

**Clayton Local Development Corporation**  
**(A Non-Profit Corporation)**

**Financial Statements**

**For The Years Ended**  
**December 31, 2025 and 1899**

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
FINANCIAL STATEMENTS

Contents

	<u>Page</u>
Independent Auditors' Report.....	1-3
Financial Statements:	
Statements of Financial Position	
December 31, 2025.....	4
Statements of Activities	
For The Years Ended December 31, 2025.....	5
Statements of Functional Expenses	
For The Years Ended December 31, 2025.....	6
Statements of Cash Flows	
For The Years Ended December 31, 2025.....	7
Notes to the Financial Statements.....	8-13
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 <i>Government</i> <i>Auditing Standards</i> .....	14-15
Other Information:	
Schedule of Findings and Questioned Costs.....	16



PEOPLE • INSIGHT • KNOWLEDGE

DiMarco, Abiusi & Pascarella  
Certified Public Accountants, P.C.

David R. Snyder  
Maria H. Snyder  
David J. Turan  
Thomas D. Jenkins  
Troy P. Segar  
Matthew M. McArdle  
Kyle B. Davis  
Andrey Makarchuk  
Ryan M. Martin

---

L. Richard Pascarella, Of Counsel  
Leo N. Bonfardeci, Of Counsel  
Thomas F. Harrington, Of Counsel  
Scott J. Martin, Of Counsel

INDEPENDENT AUDITORS' REPORT

To The Board Members  
CLAYTON LOCAL DEVELOPMENT CORPORATION  
Clayton, New York

**Report on the Audit of Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Clayton Local Development Corporation (a Non-Profit Corporation), which comprise the statements of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Clayton Local Development Corporation as of December 31, 2025, 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 audit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clayton 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.

To The Board Members  
CLAYTON LOCAL DEVELOPMENT CORPORATION

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 Clayton Local Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Clayton 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 Clayton Local Development Corporation's ability to continue as a going concern for a reasonable period of time.

To The Board Members  
CLAYTON LOCAL DEVELOPMENT CORPORATION

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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026 on our consideration of Clayton Local Development 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 Clayton Local Development 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 Clayton Local Development Corporation's internal control over financial reporting and compliance.

DiMARCO, ABIUSI & PASCARELLA, P.C.

*DiMarco, Abiusi & Pascarella, P.C.*

Syracuse, New York  
March 26, 2026  
Lead Audit Partner: Maria Snyder  
Federal Employer Identification Number: 16-1427749

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2025 and 2024

	2025	2024
ASSETS		
ASSETS		
Cash - Operating	\$ 9,651	\$ 18,268
Restricted cash	1,777	1,775
Accounts receivable	-	900
Utility deposit	100	100
TOTAL ASSETS	\$ 11,528	\$ 21,043
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 3,042	\$ 3,042
NET ASSETS		
Without donor restrictions	8,486	18,001
TOTAL NET ASSETS	8,486	18,001
TOTAL LIABILITIES AND NET ASSETS	\$ 11,528	\$ 21,043

See Auditors' Report and Accompanying Notes.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
STATEMENTS OF ACTIVITIES  
For The Years Ended December 31, 2025 and 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE		
Exchange transactions	\$ 37,000	\$ 42,500
Interest	2	2
TOTAL REVENUE WITHOUT DONOR RESTRICTIONS	37,002	42,502
EXPENSES		
Program service - Local development	33,120	31,815
Management and general	13,397	12,357
TOTAL EXPENSES	46,517	44,172
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(9,515)	(1,670)
NET ASSETS - BEGINNING OF YEAR	18,001	19,671
NET ASSETS - END OF YEAR	\$ 8,486	\$ 18,001

See Auditors' Report and Accompanying Notes.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A LIMITED PARTNERSHIP)  
STATEMENTS OF FUNCTIONAL EXPENSES  
For The Years Ended December 31, 2025 and 2024

	Program Service Local Development	Management and General	2025
Fees and permits	\$ -	\$ 50	\$ 50
Insurance	-	897	897
Leased management fee	33,120	3,680	36,800
Office	-	1,200	1,200
Printing and advertising	-	355	355
Professional fees	-	6,315	6,315
Credit losses	-	900	900
	<u>\$ 33,120</u>	<u>\$ 13,397</u>	<u>\$ 46,517</u>

	Program Service Local Development	Management and General	2024
Fees and permits	\$ -	\$ 50	\$ 50
Insurance	-	897	897
Leased management fee	31,815	3,535	35,350
Office	-	1,196	1,196
Printing and advertising	-	569	569
Professional fees	-	6,110	6,110
	<u>\$ 31,815</u>	<u>\$ 12,357</u>	<u>\$ 44,172</u>

