

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

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

CONTENTS

	<u>PAGE</u>
<u>FINANCIAL STATEMENTS</u>	
Independent auditors' report.....	1 – 2
Statements of financial position	3
Statements of activities and changes in net assets	4
Statements of functional expenses	5
Statements of cash flows	6
Notes to financial statements.....	7 – 14



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, 2020 and 2019, and the related statements of activities, changes in net assets, functional expenses 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 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 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 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 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, 2020 and 2019, 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
April 21, 2021

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

- ASSETS -	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash	\$ 501,975	\$ 482,391
Cash - restricted	38,461	60,453
Grant Receivable	546,140	0
Receivables	34,502	7,575
Accrued revenue	23,671	27,853
Prepaid expenses	0	1,355
Total current assets	1,144,749	579,627
PROPERTY AND EQUIPMENT - NET	300,000	340,718
TOTAL ASSETS	\$ 1,444,749	\$ 920,345
- LIABILITIES AND NET ASSETS -		
LIABILITIES:		
Accounts payable	\$ 16,631	\$ 6,355
Note Payable	382,864	0
Accrued expenses	23,190	20,065
Deferred revenue	221,482	56,495
Total current liabilities	644,167	82,915
NET ASSETS:		
Without donor restrictions	800,582	837,430
Total net assets	800,582	837,430
TOTAL LIABILITIES AND NET ASSETS	\$ 1,444,749	\$ 920,345

See accompanying notes.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Program income	\$ 310,993	\$ 254,328
Administrative revenue	25,901	23,576
Management fee income	15,757	2,394
Rental income	26,135	17,425
Contributions	116,483	121,015
Grant Income	530,216	0
Other Income - PPP	44,468	0
Membership dues	50,658	53,567
Miscellaneous	7,621	26,074
	1,128,232	498,379
EXPENSES		
Salaries and wages	264,326	254,008
Payroll taxes and fringes	50,407	60,548
Impairment loss	595,527	0
Occupancy	73,621	100,596
Marketing and advertising	107,579	99,365
Office expenses	19,899	19,083
Professional fees	26,653	34,675
Insurance - general	17,134	14,794
General and administrative	1,681	1,614
Interest Expense	8,253	0
	1,165,080	584,683
CHANGE IN NET ASSETS	<u>\$ (36,848)</u>	<u>\$ (86,304)</u>
NET ASSETS AT BEGINNING OF THE YEAR	\$ 837,430	\$ 923,734
Change in net assets for the year	(36,848)	(86,304)
NET ASSETS AT END OF THE YEAR	<u>\$ 800,582</u>	<u>\$ 837,430</u>

See accompanying notes.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2020 AND 2019

EXPENSES	2020		Totals
	Program Activities	Management and General	
Salaries and wages	\$ 230,413	\$ 33,913	\$ 264,326
Payroll taxes and fringes	43,940	6,467	50,407
Impairment loss	0	595,527	595,527
Occupancy	66,259	7,362	73,621
Marketing and advertising	107,579	0	107,579
Office expenses	9,950	9,949	19,899
Professional fees	10,587	16,066	26,653
Insurance - general	8,567	8,567	17,134
General and administrative	0	1,681	1,681
Interest Expense	7,428	825	8,253
TOTAL EXPENSES	\$ 484,723	\$ 680,357	\$ 1,165,080

EXPENSES	2019		Totals
	Program Activities	Management and General	
Salaries and wages	\$ 221,419	\$ 32,589	\$ 254,008
Payroll taxes and fringes	52,780	7,768	60,548
Occupancy	90,536	10,060	100,596
Marketing and advertising	99,365	0	99,365
Office expenses	9,542	9,541	19,083
Professional fees	13,773	20,902	34,675
Insurance - general	7,397	7,397	14,794
General and administrative	0	1,614	1,614
TOTAL EXPENSES	\$ 494,812	\$ 89,871	\$ 584,683

See accompanying notes.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (36,848)	\$ (86,304)
Adjustments to reconcile change in net assets to net cash (used) by operating activities:		
Non-cash charitable contribution	21,451	(8,708)
(Increase) decrease in:		
Receivables	(573,067)	83,616
Prepaid expenses	1,355	647
Accrued revenue	4,182	(5,123)
Increase (decrease) in:		
Accounts payable	10,276	3,928
Accrued expenses	3,125	1,565
Deferred revenue	164,987	(52,539)
	<u>(404,539)</u>	<u>(62,918)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Capital expenditures	(576,260)	18,391
Impairment Loss	595,527	0
	<u>19,267</u>	<u>18,391</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term debt	382,864	0
	<u>382,864</u>	<u>0</u>
NET (DECREASE) IN CASH	(2,408)	(44,527)
CASH UNRESTRICTED AND RESTRICTED - BEGINNING	<u>542,844</u>	<u>587,371</u>
CASH UNRESTRICTED AND RESTRICTED - ENDING	<u>\$ 540,436</u>	<u>\$ 542,844</u>
RECONCILIATION TO STATEMENTS OF NET POSITION		
CASH	\$ 501,975	\$ 482,391
CASH - RESTRICTED	<u>38,461</u>	<u>60,453</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 540,436</u>	<u>\$ 542,844</u>
SUPPLEMENTAL DISCLOSURE OF CASH INFORMATION:		
Cash paid during the year for:		
Interest	\$ 8,253	\$ 0

See accompanying notes.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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.

