

**FULTON COUNTY  
INDUSTRIAL  
DEVELOPMENT AGENCY**

**2022 ANNUAL REPORT**

**MARCH 14, 2023**

**PREPARED BY:**

**FULTON COUNTY INDUSTRIAL DEVELOPMENT  
AGENCY**

## **I. GENERAL OPERATIONS:**

### **A. Background:**

The Fulton County Industrial Development Agency (IDA) was created in 1970 by an act of the New York State Legislature as a corporate governmental agency constituting a public benefit corporation. The purpose of an Industrial Development Agency (IDA) is:

“to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the state of New York and to improve their standard of living.”

### **B. Mission Statement:**

The IDA's Mission Statement is as follows:

“The IDA's mission is to create and promote economic growth and prosperity for both residents and entrepreneurs in Fulton County. The IDA's role in Fulton County's Economic Development Program is to develop and maintain an inventory of shovel-ready sites for new and expanding businesses, offer financial incentives, as may be required, to encourage the creation of new and retention of existing jobs and expand the County's tax base. In doing so, the IDA strives to make Fulton County a desirable place to live and do business.”

### **C. Tax Exemptions:**

The New York State General Municipal Law authorizes IDAs to offer three (3) types of tax exemptions to stimulate private sector investment and create jobs:

#### **1. Real Property Tax Exemptions:**

New York State Law designates IDA's as tax exempt entities. When an IDA holds title to real property, New York State Law says all improvements on the property are exempt from real property taxes. However, the land that the improvements are located on remain taxable.

However, for projects the IDA is involved with, the IDA requires companies to enter into a Payment In Lieu Of Tax Agreement (PILOT). A PILOT is a contractual agreement between the IDA and a company that states that even though the project is tax exempt due to IDA ownership, the company shall make PILOT payments to local taxing jurisdictions in lieu of paying taxes. PILOT Agreements stipulate that companies make PILOT payments to local taxing jurisdictions that are based upon a percentage of the property tax that would otherwise be due on the property was not owned by the IDA. Once a PILOT is executed, the company makes the required annual PILOT payments to local taxing jurisdictions in accordance with the PILOT. It is the responsibility of the

local taxing jurisdictions to issue annual invoices under a PILOT to the company and to ensure that payments are received in a timely manner.

The IDA provides Payment in Lieu of Tax Agreements to eligible projects in accordance with its Uniform Tax Exemption Policy (UTEP). The IDA's current UTEP states that it will provide PILOT's modeled after Section 485-b of NYS's Real Property Tax Law. Section 485-b states that a company can receive a 50% exemption on the assessed valuation of the improvements on the property in year 1. The exemption then decreases 5% a year for 10 years. After ten (10) years, the company would make a PILOT payment equivalent to 100% of the amount it would be paying in real property taxes if it owned the property. During that 10-year period, the company would be making "PILOT payments" to local taxing jurisdictions and not "property tax payments." Once the Lease and PILOT Agreement the IDA has with a company expires, the property then returns to the tax rolls. At that time, the company starts making "property tax payments" to local taxing jurisdictions and no longer be making "PILOT payments."

The following IDA Projects have active PILOT's as of December 31, 2022:

Company	Address	Date PILOT Expires
CG Roxane	1 Old Sweet Road, Johnstown	11/2023
Benjamin Moore	155 Union Avenue Extension, Johnstown	2032
Hoffmans Carwash	237 S. Kingsboro Avenue Extension, Gloversville, NY	12/2032

## 2. Sales Tax Exemptions:

IDA's can offer eligible projects an exemption from New York State and local sales taxes on construction materials and equipment. The exemption is generally limited to the construction, reconstruction or installation period and cannot cover ongoing operational costs.

The following IDA projects had active sales tax exemptions available in 2022:

Company	Address	Date Sales Tax Exemption Expires
Benjamin Moore	155 Union Avenue Extension, Johnstown	6/30/23
Vireo Health of NY, LLC	256 CR117, Johnstown	5/31/23
Hoffmans Carwash	342 S. Kingsboro Avenue Extension, Gloversville, NY	8/31/22

## 3. Mortgage Recording Tax Exemption:

If an eligible project involves a mortgage and that mortgage needs to be filed in the Fulton County Clerk's Office, the IDA can offer an exemption from New York State's mortgage recording tax which is currently 1% in Fulton County.

**D. Financing:**

IDA's can also provide bond financing for a project. Financial institutions, such as banks, insurance companies or private individuals purchase these bonds as an investment similar to an individual purchasing a U.S. Government Savings Bond. By purchasing a bond, a private investor lends its funds to a business. The business commits to repay the principal and interest, if the bonds are taxable, to the investor. The business and the financial institution, independent of the IDA, negotiate the terms, interest rate and other conditions of the transaction. The IDA acts as an intermediary for this private transaction. There are no IDA or public funds involved in an IDA bond transaction.

The IDA does not have a loan fund or pool of money to use to help finance projects. The financing referred to here is private funds coming from banks, financial institutions or private investors.

The IDA, Fulton County Government or Fulton County taxpayers do not lend any public money nor do they assume any responsibility for repaying bonds if a company defaults on any payment. There is also no financial liability on the IDA, Fulton County or taxpayers. Bond payments are solely the responsibility of the company borrowing the money.

**E. IDA Projects:**

The following is a list of all active IDA projects as of December 31, 2021:

<b>Company</b>	<b>Address</b>
YMCA	213 Harrison Street, Gloversville, NY
CG Roxane	1 Old Sweet Road, Johnstown, NY
Benjamin Moore	155 Union Avenue Extension, Johnstown, NY
Vireo Health of NY	256 CR117, Johnstown, NY
Hoffmans Carwash	342 S. Kingsboro Avenue Extension, Gloversville, NY

## II. SUMMARY OF 2022 ACTIVITIES:

The IDA Board met twelve (12) times in 2022. The following is a summary of the key activities addressed by the IDA Board in 2022:

### 1. TRYON TECHNOLOGY PARK:

#### a. Vireo Health:

The IDA Board sold approximately 92 acres of land to Vireo Health of NY that Vireo used to start construction of a new 324,000 SF building. This sale included Lots 1 and 2 in the Tryon Technology Park (TTP) as well as additional acreage located adjacent to the Park. This building will be used to grow and process adult-use cannabis. In 2021, the NYS Legislature legalized the adult use of cannabis in the State. Construction of this 324,000 SF building began in 2021 and is scheduled to be completed in 2023.

In 2022, Vireo Health announced it has agreed to be acquired by Verano Holdings located in Chicago. In October 2022, Verano announced it was no longer pursuing the acquisition of Vireo.

#### b. Winstanley Enterprises:

In October 2021, the IDA Board executed a Letter of Intent (LOI) with Winstanley Enterprises (WE), LLC of Concord, MA. The LOI stated that the IDA was interested in selling 243+/- acres of land in the TTP to WE. The LOI further stated that WE would use these lands to pursue the construction of the following buildings:

Site #	Parcel #/Bldg. #	Estimated Acreage (+/-)	Proposed Building Size (SF)
1	4	72	1,200,000
	7	18	
	Building 1	12	
	Wetlands	25	
2	3 <sup>(1)</sup>	18	150,000
3	Tryon Development Area	48	350,000
4	5	26	500,000
	6	24	
		<b>Total Acreage = 243+/-</b>	<b>2,200,000</b>

<sup>(1)</sup>Site 3 would be considered for a separate standalone building. However, in the event Site 3 is required to facilitate a larger development on Site 1, then Winstanley Enterprises, LLC will utilize Site 3 to accomplish this.

The IDA Board, in November 2021, executed a Purchase and Sale Agreement (PSA) with WE. WE began its due diligence review of the 243+/- acres it desired to purchase from the IDA. This included conducting a number of studies including survey, topo, geotechnical, wetlands, utilities, zoning and environmental and others. This due diligence was completed in 2022.

In October 2022, WE advised the IDA that their cost to abate and demolish the buildings on the lands they wanted to purchase was significantly higher than originally expected. As such, WE advised it could not purchase the property for what it originally

offered. After discussing options, the IDA Board, at its November 8, 2022 meeting, agreed to reduce the price for the land with the reduction serving as a credit back to WE for what their actual cost will be to abate and demolish the buildings compared to what WE originally estimated the cost to be. The IDA executed Amendment No. 1 to the PSA to formalize the change in the purchase price.

In December 2022, WE advised the IDA that they were not going to move forward, at this time, to purchase the 243+/- acres at Tryon. WE advised that it would execute a 3-year option with the IDA and continue to market Tryon to companies. The IDA Board agreed to this Option and authorized its Chairman to execute a 3-year Option Agreement with WE.

c. Fulton County Sewer District No. 4:

1) Transfer of Sewer System:

The IDA had owned, operated and maintained the sewer system serving Tryon since Tryon was deeded to the IDA in 2014. In 2022, the Fulton County Board of Supervisors created Fulton County Sewer District No. 4 to take over ownership of the sewer system. The IDA Board took two (2) actions in 2022 regarding the Sewer District:

- a. Hired Ferguson & Foss Surveyors to prepare metes and bounds descriptions of the 35+/- acres of land the IDA would transfer to the Sewer District.
- b. Hired CBRE to prepare an appraisal of the fair market value of these 35+/- acres. All of the existing sewer infrastructure is located on these 35+/- acres.

In November 2022, the IDA deeded 35+/- acres of land and all sewer infrastructure over to the Sewer District at no cost to the District.

