FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

C O N T E N T S

	PAGE
FINANCIAL STATEMENTS	
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 – 13

WEST & COMPANY CPAs PC

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 accompanying financial statements of Fulton County Center for Regional Growth, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of Fulton County Center for Regional Growth, Inc. as of December 31, 2024 and 2023, 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
February 25, 2025

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

- ASSETS -	2024	2023
ASSETS:		
Cash	$ 1,135,302	$ 1,008,926
Cash - restricted	96,175	113,423
Grant receivable	0	20,000
Receivables	44,199	23,667
Accrued revenue	20,602	0
Prepaid expenses	6,311	1,303
Total current assets	1,302,589	1,167,319
OTHER ASSETS		
Investment property	653,777	34,563
TOTAL ASSETS	$ 1,956,366	$ 1,201,882
- LIABILITIES AND NET ASSETS -		
LIABILITIES:		
Accounts payable	$ 3,504	$ 7,416
Accrued expenses	17,500	17,500
Deferred revenue	28,800	27,042
Total current liabilities	49,804	51,958
NET ASSETS:		
With donor restrictions	96,175	113,423
Without donor restrictions	1,810,387	1,036,501
Total net assets	1,906,562	1,149,924
TOTAL LIABILITIES AND NET ASSETS	$ 1,956,366	$ 1,201,882

See accompanying notes.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUES		
Program income	$ 566,837	$ 520,359
Administrative revenue	41,706	36,045
Management fee income	2,120	265
Rental income	0	32,560
Grant income	810,572	253,343
Membership dues	13,174	36,885
Investment income	31,143	141,961
Miscellaneous	6,307	2,778
Total revenue	1,471,859	1,024,196
EXPENSES		
Salaries and wages	381,538	342,230
Payroll taxes and fringes	88,500	56,208
Occupancy	31,982	97,025
Grant expenses	34,044	275,965
Marketing and advertising	92,883	137,149
Office expenses	17,861	16,322
Professional fees	36,211	33,339
Insurance - general	17,906	12,327
General and administrative	14,296	4,071
Total expenses	715,221	974,636
CHANGE IN NET ASSETS	$ 756,638	$ 49,560
NET ASSETS AT BEGINNING OF THE YEAR	$ 1,149,924	$ 1,100,364
Change in net assets for the year	756,638	49,560
NET ASSETS AT END OF THE YEAR	$ 1,906,562	$ 1,149,924

See accompanying notes.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024		
EXPENSES	**Program Activities**	**Management and General**	**Totals**
Salaries and wages	$ 328,237	$ 53,301	$ 381,538
Payroll taxes and fringes	76,137	12,363	88,500
Occupancy	28,784	3,198	31,982
Grant expenses	34,044	0	34,044
Marketing and advertising	92,883	0	92,883
Office expenses	13,396	4,465	17,861
Professional fees	18,106	18,105	36,211
Insurance - general	8,953	8,953	17,906
General and administrative	0	14,296	14,296
TOTAL EXPENSES	$ 600,540	$ 114,681	$ 715,221

	2023		
EXPENSES	**Program Activities**	**Management and General**	**Totals**
Salaries and wages	$ 298,322	$ 43,908	$ 342,230
Payroll taxes and fringes	48,997	7,211	56,208
Occupancy	87,323	9,702	97,025
Grant expenses	275,965	0	275,965
Marketing and advertising	137,149	0	137,149
Office expenses	8,161	8,161	16,322
Professional fees	13,242	20,097	33,339
Insurance - general	6,164	6,163	12,327
General and administrative	0	4,071	4,071
TOTAL EXPENSES	$ 875,323	$ 99,313	$ 974,636

See accompanying notes.

FULTON COUNTY CENTER FOR REGIONAL GROWTH, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 756,638	$ 49,560
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	0	4,051
Gain on sale of assets	0	(131,255)
(Increase) decrease in:		
Receivables	(532)	28,974
Prepaid expenses	(5,008)	18,513
Accrued revenue	(20,602)	18,732
Increase (decrease) in:		
Accounts payable	(3,911)	(8,517)
Accrued expenses	0	(3,709)
Deferred revenue	1,758	21,942
Net cash provided (used) by operating activities	728,343	(1,709)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposition of capital assets	0	271,475
Disposition (acquisition) of investment property	(619,215)	78,792
Proceeds from sale of assets	0	131,255
Net cash provided (used) by investing activities	(619,215)	481,522
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from short-term debt - net	0	(29,605)
NET INCREASE IN CASH	109,128	450,208
CASH UNRESTRICTED AND RESTRICTED - BEGINNING	1,122,349	672,141
CASH UNRESTRICTED AND RESTRICTED - ENDING	$ 1,231,477	$ 1,122,349
RECONCILIATION TO STATEMENTS OF NET POSITION		
CASH	$ 1,135,302	$ 1,008,926
CASH - RESTRICTED	96,175	113,423
TOTAL CASH AND CASH EQUIVALENTS	$ 1,231,477	$ 1,122,349

See accompanying notes.

