

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT CORPORATION**

**ANNUAL REPORT**

**DECEMBER 31, 2024**

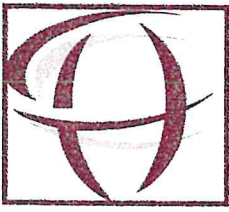
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Franklin County Economic Development Corporation

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

#### **Opinion**

We have audited the accompanying financial statements of Franklin County Economic Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Franklin County Economic Development Corporation as of December 31, 2024, and the changes in net assets and its cash flows for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Franklin County Economic Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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



## **INDEPENDENT AUDITORS' REPORT (continued)**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Franklin County Economic Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Franklin County Economic Development Corporation'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.

### **Report on Summarized Comparative Information**

We have previously audited Franklin County Economic Development Corporation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



**INDEPENDENT AUDITORS' REPORT (continued)**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2025, on our consideration of Franklin County Economic Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Franklin County Economic Development Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Franklin County Economic Development Corporation's internal control over financial reporting and compliance.

*Crowley & Halloran, CPAs, P.C.*

March 14, 2025

**FRANKLIN COUNTY ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2024 with Comparative Totals for 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,057,013	\$ 1,220,343
Accounts and Accrued Interest Receivable	-	-
Grants and Contributions Receivable	179,908	179,480
Prepaid Expenses	5,780	4,565
Loans Receivable - Current Portion	640,791	525,233
<b>Total Current Assets</b>	<b>1,883,492</b>	<b>1,929,621</b>
<b>Other Assets</b>		
Restricted Cash and Cash Equivalent	-	-
Loans Receivable - Long Term Portion	838,800	881,695
Reserve for Uncollectible Loans Receivable	(366,368)	(282,415)
Capital Assets, Net	10,005	21,262
<b>Total Other Assets</b>	<b>482,437</b>	<b>620,542</b>
<b>Total Assets</b>	<b>\$ 2,365,929</b>	<b>\$ 2,550,163</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable & Accrued Expenses	\$ 79,805	\$ 89,929
Current Portion of Operating Lease Liability	-	11,133
<b>Total Current Liabilities</b>	<b>79,805</b>	<b>101,062</b>
<b>Other Liabilities</b>		
Unearned Revenue	-	20,000
Long-term Operating Lease Liability	-	-
<b>Total Other Liabilities</b>	<b>-</b>	<b>20,000</b>
<b>Total Liabilities</b>	<b>79,805</b>	<b>121,062</b>
<b>Net Assets</b>		
Net Assets without Donor Restrictions	2,286,124	2,429,101
Net Assets with Donor Restrictions	-	-
<b>Total Net Assets</b>	<b>2,286,124</b>	<b>2,429,101</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,365,929</b>	<b>\$ 2,550,163</b>

The accompanying notes are an integral part of these financial statements.

**FRANKLIN COUNTY ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024 with Summarized Totals for 2023**

	<b>2024</b>	<b>2023</b>
<b>Changes in Net Assets without Donor Restrictions:</b>		
Revenues and Support:		
Local Government Funding	\$ -	\$ -
Grant and Contract Income	519,538	458,212
Fee Income	59,554	96,843
Loan Interest Income	81,848	62,718
Interest Income	50,385	39,160
Program Income	-	-
Other Income	-	25
Total Revenues and Support without Donor Restrictions	711,325	656,958
 Net Assets Released from Restrictions:		
Satisfaction of Program Restrictions	-	-
Total Net Assets Released from Restrictions	-	-
 Total Revenues and Support without Donor Restrictions	711,325	656,958
 Expenses and Losses		
Programs	822,136	729,312
Management and General	32,166	42,048
Total Expenses and Losses	854,302	771,360
 <b>Decrease in Net Assets without Donor Restrictions</b>	<b>(142,977)</b>	<b>(114,402)</b>
 <b>Changes in Net Assets with Donor Restrictions</b>		
Net Assets Released from Restrictions	-	-
Program Income with Donor Restrictions	-	-
Grant and Contract Income with Donor Restrictions	-	-
 <b>Decrease in Net Assets with Donor Restrictions</b>	<b>-</b>	<b>-</b>
 <b>Decrease in Net Assets</b>	<b>(142,977)</b>	<b>(114,402)</b>
 <b>Net Assets at Beginning of Year</b>	<b>2,429,101</b>	<b>2,543,503</b>
 <b>Net Assets at End of Year</b>	<b>\$ 2,286,124</b>	<b>\$ 2,429,101</b>

The accompanying notes are an integral part of these financial statements.

