

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT CORPORATION**

ANNUAL REPORT

DECEMBER 31, 2025

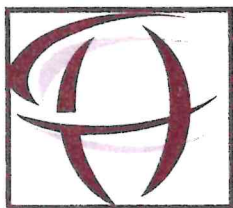
TABLE OF CONTENTS

Financial Statements

Independent Auditors' Report	1-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flow	7
Notes to Financial Statements	8-18

Supplemental Information

<u>Independent Auditors' Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></u>	19-20
---	-------



Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants
215 Washington Street, Suite 100, Watertown, NY 13601
Phone: (315) 788-3140 Fax: (315) 782-5321
www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

* Licensed in NY & PA

Members of:
AICPA
NYSSCPA
Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

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, 2025, 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, 2025, 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, 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 9, 2026, 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 9, 2026

FRANKLIN COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
December 31, 2025 with Comparative Totals for 2024

	2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 809,823	\$ 213,939
Accounts and Accrued Interest Receivable	-	-
Grants and Contributions Receivable	160,071	179,908
Prepaid Expenses	2,960	5,780
Loans Receivable - Current Portion	484,328	640,791
Total Current Assets	1,457,182	1,040,418
Other Assets		
Restricted Cash and Cash Equivalent	-	-
Treasury Bills with original maturities greater than 3 months	419,640	843,074
Loans Receivable - Long Term Portion	862,469	838,800
Reserve for Uncollectible Loans Receivable	(372,234)	(366,368)
Capital Assets, Net	8,478	10,005
Total Other Assets	918,353	1,325,511
Total Assets	\$ 2,375,535	\$ 2,365,929
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable & Accrued Expenses	\$ 77,304	\$ 79,805
Current Portion of Operating Lease Liability	-	-
Total Current Liabilities	77,304	79,805
Other Liabilities		
Unearned Revenue	-	-
Long-term Operating Lease Liability	-	-
Total Other Liabilities	-	-
Total Liabilities	77,304	79,805
Net Assets		
Net Assets without Donor Restrictions	2,298,231	2,286,124
Net Assets with Donor Restrictions	-	-
Total Net Assets	2,298,231	2,286,124
Total Liabilities and Net Assets	\$ 2,375,535	\$ 2,365,929

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, 2025 with Summarized Totals for 2024

	2025	2024
Changes in Net Assets without Donor Restrictions:		
Revenues and Support:		
Local Government Funding	\$ -	\$ -
Grant and Contract Income	1,541,485	519,538
Fee Income	231,684	59,554
Loan Interest Income	87,641	81,848
Interest Income	39,467	50,385
Program Income	-	-
Other Income	-	-
Total Revenues and Support without Donor Restrictions	1,900,277	711,325
 Net Assets Released from Restrictions:		
Satisfaction of Program Restrictions	-	-
Total Net Assets Released from Restrictions	-	-
 Total Revenues and Support without Donor Restrictions	1,900,277	711,325
 Expenses and Losses		
Programs	1,853,529	822,136
Management and General	34,641	32,166
Total Expenses and Losses	1,888,170	854,302
 Increase (Decrease) in Net Assets without Donor Restrictions	12,107	(142,977)
 Changes in Net Assets with Donor Restrictions		
Net Assets Released from Restrictions	-	-
Program Income with Donor Restrictions	-	-
Grant and Contract Income with Donor Restrictions	-	-
 Change in Net Assets with Donor Restrictions	-	-
 Increase (Decrease) in Net Assets	12,107	(142,977)
 Net Assets at Beginning of Year	2,286,124	2,429,101
 Net Assets at End of Year	\$ 2,298,231	\$ 2,286,124

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, 2025 with Summarized Totals for 2024

	<u>Programs</u>	<u>Management & General</u>	<u>Total 2025</u>	<u>Summary Total 2024</u>
Salaries & Wages	\$ 108,188	\$ 12,021	\$ 120,209	\$ 116,241
Fringe Benefits	24,397	2,755	27,152	26,337
Consultant Services	120,861	-	120,861	54,366
Professional Services	3,542	3,542	7,084	6,828
Marketing	11,267	-	11,267	14,660
Legal Fees	1,215	1,215	2,430	4,374
Miscellaneous	21,999	-	21,999	16,526
Internet and Telephone	2,721	2,721	5,442	2,636
Office Expenses	4,508	1,072	5,580	2,349
Occupancy	9,100	9,100	18,200	6,950
Conferences, Travel & Training	2,794	-	2,794	4,256
Bank Service Fees	208	208	416	168
Insurance	1,244	1,244	2,488	2,534
Interest Expense	-	-	-	67
Grants Paid to Others	1,533,240	-	1,533,240	500,800
Credit Losses Expense	7,481	-	7,481	83,953
Depreciation and Amortization	764	763	1,527	11,257
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Functional Expenses	<u><u>\$ 1,853,529</u></u>	<u><u>\$ 34,641</u></u>	<u><u>\$ 1,888,170</u></u>	<u><u>\$ 854,302</u></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, 2025 with Summarized Totals for 2024

