

**ADVANCE ALBANY COUNTY ALLIANCE LOCAL
DEVELOPMENT CORPORATION**

**Financial Statements as of
December 31, 2024 and 2023
Together with
Independent Auditor's Report**

INDEPENDENT AUDITOR'S REPORT

March 26, 2025

To the Board of Directors of
Advance Albany County Alliance Local Development Corporation:

Opinion

We have audited the accompanying financial statements of Advance Albany County Alliance Local Development Corporation (a New York nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, 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 Advance Albany County Alliance Local Development Corporation 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Advance Albany County Alliance Local Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Advance Albany County Alliance Local 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.

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INDEPENDENT AUDITOR'S REPORT

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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 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, including omissions, 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, 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 Advance Albany County Alliance Local 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 Advance Albany County Alliance Local 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.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,800,986	\$ 623,804
Certificates of deposit	2,000,000	-
Accounts receivable (net of allowance for credit losses \$0)	363,872	90,214
Grants receivable	305,669	-
Prepaid expenses	<u>33,616</u>	<u>19,899</u>
Total current assets	<u>5,504,143</u>	<u>733,917</u>
PROPERTY AND EQUIPMENT, net	<u>358,038</u>	<u>115,637</u>
OPERATING LEASE RIGHT-OF-USE-ASSETS	<u>253,501</u>	<u>320,064</u>
TOTAL ASSETS	<u>\$ 6,115,682</u>	<u>\$ 1,169,618</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 46,102	\$ 28,706
Accrued payroll	10,651	1,966
Deferred income	3,850,000	-
Current portion of operating lease liability	<u>94,814</u>	<u>94,814</u>
Total current liabilities	<u>4,001,567</u>	<u>125,486</u>
OPERATING LEASE LIABILITY, net of current portion	<u>158,687</u>	<u>225,250</u>
TOTAL LIABILITIES	<u>4,160,254</u>	<u>350,736</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>1,955,428</u>	<u>818,882</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,115,682</u>	<u>\$ 1,169,618</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
REVENUES:		
Contributions and grant revenue	\$ 1,455,669	\$ 500,000
Agency fees	1,043,375	555,737
Interest income	126,228	4,756
Rental income	35,555	47,407
Other income	<u>-</u>	<u>1,956</u>
 Total revenues	 <u>2,660,827</u>	 <u>1,109,856</u>
EXPENSES:		
Program	1,408,051	826,584
Administrative	<u>116,230</u>	<u>72,712</u>
 Total expenses	 <u>1,524,281</u>	 <u>899,296</u>
 CHANGE IN NET ASSETS	 1,136,546	 210,560
 NET ASSETS - BEGINNING OF YEAR	 <u>818,882</u>	 <u>608,322</u>
 NET ASSETS - END OF YEAR	 <u>\$ 1,955,428</u>	 <u>\$ 818,882</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries and benefits	\$ 629,715	\$ 69,968	\$ 699,683
Legal and professional services	361,964	-	361,964
STAGE grant passthrough	135,000	15,000	150,000
Rent	90,400	10,044	100,444
Office supplies	45,765	5,085	50,850
Advertising	43,418	4,824	48,242
Depreciation	32,697	3,633	36,330
Sponsorship	19,260	2,140	21,400
Travel	15,512	1,722	17,234
Dues and subscriptions	12,789	1,421	14,210
Insurance	10,556	1,173	11,729
Miscellaneous	6,510	723	7,233
Conference	2,759	307	3,066
Filing fees	923	103	1,026
Telephone	783	87	870
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Total expenses	<u>\$ 1,408,051</u>	<u>\$ 116,230</u>	<u>\$ 1,524,281</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries and benefits	\$ 405,947	\$ 45,105	\$ 451,052
Legal and professional services	172,192	-	172,192
Rent	88,818	9,869	98,687
Office supplies	39,149	4,350	43,499
Depreciation	25,081	2,787	27,868
Sponsorship	22,234	2,471	24,705
Advertising	18,427	2,048	20,475
Dues and subscriptions	14,469	1,608	16,077
Travel	13,001	1,445	14,446
Miscellaneous	10,034	1,114	11,148
Conference	8,367	930	9,297
Insurance	7,357	817	8,174
Filing fees	1,024	114	1,138
Telephone	484	54	538
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Total expenses	<u>\$ 826,584</u>	<u>\$ 72,712</u>	<u>\$ 899,296</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,136,546	\$ 210,560
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	36,330	27,868
Changes in:		
Accounts receivable	(273,658)	(40,517)
Grants receivable	(305,669)	-
Prepaid expenses	(13,717)	(13,277)
Accounts payable	17,396	15,185
Accrued payroll	8,685	783
Deferred income	<u>3,850,000</u>	<u>(3,951)</u>
Net cash flows from operating activities	<u>4,455,913</u>	<u>196,651</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of certificates of deposit	(2,000,000)	-
Purchase of property and equipment	<u>(278,731)</u>	<u>(107,053)</u>
Net cash flows from investing activities	<u>(2,278,731)</u>	<u>(107,053)</u>
CHANGE IN CASH	2,177,182	89,598
CASH - BEGINNING OF YEAR	<u>623,804</u>	<u>534,206</u>
CASH - END OF YEAR	<u>\$ 2,800,986</u>	<u>\$ 623,804</u>