On July 3, 2019, the Organization formed FCCRG Projects, LLC under the laws of the State of New York. This entity is a wholly owned limited liability company. As such it is treated as a disregarded entity for financial and tax reporting purposes and is included in the financial and tax reports of The Fulton County Center for Regional Growth, Inc.

Activities

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 education along with the administration of governmental grants, projects and loan pools, 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, from its 37,250 square foot facility at 34 West Fulton Street in Gloversville, New York, and also includes promoting Fulton County Projects through:

Primary Development Areas:

Tryon – This tract is a 100 plus acre tract of land in Fulton County owned by Fulton County Industrial Development Agency. This tract of land is available for sale and development.

Hales Mills – This tract is a 490 plus acre tract of land in the town of Johnstown, Fulton County and is owned by two property owners in the Hales Mills Development District. This tract of land is available for sale and development.

Vails Mills – This tract offers opportunities for infill development in the Hamlet of Vails Mills located at the intersection of state routes 29 and 30.

Shovel Ready Sites:

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.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF OPERATIONS – (CONTINUED)

Shovel Ready Sites – (Continued):

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.

Financing:

Microenterprise Grant Program – This is to assist small businesses with up to \$25,000 in grants to assist with startup or expansion costs which create jobs in the Fulton County area.

Loans – There are direct revolving loan pools which the Organization administers to finance eligible project costs determined on a case by case basis. This includes the City of Gloversville Loan Fund, Johnstown Urban Development Action Grant Loan Fund, and the Fulton County Loan Fund.

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). These financial statements are presented under the current applicable accounting and presentation standards.

Basis of Presentation

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature where by the donor has stipulated that the funds be maintained in perpetuity. The Organization had no net assets with donor restriction as of December 31, 2020 and 2019.

Revenue Recognition

The Organization adopted ASC Topic 606, *Revenue from Contracts with Customers*, on January 1, 2019. The Organization's financial results for reporting periods beginning January 1, 2019, are presented under the new accounting standard. Based on the manner in which the Organization historically recognized revenue, the adoption of ASC Topic 606 did not have a material impact on the amount or timing of its revenue recognition and the Organization recognized no cumulative effect adjustment upon adoption.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

Revenue Recognition – (Continued)

Program Revenue: The Organization has a contract with Fulton County to perform marketing and economic development services. As per the contract, the Organization is reimbursed for services provided and recognizes revenue as the terms of the contract are met.

Administrative Revenue: The Organization administers loan funds as noted in Note 1. Administrative revenue is recognized when loan activity occurs.

Rental Income: The Organization rents out office space on a monthly basis. Rental income is recognized when rent is received.

Membership Dues: The Organization receives membership dues. Revenue is recognized over the period of the membership.

Miscellaneous Income: The Organization classifies small grant revenue and interest income in miscellaneous revenue. The Organization receives small grants from time to time and recognizes revenue as it meets the grant terms and requests draw downs. Interest income is recognized as earned.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor imposed restrictions. Conditional promises to give are recognized when the conditions upon which they depend are substantially met.

Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires from a stipulated time or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period they are received and reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restriction upon the acquisition of the assets and the assets are placed in service.

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 12 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.

Restricted Cash

Restricted cash, which consists principally of cash and cash equivalents, represent amounts to be used for future lending within the restricted grant funds.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

Investments

Net appreciation or depreciation in the fair value of investments, which consists of the realized gains or losses and unrealized appreciation or depreciation on those investments is presented in the statement of activities in accordance with donor restrictions as investment return. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains and losses.

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.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among activities determined by management on an equitable basis based upon time, effort and resource utilized.

Advertising Costs

All advertising costs are expensed as incurred. Total advertising costs as of December 31, 2020 and 2019 was \$107,579 and \$99,365, respectively.

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, 2017, 2018, 2019 and 2020, 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 December 31, 2020.

The primary income tax position taken by the 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, 2020 AND 2019

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.

Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 501,975
Grants Receivable	546,140
Accounts receivable	34,502
Accrued revenue	<u>23,671</u>
Total	<u>\$ 1,106,288</u>

The Organization has \$1,106,288 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures.