**FRANKLIN COUNTY ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2024 with Summarized Totals for 2023**

	<u>Programs</u>	<u>Management &amp; General</u>	<u>Total 2024</u>	<u>Summary Total 2023</u>
Salaries & Wages	\$ 104,617	\$ 11,624	\$ 116,241	\$ 153,283
Fringe Benefits	23,734	2,603	26,337	37,587
Consultant Services	54,366	-	54,366	52,642
Professional Services	3,414	3,414	6,828	6,782
Marketing	14,660	-	14,660	15,693
Legal Fees	2,187	2,187	4,374	10,646
Miscellaneous	16,526	-	16,526	15,647
Internet and Telephone	1,318	1,318	2,636	-
Office Expenses	1,851	498	2,349	8,930
Occupancy	3,475	3,475	6,950	3,624
Conferences, Travel & Training	4,256	-	4,256	5,972
Bank Service Fees	84	84	168	320
Insurance	1,267	1,267	2,534	2,502
Interest Expense	-	67	67	321
Grants Paid to Others	500,800	-	500,800	360,807
Credit Losses Expense	83,953	-	83,953	81,129
Depreciation and Amortization	5,628	5,629	11,257	15,475
	<u>5,628</u>	<u>5,629</u>	<u>11,257</u>	<u>15,475</u>
<b>Total Functional Expenses</b>	<u>\$ 822,136</u>	<u>\$ 32,166</u>	<u>\$ 854,302</u>	<u>\$ 771,360</u>

The accompanying notes are an integral part of these financial statements.



**FRANKLIN COUNTY ECONOMIC DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2024 with Summarized Totals for 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Others	\$ 578,664	\$ 740,464
Interest Received	132,233	101,878
Interest Paid	(67)	(321)
Cash Paid to Suppliers and Employees	(790,364)	(706,768)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(79,534)</b>	<b>135,253</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of Capital Assets	-	-
Loans Advanced	(328,812)	(259,465)
Loan Payments Received	256,149	144,803
<b>Net Cash Provided (Used) by in Investing Activities</b>	<b>(72,663)</b>	<b>(114,662)</b>
<b>Cash Flows from Financing Activities:</b>		
Principal Payments of Debt	(11,133)	(16,479)
Proceeds from Issuance of Debt	-	-
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>(11,133)</b>	<b>(16,479)</b>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	(163,330)	4,112
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Year</b>	1,220,343	1,216,231
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year</b>	<b>\$ 1,057,013</b>	<b>\$ 1,220,343</b>
<b>Reconciliation of Changes in Net Assets</b>		
<b>to Net Cash Provided (Used) by Operating Activities:</b>		
Change in Net Assets	\$ (142,977)	\$ (114,402)
Adjustments to Reconcile Change in Net Assets		
to Net Cash (Used) in Operating Activities		
Credit Losses Expense	83,953	81,129
Depreciation and Amortization	11,257	15,475
Change in Operating Assets - (Increase) Decrease		
Accounts and Accrued Interest Receivable	-	-
Grant and Contributions Receivable	(428)	185,384
Prepaid Expenses	(1,215)	(719)
Change in Operating Liabilities - Increase (Decrease)		
Accounts Payable & Accrued Expenses	(10,124)	(51,614)
Other Liabilities	-	-
Unearned Revenue	(20,000)	20,000
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (79,534)</b>	<b>\$ 135,253</b>

The accompanying notes are an integral part of these financial statements.

