>1,514,378</u>	<u>1,517,681</u>
Cash, End of Year	<u>\$ 1,132,980</u>	<u>\$ 1,514,378</u>

See notes to consolidated financial statements.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 1 – NATURE OF ACTIVITIES

Lewis County Development Corporation (the LCDC) was established in 2003 under the Not-for-Profit Corporation Law of the State of New York for the following purposes:

- To identify, research, fund, develop and manage projects, programs and business opportunities that will increase economic opportunities for Lewis County, New York (the “County”) and its residents;
- To revitalize and enhance business areas in the County;
- To stabilize and enhance the infrastructure of the County to include the utilization of new technologies;
- To recruit enterprises and businesses to the County;
- To provide education and research on the best practices for the economic development of the County;
- To preserve the cultural, historical, and natural resources of the County; and
- To expand economic development potential through collaboration and partnerships.

LCDC’s wholly owned subsidiary, Black Moose Development, LLC, was established in 2011 for the purpose of owning property in the Village of Lyons Falls, New York.

LCDC and Black Moose Development, LLC’s significant sources of operating revenues are from grant and contract revenue, rental revenue, interest received on loans issued, and contributions received.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the LCDC and its wholly owned subsidiary, Black Moose Development, LLC. All significant intercompany transactions and balances have been eliminated. The LCDC and its Subsidiary are collectively referred to herein as the “Organization”.

Basis of Accounting

The Organization’s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation

The Organization 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 that are not subject to or are no longer subject to donor-imposed stipulations. They are currently available for operating purposes subject only to the broad limits resulting from the nature of the Organization. Net assets without donor restrictions generally result from Lewis County support, grant revenue, and interest, less expenses incurred in providing program-related services and performing administrative functions. Net assets without donor restrictions may be designated for specific purpose by action of the Board of Directors.

Net Assets With Donor Restrictions– Net assets with donor restrictions consist of the net assets of the Organization whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the Organization pursuant to those stipulations. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Net assets of \$81,734 and \$81,351 as of December 31, 2025, and 2024, respectively, are subject to donor restrictions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash

For purposes of the Consolidated Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. As of December 31, 2025 and 2024, the Organization held no cash equivalents.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

Accounts receivable represent amounts that have been billed but not collected as of the date of the financial statements. The receivable is deemed to be fully collectible.

Grant Receivable

Grant receivable balance represents amounts due from the Village of Lyons Falls for the Phase 4 demolition of the Lyons Falls Pulp & Paper Mill project and the County of Lewis for the Launch LC program. The receivable is deemed to be fully collectible.

Loans Receivable and Allowance for Credit Losses

Loans receivable are stated at unpaid principal balances, less an allowance for credit losses. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

Loans receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management provides for probable uncollectible amounts through a provision for credit losses and an adjustment to an allowance for credit losses based on its assessment of the current status of individual accounts. A considerable amount of judgment is required when determining expected credit losses. Estimates of such losses are recorded when management believes a customer, or group of customers, may not be able to meet their financial obligations due to deterioration in financial condition or credit rating. Factors relevant to the assessment include prior collection history with customers, the related aging of past due balances, projections of credit losses based on historical trends in credit quality indicators or past events, and forecasts of future economic conditions. See Note 4 for additional information.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$2,000 for the acquisition and betterment of property and equipment having a useful life of one year or more.

Property and equipment are capitalized at cost and depreciated using the straight-line method over their estimated useful lives of seven to thirty-nine years.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Unearned Revenue

The Organization is the recipient of grants that require expenditure for specified activities before the Organization is reimbursed by the grantor for the costs incurred. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as unearned revenue.

Advertising

Advertising costs are expensed as incurred.

Comparative Financial Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Tax Status

The Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation under Section 509(a)(2). Accordingly, no provision has been made for Federal or State taxes.

The Organization has adopted the provisions of Financial Accounting Standards Board Codification, "*Income Taxes*." In determining the recognition of uncertain tax positions, the Organization applies a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with taxing authorities.

The Organization recognizes potential liabilities associated with anticipated tax audit issues that may arise during an examination. Interest and penalties that are anticipated to be due upon examination are recognized as accrued interest and other liabilities with an offset to interest and other expense. The Organization analyzed its tax positions taken on their Federal and State tax returns for the open tax years 2022, 2023, and 2024. Based on this analysis, the Organization determined that there were no uncertain tax positions, and that the Organization should prevail upon examination by the taxing authorities.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

Expenses consist of costs related to economic development and administrative functions. The Organization's operating costs have been allocated based on direct identification when possible and allocated if a single expenditure benefits more than one function. For the years ended December 31, 2025 and 2024, all costs have been allocated based on direct identification.