	2025	2024
Cash Flows from Operating Activities:		
Cash Received from Others	\$ 1,793,006	\$ 578,664
Interest Received	127,108	132,233
Interest Paid	-	(67)
Cash Paid to Suppliers and Employees	(1,878,843)	(790,364)
Net Cash Provided (Used) by Operating Activities	41,271	(79,534)
Cash Flows from Investing Activities:		
Purchases of Capital Assets	-	-
Purchases of Investments	(1,726,566)	(3,393,074)
Proceeds from Sale of Investments	2,150,000	2,550,000
Loans Advanced	(31,301)	(328,812)
Loan Payments Received	162,480	256,149
Net Cash Provided (Used) by in Investing Activities	554,613	(915,737)
Cash Flows from Financing Activities:		
Principal Payments of Debt	-	(11,133)
Proceeds from Issuance of Debt	-	-
Net Cash Provided (Used) by Financing Activities	-	(11,133)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	595,884	(1,006,404)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	213,939	1,220,343
Cash, Cash Equivalents, and Restricted Cash at End of Year	\$ 809,823	\$ 213,939
Reconciliation of Changes in Net Assets		
to Net Cash Provided (Used) by Operating Activities:		
Change in Net Assets	\$ 12,107	\$ (142,977)
Adjustments to Reconcile Change in Net Assets		
to Net Cash (Used) in Operating Activities		
Credit Losses Expense	7,481	83,953
Depreciation and Amortization	1,527	11,257
Change in Operating Assets - (Increase) Decrease		
Accounts and Accrued Interest Receivable	-	-
Grant and Contributions Receivable	19,837	(428)
Prepaid Expenses	2,820	(1,215)
Change in Operating Liabilities - Increase (Decrease)		
Accounts Payable & Accrued Expenses	(2,501)	(10,124)
Other Liabilities	-	-
Unearned Revenue	-	(20,000)
Net Cash Provided (Used) by Operating Activities	\$ 41,271	\$ (79,534)

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

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 with Comparative Totals for 2024**

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, 2025 with Comparative Totals for 2024**

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, 2025 and 2024.

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, 2024, 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 three 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:

	2025	2024
Cash and cash equivalents	\$ 809,823	\$ 213,939
Restricted cash	-	-
	\$ 809,823	\$ 213,939

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, 2025 and 2024.

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 with Comparative Totals for 2024**

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 \$372,234 and \$366,368 at December 31, 2025 and 2024, respectively and represents approximately 28% and 25% of loans outstanding at December 31, 2025 and 2024, respectively. In 2025 loan balances totaling \$1,615 were written off. No loans were written off in 2024.

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 \$2,696 and \$3,130 at December 31, 2025 and 2024, 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, 2025 with Comparative Totals for 2024**

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, 2025 and 2024.

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:

	2025	2024
Cash and cash equivalents - Unrestricted	\$ 809,823	\$ 213,939
Treasury Bills	419,640	843,074
Loans Receivable – Current Portion	484,328	640,791
Grants Receivable – Current Portion	276,587	179,908
	\$ 1,990,378	\$ 1,877,712

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, 2025 and 2024, the Organization had no uninsured cash balances.

NOTE 4 - LOANS ADVANCED

The Organization advanced loans in the amount of \$31,301 and \$328,812 during 2025 and 2024 respectively. These loans are to provide financial assistance to local eligible businesses.