**FRANKLIN COUNTY**  
**ECONOMIC DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 with Comparative Totals for 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION**

The County of Franklin Industrial Development Agency (IDA) created a Local Development Corporation known as the Franklin County Local Development Corporation (LDC) (the Organization) in 1989. In December 2021, the name was changed to Franklin County Economic Development Corporation (EDC). The County of Franklin Industrial Development Agency assigned all of the loan repayments from the County Community Development Block Grant (CDBG) Projects to the Agency for the purpose of establishing a county wide revolving loan fund. Upon the formation of the Corporation, the County of Franklin IDA assigned all its rights in the CDBG program to the Corporation for collection and administration. The Corporation is committed to serving new and existing businesses and industries, and to assist with the creation and retention of quality jobs through direct and collaborative funding of projects for the economic well-being of Franklin County.

**REVOLVING LOAN FUND**

The Organization maintains the Revolving Loan Fund which was created by the County of Franklin IDA to stimulate the growth of private sector industrial employment in Franklin County, New York. The revolving loan fund provides financial assistance to: (1) small industries who wish to expand or to build new facilities; (2) small industries who must modernize their physical plant or equipment and machinery to maintain their competitive position; and (3) Canadian industrial firms who seek to locate new plants or facilities in the County.

**BASIS OF ACCOUNTING**

The accrual method is used for both financial reporting and income tax purposes. Expenses are recorded when incurred and revenues are recorded when realized in accordance with the accrual basis of accounting.

**NET ASSETS**

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

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net asset released from restriction.

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 with Comparative Totals for 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**GRANTS AND CONTRACTS**

Support received under grants and contracts is recorded as public support when the related amounts are determined to be due from the grantor agencies. Management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary at December 31, 2024 and 2023.

**COMPARATIVE FINANCIAL INFORMATION**

The financial statements include certain prior-year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2023, from which the summarized information was derived.

**CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of six months or less to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 1,057,013	\$ 1,220,343
Restricted cash	-	-
	<u>\$ 1,057,013</u>	<u>\$ 1,220,343</u>

**RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advanced are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Grants and contracts through the Destination Development and Marketing Program, the Franklin County Microenterprise Grant Program, the New York Main Street Grant, the Center for Business in Transition, the Saranac Lake Energize Downtown Program, Resilient & Ready Flood Assistance Program, and the CARES Small Business Assistance Program are conditioned upon certain performance requirements and the incurrence of qualifying expenses, and are not recognized until the conditions on which they depend have been substantially met.

Membership fees, for use of the Carry, a community of entrepreneurs with downtown workspace, which can be rented by the day, week or month and also houses workshops, coaching sessions, and other business development program are non-refundable and billed monthly.

The Organization recognizes funds from the County of Franklin to provide economic development services as non-conditional contractual income.

No significant contributions of goods or services were received during the years ended December 31, 2024 and 2023.

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 with Comparative Totals for 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**PROPERTY AND EQUIPMENT**

The Organization capitalizes all expenditures in excess of \$2,500 for property and equipment at cost. Equipment is stated at cost or, if donated, at approximate fair market value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Routine repairs and maintenance are expensed as incurred.

**ACCOUNTS RECEIVABLE, CREDIT LOSSES, AND RECOVERIES**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts receivable are carried at original invoice amounts less an estimate for potential credit losses. Management determines the allowance for credit losses by evaluating individual accounts and considering the customer's financial condition, credit history, and current and expected future economic uncertainties.

A reserve method for bad debts has been reflected in these financial statements based upon management's specific identification of outstanding loan receivables that have a potential for collection issues based on historical payment status of the borrowers.

The reserve for uncollectible accounts is \$366,368 and \$282,415 at December 31, 2024 and 2023, respectively and represents approximately 25% and 20% of loans outstanding at December 31, 2024 and 2023, respectively. No loans were written off in 2024. Two loans totaling \$328,929 were determined uncollectible and were written off in 2023.

**COMPENSATED ABSENCES**

The Organization allows employees to accumulate annual leave according to employment agreements. This amount is included as an accrued liability in the statement of financial position. Compensated absences were \$3,130 and \$2,582 at December 31, 2024 and 2023, respectively.

**FUNCTIONAL EXPENSES**

The cost of programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**TAX STATUS**

The Internal Revenue Service has determined that Franklin County Economic Development Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization other than a private foundation under Section 509(a)(2).