The accompanying notes are an integral part of these statements.

ADVANCE ALBANY COUNTY ALLIANCE LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

1. THE ORGANIZATION

Advance Albany County Alliance Local Development Corporation (the Corporation) was formed in November 2020 to relieve and reduce unemployment in Albany County (the County), promote and provide additional adult employment in the County, maintain adult job opportunities in the County, and to carry on scientific distribution of grants to qualifying small businesses in the County. Since its inception, the Corporation has substantially been supported by grants from the County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures. Actual results could differ from those estimates.

Cash

The Corporation maintains its cash in bank deposit accounts which may at times exceed federally insured limits. The Corporation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks on cash.

Certificates of Deposit

The Corporation maintains certificates of deposit which consist of highly liquid debt instruments purchased with an original maturity of three months or less and bearing interest of 3.75%.

Accounts Receivable

The Corporation considers accounts receivable to be fully collectible. Accordingly, no allowance for credit losses has been reflected in the financial statements as of December 31, 2024 and 2023. If in the future, management determines that amounts may be uncollectible, an allowance will be established, and operations will be changed when that determination is made. Accounts for which no payments have been received for several months are considered delinquent and customary collection efforts are begun. After all collection efforts are exhausted the account is written off.

Property and Equipment

All acquisitions of property and equipment that materially prolong the useful lives of assets costing over \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Financial Reporting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Corporation's net assets are classified as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as releases from restriction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting (Continued)

The Corporation reports its activities and the related net assets using the following net asset categories:

- Net Assets Without Donor Restrictions – Net assets without donor restrictions include funds available for use without any donor-imposed restrictions. The Board of Directors can authorize use of these funds as it desires to carry on the purpose of the Corporation according to its by-laws.
- Net Assets with Donor Restrictions – Net assets with donor restrictions include resources that have been donated to the Corporation subject to restrictions as specified by the donor. There were no net assets with donor restrictions as of December 31, 2024 and 2023.

Revenue Recognition

Agency Fees

The Corporation maintains agency agreements to perform administrative, managerial, accounting, marketing, compliance, and project development services for the following organizations:

- Albany County Business Development Corporation
- Albany County Pine Hills Land Authority
- Albany County Capital Resource Corporation
- Albany County Industrial Development Agency

The performance obligation is met, and revenue is recognized, when applicable services are performed. The Corporation's transaction price is stated in the annual agency agreement contracted with each organization, and is developed based on the costs of staffing, office equipment, utilities, phone, and computer networking.

Accounts receivable related to agency fees were as follows at December 31:

<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>\$ 363,872</u>	<u>\$ 90,214</u>	<u>\$ 49,697</u>

Rental Income

The Corporation determines if an arrangement is a lease at inception. The Corporation reassesses the determination of whether an arrangement is a lease if the terms and conditions of the contract are changed.