Revenue Recognition

In accordance with ASU 2018-08, "*Not for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*" (Topic 958), the Organization has revenue sources that are accounted for and recognized as nonreciprocal transactions at the time of the transaction.

Contributions

The Organization recognizes contributions as revenue when they are received and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. Contributions received with donor restrictions that are met in the year of receipt are recorded as revenues without donor restrictions. When a restriction expires or is met in a subsequent year, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Grant Revenue

The Organization receives revenue from cost-reimbursable grants and contracts with state/local agencies and other private grantors, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

A portion of the Organization's revenue stream is normally generated from rent income which is outside the scope of Topic 606. Rent income is recognized at the time it is received by the Organization.

Donated Services

No amounts have been reflected in the consolidated financial statements for donated services. The Organization generally pays for services requiring specific expertise.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES - Continued

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Date of Management’s Review

Management has evaluated subsequent events and transactions that occurred between December 31, 2025 and March 5, 2026, which is the date the financial statements were available to be issued, and has determined that there are no additional adjustments and/or disclosures necessary.

NOTE 3 – GRANT RECEIVABLE

Grant receivables are amounts due from the Village of Lyons Falls for the Phase 4 abatement and demolition of the former Lyons Falls Pulp and Paper Mill project as well as the County of Lewis for the Launch LC program as follows:

	2025	2024
Village of Lyons Falls	\$ 31,385	\$ 31,385
County of Lewis	54,100	-
	<u>\$ 85,485</u>	<u>\$ 31,385</u>

NOTE 4 – LOANS RECEIVABLE, NET

Loans receivable consisted of the following at December 31:

	2025	2024
Building Business Development Loans	\$ 204,838	\$ 230,000
Emergency Loan	87,792	100,000
Micro Enterprise Loan	52,044	12,071
Less, Allowance for Credit Losses	<u>(196,346)</u>	<u>(212,584)</u>
Total Loans Receivable, Net	<u>\$ 148,328</u>	<u>\$ 129,487</u>

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 4 – LOANS RECEIVABLE, NET – Continued

The following is a schedule of the outstanding loans receivable at December 31:

	2025	2024
Red Barn Meats	\$ -	\$ 40,000
Black River Valley Natural	50,000	-
Village of Port Leyden	30,000	30,000
Village of Castorland	-	30,000
S&S Spray Foam Insulation	-	45,000
Green Acres Processing	25,000	25,000
Snow Ridge Resort	30,000	30,000
Jeb's Holdings, Inc.	87,792	100,000
Moving Mountains Cafe	39,866	-
Qubica	50,000	-
Other	32,016	42,071
Total Loans Receivable	<u>\$ 344,674</u>	<u>\$ 342,071</u>

Activity in the allowance for credit losses for the years ended December 31 are as follows:

	2025	2024
Balance - January 1	\$ 212,584	\$ 90,000
Provision for Credit Losses	128,763	152,584
Building Business Fund Loans Forgiveness	<u>(145,001)</u>	<u>(30,000)</u>
Balance - December 31	<u>\$ 196,346</u>	<u>\$ 212,584</u>

Emergency Loan Program

During 2024, the Organization disbursed an emergency loan through the newly created emergency loan fund, in the amount of \$100,000. The loan terms deferred accrual of interest and loan payments until May 2025. The loan terms call for 60 monthly principal and interest payments at an interest rate of 4.00% in the amount of \$1,842. As of December 31, 2025 and 2024, the loans receivable balance for the loan program were \$87,792 and \$100,000, respectively. During the years ended December 31, 2025 and 2024, the Organization incurred (\$610) and \$5,000 of credit losses (adjustment) related to the loan program.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 4 – LOANS RECEIVABLE, NET – Continued

Building Business Development Loans

Business Retention Loan Program

During 2025, the Organization a disbursed Business Retention Forgivable loan through the Community Economic Development Program (CEDP), in the amount of \$50,000. The loan terms defer accrual of interest and loan payments for 12 months beginning the month subsequent to the contract issuance. The loan terms call for 24 monthly principal and interest payments at an interest rate of 6.00%. Once the project for which the loan was granted has been completed, the loan recipient may request that the remaining loan balance is forgiven. As of December 31, 2025 and 2024, the loans receivable balance for the loan program were \$50,000 and \$0, respectively. During the years ended December 31, 2025, and 2024 the Organization incurred \$45,000 and \$0, respectively, of credit losses expense related to the loan program by recording an allowance for credit loss on the outstanding loans expected to be forgiven in future years.

