

**FULTON COUNTY CENTER  
FOR REGIONAL GROWTH, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

## CONTENTS

	<u>PAGE</u>
<b><u>FINANCIAL STATEMENTS</u></b>	
Independent auditors' report.....	1 – 2
Statements of financial position .....	3
Statements of activities and changes in net assets .....	4
Statements of cash flows .....	5
Notes to financial statements.....	6 – 10



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Fulton County Center for Regional Growth, Inc.  
Gloversville, New York

We have audited the accompanying financial statements of the Fulton County Center for Regional Growth, Inc., (a nonprofit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fulton County Center for Regional Growth, Inc., as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
February 12, 2018

**FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2017 AND 2016**

<b>- ASSETS -</b>	<b>2017</b>	<b>2016</b>
<b>ASSETS:</b>		
Cash	\$ 698,434	\$ 760,448
Receivables	98,759	16,683
Accrued revenue	3,213	14,030
Prepaid expenses	4,244	0
<b>Total current assets</b>	804,650	791,161
<b>PROPERTY AND EQUIPMENT - NET</b>	360,109	355,778
<b>TOTAL ASSETS</b>	<b>\$ 1,164,759</b>	<b>\$ 1,146,939</b>
<b>- LIABILITIES AND NET ASSETS -</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 17,509	\$ 6,087
Accrued expenses	17,539	17,539
Deferred revenue	105,669	125,000
<b>Total liabilities</b>	140,717	148,626
<b>NET ASSETS:</b>		
Unrestricted	1,024,042	998,313
<b>Total net assets</b>	1,024,042	998,313
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,164,759</b>	<b>\$ 1,146,939</b>

See accompanying notes.

**FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Program income	\$ 273,138	\$ 188,037
Administrative revenue	87,996	42,721
Management fee income CIC	88,800	3,670
Rental income	79,033	5,600
Contributions	88,782	0
Miscellaneous	20,800	54,246
<b>Total revenue</b>	<u>638,549</u>	<u>294,274</u>
<b>EXPENSES</b>		
Salaries and wages	207,749	146,372
Payroll taxes and fringes	67,107	43,821
Occupancy	126,414	71,585
Marketing and advertising	62,953	41,978
Office expenses	81,784	56,154
Professional fees	34,726	32,106
Insurance - general	13,837	19,000
General and administrative	8,966	10,539
Depreciation and amortization	9,284	5,490
<b>Total expenses</b>	<u>612,820</u>	<u>427,045</u>
<b>OTHER INCOME</b>		
Contribution revenue	0	358,200
Proceeds from lawsuit settlement	0	354,069
<b>Total other income</b>	<u>0</u>	<u>712,269</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 25,729</u>	<u>\$ 579,498</u>
<b>NET ASSETS AT BEGINNING OF THE YEAR</b>	\$ 998,313	\$ 418,815
Change in net assets for the year	<u>25,729</u>	<u>579,498</u>
<b>NET ASSETS AT END OF THE YEAR</b>	<u>\$ 1,024,042</u>	<u>\$ 998,313</u>

See accompanying notes.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

---

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 25,729	\$ 579,498
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	9,284	5,490
Non-cash charitable contribution	0	(358,200)
(Increase) decrease in:		
Receivables	(82,076)	(3,441)
Prepaid expenses	(4,244)	8,221
Accrued revenue	10,817	(14,030)
Increase (decrease) in:		
Accounts payable	11,422	(3,000)
Accrued expenses	0	(50,040)
Deferred revenue	(19,331)	75,000
	<u>(48,399)</u>	<u>239,498</u>
<b>Net cash provided (used) by operating activities</b>		
	<u>(48,399)</u>	<u>239,498</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	<u>(13,615)</u>	<u>(3,068)</u>
	<u>(13,615)</u>	<u>(3,068)</u>
<b>Net cash (used) by investing activities</b>		
	<u>(13,615)</u>	<u>(3,068)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(62,014)	236,430
<b>CASH UNRESTRICTED AND RESTRICTED - BEGINNING</b>	<u>760,448</u>	<u>524,018</u>
<b>CASH UNRESTRICTED AND RESTRICTED - ENDING</b>	<u>\$ 698,434</u>	<u>\$ 760,448</u>

See accompanying notes.

# FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

---

### **NOTE 1 – NATURE OF OPERATIONS**

#### **The Organization**

The Fulton County Center for Regional Growth, Inc. (CRG or Organization collectively) was incorporated under the not for profit laws of the State of New York on March 2, 2012, as the successor to Fulton County Economic Development Corporation (FCEDC), which was formed on September 1, 1955, under the not for profit laws of the State of New York. CRG's primary purpose is to promote economic development within Fulton County, New York and its neighboring communities. It does this primarily through the marketing, promotion and the administration of a number of governmental grants and projects, in cooperation with Gloversville Economic Development Corporation, Mohawk Valley Economic Development District, Inc., New York Business Development Corporation, New York State Empire State Development, Corp., Statewide Zone Capital Corp. and Fulton County Industrial Development Agency, among others, and include:

**Tryon Technology Park** – This Park is located on 515 acres at 881 County Highway 107, in the towns of Perth and Johnstown, New York and is administered by the Fulton County Industrial Development Agency. It is a former state facility and is being redeveloped for industrial usage.

**Crossroads Business Park** – The Park, located on South Kingsboro Avenue Extension adjacent to the Walmart retail facility, contains 70 acres, of which 5 acres are industrially developed. It is designed for professional and industrial usage with retail use available. The Park is sponsored by the City of Gloversville.

**Crossroads Industrial Park** – The Park is located on Route 29A and Harrison Street Extension. It is funded by the U.S. Economic Development Administration (EDA), Fulton County and the City of Gloversville.

**Johnstown Industrial Park** – The Park, located on Route 30A in Johnstown, contains 125 acres, of which 65 acres are industrially developed. It contains the Walmart distribution facility, Benjamin Moore Paint, among others. The Park is sponsored by the City of Johnstown.

**Revolving Loan Pools** – Revolving loan pools and microenterprise grant programs are for industrial expansions or start-up businesses.

**Excelsior Jobs Program** – These tax credit programs cover specific and local areas and are designed to assist businesses to relocate or expand in the Fulton County area.

The Organization shares facilities and staffing with Crossroads Incubator Corporation and Crossroads Two Incubator Corporation (together "CIC") and shares their mission of supporting economic development in Fulton County.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **General**

These financial statements have been prepared under the accrual method of accounting in accordance with generally accepted accounting principles (GAAP) of the United States of America. The accounting principles under GAAP are defined by the Financial Accounting Standards Board (FASB) under the Accounting Standards Codification (ASC) as updated by Accounting Standards Updates (ASU).



FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Basis of Accounting and Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets:

**Unrestricted net assets** – are net assets that are not subject to imposed restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the grantor.

**Temporarily restricted net assets** – are net assets subject to imposed restrictions that may or will be met by actions of the Organization or that expire with the passage of time.

**Permanently restricted net assets** – are net assets subject to grantor-imposed restrictions that they be maintained permanently by the Organization.

The Organization has no temporarily or permanently restricted net assets as of December 31, 2017 and 2016.

**Fund Accounting**

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund.

Due to the nature of fund accounting, when expenses are incurred related to programs in the temporarily restricted funds (as noted below) asset transfers are reflected as net assets released from restriction on the statement of activities.

**Operating Fund – Unrestricted**

The operating fund is the general operating fund of the Organization. It is used to account for unrestricted resources used in economic development activities not accounted for in another fund group.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers all highly liquid financial instruments purchased with maturities of three months or less to be cash equivalents. The Organization maintains cash balances at various banks. From time to time, the Organization's bank balances exceed federal deposit limits. Management considers this to be a normal business risk.

**FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Support and Revenue**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as deferred revenue until the funds are expended for the designated purpose. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire during the fiscal years in which the contributions are recognized.

Contributions of donated tangible noncash assets are recorded at their fair values in the period received. The Organization has adopted the Revenue Recognition for Not-For-Profit Entities Topic of the FASB Accounting Standards Codification. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

**Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation. All significant assets with an estimated useful life beyond one year are capitalized. Depreciation is computed over the estimated useful lives of the assets using both straight-line and accelerated methods.

**Advertising Costs**

All advertising costs are expensed as incurred.

**Income Taxes**

The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code and similar provisions of New York State Regulations. As such, they are exempt from both federal and state income tax.

The Organization files tax exempt income tax returns in its U.S. federal jurisdiction and New York State. The Organization's returns for its years ended December 31, 2015, 2016 and 2017, are subject to U.S. federal and New York State income tax examination by tax authorities.

The Organization follows the provision of uncertain tax positions as addressed in the FASB ASC 740. The Organization has been granted tax exempt status, which management believes would be accepted upon examination by the taxing authorities. Management has determined that it currently has no other uncertain tax positions or unrecognized tax benefits to report for the year ended.

The primary income tax position taken by Organization for any years open under the various statutes of limitations are (1) that the Organization continues to be exempt from income taxes and (2) that the Organization does not have unrelated business income that would be subject to income taxes.

**Contributed Services**

The Organization receives a significant amount of donated services from unpaid volunteers, including officers and directors, who assist in the advancement of the corporation's programs, particularly in the area of fund raising. No amounts have been recognized in the statement of activities because the criteria for recognition under the provisions of FASB ASC 958-605 have not been satisfied.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Use of Estimates**

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

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Land, building, and building improvements	\$ 374,883	\$ 361,268
Computers and equipment	<u>850</u>	<u>850</u>
Total cost	375,733	362,118
Less: Accumulated depreciation	<u>(15,624)</u>	<u>(6,340)</u>
Property and equipment, net	<u>\$ 360,109</u>	<u>\$ 355,778</u>

Depreciation expense for the years ended December 31, 2017 and 2016, were \$9,284 and \$5,490, respectively.

**NOTE 4 – CROSSROADS INCUBATOR CORPORATION**

CRG engages in various transactions with Crossroads Incubator Corporation (CIC). These consist primarily of various shared expenses including marketing and administrative services, insurance, telephone and internet service and various office expenses. Total revenue from CIC related to these transactions during 2017 and 2016 was \$-0-.

In addition, CRG reimburses CIC for certain employee wages related to time spent providing accounting and bookkeeping services for CRG. During 2017, the Organization received \$88,800, in management fee income from CIC. CRG does not carry any balances due from or to these related parties.

**NOTE 5 – DONATION OF FACILITY**

During fiscal year 2016, CRG received, as a donation, its current facility located at 34 West Fulton Street, Gloversville, New York. Management has estimated the market value of this 37,250 square foot former manufacturing and administrative facility to be \$358,200, and has recorded this as part of its property and equipment.

**NOTE 6 – PENSION PLAN**

CRG sponsors a defined contribution pension plan that covers substantially all employees who meet eligibility requirements. Contributions to the plan are discretionary and determined annually by the Board of Directors. Pension expenses were \$18,830 and \$12,969 for the years ended December 31, 2017 and 2016, respectively.

**FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

---

**NOTE 7 – CONTINGENCIES**

During fiscal year 2016, the Organization settled its litigation with the City of Gloversville, New York. The conclusion of this action resulted in \$354,069 in proceeds to CRG.

There are currently no lawsuits or actions outstanding other than in the ordinary course of business. In these matters, the Organization has retained legal counsel and believes it has sustainable positions, and no provision has been made in these financial statements for any potential effect of the outcomes.

**NOTE 8 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through the date at which the financial statements were available for issuance. There are no reportable subsequent events.