2) Back-up Generator:

The wastewater pump station that pumps all wastewater generated at Tryon to the City of Gloversville was operating without a backup generator. A backup generator would help ensure that the pump station continues to operate if a power outage occurred at Tryon. In January 2022, the IDA Board hired Environmental Design Partnership to prepare bid documents for purchasing and installing a backup generator. In April, the IDA Board awarded a contract to Koval Contracting, Waterford, NY to supply and install a new backup generator. Koval began work in 2022. The backup generator was delivered in late December 2022. It should be completed in January 2023.

3) Sewer Infrastructure Map:

In December 2021, the IDA Board hired C.T. Male to prepare a map showing all existing sewer infrastructure at Tryon in anticipation of the IDA deeding over said infrastructure to Fulton County Sewer District No. 4. This map was completed in 2022 and provided to Sewer District No. 4.

d. Waterline:

An existing waterline that runs from County Road 117 to the elevated tank at Tryon crossed over Lot 2 that was sold to Vireo Health. This waterline is owned by the Gloversville Water Department. Vireo Health agreed to relocate and replace this waterline with a new 12" HDPE pipe that was located within the new easement that the IDA granted to the City of Gloversville Board of Water Commissioners. That resulted in approximately half of the waterline being relocated and replaced. The Water Department did not have funds to replace the balance of that waterline to the tank. The estimated cost for this work was \$100,000. The IDA Board agreed to contribute \$75,000 towards the cost of replacing this line with Gloversville contributing \$25,000. Gloversville did not have these funds budgeted for 2022. As such, the IDA agreed to front Gloversville's share with Gloversville agreeing to repay the IDA over a five (5) year period. Work on replacing this waterline was completed in 2022 by Cordos Construction, the company constructing Vireo Health's 324,000 SF building.

e. Former Maintenance Building:

The IDA Board agreed, in April 2021, to sell the 15,000+/- SF former Maintenance Building to Lott Holdings, Amsterdam, NY. Lott Holdings is renovating this building and plans on leasing this space out. The closing on this transaction occurred in 2022. In addition, in 2022, the IDA sold to Lott Holdings a 13+/- acre parcel adjacent to this building.

f. Nexus Renewables Project:

In 2021, the IDA Board executed leases with Nexus Renewables for Nexus to construct and operate four (4) community solar facilities on approximately 29+/- acres of IDA-owned land adjacent to the TTP. The 29+/- acres leased to Nexus was not part of the TTP. The Leases are for 25 years with three (3) five (5) year options. The IDA executed leases with four (4) separate LLC's who will each operate separate solar projects. The IDA will generate annual revenues from each solar project that will financially benefit the IDA's operations. Nexus obtained all State approvals in late 2021 and was expected to start construction in 2022. However, due to inflation, higher construction costs, higher materials cost and high energy prices, Nexus did not start these projects in 2022. Nexus is hopeful work can commence in 2023.

The IDA Board also approved granting sales tax exemptions to the project. The documents that need to be executed to provide these exemptions were not executed in 2021 nor 2022. If the project moves forward, these documents would be executed in 2023.

g. Cushman Wakefield:

Due to its intent to sell all lands at Tryon to Winstanley, the IDA Board did not renew its Agreement with Cushman Wakefield to market the Tryon Technology Park.

h. Other:

In 2022, the IDA Board approved the following items for the TTP:

1. Hired James Esper to cut grass.
2. Leased lands to R & R Farms, Inc. to grow crops.
3. Hired Adirondack Septic to vacuum tank at wastewater treatment plant.

2. **LABOR MARKET ANALYSIS REPORT:**

In 2014, Fulton County hired DCG Corplan to prepare a Targeted Industry Analysis for the Tryon Technology Park. A component of that Analysis was the preparation of a Labor Market Analysis Report. The Report contained key information about the labor market that Tryon is located in. The Report was completed in March 2015. The information in this Report is what companies look for when evaluating shovel-ready sites. The 2015 Labor Market Analysis Report is now 7 years old. As such, the information in the Report is outdated. In July 2022, the IDA Board hired DCG Corplan to update the Labor Market Analysis Report. This update was completed in November 2022. Copies of the final report were distributed to Winstanley Enterprises and the Fulton County Center for Regional Growth.

3. **BENJAMIN MOORE EXPANSION PROJECT:**

In 2020, Benjamin Moore advanced plans to expand its latex paint manufacturing plant in the City of Johnstown. Benjamin Moore proposed to construct a 120,000 sf addition to its existing facility. The Company applied to the IDA for two (2) financial incentives:

- 1) Real Property Tax Exemption
- 2) Sales Tax Exemption

The IDA Board approved these exemptions. Benjamin Moore commenced work on the Expansion Project in late 2020. The expansion is expected to be completed by 2023. The project will create new jobs and property tax revenues for local taxing jurisdictions.

The IDA Board approved, in 2022, increasing the total amount of sales tax exemptions Benjamin Moore could take as part of its expansion project.

4. **HOFFMAN'S CARWASH PROJECT:**

In 2021, Hoffmans Carwash applied to the IDA for real property and sales tax exemptions for a new state-of-the-art carwash project that was proposed to be built in the City of Gloversville. The IDA Board approved those exemptions. Construction started in 2021 and was completed in 2022.

5. **IDA WEBSITE:**

Emery Designs continued work in 2022 updating and revising the IDA's website.

6. **BOARD TRAINING:**

In 2022, the IDA Board received training on the following topics:

1. Reviewed Public Authorities Law that requires the IDA to annually prepare five (5) reports:
  - a. Annual Report:
  - b. Independent Audit:
  - c. Investment Report:
  - d. Procurement Report:
  - e. Budget Report:



2. Reviewed and Revised the IDA's Bylaws.
3. Reviewed Real Estate Purchase Options and how they are used.
4. Reviewed and Updated Property Disposition Policy.
5. Reviewed types of projects IDA's are authorized to participate in which includes:
  - Industrial
  - Manufacturing
  - Warehousing
  - Commercial
  - Research and recreation facilities
  - Industrial pollution control facilities
  - Educational or cultural facilities
  - Railroad facilities
  - Horse racing facilities
  - Automobile racing facilities
  - Continuing care retirement communities
  - Retail: Retail component of total project cost can't exceed 33%
6. Reviewed and Updated Code of Ethics Policy.
7. Reviewed Requirements, Forms and Procedures used in Granting Sales Tax Exemptions.
8. Reviewed Occupancy in Fulton County's Four (4) Existing Industrial/Business Parks.
  - At present, there are 24 completed buildings in Fulton County's four (4) industrial/business parks.
  - At present, all 24 buildings are occupied and in use.
  - There is one (1) new building under construction (Vireo).
  - There is one (1) partially completed building (Johnstown Renewables).
  - 20 companies currently occupy these buildings.
  - Several companies occupy two (2) or more buildings.
  - The 20 companies in these four (4) Parks generate over \$126,000,000 in assessed valuation. This is equivalent to 1,260 homes assessed at \$100,000 each.
  - These 20 companies paid over \$5 million in property taxes to local taxing jurisdictions in 2022.
  - These 20 companies currently employ approximately 2,000 people.
9. Reviewed Requirements and Procedures for Granting Payment In Lieu of Tax Agreement (PILOT's).
10. Reviewed Discretionary Funds Policy on Use of IDA Funds.
11. Reviewed and completed Annual Board Performance Questionnaire.
12. Reviewed and revised the IDA's Internal Financial Control System.

7. **OTHER:**

In 2022, the IDA Board also took the following additional actions:

- a. The IDA renewed its Gold Membership with the Fulton County Center for Regional Growth.
- b. The IDA Board adopted a 2023 Budget.

The IDA Board appreciates the strong partnership it has with the Fulton County Board of Supervisors and looks forward to continuing that partnership.

**SCHEDULE 1**

**2022 AUDIT OF FINANCIAL  
STATEMENTS**

**FULTON COUNTY**  
**INDUSTRIAL DEVELOPMENT AGENCY**

Fort Johnstown Building – Planning Department  
1 East Montgomery Street  
Johnstown, New York 12095  
Telephone (518) 736-5660  
Fax No. (518) 762-4597

March 14, 2023

WEST & Company CPAs PC  
97 N Main Street  
PO Box 1219  
Gloversville, NY 12078-0354

This representation letter is provided in connection with your audit of the financial statements of Fulton County Industrial Development Agency, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 14, 2023, the following representations made to you during your audit.

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 13, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) There are no uncorrected misstatements.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Fulton County Industrial Development Agency is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Agency and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- 18) We have disclosed to you the names of the Agency's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 27) The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities in accordance with GASB No. 34, as amended.
- 31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

- 33) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 40) We have appropriately disclosed the Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Officer  
Signature: \_\_\_\_\_

Title: \_\_\_\_\_

**FULTON COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**

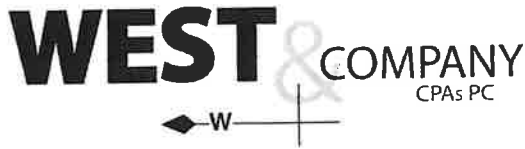
**BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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## **INDEPENDENT AUDITORS' REPORT**

To the Chairperson and Board of the  
Fulton County Industrial Development Agency  
Johnstown, New York

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

#### ***Opinions***

We have audited the financial statements of the Fulton County Industrial Development Agency, a public benefits corporation, a component unit of Fulton County, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fulton County Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Fulton County Industrial Development Agency, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fulton County Industrial Development Agency 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 opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fulton County Industrial Development Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 the Fulton County Industrial Development Agency'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 the Fulton County Industrial Development Agency'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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fulton County Industrial Development Agency's basic financial statements. The supplemental information on pages 24 through 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information on pages 24 through 27 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2023, on our consideration of the Fulton County Industrial Development Agency'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 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 the Fulton County Industrial Development Agency's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York  
March 14, 2023

# FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

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The following is a narrative overview and analysis of the financial activities of Fulton County Industrial Development Agency (IDA or Agency) for the fiscal year ended December 31, 2022. This discussion is intended to serve as an introduction to the Agency's basic financial statements, which immediately follow this section. The basic financial statements have the following components: (1) management's discussion and analysis (MD&A), (2) Agency-wide financial statements, (3) notes to the financial statements and (4) supplemental schedules.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information. The basic financial statements include two statements that are Agency-wide financial statements that provide both short-term and long-term information about the Agency's overall financial status.