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 with Comparative Totals for 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**IN-KIND CONTRIBUTIONS**

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. Donated gifts-in-kind are not sold. In addition to contributed nonfinancial assets, volunteers contribute time to program services, administration, and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet the criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of good or services were received during the years ended December 31, 2024 and 2023.

**NOTE 2 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents - Unrestricted	\$ 1,057,013	\$ 1,220,343
Accounts Receivable	-	-
Loans Receivable – Current Portion	640,791	525,233
Grants Receivable – Current Portion	179,908	179,480
	\$ 1,877,712	\$ 1,925,056

The Organization has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above.

**NOTE 3 - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances in Malone, New York and certificates of deposit at a financial institution in Willsboro, New York. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times there were balances in the bank that were over the FDIC limit. However, the Organization has a collateralized pledge account to cover all deposits that exceed the FDIC limit. Therefore, at December 31, 2024 and 2023, the Organization had no uninsured cash balances.

**NOTE 4 - LOANS ADVANCED**

The Organization advanced loans in the amount of \$328,812 and \$259,465 during 2024 and 2023 respectively. These loans are to provide financial assistance to local eligible businesses.

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 with Comparative Totals for 2023**

**NOTE 5 - LOANS RECEIVABLE**

Details of the Organization's loans receivable at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Consolidated, restructured loan to Cherie Whitten dba the Hub, and the purchase of a mortgage assumed totaling \$190,406 made November 9, 2020, interest rate at 6.00%, payments of principal and interest June-November and interest only payments from December-May each year until June 1, 2022 commencing with monthly payments of \$2,299.08 through maturity at November 2030	\$ 137,230	\$ 155,977
Loan to Martin's Pretzel, original balance 328,500, made October 7, 2024, monthly payments of 3,466.42, interest rate at 7.5%, maturing October 2036	325,665	-
Loan to 2 Soup Gurus, LLC dba JC Soups, original balance \$75,000, made August 24, 2018, monthly payments \$900.00, interest rate at 6.75%, maturing August 2028	32,075	40,402
Loan to Brett Hazen and Joanne Hazen, dba BMJ Midway Market, original balance \$155,000, made December 19, 2019, monthly payments \$1,733.75, interest rate at 5.75%, maturing November 2029	-	107,837
Loan to Anthony Pryce dba AP Cleaners, original balance \$15,000, made May 7, 2020, interest only payments through February 2021, with regular monthly payments of \$322.00 commencing March 2021, interest rate at 4.25%, maturing May 2025	1,583	5,303
Loan to Black Mountain Architecture LLC, original balance \$50,000, made July 14, 2023, interest only payments through July 14, 2024, with regular monthly payments of \$364.58 commencing August 14, 2023, interest rate at 8.75%, maturing July 2024	-	50,000

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 with Comparative Totals for 2023**

**NOTE 5 - LOANS RECEIVABLE (continued)**

<p>Loan to Black Mountain Architecture LLC, original balance \$100,000, made July 14, 2023, interest only payments of \$729.17 through April 14, 2024, with regular monthly payments of \$2,354.97 commencing beginning May 14, 2024 interest rate at 8.75%, maturing July 2028</p>	86,657	100,000
<p>Loan to KKR Food Service LLC dba Amado, original balance \$25,000, made June 15, 2020, interest only payments through March 1, 2021, with regular monthly payments of \$536.66 commencing April 2021, interest rate at 4.25%, maturing June 2025, see Note 9</p>	6,294	9,844
<p>Loan to KKR Food Service, dba Amado, original balance \$154,000, made April 14, 2021, monthly payments of \$2,105.00 commencing June 2021, interest rate at 4.00%, maturing June 2028, see Note 9</p>	91,433	103,869
<p>Loan to ADK ArtRise LLC, original balance \$25,550, made February 19, 2021, with regular monthly payments of \$473.42 commencing April 2021, interest rate at 4.25%, maturing March 2026</p>	6,920	12,186
<p>Loan to Small Town Entertainment a/k/a Little Town Lanes, original balance \$90,000, made June 29, 2021, monthly payments of \$1,216.06, interest rate at 3.75%, maturing July 2028</p>	57,558	68,745
<p>Loan to Small Town Entertainment a/k/a Little Town Lanes, original balance \$125,000, made December 13, 2021, with regular monthly payments of \$909.03 commencing February 2022, interest rate at 3.75%, maturing January 2037</p>	108,722	114,868
<p>Loan to OWD LLC, original balance \$350,000, made April 14, 2021, interest only monthly payments of \$1,239.58 through June 2024, interest rate at 4.25%, and amended for an additional 12 months at 8.5%, increasing payments to \$2,479.17 until full maturity which is the earlier of a closing on construction financing, or April 1, 2025</p>	350,000	350,000