See Auditors' Report and Accompanying Notes.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A LIMITED PARTNERSHIP)  
STATEMENTS OF CASH FLOWS  
For The Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (9,515)	\$ (1,670)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	900	10,000
Increase (decrease) in:		
Accounts payable	-	-
	(8,615)	8,330
NET (DECREASE) INCREASE IN CASH AND RESTRICTED CASH		
CASH AND RESTRICTED CASH - BEGINNING OF YEAR	20,043	11,713
CASH AND RESTRICTED CASH - END OF YEAR	\$ 11,428	\$ 20,043
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION		
Classification of cash and restricted cash:		
Cash - Operating	\$ 9,651	\$ 18,268
Restricted cash	1,777	1,775
	\$ 11,428	\$ 20,043

See Auditors' Report and Accompanying Notes.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS  
For The Years Ended December 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Clayton Local Development Corporation, (the "Corporation"), operates to advocate for the village and town of Clayton, New York by having available affordable housing for essential workers, employment and new business opportunities and to have a positive impact on the economic welfare of the area, including the retention of local businesses.

The Corporation generates revenue primarily from grants from the Town and Village of Clayton, New York and by providing grant preparation services to various to Clayton and other local area municipalities.

The Corporation's operations are concentrated primarily in the Town and Village of Clayton, New York and surrounding area.

In 2025, working with the North Jefferson Improvement Association (formerly the Clayton Improvement Association), the Corporation pursued establishing additional housing for essential workers. That included the completion of a housing feasibility study, a prerequisite for certain funding opportunities. The cost and the funding received for the study was borne by the North Jefferson Improvement Association.

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.

Revenue and Cost Recognition

The Corporation's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Exchange transaction revenue is recognized in the period covered by the contract and costs are expensed as incurred.

Leases are scoped out of FASB ASC 606. Lease revenue is earned over time and costs including depreciation are expensed as incurred.

See Auditors' Report.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS  
For The Years Ended December 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. The Corporation received \$-0- in contributions without donor restrictions for the years ended December 31, 2025, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2025.

Receivables and Credit Losses

Accounts receivables are based on amounts billed to customers. Management expects collection of substantially all receivables and has elected to record credit losses using the direct write-off method. Accounting principles generally accepted in the United States require that an estimate be made of the allowance for credit losses. The effect of the use of the direct write-off method, however, is not materially different from the results that would have been obtained had the allowance method been followed and the allowance for credit losses is immaterial to the financial statements.

Repairs and Maintenance

Repairs and maintenance not prolonging the useful life of assets are charged to expense in the years incurred and improvements, which extend the useful life of assets, are capitalized. Assets are depreciated over their estimated useful lives using the straight-line depreciation method. Generally, repairs, which have a cost of \$500 or more at the date of acquisition and have an expected useful life of greater than one years, is capitalized.

Advertising Costs

The Corporation uses advertising to notify the public of grant opportunities and to make public announcements. Advertising costs were expensed as incurred. Advertising expense was \$355 and \$569 for December 31, 2025, respectfully.

See Auditors' Report.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS  
For The Years Ended December 31, 2025

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

The Non-Profit Corporation is exempt from income taxes, under section 501(c)(3) of the Internal Revenue Code classified by the Internal Revenue Services as other than a private foundation.

Impairment of Long-Lived Assets

The Corporation reviews its equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. For assets held and used, if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the asset's carrying value over its estimated fair value. No impairment loss has been recognized by the Corporation for the years ended December 31, 2025.

Subsequent Events

The Corporation has evaluated events and transactions that occurred between December 31, 2025 and March 26, 2026, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Note 2. STATEMENT OF FINANCIAL POSITION, ACTIVITIES AND FUNCTIONAL EXPENSES

Basis of Presentation

The financial statements presented reflect Clayton Local Development Corporation's financial assets as of December 31, 2025. Clayton Local Development Corporation manages its liquid resources by relying on local banks insured with the Federal Deposit Insurance Corporation (FDIC). The Board prepares an annual detailed budget to ensure adequate resources to cover programs and collects receivables timely to maximize cash due. In addition, the Board directs payments timely to maximize the time they have access to available cash. Financial assets available within one years of the statement of financial position date include end of years cash and cash equivalents.

Clayton Local Development Corporation elects to use the indirect method of presenting the statement of cash flows.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore,

See Auditors' Report.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS  
For The Years Ended December 31, 2025

Note 2. STATEMENT OF FINANCIAL POSITION, ACTIVITIES AND FUNCTIONAL EXPENSES - CONTINUED

Functional Allocation of Expenses - Continued

these expenses require allocation on a reasonable basis that is constantly applied. The expenses that are allocated include lease management fees, which are allocated on the basis of estimates of time and effort.