#### Agency-Wide Statements

The Agency-wide statements report information about the Agency as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Agency's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Agency-wide statements report the Agency's net position and how it has changed. Net position – the difference between the Agency's assets and liabilities – is one way to measure the Agency's financial health or position.

- Over time, increases or decreases in the Agency's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Agency's overall health, you need to consider additional nonfinancial factors such as changes in the New York State government, labor forces and land availability.

### I. GENERAL OPERATIONS

#### A. Background:

The Fulton County Industrial Development Agency (IDA) was created in 1970 by an act of the New York State Legislature as a corporate governmental agency constituting a public benefit corporation. The purpose of an Industrial Development Agency (IDA) is:

“to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their standard of living.”

#### B. Mission Statement:

The IDA's Mission Statement is as follows:

“The IDA's mission is to create and promote economic growth and prosperity for both residents and entrepreneurs in Fulton County. The IDA's role in Fulton County's Economic Development Program is to develop and maintain an inventory of shovel-ready sites for new and expanding businesses, offer financial incentives, as may be required, to encourage the creation of new and retention of existing jobs and expand the County's tax base. In doing so, the IDA strives to make Fulton County a desirable place to live and do business.”

**C. Tax Exemptions:**

The New York State General Municipal Law authorizes IDA's to offer three (3) types of tax exemptions to stimulate private sector investment and create jobs.

**1. Real Property Tax Exemptions:**

New York State Law designates IDA's as tax exempt entities. When an IDA holds title to real property, New York State Law says all improvements on the property are exempt from real property taxes. However, the land that the improvements are located on, remain taxable.

For projects the IDA is involved with, the IDA requires companies to enter into a Payment In Lieu Of Tax Agreement (PILOT). A PILOT is a contractual agreement between the IDA and a company that states that even though the project is tax exempt due to IDA ownership, the company shall make PILOT payments to local taxing jurisdictions in lieu of paying taxes. PILOT Agreements stipulate that companies make PILOT payments to local taxing jurisdictions that are based upon a percentage of the property tax that would otherwise be due if the property was not owned by the IDA. Once a PILOT is executed, the company makes the required annual PILOT payments to local taxing jurisdictions in accordance with the PILOT. It is the responsibility of the local taxing jurisdictions to issue annual invoices under a PILOT to the company and to ensure that payments are received in a timely manner.

The IDA provides Payment in Lieu of Tax Agreements to eligible projects in accordance with its Uniform Tax Exemption Policy (UTEP). The IDA's current UTEP states that it will provide PILOTs modeled after Section 485-b of NYS's Real Property Tax Law. Section 485-b states that a company can receive a 50% exemption on the assessed valuation of the improvements on the property in year 1. The exemption then decreases 5% a year for 10 years. After 10 years, the company would make a PILOT payment equivalent to 100% of the amount it would be paying in real property taxes if it owned the property. During that 10-year period, the company would be making "PILOT payments" to local taxing jurisdictions and not "property tax payments". Once the Lease and PILOT Agreement the IDA has with a company expires, the property then returns to the tax rolls. At that time, the company starts making "property tax payments" to local taxing jurisdictions and will no longer be making "PILOT payments".

The following IDA projects have active PILOTs as of December 31, 2022:

<b>Company</b>	<b>Address</b>	<b>Date PILOT Expires</b>
CG Roxane	1 Old Sweet Road, Johnstown, NY	11/2023
Benjamin Moore	155 Union Avenue Extension, Johnstown, NY	2032
Hoffman's Car Wash Project	237 S. Kingsboro Ave Ext, Gloversville, NY	12/2032

**2. Sales Tax Exemptions:**

IDA's can offer eligible projects an exemption from New York State and local sales taxes on construction materials and equipment. The exemption is generally limited to the construction, reconstruction or installation period and cannot cover ongoing operational costs.

The following IDA projects had active sales tax exemptions available in 2022:

<b>Company</b>	<b>Address</b>	<b>Date PILOT Expires</b>
Benjamin Moore	155 Union Avenue Extension, Johnstown, NY	11/2023
Vireo Health of NY, LLC	CR117, Johnstown, NY	2032
Hoffman's Car Wash Project	342 S. Kingsboro Ave Ext, Gloversville, NY	12/2032

3. Mortgage Recording Tax Exemption:

If an eligible project involves a mortgage and that mortgage needs to be filed in the Fulton County Clerk’s Office, the IDA can offer an exemption from New York State’s mortgage recording tax which is currently 1% in Fulton County.

**D. Financing:**

IDA’s can also provide bond financing for a project. Financial institutions, such as banks, insurance companies or private individuals purchase these bonds as an investment similar to an individual purchasing a U.S. Government Savings Bond. By purchasing a bond, a private investor lends its funds to a business. The business commits to repay the principal and interest, if the bonds are taxable, to the investor. The business and the financial institution, independent of the IDA, negotiate the terms, interest rate and other conditions of the transaction. The IDA acts as an intermediary for this private transaction. There are no IDA or public funds involved in an IDA bond transaction.

The IDA does not have a loan fund or pool of money to use to help finance projects. The financing referred to here is private funds coming from banks, financial institutions or private investors.

The IDA, Fulton County Government or Fulton County taxpayers do not lend any public money, nor do they assume any responsibility for repaying bonds if a company defaults on any payment. There is also no financial liability on the IDA, Fulton County or taxpayers. Bond payments are solely the responsibility of the company borrowing the money.

**E. IDA Projects:**

The following is a list of all active IDA projects as of December 31, 2022:

<b>Company</b>	<b>Address</b>
CG Roxane	1 Old Sweet Road, Johnstown, NY
YMCA	213 Harrison Street, Gloversville, NY
Benjamin Moore	155 Union Avenue Extension, Johnstown, NY
Vireo Health of NY, LLC	CR117, Johnstown, NY
Hoffman’s Car Wash Project	342 S. Kingsboro Ave Ext, Gloversville, NY

**II. SUMMARY OF 2022 ACTIVITIES:**

The IDA Board met twelve (12) times in 2022. The following is a summary of the key activities addressed by the IDA Board in 2022:

**1. TRYON TECHNOLOGY PARK:**

a. Vireo Health:

The IDA Board sold approximately 92 acres of land to Vireo Health of NY that Vireo used to start construction of a new 324,000 square foot building. This sale included Lots 1 and 2 in the Tryon Technology Park (TTP) as well as additional acreage located adjacent to the Park. This building will be used to grow and process adult-use cannabis. In 2021, the NYS Legislature legalized the adult use of cannabis in the state. Construction of the 324,000 square foot building began in 2021 and is scheduled to be completed in 2023.

In 2022, Vireo Health announced it has agreed to be acquired by Verano Holdings located in Chicago. In October, 2022, Verano announced it was no longer pursuing the acquisition of Vireo.

b. Winstanley Enterprises:

In October, 2021, the IDA Board executed a Letter of Intent (LOI) with Winstanley Enterprises (WE), LLC of Concord, MA. The LOI stated that the IDA was interested in selling 243+/- acres of land in the TTP to WE. The LOI further stated that WE would use these lands to pursue the construction of the following buildings:

Site #	Parcel #/Bldg. #	Acreage (+/-)	Proposed Building Size (SF)
1	4	72	1,200,000
	7	18	
	Building 1	12	
	Wetlands	25	
2	3 <sup>(1)</sup>	18	150,000
3	Tryon Development Area	48	350,000
4	5	26	500,000
	6	24	
		<b>Total Acreage = 243+/-</b>	<b>2,200,000</b>

<sup>(1)</sup> Site 3 would be considered for a separate standalone building. However, in the event Site 3 is required to facilitate a larger development on Site 1, then Winstanley Enterprises, LLC will utilize Site 3 to accomplish this.

The IDA Board, in November, 2021, executed a Purchase and Sale Agreement (PSA) with WE. WE began its due diligence review of the 243+/- acres it desired to purchase from the IDA. This included conducting a number of studies including survey, topo, geotechnical, wetlands, utilities, zoning and environmental and others. This due diligence was completed in 2022.

In October, 2022, WE advised the IDA that their cost to abate and demolish the buildings on the lands they wanted to purchase was significantly higher than originally expected. As such, WE advised it could not purchase the property for what it originally offered. After discussing options, the IDA Board, at its November 8, 2022 meeting, agreed to reduce the price for the land with the reduction serving as a credit back to WE for what their actual cost will be to abate and demolish the buildings compared to what WE originally estimated the cost to be. The IDA executed Amendment No. 1 to the PSA to formalize the change in the purchase price.