Building Business Fund Forgivable Loan Program

During 2025 and 2024, the Organization disbursed Building Business Forgivable loans through the Community Economic Development Program (CEDP), in amounts ranging from \$10,000 up to \$45,000. The loan terms defer accrual of interest and loan payments for 12 months beginning the month subsequent to the contract issuance. The loan terms call for 24 monthly principal and interest payments at an interest rate of 6.00%. Once the project for which the loan was granted has been completed, the loan recipient may request that the remaining loan balance is forgiven. As of December 31, 2025 and 2024, the loans receivable balance for the loan program were \$154,838 and \$230,000, respectively. During the years ended December 31, 2025 and 2024, the Organization incurred \$77,355 and \$147,000, respectively, of credit losses expense related to the loan program by recording an allowance for credit loss on the outstanding loans expected to be forgiven in future years. During the years ended December 31, 2025 and 2024, \$145,001 and \$30,000 of loans were forgiven respectively.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 4 – LOANS RECEIVABLE, NET – Continued

Micro Enterprise Loan Program

During 2024, the Organization established a microenterprise loan program to provide small eligible businesses with loans to stimulate business activity through start-up and expansion projects. This program was funded with unused HUD CDBG monies from Lewis County passed through from the Lewis County Industrial Development Agency. As of December 31, 2025 and 2024, the loans receivable balance restricted for the microenterprise loan program were \$52,044 and \$12,071, respectively. During the years ended December 31, 2025 and 2024, the Organization incurred \$7,018 and \$584 of credit losses related to the loan program.

Loan Receivable Aging

The aging of the loan receivables portfolio as of December 31, 2025 is summarized as follows:

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Current	Total Loans Receivable
Building Business Development	\$ -	\$ -	\$ -	\$ 204,838	\$ 204,838
Emergency Loan	-	-	-	87,792	87,792
Micro Enterprise Loan	-	-	-	52,044	52,044
Total Loans	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,674</u>	<u>\$ 344,674</u>

The aging of the loan receivables portfolio as of December 31, 2024 is summarized as follows:

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 days	Current	Total Loans Receivable
Building Business Development	\$ -	\$ -	\$ -	\$ 230,000	\$ 230,000
Emergency Loan	-	-	-	100,000	100,000
Micro Enterprise Loan	-	-	-	12,071	12,071
Total Loans	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,071</u>	<u>\$ 342,071</u>

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 5 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following at December 31:

	2025	2024
Land and Improvements	\$ 141,553	\$ 148,487
Less: Accumulated Depreciation	<u>67,631</u>	<u>61,044</u>
Property and Equipment, Net	<u>\$ 73,922</u>	<u>\$ 87,443</u>

For the years ended December 31, 2025 and 2024, depreciation expense was \$9,862 and \$9,899, respectively.

NOTE 6 – UNEARNED REVENUE

The following table provides information about unearned revenue for the years ended December 31:

	2025	2024
Unearned Revenues, Beginning of the Year	\$ 958,937	\$ 902,448
Revenue Earned	(367,728)	(418,511)
Cash Received in Advance		
County of Lewis - Vacant Property Revitalization	<u>-</u>	<u>475,000</u>
Unearned Revenues, End of the Year	<u>\$ 591,209</u>	<u>\$ 958,937</u>

The balances will be recognized as revenue beginning January 1, 2026 as specified costs are incurred.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 7 – NOTES PAYABLE

The Organization had a note payable as follows at December 31:

	2025	2024
A note dated August 25, 2016 in the amount of \$250,000 from the Development Authority of the North Country. The note is secured by a guarantee from the County of Lewis Industrial Development Agency. Interest accrues annually at 1.00%. Repayment began on April 16, 2018.	<u>\$ 143,565</u>	<u>\$ 155,859</u>
Total	<u><u>\$ 143,565</u></u>	<u><u>\$ 155,859</u></u>

Maturities of long-term debt over the next five years and thereafter are estimated as follows:

