

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Fulton County Center for Regional Growth, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fulton County Center for Regional Growth, Inc. as of December 31, 2022 and 2021, 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). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fulton County Center for Regional Growth, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fulton County Center for Regional Growth, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

## ***Auditors' 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 auditors' 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 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, 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 Fulton County Center for Regional Growth, Inc.'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 Fulton County Center for Regional Growth, Inc.'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.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
March 16, 2023

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

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2022 AND 2021**

<b>- <u>ASSETS</u> -</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>ASSETS:</b>		
Cash	\$ 592,809	\$ 665,145
Cash - restricted	79,332	63,461
Grant receivable	20,000	0
Receivables	52,641	25,676
Accrued revenue	18,732	16,667
Prepaid expenses	19,816	13,000
	<u>783,330</u>	<u>783,949</u>
<b>Total current assets</b>	783,330	783,949
<b>PROPERTY AND EQUIPMENT - NET</b>	275,526	285,567
<b>INVESTMENT PROPERTY</b>	<u>113,355</u>	<u>149,242</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,172,211</u></u>	<u><u>\$ 1,218,758</u></u>
<b>- <u>LIABILITIES AND NET ASSETS</u> -</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 15,933	\$ 3,868
Note payable	29,605	149,100
Accrued expenses	21,209	21,375
Deferred revenue	5,100	14,487
	<u>71,847</u>	<u>188,830</u>
<b>Total current liabilities</b>	71,847	188,830
<b>NET ASSETS:</b>		
Without donor restrictions	<u>1,100,364</u>	<u>1,029,928</u>
<b>Total net assets</b>	<u>1,100,364</u>	<u>1,029,928</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,172,211</u></u>	<u><u>\$ 1,218,758</u></u>

See accompanying notes.

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

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>REVENUES</b>		
Program income	\$ 531,684	\$ 420,719
Administrative revenue	41,336	116,778
Management fee income	1,130	1,293
Rental income	35,919	24,137
Contributions	0	1,000
Grant income	164,133	280,928
Membership dues	25,226	34,329
Miscellaneous	97,012	2,979
<b>Total revenue</b>	<u>896,440</u>	<u>882,163</u>
<b>EXPENSES</b>		
Salaries and wages	292,025	279,003
Payroll taxes and fringes	57,495	59,811
Occupancy	81,570	82,252
Marketing and advertising	273,379	158,665
Office expenses	21,119	24,997
Professional fees	28,011	33,353
Insurance - general	57,937	9,586
General and administrative	14,468	1,142
Interest expense	0	4,008
<b>Total expenses</b>	<u>826,004</u>	<u>652,817</u>
<b>CHANGE IN NET ASSETS</b>	<u><u>\$ 70,436</u></u>	<u><u>\$ 229,346</u></u>
<b>NET ASSETS AT BEGINNING OF THE YEAR</b>	\$ 1,029,928	\$ 800,582
Change in net assets for the year	<u>70,436</u>	<u>229,346</u>
<b>NET ASSETS AT END OF THE YEAR</b>	<u><u>\$ 1,100,364</u></u>	<u><u>\$ 1,029,928</u></u>

See accompanying notes.

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

**STATEMENTS OF FUNCTIONAL EXPENSES**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

<b>EXPENSES</b>	<b>2022</b>		<b>Totals</b>
	<b>Program Activities</b>	<b>Management and General</b>	
Salaries and wages	\$ 254,558	\$ 37,467	\$ 292,025
Payroll taxes and fringes	50,118	7,377	57,495
Occupancy	73,413	8,157	81,570
Marketing and advertising	273,379	0	273,379
Office expenses	10,560	10,559	21,119
Professional fees	11,126	16,885	28,011
Insurance - general	28,969	28,968	57,937
General and administrative	0	14,468	14,468
<b>TOTAL EXPENSES</b>	<b>\$ 702,123</b>	<b>\$ 123,881</b>	<b>\$ 826,004</b>

<b>EXPENSES</b>	<b>2021</b>		<b>Totals</b>
	<b>Program Activities</b>	<b>Management and General</b>	
Salaries and wages	\$ 243,207	\$ 35,796	\$ 279,003
Payroll taxes and fringes	52,137	7,674	59,811
Occupancy	74,021	8,231	82,252
Marketing and advertising	158,665	0	158,665
Office expenses	12,499	12,498	24,997
Professional fees	13,201	20,152	33,353
Insurance - general	4,793	4,793	9,586
General and administrative	0	1,142	1,142
Interest expense	3,607	401	4,008
<b>TOTAL EXPENSES</b>	<b>\$ 562,130</b>	<b>\$ 90,687</b>	<b>\$ 652,817</b>

See accompanying notes.

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

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 70,436	\$ 229,346
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,042	14,432
(Increase) decrease in:		
Receivables	(46,965)	554,966
Prepaid expenses	(6,816)	(13,000)
Accrued revenue	(2,065)	7,004
Increase (decrease) in:		
Accounts payable	12,064	(12,763)
Accrued expenses	(166)	1,685
Deferred revenue	<u>(9,387)</u>	<u>(210,495)</u>
<b>Net cash provided by operating activities</b>	27,143	571,175
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Acquisition of investment property	35,887	(149,242)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Proceeds from short-term debt - net	<u>(119,495)</u>	<u>(233,763)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(56,465)	188,170
<b>CASH UNRESTRICTED AND RESTRICTED - BEGINNING</b>	<u>728,606</u>	<u>540,436</u>
<b>CASH UNRESTRICTED AND RESTRICTED - ENDING</b>	<u><u>\$ 672,141</u></u>	<u><u>\$ 728,606</u></u>
<b>RECONCILIATION TO STATEMENTS OF NET POSITION</b>		
<b>CASH</b>	\$ 592,809	\$ 665,145
<b>CASH - RESTRICTED</b>	<u>79,332</u>	<u>63,461</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u><u>\$ 672,141</u></u>	<u><u>\$ 728,606</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH INFORMATION:</b>		
Cash paid during the year for:		
Interest	\$ 0	\$ 4,008

See accompanying notes.