In December, 2022, WE advised the IDA that they were not going to move forward, at this time, to purchase the 243+/- acres at Tryon. WE advised that it would execute a 3-year option with the IDA and continue to market Tryon companies. The IDA Board agreed to this Option and authorized its Chairman to execute a 3-year Option Agreement with WE.

c. Fulton County Sewer District No. 4:

1) Transfer of Sewer System:

The IDA had owned, operated and maintained the sewer system serving Tryon since Tryon was deeded to the IDA in 2014. In 2022, the Fulton County Board of Supervisors created Fulton County Sewer District No. 4 to take over ownership of the sewer system. The IDA Board took two (2) actions in 2022 regarding the Sewer District:

- a. Hired Ferguson & Foss Surveyors to prepare metes and bounds descriptions of the 35+/- acres of land the IDA would transfer to the Sewer District.
- b. Hired CBRE to prepare an appraisal of the fair market value of these 35+/- acres. All of the existing sewer infrastructure is located on these 35+/- acres.

c. Fulton County Sewer District No. 4: (Continued)

1) Transfer of Sewer System: (Continued)

In November, 2022, the IDA deeded 35+/- acres of land and all sewer infrastructure over to the Sewer District at no cost to the District.

2) Back-up Generator:

The wastewater pump station that pumps all wastewater generated at Tryon to the City of Gloversville was operating without a backup generator. A backup generator would help ensure that the pump station continued to operate if a power outage occurred at Tryon. In January, 2022, the IDA Board hired Environmental Design Partnership to prepare bid documents for purchasing and installing a backup generator. In April, the IDA Board awarded a contract to Koval Contracting, Waterford, NY to supply and install a new backup generator. Koval began work in 2022. The backup generator was delivered in late December, 2022. It should be completed in January, 2023.

3) Sewer Infrastructure Map:

In December, 2021, the IDA Board hired C.T. Male to prepare a map showing all existing sewer infrastructure at Tryon in anticipation of the IDA deeding over said infrastructure to Fulton County Sewer District No. 4. This map was completed in 2022 and provided to Sewer District No. 4.

d. Waterline:

An existing waterline that runs from County Road 117 to the elevated tank at Tryon crossed over Lot 2 that was sold to Vireo Health. This waterline is owned by the Gloversville Water Department. Vireo Health agreed to relocate and replace this waterline with a new 12" HDPE pipe that was located within the new easement that the IDA granted to the City of Gloversville Board of Water Commissioners. That resulted in approximately half of the waterline being relocated and replaced. The Water Department did not have funds to replace the balance of that waterline to the tank. The estimated cost for this work was \$100,000. The IDA Board agreed to contribute \$75,000 towards the cost of replacing this line with Gloversville contributing \$25,000. Gloversville did not have these funds budgeted for 2022. As such, the IDA agreed to front Gloversville's share with Gloversville agreeing to repay the IDA over a five (5) year period. Work on replacing this waterline was completed in 2022 by Cordos Construction, the company constructing Vireo Health's 324,000 square foot building.

e. Former Maintenance Building

The IDA Board agreed, in April, 2021, to sell the 15,000+/- square foot former Maintenance Building to Lott Holdings, Amsterdam, NY. Lott Holdings is renovating this building and plans on leasing this space out. The closing on this transaction occurred in 2022. In addition, in 2022, the IDA sold to Lott Holdings a 13+/- acre parcel adjacent to this building.

f. Nexus Renewables Project:

In 2021, the IDA Board executed leases with Nexus Renewables for Nexus to construct and operate four (4) community solar facilities on approximately 29+/- acres of IDA owned land adjacent to TTP. The 29+/- acres leased to Nexus was not part of the TTP. The Leases are for 25 years with three (3) five (5) year options. The IDA executed leases with four (4) separate LLCs who will each operate separate solar projects. The IDA will generate annual revenues from each solar project that will financially benefit the IDA's operations. Nexus obtained all State approvals in late 2021 and was expected to start construction in 2022. However, due to inflation, higher construction costs, higher materials cost and higher energy prices, Nexus did not start these projects in 2022. Nexus is hopeful work can commence in 2023.

The IDA Board also approved granting sales tax exemptions to the project. The documents that need to be executed to provide these exemptions were not executed in 2021 nor 2022. If the project moves forward, these documents would be executed in 2023.



g. Cushman Wakefield:

Due to its intent to sell all lands at Tryon to Winstanley, the IDA Board did not renew its Agreement with Cushman Wakefield to market Tryon Technology Park.

h. Other:

In 2022, the IDA Board approved the following items for the TTP:

1. Hired James Esper to cut grass.
2. Leased lands to R & R Farms, Inc. to grow crops.
3. Hired Adirondack Septic to vacuum tank at wastewater treatment plant.

2. **LABOR MARKET ANALYSIS REPORT:**

In 2014, Fulton County hired DCG Corplan to prepare a Targeted Industry Analysis for the Tryon Technology Park. A component of that Analysis was the preparation of a Labor Market Analysis Report. The Report contained key information about the labor market that Tryon is located in. The Report was completed in March, 2015. The information in this Report is what companies look for when evaluating shovel-ready sites. The 2015 Labor Market Analysis Report is now 7 years old. As such, the information in the Report is outdated. In July, 2022, the IDA Board hired DCG Corplan to update the Labor Market Analysis Report. This update was completed in November, 2022. Copies of the final report were distributed to Winstanley Enterprises and the Fulton County Center for Regional Growth.

3. **BENJAMIN MOORE EXPANSION PROJECT:**

In 2020, Benjamin Moore advanced plans to expand its latex paint manufacturing plant in the City of Johnstown. Benjamin Moore proposed to construct a 120,000 square foot addition to its existing facility. The Company applied to the IDA for two (2) financial incentives:

1. Real Property Tax Exemption
2. Sales Tax Exemption

The IDA Board approved these exemptions. Benjamin Moore commenced work on the expansion project in late 2020. The expansion is expected to be completed by 2023. The project will create new jobs and property tax revenues for local taxing jurisdictions.

4. **HOFFMAN'S CARWASH PROJECT:**

In 2021, Hoffman's Carwash applied to the IDA for real property and sales tax exemptions for a new state-of-the-art carwash project that was proposed to be built in the City of Gloversville. The IDA Board approved those exemptions. Construction started in 2021 and was completed in 2022.

5. **IDA WEBSITE:**

Emery Designs continued work in 2022 updating and revising the IDA's website.

## 6. **BOARD TRAINING:**

In 2022, the IDA Board received training on the following topics:

1. Reviewed Public Authorities Law that requires the IDA to annually prepare five (5) reports:
  - a. Annual Report
  - b. Independent Audit Report
  - c. Investment Report
  - d. Procurement Report
  - e. Budget Report
2. Reviewed and Revised the IDA's Bylaws.
3. Reviewed Real Estate Purchase Options and how they are used.
4. Reviewed and Updated Property Disposition Policy.
5. Reviewed types of projects IDA's are authorized to participate in which includes:
  - Industrial
  - Manufacturing
  - Warehousing
  - Commercial
  - Research and recreation facilities
  - Industrial pollution control facilities
  - Educational or cultural facilities
  - Railroad facilities
  - Horse racing facilities
  - Automobile racing facilities
  - Continuing care retirement communities
  - Retail: Retail component of total project cost can't exceed 33%
6. Reviewed and Updated Code of Ethics Policy.
7. Reviewed Requirements, Forms and Procedures used in Granting Sales Tax Exemptions.
8. Reviewed Occupancy in Fulton County's Four (4) Existing Industrial/Business Parks.
  - At present, there are 24 completed buildings in Fulton County's four (4) industrial/business parks.
  - At present, all 24 buildings are occupied and in use.
  - There is one (1) new building under construction (Vireo).
  - There is one (1) partially completed building (Johnstown Renewables).
  - 20 companies currently occupy these buildings.
  - Several companies occupy two (2) or more buildings.
  - The 20 companies in these four (4) Parks generate over \$126,000,000 in assessed valuation. This is equivalent to 1,260 homes assessed at \$100,000 each.
  - These 20 companies paid over \$5 million in property taxes to local taxing jurisdictions in 2022.
  - These 20 companies currently employ approximately 2,000 people.

6. **BOARD TRAINING: (CONTINUED)**

9. Reviewed Requirements and Procedures for Granting Payment in Lieu of Tax Agreement (PILOT's).
10. Reviewed Discretionary Funds Policy on Use of IDA Funds.
11. Reviewed and completed Annual Board Performance Questionnaire.
12. Reviewed and revised the IDA's Internal Financial Control System.

7. **OTHER:**

In 2022, the IDA Board also took the following additional actions:

- a. The IDA renewed its Gold Membership with the Fulton County Center for Regional Growth.
- b. The IDA Board adopted a 2023 Budget.

The IDA Board appreciates the strong partnership it has with the Fulton County Board of Supervisors and looks forward to continuing that partnership.

III. **SUMMARY OF FINANCIAL RESULTS**

Table A-1

Condensed Statements of Net Position

	<u>2022</u>	<u>2021</u>	<u>Dollar Change Increase/ (Decrease)</u>
<b>Assets</b>			
Current assets	\$ 2,174,897	\$ 2,340,556	\$ (165,659)
Development projects	3,134,083	2,995,598	138,485
<b>Total Assets</b>	5,308,980	5,336,154	(27,174)
<b>Liabilities</b>			
Current liabilities	370,589	369,976	613
Long-term debt	514,708	514,708	0
<b>Total Liabilities</b>	885,297	884,684	613
<b>Net Position</b>			
Net investment in capital assets	2,619,395	2,480,890	138,505
Unrestricted	1,804,288	1,970,580	(166,292)
<b>Total Net Position</b>	<u>\$ 4,423,683</u>	<u>\$ 4,451,470</u>	<u>\$ (27,787)</u>

## Changes in Net Position

The IDA's revenue was \$83,025 (see Table A-2).

The total cost of all programs and services amounted to \$110,812 for 2022. The expenses are comprised predominantly of salaries and benefits costs (30.2%), and professional fees (60.3%).

Net position for the year decreased by \$27,787.