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 with Comparative Totals for 2023**

**NOTE 5 - LOANS RECEIVABLE (continued)**

Loan to Happy Camping RV, original balance of \$200,535 (first of two disbursements), made December 6, 2021, and \$59,465 (second disbursement), made June 21, 2023, with regular monthly payments of \$1,483.33 commencing February 2022, interest rate at 4.00%, maturing January 2037, see Note 9

233,889                      240,594

Loan to Daniel Prairie, dba Prairie Orchard, original balance of \$50,000 made May 17, 2023, with regular monthly payments of \$785.55 commencing February 2022, interest rate at 8.25%, maturing January 2030

41,565                      47,303

**Total**                      \$ 1,479,591                      \$ 1,406,928

**NOTE 6 - CAPITAL ASSETS**

The details of the capital assets, as recorded on the books at December 31, 2024 and 2023:

	2024	2023
Equipment:		
Office Equipment	\$ 23,624	\$ 32,387
Computer Equipment	<u>2,849</u>	<u>12,744</u>
Total Equipment	26,473	45,131
Less: Accumulated Depreciation Equipment, Net	<u>(16,468)</u>	<u>(31,899)</u>
	<u>10,005</u>	<u>13,232</u>
Right-of-Use Lease Asset	40,313	40,313
Less: Accumulated Amortization	<u>(40,313)</u>	<u>(32,283)</u>
Right-of-Use Lease Asset, Net	<u>-</u>	<u>8,030</u>
Total Capital Assets, Net	<u>\$ 10,005</u>	<u>\$ 21,262</u>

The Organization wrote



**FRANKLIN COUNTY  
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**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Net assets with donor restrictions at December 31, 2024 and 2023 consist of grant funds with donor imposed restrictions, and program income with donor restrictions:

	<u>2024</u>	<u>2023</u>
Program Income with Donor Restrictions	\$ -	\$ -
Grant and Contract Income with Donor Restrictions	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>

Net Assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Satisfaction of Program Restrictions – Loan Funds	\$ -	\$ -
Grant and Contract Income with Donor Restrictions	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>

**FRANKLIN COUNTY  
ECONOMIC DEVELOPMENT CORPORATION  
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**NOTE 8 - LEASES**

In May 2021, the Organization entered into a commercial operating lease agreement with a term of one year with the right to renew for a subsequent one-year term at monthly payments of \$500. In September of 2022 the lease was amended for additional square footage for a one-year term with a right to renew the lease for a subsequent additional term of one year at payments of \$1,400. The Organization has elected to use the risk-free rate election of 1.6% at the commencement of the lease. The Organization has various other operating leases of terms less than one year. Rent expense for these leases were \$6,950 and \$3,623 for the years ended December 31, 2024 and 2023, respectively. The lease expired during the year ended December 31, 2024, and the Organization is presently on a month-to-month basis.

Total right-of-use assets and lease liabilities at December 31, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>
<b><u>Lease Assets – Classification in Statement of Financial Position</u></b>		
Right of Use Lease Asset – Space	\$ 40,313	\$ 40,313
Accumulated Amortization	(40,313)	(32,283)
<b>Total leased right-of-use assets</b>	<b>\$ -</b>	<b>\$ 8,030</b>
<b><u>Lease Liabilities – Classification in Statement of Financial Position</u></b>		
Current Lease Liability	\$ -	\$ 11,133
Non-current Lease Liability	-	-
<b>Total lease liabilities</b>	<b>\$ -</b>	<b>\$ 11,133</b>

Interest expense paid and expensed related to the operating lease under the Lease standard was \$67 and \$321, for the years ended December 31, 2024 and 2023.