2026	\$ 12,417
2027	12,542
2028	12,667
2029	12,794
2030	12,292
Thereafter	<u>80,853</u>
Total	<u><u>\$ 143,565</u></u>

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 8 – BOARD DESIGNATED NET ASSETS

Certain amounts of the net assets without donor restrictions have been set aside by the Organization’s Board of Directors for specific purposes. The amounts of these Board commitments are as follows as of December 31:

	2025	2024
Business Retention	\$ 150,000	\$ -
Emergency Loan	150,000	150,000
Provisional VPR	-	250,000
	<hr/>	<hr/>
Total Board Designated Net Assets	<u>\$ 300,000</u>	<u>\$ 400,000</u>

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

The micro enterprise loan fund is described in Note 4. The restricted assets related to the loan fund consists of cash and outstanding loans receivable, net of allowance, as of December 31:

	2025	2024
Micro Enterprise Loan Fund	<u>\$ 81,734</u>	<u>\$ 81,351</u>

NOTE 10 – CONCENTRATION OF CREDIT RISK

The Organization typically maintains cash deposits in local federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits. As of December 31, 2025 and 2024, the Organization’s deposits in excess of FDIC limits totaled \$983,581 and \$1,348,877, respectively.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 11 – GRANT REVENUE

Grant Revenue consisted of the following for the years ended December 31:

	2025	2024
Number 3 Wind LLC - Community Economic		
Development	\$ 154,534	\$ 152,250
County of Lewis - Vacant Property Revitalization	367,728	443,511
County of Lewis - Launch LC	171,000	35,000
County of Lewis Industrial Development Agency -		
Micro Enterprise Loan Fund	-	81,297
Other	-	2,000
	<hr/>	<hr/>
	<u>\$ 693,262</u>	<u>\$ 714,058</u>

Number 3 Wind LLC signed a Host Community Benefit Agreement with the Organization dated December 1, 2021, in which they agreed to make certain payments following the commencement of commercial operations through 2052. The Organization has designated these funds to initiate the Community Economic Development Program (“CEDP”) which includes the Small Things, Big Impacts grant, the Community Connections grant, and the Building Business Fund Forgivable Loan program. During the years ended December 31, 2025 and 2024, the Organization received annual payments of \$154,534 and \$152,250, respectively.

In an agreement dated November 13, 2022, the Organization became a subrecipient of funding of United States Coronavirus State and Local Fiscal Recovery Funds (ARPA grant) in the amount of \$1,000,000 from the County of Lewis. The grant program is for the development and administration the Vacant Property Revitalization (VPR) program for the rehabilitation of vacant commercial buildings. For the years ended December 31, 2025 and 2024, the Organization recognized grant revenues of \$367,728 and \$418,511, respectively.

In an agreement dated May 16, 2024, the Organization received an additional \$500,000 from the County of Lewis to replenish balances for the existing Vacant Property Revitalization (VPR) program. For the years ended December 31, 2025 and 2024, the Organization recognized grant revenues of \$-0- and \$25,000, respectively.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 11 – GRANT REVENUE - Continued

The Organization is administering a Microenterprise Assistance program received through NYS Home and Community Renewal on behalf of Lewis County, Launch LC. For the years ended December 31, 2025 and 2024, the Organization recognized grant revenues of \$171,000 and \$35,000, respectively.

During the years ended December 31, 2025 and 2024, the Organization recognized \$-0- and \$81,297, respectively, of grant revenues for the micro enterprise loan fund. See note 4 for a description of the program.

NOTE 12 – CASH FLOW INFORMATION

Statement of Cash Flows

Supplemental disclosures of noncash investing and financing activities as of December 31 are as follows:

	2025	2024
Loan Origination Transfer From the County of Lewis Industrial Development Agency	<u>\$ -</u>	<u>\$ 12,071</u>

Cash paid for interest was as follows for the years ended December 31:

	2025	2024
Interest	<u>\$ 1,559</u>	<u>\$ 1,681</u>

NOTE 13 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, the Organization received a transfer of funds related to the Micro Enterprise Revolving Loan Fund program from the County of Lewis Industrial Development Agency in the amount of \$81,297.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 13 – RELATED PARTY TRANSACTIONS - Continued

On October 2, 2023, the Naturally Lewis, Inc. and the LCDC entered into a management services agreement whereby Naturally Lewis, Inc. provides certain management, administrative, accounting, and economic development services to the Organization. Pursuant to such agreement, the Organization pays Naturally Lewis, Inc. 50% of administration fees relating to programming and property development. The contract has been renewed annually with the cost to the Organization of \$41,227 and \$7,588 during the year ended December 31, 2025 and 2024, respectively, for such services. The Organization also distributed a grant of approximately of \$-0- and \$42,000 the year ended December 31, 2025 and 2024, respectively. The Organization authorized a grant in the amount of \$39,812 to a business for which a member of the Board of Directors holds controlling interest. The member recused himself from related voting and the grant was not yet disbursed as of December 31, 2025.