NOTE 3 – PROPERTY AND EQUIPMENT

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

	<u>2020</u>	<u>2019</u>
Land, building, and building improvements	\$ 355,615	\$ 374,883
Less: Accumulated depreciation	<u>(55,615)</u>	<u>(34,165)</u>
Property and equipment, net	<u>\$ 300,000</u>	<u>\$ 340,718</u>

Depreciation expense for the years ended December 31, 2020 and 2019, were \$21,451 and \$9,682, respectively.

NOTE 4 – CROSSROADS INCUBATOR CORPORATION

CRG shares facilities and staffing with Crossroads Incubator Corporation and Fulton County Economic Development Corporation and shares their mission of supporting economic development in Fulton County. Crossroads Incubator Corporation and Fulton County Economic Development Corporation are currently inactive. Crossroads Incubator Corporation filed for bankruptcy protection during 2019.

In addition, CRG reimburses CIC for certain employee wages related to time spent providing accounting and bookkeeping services for CRG. The Organization received \$15,757 and \$2,394 in management fee income from CIC during 2020 and 2019, respectively. CRG does not carry any balances due from or to these related parties.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 5 – 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 \$9,810 and \$14,188 for the years ended December 31, 2020 and 2019, respectively.

NOTE 6 – NOTES PAYABLE

During the fiscal year 2020, the Organization received a loan for \$500,000 from Community Loan Fund. The loan requires monthly interest only payments with principal reduction payments upon receipt of funds from the approved \$425,000 NYS Office Urban Development Corporation/Empire State Development and the approved \$300,000 NYS Office of Urban Development Corporation/Empire State Development and the approved \$50,000 National Grid Business Incubator Restoration grant. The loan has an interest rate of 5.5% fixed and has a maturity date 11/1/2021. At December 31, 2020, the principal balance was \$382,864.

NOTE 7 – FAIR VALUE OF ASSETS AND LIABILITIES

As required by FASB ASC, *Fair Value Measurements*, the Company is required to value equity and debt securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

- A) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades or other sources;
- B) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectation about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Assets and liabilities itemized below were measured at fair value during the year ended using the market approach.

	<u>Fair Value Measurements Using</u>			
	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>December 31, 2020</u>				
Note Payable	\$ 382,864	\$ 0	\$ 382,864	\$ 0
<u>December 31, 2019</u>				
Note Payable	\$ 0	\$ 0	\$ 0	\$ 0

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 8 – CONTINGENCIES

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.

Primary Sources of Revenue

The Organization receives a substantial portion of its annual revenue from its annual contract with Fulton County, New York.

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

The carrying value of cash, accounts receivable, accounts payable, and accrued expenses approximate fair market value due to the short-term nature of these financial instruments. Financial instruments that potentially subject the Organization to a concentration of credit risk consist primarily of cash and accounts receivable.

CRG maintains its cash balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2020, the Organization's cash balances exceeded the insured limit by \$6,443.

Concentration of credit risk with respect to accounts receivable and accrued revenue is limited to certain customers to whom the Organization periodically makes substantial sales. The majority of the Organization's program revenue is from governmental sources.

NOTE 10 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

The Company obtained a PPP loan on April 16, 2020, in the amount of \$44,468. This loan is a part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, which is intended to provide fast and direct economic assistance for American workers, families, and small businesses, and to help preserve jobs for American industries. These loans have the potential to be forgiven if the proceeds are used for qualifying expenses, and other provisions are met during the covered period, which can be up to 24 weeks from the PPP loan disbursement date. The qualifying expenses are payroll, which include health insurance and retirement benefits. Other qualifying expenses are rent, utilities, and mortgage interest. At least 60% of the costs need to be spent on payroll and payroll-related expenses and no more than 40% on the other costs. Any amount that is not forgiven under the program needs to be repaid over a two-year period subsequent to the initial disbursement, including a six month no payment deferral period.

The Organization has used the proceeds for qualifying expenses and has prepared for submission its application for loan forgiveness for the full amount of the loan.

The Organization has elected to account for the loan forgiveness as a government grant by analogy to the International Accounting Standard 20 in the full amount of the loan since there is reasonable assurance that the conditions have been met as of December 31, 2020. The loan forgiveness has been recorded as grant income of \$44,468 as reflected on the statement of activities.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 11 – IMPAIRMENT LOSS

During the fiscal year 2020, the Organization spent \$576,259 on expenditures that were required to maintain and stabilize the structure at 34 West Fulton Street, Gloversville, New York, but did not add to the market value of the property. The property was previously donated in 2016 and recorded at its estimated value of \$358,200. Based on broker opinion letter, the property is valued at \$300,000. Following US accounting standards, management and the Board have agreed to record an impairment of \$595,527 to bring the property's carrying amount down to \$300,000.

NOTE 12 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date at which the financial statements were available for issuance. Due to the ongoing pandemic declared by the World Health Organization on March 11, 2020, known as coronavirus (COVID-19), economic uncertainties have arisen which could possibly negatively impact future net income. Other financial impact could occur though such potential impact is unknown at this time.