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

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

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**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., Pursuit, New York State Empire State Development, Corp., and Fulton County Industrial Development Agency, among others, from its 29,844 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** – The 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, 2022 AND 2021**

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**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.

**Other Realty:**

**WB Collins Property** – This real estate was acquired by FCCRG, LLC in 2022, is located in downtown Gloversville and is being prepared for development and sale.

**CRG Industrial Park** – An option to acquire approximately 254 plus/minus acres of land on Route 30A in Fulton and Montgomery Counties. It is anticipated that federal funding will be received in 2023 to complete the acquisition of this property.

**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.

**Cares Act Microenterprise Grant** – A microenterprise grant up to \$75,000 for businesses that were affected by COVID.

**Microenterprise CARES ACT Program** – This program is to assist companies that were impacted by COVID and offers assistance up to \$75,000 grant.

**The JDA Ag Loan Program** – a six county loan fund administered by CRG for most agricultural uses. Maximum loan is \$200,000.

**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, City of Johnstown Loan Fund, NYS Job Development Agricultural 6-County Loan Program, 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.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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

**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 whereby the donor has stipulated that the funds be maintained in perpetuity. The Organization had no net assets with donor restriction as of December 31, 2022 and 2021.

**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.

**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 and other short-term rental agreements. Rental income is recognized when rent is earned.

**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.

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

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

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

**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.

**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.

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

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

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

**Advertising Costs**

All advertising costs are expensed as incurred. Total advertising costs as of December 31, 2022 and 2021 was \$273,379 and \$158,665, 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, 2020, 2021 and 2022, 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, 2022.

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.

**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	\$ 592,809
Accounts receivable	52,641
Accrued revenue	18,732
Prepaid expense	<u>19,816</u>
Total	<u>\$ 683,998</u>

The Organization has \$683,998 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures.

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

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

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**NOTE 3 – PROPERTY AND EQUIPMENT**

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

	<u><b>2022</b></u>	<u><b>2021</b></u>
Land, building, and building improvements	\$ 355,615	\$ 355,615
Less: Accumulated depreciation	<u>(80,089)</u>	<u>(70,048)</u>
Property and equipment, net	<u>\$ 275,526</u>	<u>\$ 285,567</u>

Depreciation expense for the years ended December 31, 2022 and 2021, were \$10,042 and 14,432, respectively.

**NOTE 4 – INVESTMENT PROPERTY**

During fiscal year, 2021, the Fulton County Center for Regional Growth Project, LLC, received a donation of 52 Church Street, Gloversville, New York. The building was disposed of during fiscal year 2022.

The Organization's current investment in Gloversville real estate at the former WB Collins property of \$79,605 is carried at historical cost.

The Organization's investment in land options covering 250 plus acres located on Route 30A in Fulton Montgomery Counties is carried at historical cost.

These non-current assets are titled in FCCRG Projects LLC, an entity wholly owned by CRG.

**NOTE 5 – RELATED PARTIES**

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 filed for bankruptcy protection during 2019.

The Organization received \$1,130 and \$1,293 from Crossroads Incubator Corporation and Fulton County Economic Development Corporation in management fee income during 2022 and 2021, respectively. CRG does not carry any balances due from or to these related parties.

**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 \$9,138 and \$10,662 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 7 – NOTES PAYABLE**

During the fiscal year 2021, the Organization received a loan from the City of Gloversville Loan Fund up to \$200,000, with a 0% interest rate. As of December 31, 2021, the Organization borrowed \$149,100. This note was paid in full upon the sale of the asset at 52 Church Street, Gloversville, New York in March of 2022.

During fiscal year 2022, the Organization continued to utilize the Gloversville Loan Fund. As of December 31, 2022, the Organization borrowed \$29,605 to purchase assets formally known as the WB Collins buildings. The note is due upon the sale of the assets located at 8-10 E Fulton St, Gloversville, New York and 11 Washington Street, Gloversville, New York.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

**NOTE 8 – FAIR VALUE OF ASSETS AND LIABILITIES**

As required by FASB ASC, *Fair Value Measurements*, the Organization 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.

**Fair Value Measurements Using**

	<b><u>Fair Value</u></b>	<b>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b><u>December 31, 2022</u></b>				
Note Payable	\$ 29,605	\$ 0	\$ 29,605	\$ 0
<b><u>December 31, 2021</u></b>				
Note Payable	\$ 149,100	\$ 0	\$ 149,100	\$ 0

**NOTE 9 – 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.

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

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

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**NOTE 10 – 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, 2022 and 2021, the Organization's cash balances exceeded the insured limit by \$6,700 and \$6,292, respectively.

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 11 – RECLASSIFICATION**

Certain items from the December 31, 2021 financial statements have been reclassified to conform to the December 31, 2022 presentation. These reclassifications have no effect on net position as previously reported.

**NOTE 12 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through the date at which the financial statements were available for issuance. There were no issues to report that would have a material effect on the issued financial statements.