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity so that it is able to meet the operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization operates collecting sufficient revenue to cover general expenditures. The following table reflects the Organization’s financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the Consolidated Statement of Financial Position date because the assets are not convertible to cash within one year.

LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 with Comparative Totals for 2024

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS - Continued

	2025	2024
Financial Assets:		
Cash	\$ 1,132,980	\$ 1,514,378
Accounts Receivable	-	1,000
Grant Receivable	85,485	31,385
Loans Receivable, Net	<u>148,328</u>	<u>129,487</u>
Financial Assets, End of Year	<u>1,366,793</u>	<u>1,676,250</u>
Less those Unavailable for General Expenditures Within One Year, due to:		
Cash Held for Designated Grants	(591,209)	(958,937)
Board Designated for CEDP Grants	(300,000)	(400,000)
Micro Enterprise Loan Funds	(81,734)	(81,351)
Grant Receivable Used to Pay the Note Payable	<u>(31,385)</u>	<u>(31,385)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 362,465</u>	<u>\$ 204,577</u>

Additionally, the amounts disclosed above as “board designated for CEDP” may be released for use in operations by the approval of the Board of Directors.

INDEPENDENT AUDITOR’S 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

**BOARD OF DIRECTORS
LEWIS COUNTY DEVELOPMENT CORPORATION AND SUBSIDIARY**

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 consolidated financial statements of Lewis County Development Corporation and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 5, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Lewis County Development Corporation and Subsidiary’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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lewis County Development Corporation and Subsidiary’s internal control. Accordingly, we do not express an opinion on the effectiveness of Lewis County Development Corporation and Subsidiary’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 entity’s consolidated financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 Lewis County Development Corporation and Subsidiary's consolidated 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 consolidated 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bowen & Company CPAs, PLLC

Watertown, New York
March 5, 2026

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH SECTION 2925(3)(F)
OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

**TO THE BOARD OF DIRECTORS
LEWIS COUNTY DEVELOPMENT CORPORATION**

We have audited, in accordance with 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 consolidated financial statements of Lewis County Development Corporation, which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, which collectively comprise the Organization’s basic consolidated financial statements and have issued our report thereon dated March 5, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Organization failed to comply with the Organization’s Investment Policy, The New York State Comptroller’s Investment Guidelines, and Section 2925(3)(F) of the NYS Public Authorities Law during the year ended December 31, 2025. However, our audit was not directed primarily toward obtaining knowledge of noncompliance with such investment guidelines. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Organization’s noncompliance with the above rules and regulations.

This report is intended solely for the information and use of management of the Organization, the Board of Directors, and the Office of the State Comptroller of the State of New York. It is not intended to be, and should not be, used by anyone other than these specified parties.

Bowers & Company CPAs, PLLC

Watertown, New York
March 5, 2026

March 5, 2026

Board of Directors and Management
Lewis County Development Corporation

We have audited the consolidated financial statements of Lewis County Development Corporation and Subsidiary for the year ended December 31, 2025, and have issued our report thereon dated March 5, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 letter to you dated December 19, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lewis County Development Corporation and Subsidiary are described in Note 2 to the consolidated financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2025. We noted no transactions entered into by Lewis County Development Corporation and Subsidiary during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated 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 consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements were:

Management's estimate of whether an allowance for credit losses is necessary is based on an analysis of the collectability of the loan portfolio at year-end. We evaluated the current loan portfolio and assumptions used by management to determine the adequacy of the allowance for credit losses and whether it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the depreciation is based on the straight-line method over the capital asset's useful life. We evaluated the key factors and assumptions used to develop the depreciation calculations in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the functional expense allocation is based on time and effort. We evaluated the methods, assumptions, and data used to develop the expense allocations in determining that it is reasonable in relation to the financial statements taken as a whole.

The consolidated financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant 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. The following schedule of material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a consolidated financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's 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 dated March 5, 2026.