The Corporation recognizes revenue in accordance with the lease agreement. Variable lease payments are generally immaterial and consist of items such as late fees, which are charged to tenants in certain circumstances. The Corporation recognizes variable lease payments as revenue in the period incurred. The Corporation elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for as a single lease component. Non-lease components are generally immaterial and consist of items such as late fees. The single lease component is accounted for under ASC 842.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grant Revenue

Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from donor restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restrictions in the accompanying financial statements.

Deferred revenue arises when resources are received by the Corporation before it has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Corporation has legal claim to the resources, the liability for deferred revenue is removed and recognized as revenue.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs, such as salaries and benefits have been allocated amongst the programs and supporting services benefited based on hours spent.

Leases (As Lessee)

In evaluating contracts to determine if they qualify as a lease, the Corporation considers factors such as if the Corporation obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Right-of-use assets (ROU) represent the Corporation's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Corporation is reasonably certain to exercise these options.

For all underlying classes of assets, the Corporation has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Corporation recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Corporation elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable.

The Corporation elected for all classes of underlying assets to not separate the lease and non-lease components of a contract and to account for as a single lease component.

Income Tax Status

The Corporation is a non-profit organization generally exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Corporation has been classified as a publicly supported organization that is not a private foundation.

Reclassifications

Certain reclassifications of revenue have been made to the 2023 financial statements to conform to the current year presentation.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At December 31, the Corporation has the following financial assets available to meet cash needs for general expenditure within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Cash	\$2,800,986	\$ 623,804
Certificates of deposit	2,000,000	-
Accounts receivable, net	<u>363,872</u>	<u>90,214</u>
	<u>\$5,164,858</u>	<u>\$ 714,018</u>

The Corporation's ability to meet its cash needs is highly dependent on timely receipt of contributions, which are primarily due from its granting sources and agency fees. The Corporation has designed procedures to collect from these payers as quickly as possible. As part of the Corporation'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. In addition, the Corporation could also manage vendor relationships to extend payment terms where possible.

4. PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Buildings	\$ 251,913	\$ -
Computer software	48,000	48,000
Office furniture and equipment	53,574	47,078
Computer equipment	60,399	40,077
Capital improvements	25,433	25,433
Less: Accumulated depreciation	<u>(81,281)</u>	<u>(44,951)</u>
	<u>\$ 358,038</u>	<u>\$ 115,637</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$36,330 and \$27,868, respectively.

5. RENTAL INCOME

The Corporation sub-leases a portion of their office space to an unrelated tenant and has entered into an operating lease for five years with that tenant. Rental income for the years ended December 31, 2024 and 2023 was \$35,555 and \$47,407, respectively. The Corporation has determined that the office space is predominant in this contract and is accounting for the office component as an operating lease under ASC 842. As a result, the Corporation has presented all rental income on the same line item in the statements of activities. As of October 4, 2024, this lease agreement was terminated by both parties.

6. LEASES

The Corporation leases its office space. The lease is an operating lease and expires in October 2027. The operating lease liability was determined using a remaining lease term of 3 years at a discount rate of 4.27%. The components of total lease cost for the year ended December 31 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease expense	\$ 94,814	\$ 94,814

Maturities of operating lease liabilities as of December 31, 2024 are as follows:

2025	\$ 94,814
2026	94,814
2027	<u>79,011</u>
Total lease payments	268,639
Less: Interest	<u>(15,138)</u>
Total present value of lease liability	253,501
Less: Current Portion	<u>(94,814)</u>
	<u>\$ 158,687</u>

Cash paid for amounts included in the measurement of operating lease liabilities totaled \$100,444 and \$98,687 for 2024 and 2023, respectively.

7. SUBSEQUENT EVENTS

During January 2025, the Corporation purchased a building for approximately \$50,000 that is expected to be demolished at an additional cost of approximately \$14,000,000. The Corporation is expected to receive approximately \$13,000,000 in additional grants to be used towards this commitment.

The Corporation has evaluated events through March 26, 2025, which is the date the financial statements were available to be issued.