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 with Comparative Totals for 2024**

NOTE 5 - LOANS RECEIVABLE

Details of the Organization's loans receivable at December 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</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	\$ 117,327	\$ 137,230
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	307,890	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
Loan to Designs by Dalys, original balance \$30,000, made July 10, 2025, monthly payments \$452.78, interest rate at 7.00%, maturing July 2032	28,595	-
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

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 with Comparative Totals for 2024**

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>	66,996	86,657
<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
<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>	69,430	91,433
<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
<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>	44,908	57,558
<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>	101,772	108,722
<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, 2025 with Comparative Totals for 2024**

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

224,543 233,889

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

35,336 41,565

Total \$ 1,346,797 \$ 1,479,591

NOTE 6 - CAPITAL ASSETS

The details of the capital assets, as recorded on the books at December 31, 2025 and 2024:

	2025	2024
Equipment:		
Office Equipment	\$ 23,624	\$ 23,624
Computer Equipment	<u>2,849</u>	<u>2,849</u>
Total Equipment	26,473	26,473
Less: Accumulated Depreciation	<u>(17,995)</u>	<u>(16,468)</u>
Equipment, Net	<u>8,478</u>	<u>10,005</u>
 Total Capital Assets, Net	 <u>\$ 8,478</u>	 <u>\$ 10,005</u>

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 with Comparative Totals for 2024**

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, 2025 and 2024 consist of grant funds with donor imposed restrictions, and program income with donor restrictions:

	<u>2025</u>	<u>2024</u>
Program Income with Donor Restrictions	\$ -	\$ -
Grant and Contract Income with Donor Restrictions	<u>-</u>	<u>-</u>
Total	<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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Satisfaction of Program Restrictions – Loan Funds	\$ -	\$ -
Grant and Contract Income with Donor Restrictions	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ -</u>

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 with Comparative Totals for 2024**

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 lease expired during the year ended December 31, 2024, and the Organization is presently on a month-to-month basis. The Organization has various other operating leases of terms less than one year. Rent expense for these leases were \$18,200 and \$6,950 for the years ended December 31, 2025 and 2024, respectively

Total right-of-use assets and lease liabilities at December 31, 2025 and 2024 are as follows:

	2025	2024
<u>Lease Assets – Classification in Statement of Financial Position</u>		
Right of Use Lease Asset – Space	\$ -	\$ 40,313
Accumulated Amortization	-	(40,313)
Total leased right-of-use assets	\$ -	\$ -
<u>Lease Liabilities – Classification in Statement of Financial Position</u>		
Current Lease Liability	\$ -	\$ -
Non-current Lease Liability	-	-
Total lease liabilities	\$ -	\$ -

Interest expense paid and expensed related to the operating lease under the Lease standard was \$0 and \$67, for the years ended December 31, 2025 and 2024.

**FRANKLIN COUNTY
ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 with Comparative Totals for 2024**

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.

In 2024, the Franklin County Economic Development Corporation identified potential collectability considerations related to certain loan receivables, including loans to Happy Camping and KKR Food Service LLC d/b/a Amado. The following provides an update on these specific loans and their related status as of the current year:

Happy Camping – The Company is a seasonal repair shop and with the completion of its repair garage, it will now be able to do repair work year-round. Advance payments were made in the latter half of the year. The Company has requested interest only payments from January 2026 through April 2026. The Company was able to provide current financial statements. The balance at December 31, 2025 outstanding was \$206,241.

KKR Food Service LLC dba Amado – The Company has made all payments in full and on time throughout the year. The Company has not interest only during 2025. One of the two loan was paid in full during the year. The balance of the remaining loan at December 31, 2025 was \$69,844.

WRITE OFFS OF PREVIOUSLY TROUBLED LOANS

Bowe and Arrow and MCM: During the year ended December 31, 2025, the Organization wrote off the balance of the one loans totaling \$1,615 against the allowance at December 31, 2025. 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 \$0 at December 31, 2025 and 2024, respectively.

NOTE 11 - CONCENTRATION

The Organization’s loan portfolio totaling \$1,346,797 has one obligor with outstanding loans totaling \$350,000 or 26.0% and another obligator with outstanding loans totaling \$307,890 or 23.2% of the portfolio at December 31, 2025. The Organization’s loan portfolio totaling \$1,479,591 had 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, 2025.

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
ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 with Comparative Totals for 2024**

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 2022 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.

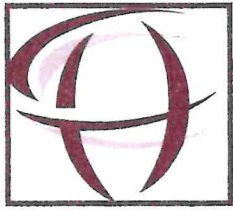
Franklin County Economic Development Corporation is not aware of any circumstances or events that make it reasonably possible that tax benefits may increase or decrease within 12 months of the date of these financial statements.

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, 2025 and March 9, 2026, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.



Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants
215 Washington Street, Suite 100, Watertown, NY 13601
Phone: (315) 788-3140 Fax: (315) 782-5321
www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

* Licensed in NY & PA

Members of:
AICPA
NYSSCPA
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, 2025, 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 9, 2026.

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 9, 2026