**Table A-2**

### Changes in Net Position from Operating Results

	<u>2022</u>	<u>2021</u>	<u>Dollar Change Increase/ (Decrease)</u>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for services	\$ 31,456	\$ 27,748	\$ 3,708
<b>General Revenues</b>			
Interest income	3,304	1,479	1,825
Administrative fee	1,800	188,025	(186,225)
Gain on sale of land	37,800	956,340	(918,540)
Realized and unrealized gain on securities	7,015	0	7,015
Miscellaneous revenue	1,650	7,290	(5,640)
<b>Total Revenues</b>	<u>83,025</u>	<u>1,180,882</u>	<u>(1,097,857)</u>
<b>Expenses</b>			
Development project costs	2,031	14,329	(12,298)
Miscellaneous expense	6,694	4,198	2,496
Salaries and benefits	33,450	28,587	4,863
Memberships	1,850	1,850	0
Professional fees	66,787	55,429	11,358
<b>Total Expenses</b>	<u>110,812</u>	<u>104,393</u>	<u>6,419</u>
<b>Increase (Decrease) in Net Position from Operations</b>	<u>\$ (27,787)</u>	<u>\$ 1,076,489</u>	<u>\$ (1,104,276)</u>

#### A. LONG-TERM DEBT:

As of December 31, 2022, the IDA had \$514,708 in long-term debt outstanding. More detailed information about the IDA's long-term debt is included in the notes to basic financial statements.

**Table A-3**

### Outstanding Long-Term Debt

	<u>2022</u>	<u>2021</u>
City of Gloversville	\$ 150,267	\$ 150,267
Board of Water Commissioners	89,124	89,124
Community Development Agency	74,961	74,961
Promote Gloversville Development Agency	50,089	50,089
Fulton County Economic Development Corporation	150,267	150,267
<b>TOTALS</b>	<u>\$ 514,708</u>	<u>\$ 514,708</u>

#### **IV. CONTACTING THE IDA'S FINANCIAL MANAGEMENT**

If you have questions about this report or need additional financial information, please contact:

Fulton County Industrial Development Agency  
1 East Montgomery Street  
Johnstown, NY 12095  
Phone: 518-736-5660

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

DECEMBER 31, 2022

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**ASSETS**

**CURRENT ASSETS:**

Cash in bank	\$ 797,822
Cash - restricted	370,589
Investments	<u>1,006,486</u>

**Total current assets** 2,174,897

**DEVELOPMENT PROJECTS**

3,134,083

**TOTAL ASSETS**

5,308,980

**LIABILITIES**

**CURRENT LIABILITIES:**

Due to City of Johnstown	<u>370,589</u>
--------------------------	----------------

**Total current liabilities** 370,589

**LONG-TERM DEBT**

514,708

**TOTAL LIABILITIES**

885,297

**NET POSITION**

Net investment in capital assets	2,619,395
Unrestricted	<u>1,804,288</u>

**TOTAL NET POSITION**

\$ 4,423,683

See notes to basic financial statements.

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2022**

	<u>Program Revenue</u>			<u>Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Other Program Revenues</u>	
<b>FUNCTION/PROGRAMS</b>				
Development projects	\$ 2,031	\$ 0	\$ 0	\$ (2,031)
Miscellaneous expense	6,694	0	0	(6,694)
Memberships	1,850	0	0	(1,850)
Professional fees	66,787	(31,456)	0	(35,331)
Salaries and benefits	33,450	0	0	(33,450)
<b>Total function/programs</b>	<u>\$ 110,812</u>	<u>\$ (31,456)</u>	<u>\$ 0</u>	<u>(79,356)</u>
<b>GENERAL REVENUE</b>				
Interest income				3,304
Administrative fee				1,800
Gain on sale of land				37,800
Realized and unrealized gain on securities				7,015
Miscellaneous revenue				1,650
<b>Total general revenue</b>				<u>51,569</u>
<b>CHANGE IN NET POSITION</b>				<u>(27,787)</u>
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>				<u>4,451,470</u>
<b>TOTAL NET POSITION - END OF YEAR</b>				<u>\$ 4,423,683</u>

See notes to basic financial statements.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

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<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>	
Change in net position	\$ (27,787)
Adjustments to reconcile change in net position to net cash:	
Net realized and unrealized (gains) on long-term investments	(7,015)
(Increase) in developmental property	(138,485)
Increase in due to City of Johnstown	613
	<u>          </u>
<b>Net cash (used) by operating activities</b>	<u>(172,674)</u>
 <b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>	
Purchase of investments	(1,250,471)
Sale of securities	251,000
	<u>          </u>
<b>Net cash (used) by investing activities</b>	<u>(999,471)</u>
 <b>NET (DECREASE) IN CASH</b>	(1,172,145)
 <b>CASH - BEGINNING OF YEAR</b>	<u>2,340,556</u>
 <b>CASH - END OF YEAR</b>	<u><u>\$ 1,168,411</u></u>
 <b>RECONCILIATION TO STATEMENT OF NET POSITION</b>	
<b>CASH</b>	\$ 797,822
 <b>CASH - RESTRICTED</b>	<u>370,589</u>
 <b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u><u>\$ 1,168,411</u></u>

See notes to basic financial statements.



FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

---

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

The financial statements of the Fulton County Industrial Development Agency (Agency) have been prepared in conformity with U.S. generally accepted accounting principles. Significant accounting policies are:

**Organization**

The Agency is an Industrial Development Agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 665, Section 895C, of the Laws of 1970 of the state and is a public benefit corporation of the state.

The Agency was formed for the purpose of encouraging economic growth in the County of Fulton. The Agency is exempt from federal, state and local income taxes. The Agency, although established by the Fulton County Board of Supervisors, is a separate entity and operates independently of the County of Fulton.

**Basis of Accounting**

The Agency is required by New York State to maintain its books on the accrual basis of accounting.

**Budgetary Accounting**

In accordance with Section 861 of the General Municipal Law, the Agency prepares and adopts annual budgets.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

**Advertising Costs**

The Agency's advertising costs are expensed as incurred. There was no advertising expense for the year ended December 31, 2022.

**Fair Value of Financial Instruments**

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, management considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Development Project Assets**

Development project assets, consisting of land and site improvements acquired by the Agency, are stated at cost (or estimated historical cost) and include interest capitalized during construction where applicable. Contributed assets are recorded at fair market value at the date received. Major additions and betterments are capitalized, while maintenance and repairs, which do not appreciably extend the useful lives of the related assets, are charged to expense as incurred. There are no reversionary interests by the grantor in the assets (see also Notes 2 and 4 following).

**Lot Sales**

Certain lot sales are capitalized lease purchase agreements. The leases are structured to receive full payment at lease inception and are recorded as sales by the Agency at that time. Other lot sales are direct sales in which title to the property transfers to the purchaser. There were two direct lot sales in 2022:

1. 6+/- acres to Lott Holdings Corporation
2. 13+/- acres to Lott Holdings Corporation

**NOTE 2 – CASH – RESTRICTED/DUE TO CITY OF JOHNSTOWN**

- A. The Agency entered into an agreement with the City of Johnstown whereby the Agency is to develop the Johnstown Industrial Park (Park). The City of Johnstown (City) conveyed title to 175 acres of land to the Agency pursuant to Local Law No. 2 of 1989.

The Agency is to develop, operate and manage the Park. All revenues generated from the lot sales in the Park are to be allocated between the City and the Agency as follows:

1. Seven percent of gross revenues are to be retained by the Agency for administrative costs.
2. Of the remaining balance:
  - a. Fifty percent shall be paid to the City; and
  - b. Fifty percent shall be retained by the Agency and deposited in an interest-bearing account dedicated solely for the use in future industrial and economic development-type projects within the City, or outside the City with their approval.

- B. Restricted cash balances at December 31, 2022, are as follows:

City of Johnstown (a. above)

\$ 370,589

- C. During the year the Agency received no requests from the City of Johnstown for bonds from this account. The total amount paid to the City was \$-0-.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

**NOTE 3 – DEVELOPMENT PROJECTS**

The Agency's development projects at December 31, 2022, are as follows:

Crossroads Industrial Park	\$ 120,000
Crossroads Business Park	1,925,000
Johnstown Industrial Park	305,629
Tryon Technology Park	<u>783,454</u>
<b>TOTAL</b>	<b><u>\$ 3,134,083</u></b>

The development projects consist of land acquisition costs and site improvements; i.e., roads, water and sewer lines and landscaping.

**NOTE 4 – LONG-TERM DEBT**

As part of the Crossroads Business Park project, the Agency entered into an agreement with five local governmental and nonprofit entities. Each entity, including the Agency, provided funds necessary to meet the \$665,000 local match requirement of the EDA grant. The agreement provides that the Agency retain the first \$100,000 received for sale of lots of the Crossroads Business Park. Thereafter, the Agency, after deducting an administrative fee and any other customary sale or lease expenses, shall repay the project participants (including the Agency) at the percent of participation that each entity provided to the total \$665,000 local match.

Interest was accrued at 5½% on the unpaid balances for a maximum of seven years (ending in 2005). Therefore, for the year ended December 31, 2022, interest expense totaled \$-0-.