**FRANKLIN COUNTY  
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**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

The Organization has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowance and a request for a return of funds.

Franklin County Economic Development Corporation appears to be concerned with regards to the following receivables, and their potential for loss:

**Happy Camping** – The Company is seasonal and has requested 2 separate 3 month deferments totaling 6 months during the winter months. The Company was unable to provide current financial statements. The balance at December 31, 2024 outstanding was \$233,889.

**KKR Food Service LLC dba Amado** – The Company has 2 business loans and is seasonal. The Company has requested 2 separate 3 month deferments totaling 6 months during the winter months. The Company was unable to provide current financial statements. The balance of the loans at December 31, 2024 was \$97,727.

**WRITE OFFS OF PREVIOUSLY TROUBLED LOANS**

**Bowe and Arrow and MCM:** During the year ended December 31, 2023, the Organization wrote off the balance of the two loans totaling \$328,929 against the allowance at December 31, 2023. No loans were written off for the year ended December 31, 2024.

**NOTE 10 - UNEARNED REVENUE**

The Organization’s unearned revenue consists of grant funds received that were not yet expended at year end. Unearned revenue was \$0 and \$20,000 at December 31, 2024 and 2023, respectively.

**NOTE 11 - CONCENTRATION**

The Organization’s loan portfolio totaling \$1,479,591 has one obligor with outstanding loans totaling \$350,000 or 23.7% and another obligator with outstanding loans totaling \$325,664 or 22.0% of the portfolio at December 31, 2024. The Organization’s loan portfolio totaling \$1,406,928 had one obligor with outstanding loans totaling \$350,000 or 24.9% and another obligator with outstanding loans totaling \$240,594 or 17.1% of the portfolio at December 31, 2023.

**NOTE 12 - RELATED PARTY TRANSACTIONS**

The County of Franklin Industrial Development Agency (the “IDA”) is a public benefit corporation that was created in 1970 by the Franklin County Board of Legislators under the provisions of Article 18A of the General Municipal Law to encourage economic growth and prosperity in Franklin County, New York. The Franklin County Economic Development Corporation (the “EDC”) was started in 1989 to develop and cultivate a strong economic environment, which supports business and nurtures growth and new investment in the County. The Franklin County Civic Development Corporation (the “CDC”) is a corporation established in 2010 to meet the civic bonding needs of colleges, medical and research facilities, libraries, and other not-for-profit corporations to assist with financing needs. The respective Boards of the IDA, EDC, and CDC are substantially the same and activities are closely related.

**FRANKLIN COUNTY  
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**NOTE 13 - FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Accordingly certain expenses, such as professional services, telephone, insurance, fees, and legal expenses are allocated between programs and management and general on the basis of estimates of time and effort.

**NOTE 14 - TAX UNCERTAINTIES**

FASB ASC 740, "*Income Taxes*," requires entities to disclose in their financial statements the nature of any uncertainties in their tax position. Tax years including 2021 and later are subject to examination by tax authorities. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. Franklin County Economic Development Corporation does not believe that it has any uncertain tax positions with respect to these or other matters and has not recorded any unrecognized tax benefits or liability for penalties or interest.

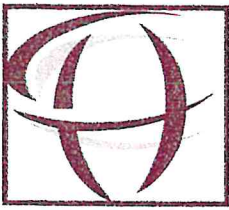
Franklin County Economic Development Corporation is not aware of any circumstances or events that make it reasonably possible that tax benefits may increase or decrease within 12 months of the date of these financial statements.

**NOTE 15 - RECLASSIFICATIONS**

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The reclassifications had no effect on previously reported net assets.

**NOTE 16 - SUBSEQUENT EVENTS**

Franklin County Economic Development Corporation has evaluated events and transactions that occurred between December 31, 2024 and March 14, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.



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Government Audit Quality Center  
Employee Benefit Plan Audit Quality Center

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Franklin County Economic Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Franklin County Economic Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 14, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Franklin County Economic Development Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin County Economic Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Franklin County Economic Development Corporation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  
(CONTINUED)**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Franklin County Economic Development Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crowley & Halloran, CPAs, P.C.*

March 14, 2025