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 and be the primary economic development organization within Fulton County, New York and its neighboring communities. It does this primarily through the marketing, promotion, workforce development 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 leased office facility at 34 West Fulton Street in Gloversville, New York, and also includes promoting Fulton County Projects through:

Primary Development Areas:

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

Tryon – This tract is a 200 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.

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:

Johnstown Commerce Park – Park is located on Route 30A and contains 93 Acres in Fulton County and 154 Acres in Montgomery. Currently the property located in Fulton County is zoned M-1 Manufacturing and has reached the initial stages of being shovel ready for Advanced Manufacturing. The Park is sponsored by the Fulton County Center for Regional Growth.

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, industrial, and residential usage with retail use available. The Park is sponsored by the Fulton County Industrial Development Agency.

NOTE 1 – NATURE OF OPERATIONS – (CONTINUED)

Shovel Ready Sites – (Continued):

Crossroads Industrial Park – The Park is located on Route 29A and Harrison Street Extension. The Park is sponsored by the Fulton County Industrial Agency.

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:

Former Leader Herald Buildings – This real estate was acquired by FCCRG, LLC in 2022, is located in downtown Gloversville and is being prepared for development and sale. The buildings were sold August 31, 2023.

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.

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

The JDA Ag Loan Program – This is 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, and the Fulton County Countywide Loan Fund. These are not assets of the Organization, and the assets are not reflected in these financial statements.

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.

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 net assets with donor restriction as of December 31, 2024 and 2023 of $96,175 and $113,423, respectively. These funds included Microgrant funding and City of Gloversville funding.

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 and the City of Gloversville to perform marketing and economic development services. As per the contract, the Organization is reimbursed for services provided and expenses and recognizes revenue as the terms of the contract are met. Also included in this activity are meetings, education and related exempt services.

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.

Management Fee Income: The Organization receives management fees from other entities for services provided.

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.

Investment Income: The Organization classifies gains from the sale of assets and investment income in investment revenue.

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

Revenue Recognition – (Continued)

Grant Income: The Organization has received various grants for the furtherance of its exempt purpose. Additionally, the Organization has been the administrator of grants to businesses and entities, which are not reflected in the financial statements.

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. Depreciation expense for the years ended December 31, 2024 and 2023, were $-0- and $4,051, respectively.

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

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, 2024 and 2023 was $92,883 and $137,149, 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, 2022, 2023 and 2024, 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, 2024.

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.

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

Liquidity

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows for years ending December 31:

	2024	2023
Cash and cash equivalents	$ 1,135,302	$ 1,008,926
Accounts receivable and grant receivable	44,199	43,667
Accrued revenue	20,602	0
Prepaid expense	6,311	1,303
Total	$ 1,206,414	$ 1,053,896

The Organization has $1,206,414 and $1,053,896 at December 31, 2024 and 2023, respectively, of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 3 – INVESTMENT PROPERTY

The Organization's investment in Gloversville real estate at the former WB Collins property of $79,605 is carried at historical cost. The property was sold during fiscal year 2023.

The Organization's investment in land options covering 250 plus acres located on Route 30A in Fulton and Montgomery Counties was carried at historical cost of $34,563 as of December 31, 2023. As of December 31, 2024, the organization exercised the option and purchased the land located on Route 30A. This non-current asset is titled FCCRG Projects, LLC, an entity wholly owned by CRG as is carried at historical cost of $653,777.

NOTE 4 – RELATED PARTIES

CRG shares facilities and staffing with Fulton County Economic Development Corporation and shares their mission of supporting economic development in Fulton County.

The Organization received $-0- and $265 from Fulton County Economic Development Corporation in management fee income during 2024 and 2023, respectively. CRG does not carry any balances due from or to these related parties.

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 $39,929 and $10,780 for the years ended December 31, 2024 and 2023, respectively.

NOTE 6 – NOTES PAYABLE

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 was paid in full upon the sale of the assets located at 8-10 E Fulton St, Gloversville, New York and 11 Washington Street, Gloversville, New York in August of 2023.

NOTE 7 – 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.

NOTE 8 – 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, 2024 and 2023, the Organization's cash balances exceeded the insured limit by $304,245 and $671,667, 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 9 – RECLASSIFICATION

Certain items from the December 31, 2023 financial statements have been reclassified to conform to the December 31, 2024 presentation. These reclassifications have no effect on net position as previously reported.

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date at which the financial statements were available for issuance. It was announced in February of 2025, that Fulton County Center for Regional Growth was the recipient of two grants from New York State. The first grant in the amount of $549,000 is to be used for workforce development. The second grant in the amount of $434,700 will be used to further the development process of the Johnstown Commerce Park.