This balance is comprised of amounts due to the following entities:

City of Groversville	\$ 150,267
Board of Water Commissioners	89,124
Community Development Agency	74,961
Promote Groversville Development Agency	50,089
Fulton County Economic Development Corporation	<u>150,267</u>
<b>TOTAL</b>	<b><u>\$ 514,708</u></b>

**NOTE 5 – FAIR VALUE MEASUREMENTS**

As required by FASB ASC, *Fair Value Measurement*, the Agency is required to value investment and debt securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

- A) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**NOTE 5 – FAIR VALUE MEASUREMENTS – (CONTINUED)**

- B) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2022, are as follows:

**Fair Value Measurements Using**

	<b><u>Fair Value</u></b>	<b><u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u></b>	<b><u>Significant Other Observable Inputs (Level 2)</u></b>	<b><u>Significant Unobservable Inputs (Level 3)</u></b>
<b><u>December 31, 2022</u></b>				
Long-term debt	\$ 514,708	\$ 0	\$ 514,708	\$ 0

**NOTE 6 – CIVIC FACILITY BONDS AND NOTE TRANSACTIONS**

Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the state. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. As a result of the COVID-19 Pandemic, the YMCA applied for and received two 3-month deferrals of its principal and interest payments from NBT Bank. This deferral extended the maturity date of the bonds to January 1, 2031. At December 31, 2022, the original issue value of bonds issued aggregated was \$5,450,000 and the outstanding balance was \$1,266,048. Refer to the Schedule of Civic Facility Bonds on page 24.

**NOTE 7 – INVESTMENTS**

The Agency's investment policies are governed by state statutes. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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**NOTE 7 – INVESTMENTS – (CONTINUED)**

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States Government and its agencies and obligations of any state and its municipalities and school districts.

At December 31, 2022, all deposits are fully collateralized.

**NOTE 8 – SUBSEQUENT EVENTS**

The Agency has evaluated subsequent events through the issuance date of the report. None were considered material to the issued financial statements.



**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 Chairperson and Board of the  
Fulton County Industrial Development Agency  
Johnstown, New York

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 the Fulton County Industrial Development Agency, a public benefit corporation, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 14, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fulton County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fulton County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fulton County Industrial Development Agency'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 Agency'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 charge 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fulton County Industrial Development Agency's financial statements are free of 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 determination of financial statement amounts. 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 Agency'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
March 14, 2023

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF CIVIC FACILITY BONDS**

**DECEMBER 31, 2022**

<u>PROJECTS</u>	<u>CURRENT INTEREST RATE</u>	<u>OUTSTANDING BEGINNING OF YEAR</u>	<u>ISSUED</u>	<u>PRINCIPAL PAID</u>	<u>INTEREST PAID</u>	<u>DECEMBER 31, 2022 BALANCE</u>
Fulton County YMCA, Inc.	3.25%	\$ 1,401,532	\$ 0	\$ 135,484	\$ 44,150	\$ 1,266,048

See accompanying notes.



**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

\*\*\*\*\*  
**POLICY 04: CODE OF ETHICS**  
\*\*\*\*\*

1. Introduction:

This Code of Ethics shall apply to all members, staff and other employees of the Fulton County Industrial Development Agency (AGENCY). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the AGENCY's directors and employees and to preserve public confidence in the AGENCY's mission.

2. Responsibility of Directors and Employees:

- (i) Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
- (ii) Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
- (iii) Directors and employees shall not accept or receive any gift in excess of seventy-five dollars (\$75), whether it be in the form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the AGENCY.
- (iv) Directors and employees shall not use or attempt to use their official position with the AGENCY to secure unwarranted privileges for themselves, members of their family or others, including employment with the AGENCY or contracts for materials or services with the AGENCY.
- (v) Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
- (vi) Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
- (vii) Directors and employees shall manage all matters within the scope of the AGENCY's mission independent of any other affiliations or employment. Members, staff and employees employed by more than one government shall strive to fulfill their professional responsibility to the AGENCY without bias and shall support the AGENCY's mission to the fullest.
- (viii) Directors and employees shall not use AGENCY property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the AGENCY's mission and goals.
- (ix) Directors and employees shall also comply with the provisions of Section 74 of Public Officers Law.

3. Implementation of Code of Ethics:

- (a) This Code of Ethics shall be provided to all Directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.
- (b) The AGENCY may designate an Ethics Officer, who shall report to the AGENCY and shall have the following duties:
  - i. Counsel in confidence AGENCY members, staff and employees who seek advice about ethical behavior.
  - ii. Receive and investigate complaints about possible ethics violations.
  - iii. Dismiss complaints found to be without substance.
  - iv. Prepare an investigative report of their findings for action by the Executive Director or the board.
  - v. Record the receipt of gifts or gratuities of any kind received by the director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

4. Penalties:

- (a) In addition to any penalty contained in any other provision of law, an AGENCY, Directors or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

5. Reporting Unethical Behavior:

- (a) Directors and employees are required to report possible unethical behavior by a member, staff or employee of the AGENCY to the Ethics Officer. Ethics complaints may be filed anonymously and are protected from retaliation by the policies adopted by the AGENCY.

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Adopted: September 30, 2008  
Revised: June 14, 2022

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, James Mraz, certify that I am the Chief Executive Officer of Fulton County Industrial Development Agency and that this report, to the best of my knowledge, information and belief, is a true and correct statement of the financial transactions and fiscal condition for the year ended December 31, 2022.

Signature: \_\_\_\_\_

Title: Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Carol Ellis, certify that I am the Chief Financial Officer of Fulton County Industrial Development Agency and that this report, to the best of my knowledge, information and belief, is a true and correct statement of the financial transactions and fiscal condition for the year ended December 31, 2022.

Signature: \_\_\_\_\_

Title: Chief Financial Officer

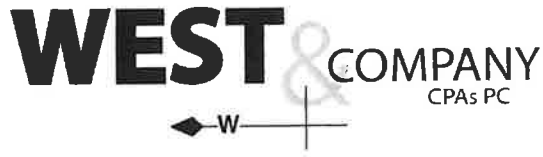
**FULTON COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY, INC.**

**SCHEDULE OF INVESTMENTS**

**YEAR ENDED DECEMBER 31, 2022**

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## **INDEPENDENT AUDITORS' REPORT**

To the Chairperson and Board of the  
Fulton County Industrial Development Agency  
Johnstown, New York

### **Report on the Audit of the Schedule of Investments**

#### ***Opinion***

We have audited the schedule of investments of Fulton County Industrial Development Agency, Inc. as of December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying schedule of investments present fairly, in all material respects, the financial position of Fulton County Industrial Development Agency, Inc. as of December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule of Investments section of our report. We are required to be independent of the Fulton County Industrial Development Agency, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Schedule of Investments***

Management is responsible for the preparation and fair presentation of the schedule of investments 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 the schedule of investments that are free from material misstatement, whether due to fraud or error.

In preparing the schedule of investments, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fulton County Industrial Development Agency, Inc.'s ability to continue as a going concern for twelve months beyond the schedule of investments date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Schedule of Investments***

Our objectives are to obtain reasonable assurance about whether the schedule of investments as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 schedule of investments.

In performing an audit in accordance with GAAS 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 schedule of investments, 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 schedule of investments.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fulton County Industrial Development Agency, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule of investments.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fulton County Industrial Development Agency, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Report on the Financial Statements**

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*, the financial statements of Fulton County Industrial Development Agency, Inc. as of and for the year ended December 31, 2022, and our report thereon dated March 14, 2023, expressed an unmodified opinion on those financial statements.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2023, on our consideration of Fulton County Industrial Development Agency, Inc.'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 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 Fulton County Industrial Development Agency, Inc.'s internal control over financial reporting and compliance.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
March 14, 2023

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULE OF INVESTMENTS**

**DECEMBER 31, 2022**

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<b>INVESTMENTS</b>	
Unrestricted	\$ 0
<b>TOTAL INVESTMENTS</b>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.



FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO SCHEDULE OF INVESTMENTS

DECEMBER 31, 2022

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**NOTE 1 – BACKGROUND AND ORGANIZATION**

**Organization and Purpose**

**The Organization**

The Agency is an Industrial Development Agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 665, Section 895C, of the Laws of 1970 of the state and is a public benefit corporation of the state.

The Agency was formed for the purpose of encouraging economic growth in the County of Fulton. The Agency is exempt from federal, state and local income taxes. The Agency, although established by the Fulton County Board of Supervisors, is a separate entity and operates independently of the County of Fulton.

**Basis of Accounting**

The accounts of the Agency are maintained on the accrual basis of accounting as specified in the Governmental Accounting Standards Board (GASB) codification of governmental accounting and financial reporting standards. The accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions of the GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Agency has elected not to apply all Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

Operating revenues are those revenues that are generated from economic development operations of the Agency. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to economic development operations of the Agency. All other expenses are reported as nonoperating expenses.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Investments**

Investments held by the Agency are measured at fair value pursuant to GASB issued Statement No. 72, *Fair Value Measurement and Application*. Money Market Funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active principal markets for identical assets. U.S. Agencies securities, categorized as Level 2, are valued on models using observable inputs. Certificates of deposit, which are valued as cost.

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO SCHEDULE OF INVESTMENTS**

**DECEMBER 31, 2022**

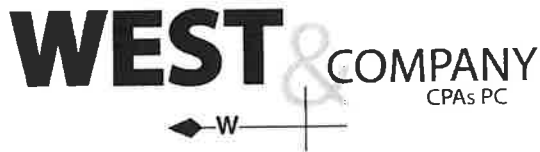
**NOTE 3 – INVESTMENTS**

As of December 31, 2022, the Agency had the following investments. Investment maturities are shown for December 31, 2022 only.