Statement of Cash Flows

There were no non-cash investing or financing activities during 2025.

Note 3. CONCENTRATION OF CREDIT RISK

The Corporation maintains its cash and cash equivalent balances at Watertown Savings Bank. At December 31, 2025, there were no balances in excess of FDIC coverage.

Note 4. ACCOUNTS RECEIVABLE

The accounts receivable balance, including the opening balance of the earliest year presented, is as follows for December 31:

	2025			
Village of Clayton, grant writing services	\$ -0-	\$ -0-	\$ 10,000	
Vendor refund	-0-	900	900	
	\$ -0-	\$ 900	\$ 10,900	

Note 5. RESTRICTED CASH

Board Designated Net Assets

The Clayton Local Development Corporation's Board has designated \$1,777 and \$1,775 from net assets without donor restrictions for specified Board purposes as of December 31, 2025, respectively.

See Auditors' Report.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS  
For The Years Ended December 31, 2025

Note 6. EXCHANGE TRANSACTIONS

The Corporation entered into agreement with the Town of Clayton, New York to be reimbursed for expenses related to the economic development of the Town of Clayton for up to \$15,000 for the years ended December 31, 2025.

The Corporation entered into agreements with the Village of Clayton, New York to perform grant writing efforts reimbursable up to \$10,000 for the years ended December 31, 2025.

The Corporation entered into agreement with the Village of Clayton, New York to expand and develop the local economic base reimbursable up to \$10,000 for the years ended December 31, 2025.

The Corporation entered into an agreement with the Town of Henderson to complete a grant for the 2024 Local Waterfront Revitalization Plan. The Corporation received compensation of \$2,000 and \$7,500 for the years ended December 31, 2025, respectively.

Note 7. RELATED PARTY TRANSACTIONS

The Corporation's Board of Directors includes officials from the Town and Village of Clayton, New York. Any agreements and arrangements the Corporation maintains with these entities are considered related party transactions.

The Corporation had the following transactions with related parties:

	<u>2025</u>	<u>2024</u>
Town of Clayton, New York		
Exchange Transaction -		
Contracted Services	\$ 15,000	\$ 15,000
Village of Clayton, New York		
Exchange Transaction -		
Grant Writing, Development		
And Housing study	\$ 10,000	\$ 10,000
Exchange Transactions -		
Contracted Services	\$ 10,000	\$ 10,000
Riverside Media Group		
Printing and Advertising Expense	\$ 355	\$ 569

See Auditors' Report.

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS  
For The Years Ended December 31, 2025

Note 7. RELATED PARTY TRANSACTIONS - CONTINUED

The Corporation also has a management leasing agreement with Clayton Improvement Association (CIA) to provide professional staffing and support services to the Corporation. CIA charged the Corporation for the cost of compensating the leased employees. The management lease fee was \$38,000 and \$36,500 for the years ended December 31, 2025, respectively.

Note 8. CONCENTRATIONS

The Corporation conducts a major portion of its business with related party customers. Approximately 95% and 76% of total revenue was received from contracts with these related parties in 2025, respectively. In addition, these annual contracts are with local government and are subject to change based on changes in economic conditions or by an act at the local government. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional cost to comply with a change.



PEOPLE • INSIGHT • KNOWLEDGE

DiMarco, Abiusi & Pascarella  
Certified Public Accountants, P.C.

David R. Snyder  
Maria H. Snyder  
David J. Turan  
Thomas D. Jenkins  
Troy P. Segar  
Matthew M. McArdle  
Kyle B. Davis  
Andrey Makarchuk  
Ryan M. Martin

---

L. Richard Pascarella, Of Counsel  
Leo N. Bonfardeci, Of Counsel  
Thomas F. Harrington, Of Counsel  
Scott J. Martin, Of Counsel

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*

---

To The Board Members  
CLAYTON LOCAL DEVELOPMENT CORPORATION  
Clayton, New York

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 Clayton Local Development Corporation (a Non-Profit Corporation), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Clayton Local Development 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 Clayton Local Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Clayton Local Development 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 entity's 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.

To The Board Members  
CLAYTON LOCAL DEVELOPMENT CORPORATION

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 may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Clayton Local Development 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DiMARCO, ABIUSI & PASCARELLA, P.C.

*DiMarco, Abiusi & Pascarella, P.C.*

Syracuse, New York  
March 26, 2026

OTHER  
INFORMATION

CLAYTON LOCAL DEVELOPMENT CORPORATION  
(A NON-PROFIT CORPORATION)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2025

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Clayton Local Development Corporation.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Clayton Local Development Corporation were disclosed during the audit.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

None.