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 Organization’s consolidated 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 Organization’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 of Lewis County Development Corporation and Subsidiary and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bowers & Company CPAs, PLLC

Adjusting Journal Entries JE # 4			
To adjust CEDP revenue/receivable to actual			
4000-2	Grants & Contracts Earned: CEDP Grant Fund	156,852	
11000	LCDC Accounts Receivable		156,852
Total		<u>156,852</u>	<u>156,852</u>

Adjusting Journal Entries JE # 6			
To reverse subsequent erroneous entry			
8000-1-5	Grants Paid Out: CEDP Grants: Business Retention Fund Grants	100,000	
2020	VPR Grants Committed		100,000
Total		<u>100,000</u>	<u>100,000</u>

Adjusting Journal Entries JE # 7			
To adjust allowance to actual			
5810-3	Other Types of Expenses: Bad Debt/Loan Forgiveness	32,908	
1207	Allowance for Loan Loss		32,908
Total		<u>32,908</u>	<u>32,908</u>

Adjusting Journal Entries JE # 8			
To record Launch LC receivable/revenue based on AR search testing			
11000	LCDC Accounts Receivable	55,100	
4000-6	Grants & Contracts Earned: Launch LC Grant Fund		55,100
Total		<u>55,100</u>	<u>55,100</u>

Adjusting Journal Entries JE # 9			
To record accrual CDBG Draw 4 expenses			
8000-3	Grants Paid Out: Launch Lewis County Grants	47,600	
20000	Accounts Payable		47,600
Total		<u>47,600</u>	<u>47,600</u>

Adjusting Journal Entries JE # 10			
To report designation completions -issuance of BRF			
33002	Board Designated - Business Retention Fund	50,000	
3001-1	Fund Balance (Net Assets):Unrestricted Fund Balance		50,000
Total		<u>50,000</u>	<u>50,000</u>

To the Board of Directors
Lewis County Development Corporation and Subsidiary

In planning and performing our audit of the consolidated financial statements of Lewis County Development Corporation and Subsidiary as of and for the year ended December 31, 2025, in accordance with 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, we considered Lewis County Development Corporation and Subsidiary's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated March 5, 2026, on the consolidated financial statements of Lewis County Development Corporation and Subsidiary.

Capitalization Thresholds

In the current year management capitalized building improvements and additions using the \$2,000 threshold, which is relatively a low threshold for a not-for-profit organization.

Recommendation

We recommend that the Organization utilize the larger capitalization threshold to decrease administrative tracking requirements.

Uncollateralized Deposits at Financial Institutions

During our testing of cash, we identified that Community Bank deposits of \$983,581 exceeded FDIC insurance and were uncollateralized as of December 31, 2025.

Recommendation

We recommend the Organization update and/or adhere to the investment policy to ensure that deposits are adequately secured.

Account Reconciliation

During our procedures, we identified various accounts which were not in agreement with supportive documentation provided and/or reflective of activity conducted during the year.

Recommendation

In order to make the financial reports generated by the accounting system as meaningful as possible, the Organization should reconcile the general ledger accounts for loan receivable, allowance for credit losses, unearned/deferred revenues and other accounts to supporting documentation on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

Accrual Basis

The Organization is not consistently recording transactions in accordance with the accrual basis of accounting. Under the accrual basis, revenues and the related asset should be recorded when earned and expenses are recorded when the obligation is incurred.

Recommendation

We recommend that the accrual basis be used for internal financial reporting and part of the monthly or quarterly reporting process to ensure required adjustments are made timely and presented accordingly on internal financial statements throughout the year. If invoices or bill pay features are used within QuickBooks, adjusting journal entries may be required to recognize revenue or expenses in the proper period and to adjust the corresponding receivable, deferred revenue, or prepaid expense. Accrual basis internal financial statements will allow management to review the Organization's operations with more accurate reports.

Documentation on Memorandum of Understandings

During our audit procedures, it was noted that extensions of payment periods were approved by the Board on multiple instances in relation to loan agreements. Within these agreements, modifications require the approval of both parties to be implemented. When requested, the Organization did not have documentation to support all extension requests made by the other party.

Management and Board of Directors
Lewis County Development Corporation
March 5, 2026
Page 3

Recommendation

We recommend the Organization ensure that documentation is maintained to fully support any contract modifications.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Bowers & Company CPAs, PLLC

Watertown, New York
March 5, 2026