	<u>Fair Value</u>	<u>Investment Maturities Less Than 1 Year</u>
US Treasuries	\$ 1,006,486	
Money Market	<u>1,167,548</u>	<u>\$ 2,174,034</u>
Total	2,174,034	
Less: cash equivalents	<u>( 2,174,034)</u>	
Total unrestricted investments	<u>\$ 0</u>	

**Permitted Investments**

- a. As authorized by General Municipal Law, §11, the Agency authorizes the CFO to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:
- Special time deposit accounts;
  - Certificates of deposit;
  - Obligations of the United States of America;
  - Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
  - Obligations of the State of New York;
  - Obligations issued pursuant to Local Finance Law §24.00 or §25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Agency;
  - Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments;
  - Certificates of Participation (COPs) issued pursuant to GML §109-b;
  - Obligations of this local government, but only with any moneys in a reserve fund established pursuant to GML §6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, and 6-n.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**  
**AND ON COMPLIANCE AND OTHER MATTERS BASED ON**  
**AN AUDIT OF THE SCHEDULE OF INVESTMENTS PERFORMED**  
**IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Chairperson and Board of the  
Fulton County Industrial Development Agency  
Johnstown, New York

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 *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of investments of the Fulton County Industrial Development Agency, a public benefit corporation, as of and for the year ended December 31, 2022, and the related notes to the schedule of investments, and have issued our report thereon dated March 14, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the schedule of investments, we considered Fulton County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the schedule of investments, but not for the purpose of expressing an opinion on the effectiveness of Fulton County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Fulton County Industrial Development Agency'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 Agency's schedule of investments 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fulton County Industrial Development Agency's schedule of investments are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and investment policies established by Fulton County Industrial Development Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the determination of schedule of investment amounts. 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 intended 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 Agency'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
March 14, 2023

## **SCHEDULE 2**

# **MISSION STATEMENT AND MEASUREMENT REPORT**

# **FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

## **2022 Performance and Measurement Report**

I. **FISCAL YEAR:** January 1, 2022 – December 31, 2022

II. **ENABLING LEGISLATION:**

Industrial Development Agencies (“IDAs”) are formed under Article 18-A of New York State General Municipal Law, as public benefit corporations. IDAs were created to actively promote, encourage, attract and develop job and recreational opportunities and economically-sound commerce and industry in cities, towns, villages and counties throughout New York State. IDAs are empowered to provide financial assistance to private entities through tax incentives in order to promote the economic welfare, prosperity and recreational opportunities for residents of a municipality.

III. **MISSION STATEMENT:**

**“The IDA’s mission is to create and promote economic growth and prosperity for both residents and entrepreneurs in Fulton County. The IDA’s role in Fulton County’s Economic Development Program is to develop and maintain an inventory of shovel-ready sites for new and expanding businesses, offer financial incentives, as may be required, to encourage the creation of new and retention of existing jobs and expand the County’s tax base. In doing so, the IDA strives to make Fulton County a desirable place to live and do business.”**

This revised Mission Statement was adopted on August 23, 2012. The Authority Budget Office (ABO) notified the IDA in 2012 that its original Mission Statement was not acceptable. As a result, the IDA Board adopted this revised Mission Statement which was accepted by the ABO.

IV. **IDA STAKEHOLDERS:**

Fulton County Board of Supervisors

V. **IDA BENEFICIARIES:**

Fulton County residents and all local taxing jurisdictions

VI. **IDA CUSTOMERS:**

Existing businesses in Fulton County and new businesses desiring to locate into Fulton County.

**VII. 2022 PERFORMANCE MEASURES:**

- Comply with the Public Authorities Accountability Act.
- Assist businesses in creating and retaining jobs by providing financial assistance.
- Identify additional sites for business development.

**VIII. GOVERNANCE CERTIFICATION:**

1. Have IDA Board members acknowledged that they have read and understood the IDA's Mission Statement?

Yes

2. Who has the power to appoint the management of the IDA?

Board of Directors

3. If the IDA Board appoints management, is there a policy the IDA Board follows when appointing management?

No

4. Briefly describe the role of the Board and management in the implementation of the Mission Statement.

The IDA Board provides strategic input, guidance and oversight of the IDA's mission, adopts policies, adopts a budget, appoints an Executive Director, Chief Financial Officer, Counsel and Auditor. The Board provides direct oversight of its Executive Director and Chief Financial Officer.

The Executive Director has the responsibility for the day-to-day operations of the IDA, collaborates with the IDA Board in strategic planning and implements policies and programs established to achieve the IDA's mission.

5. Has the IDA Board acknowledged that they have read and understood the responses to each of these questions?

Yes

\*\*\*\*\*

I hereby certify that the IDA Board met on January 10, 2023 and approved this Report:

  
Mike Fitzgerald, Chairman

1/10/2023  
Date

**SCHEDULE 3**

**SCHEDULE OF BONDS**



**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULE OF CIVIC FACILITY BONDS**

**DECEMBER 31, 2022**

<u>PROJECTS</u>	<u>CURRENT INTEREST RATE</u>	<u>OUTSTANDING BEGINNING OF YEAR</u>	<u>ISSUED</u>	<u>PRINCIPAL PAID</u>	<u>INTEREST PAID</u>	<u>DECEMBER 31, 2022 BALANCE</u>
Fulton County YMCA, Inc.	3.25%	\$ 1,401,532	\$ 5,450,000.00	\$ 135,483.81	\$ 44,150.07	\$ 1,266,048.38

See accompanying notes.

## **SCHEDULE 4**

### **2022 COMPENSATION SCHEDULE**

<b>Position</b>	<b>Name</b>	<b>Salary</b>	<b>Benefits</b>
Executive Director	<b>James Mraz</b>	<b>\$23,088.00</b>	<b>None</b>
Chief Financial Officer	<b>Carol Ellis</b>	<b>\$ 5,000.00</b>	<b>None</b>

# SCHEDULE 5

## 2022 PROJECTS

1. Vireo Health of NY:

In 2021, Vireo Health executed its option to purchase 92+/- acres of land both within and adjacent to the Tryon Technology Park. Vireo then obtained approvals from both the IDA and Town of Perth Planning Board to construct a 324,000 building on that property to grow and process adult-use cannabis. Construction started in 2021 and is scheduled to be completed in 2023. The IDA approved granting real property, sales tax and mortgage recording tax exemptions for this project.

2. Hoffmans Carwash:

In 2021, Hoffmans Carwash applied to the IDA for real property and sales tax exemptions for a new state-of-the-art carwash project that was proposed to be built in the City of Gloversville. The IDA Board approved those exemptions. Construction started in 2021 and was completed in July 2022.

3. Winstanley Enterprises:

The lands comprising the Tryon Technology Park (TTP) were previously used to operate a State-run Tryon Juvenile Detention Facility. New York State closed that facility in 2011 resulting in the loss of 350 jobs. The Fulton County Industrial Development Agency (IDA), in partnership with Fulton County, embarked on a project to repurpose the lands at the Tryon Detention Facility into shovel-ready sites for new businesses called the TTP. The vision was to attract new businesses into the TTP to replace the jobs lost by the closing of the Detention Facility.

In 2021, the IDA was contacted by Winstanley Enterprises (WE) who would like to help the IDA achieve its vision for the TTP.

WE is a large commercial real estate developer based in Concord, MA. The Company currently owns and operates 54 buildings totaling over 12.3 million sf of space that is used by outlet shopping centers, shopping centers, multi-story offices, flexible offices, research and development properties, warehousing and distribution centers, biotech and medical facilities and residential uses.

A component of WE's commercial real estate portfolio are "Build to Suit" sites. A Build to Suit site is a vacant tract of land WE owns and has developed specific plans for constructing a building on the site. WE obtains all local approvals needed to develop the building on a site. Once those plans are approved, WE markets that site and building to prospective companies.

In 2021, WE and the IDA executed a Purchase and Sales Agreement whereby WE would purchase the 243+/- acres of land remaining in the TTP and use those 243+/- acres to develop four (4) Build to Suit sites:

Site #	Parcel #/Bldg. #	Estimated Acreage (+/-)	Proposed Building Size (SF)
1	4	72	1,200,000
	7	18	
	Building 1	12	
	Wetlands	25	

2	3 <sup>(1)</sup>	18	150,000
3	Tryon Development Area	48	350,000
4	5	26	500,000
	6	24	
		<b>Total Acreage =</b> <b>243+/-</b>	<b>2,200,000</b>

<sup>(1)</sup>Site 3 would be considered for a separate standalone building. However, in the event Site 3 is required to facilitate a larger development on Site 1, then Winstanley Enterprises, LLC will utilize Site 3 to accomplish this.

If WE's plans are realized, these new buildings will generate a significant number of new jobs and a significant amount of new tax base for the local taxing jurisdictions.

WE is completing background studies to ensure the site is "shovel ready." Surveyors and investigators have completed topographic mapping, wetland and geotechnical investigations, Phase I Environmental Site Assessment and environmental reviews. The company is confident in their ability to find tenants.

In October 2022, WE advised the IDA that their cost to abate and demolish the buildings on the lands they wanted to purchase was significantly higher than originally expected. As such, WE advised it could not purchase the property for what it originally offered. After discussing options, the IDA Board, at its November 8, 2022 meeting, agreed to reduce the price for the land with the reduction serving as a credit back to WE for what their actual cost will be to abate and demolish the buildings compared to what WE originally estimated the cost to be. The IDA executed Amendment No. 1 to the PSA to formalize the change in the purchase price.

In December 2022, WE advised the IDA that they were not going to move forward, at this time, to purchase the 243+/- acres at Tryon. WE advised that it would execute a 3-year option with the IDA and continue to market Tryon to companies. The IDA Board agreed to this Option and authorized its Chairman to execute an Option Agreement with WE.

#### 4. Nexus Renewables Community Solar Project:

Nexus Renewables (NR), a renewable energy developer based in Toronto, Canada, desired to lease approximately 30+/- acres of land from the IDA to build and operate a community solar project. The site is adjacent to the Tryon Technology Park on surplus lands owned by the IDA. The lands are located in the Town of Johnstown.

NR will be constructing a 3.5 MW solar facility. The project will actually consist of four (4) separate solar projects that combined will be 3.5 MW. NR received a Special Use Permit from the Town of Johnstown Planning Board. The IDA Board approved entering into both a Lease Agreement and Power Purchase Agreements with each of the four (4) LLC's that will be operating the four (4) solar projects. The Lease Agreements will provide annual lease payments to the IDA. Each Lease Agreement will have a term of 25 years with three (3) five (5) year renewable options. The Power Purchase Agreements will also provide an annual revenue to the IDA based upon the actual amount of solar energy generated in a given year. These revenues will financially benefit the IDA and provide an important annual revenue to help sustain its operations.

Nexus obtained all State approvals in late 2021 and was expected to start construction in 2022. However, due to inflation, higher construction costs, higher materials cost and high energy prices, Nexus did not start these projects in 2022. Nexus is hopeful work can commence in 2023.

The IDA Board also approved granting sales tax exemptions to the project. The documents that need to

be executed to provide these exemptions were not executed in 2021 nor 2022. If the project moves forward, these documents would be executed in 2023.

5. Benjamin Moore Expansion Project:

Benjamin Moore (BM) operates a latex paint manufacturing facility in the City of Johnstown. In 2020, BM advanced plans for a major expansion of its Johnstown facility. The Company submitted plans to the City of Johnstown for a 120,000 sf addition to its existing facility. BM also applied to the IDA for two (2) financial incentives:

- 1) Real Property Tax Exemption on the addition
- 2) Sales Tax Exemptions

The IDA conducted a Coordinated SEQR Review and held a Public Hearing on BM's request for financial incentives. After completing these processes, the IDA approved granting these financial incentives. BM started work on its proposed expansion in 2020. The expansion project is scheduled to be completed in 2023.

In 2022, BM requested an increase in the total purchases subject to sales tax exemptions. The IDA approved BM's request.

## **SCHEDULE 6**

# **LISTING AND DESCRIPTION OF ALL REAL PROPERTY HAVING AN ESTIMATED FAIR MARKET VALUE IN EXCESS OF \$15,000 ACQUIRED OR DISPOSED OF DURING 2022**

### **Real Property Sold in 2022:**

- 1. 15,000 SF existing building and 5.797 acres of land along CR117 to Lott Holdings.**
- 2. 13+/- acres of vacant, undeveloped land along CR117 to Lott Holdings.**
- 3. 35+/- acres along CR117 to Fulton County Sewer District No. 4.**

# **SCHEDULE 7**

## **CODE OF ETHICS**

## FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

\*\*\*\*\*

### **POLICY 04: CODE OF ETHICS**

\*\*\*\*\*

#### 1. Introduction:

This Code of Ethics shall apply to all members, staff and other employees of the Fulton County Industrial Development Agency (AGENCY). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the AGENCY's directors and employees and to preserve public confidence in the AGENCY's mission.

#### 2. Responsibility of Directors and Employees:

- (i) Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
- (ii) Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
- (iii) Directors and employees shall not accept or receive any gift in excess of seventy-five dollars (\$75), whether it be in the form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the AGENCY.
- (iv) Directors and employees shall not use or attempt to use their official position with the AGENCY to secure unwarranted privileges for themselves, members of their family or others, including employment with the AGENCY or contracts for materials or services with the AGENCY.
- (v) Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.



- (vi) Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
- (vii) Directors and employees shall manage all matters within the scope of the AGENCY's mission independent of any other affiliations or employment. Members, staff and employees employed by more than one government shall strive to fulfill their professional responsibility to the AGENCY without bias and shall support the AGENCY's mission to the fullest.
- (viii) Directors and employees shall not use AGENCY property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the AGENCY's mission and goals.
- (ix) Directors and employees shall also comply with the provisions of Section 74 of Public Officers Law.

3. Implementation of Code of Ethics:

- (a) This Code of Ethics shall be provided to all Directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.
- (b) The AGENCY may designate an Ethics Officer, who shall report to the AGENCY and shall have the following duties:
  - i. Counsel in confidence AGENCY members, staff and employees who seek advice about ethical behavior.
  - ii. Receive and investigate complaints about possible ethics violations.
  - iii. Dismiss complaints found to be without substance.
  - iv. Prepare an investigative report of their findings for action by the Executive Director or the board.
  - v. Record the receipt of gifts or gratuities of any kind received by the director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

4. Penalties:

- (a) In addition to any penalty contained in any other provision of law, an AGENCY, Directors or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

5. Reporting Unethical Behavior:

- (a) Directors and employees are required to report possible unethical behavior by a member, staff or employee of the AGENCY to the Ethics Officer. Ethics complaints may be filed anonymously and are protected from retaliation by the policies adopted by the AGENCY.

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Adopted: September 30, 2008  
Revised: June 14, 2022

## **SCHEDULE 8**

# **IDA BOARD'S ASSESSMENT OF THE EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES**

# FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## 2022 Assessment of the Effectiveness of Internal Financial Controls

### **I. BACKGROUND:**

1. Section 2800(1)(a)(9) and Section 2800(2)(a)(8) of Public Authorities Law require all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

### **II. INTENT:**

1. The intent of the Fulton County Industrial Development Agency's (IDA) system of internal control shall be to:
  - a) Promote effective and efficient operations so as to help the IDA carry out its mission.
  - b) Provide reasonable assurance that the IDA's assets are safeguarded against inappropriate or unauthorized use.
  - c) Promote the accuracy and reliability of accounting data and financial reporting to ensure transactions are executed in accordance with the IDA' Board's authorization and recorded properly in accounting records.
  - d) Encourage adherence to the IDA Board's policies and procedures for conducting programs and operations.
  - e) Ensure compliance with applicable laws and regulations.
2. This system of internal control includes performing an annual assessment to identify potential weaknesses in policies or procedures and to implement corrective actions.
3. This assessment shall identify significant weaknesses in controls, recognize emerging or inherent risks, and to enable early detection of existing or potential problems. If an internal control system is working effectively, the IDA Board will have a reasonable indication of the reliability of its operating practices and the accuracy of the information it is using to measure its activities and performance. Any deficiencies identified as a result of the assessment shall be addressed by the IDA Board.

### **III. INTERNAL FINANCIAL CONTROL SYSTEM:**

#### **1. SUMMARY:**

- A. The Fulton County Industrial Development Agency utilizes an internal control system to preserve the assets of the organization.
- B. System procedures shall be reviewed annually by the independent auditors who will make recommendations to the Board of Directors for suggested changes.
- C. In addition, during the year, changes may be recommended by IDA's management. However, such changes shall not be implemented until reviewed by independent auditors and approved by the IDA Board.

**2. CASH RECEIPTS:**

- A. The Chief Financial Officer shall open the daily mail and make copies of the checks received and file same.
- B. The Chief Financial Officer shall prepare and make a bank deposit as needed.
- C. Upon completion of the deposit, the Chief Financial Officer shall enter the deposit in the appropriate Agency's records.
- D. All bank accounts shall be reconciled monthly.

**3. CASH DISBURSEMENTS:**

- A. All purchases shall be made according to the IDA's Procurement Policy. The IDA's Procurement Policy shall be reviewed annually by the IDA Board.
- B. All invoices received shall be reviewed by the Chief Financial Officer and verified for accuracy and completeness. The Chief Financial Officer shall then forward them to the Executive Director for review for completeness and accuracy.
- C. All invoices received that do not have prior authorization by the IDA Board shall be submitted to the IDA Board at their next regularly-scheduled meeting to get authorization to pay.
- D. All invoices received that IDA Board authorization has been given and once reviewed and approved by both the Chief Financial Officer and Executive Director, the Chief Financial Officer shall transfer the necessary funds and prepare a check for payment.
- E. All IDA checks shall have two (2) signatures. One shall be by the Chief Financial Officer. The second shall be by an authorized member of the IDA Board. In the absence of the Chief Financial Officer, the second signature can be by another member of the Audit Committee. The Executive Director shall not be an authorized signer.
- F. An authorized signer may not sign his/her check for reimbursement of approved travel, unless signed by a second IDA Board member.

**4. BUDGET REPORTS:**

- A. Budget Reports shall be prepared regularly by the Chief Financial Officer in a format approved by the Board of Directors.
- B. Budget Reports includes the following information:
  - List of all IDA Accounts
  - Current Year Budgeted Amount for each Account
  - Year to Date Expenditures for each Account
  - Balance in each Account
  - Current Balances for all Investments
- C. All Budget Reports shall be reviewed by the Executive Director prior to presentation to the IDA Board.
- D. All investment of IDA funds shall be in accordance with investment policies. Investment activities shall be reported to the Board monthly. All investment decisions must have the Executive Director's approval after review for compliance with current investment policies.

**5. QUARTERLY TAX RETURNS:**

- A. Quarterly Federal and State Tax Returns shall be signed by the IDA Treasurer or any member of the Audit Committee.

**6. BANK STATEMENT:**

- A. The Chief Financial Officer shall provide at each IDA Board of Directors' meeting a copy of the latest Bank Statement to verify the funds actually in the IDA's bank account. (Added January 9, 2018.)

7. **MONTHLY BANK ACCOUNT RECONCILIATION FORMS:**

- A. The Chief Financial Officer shall provide, at each IDA Board of Directors' meeting, Monthly Bank Account Reconciliation Forms for each IDA bank account that a member of the Audit Committee will review and, if found acceptable, sign.

8. **TREASURY BILLS:**

- A. The IDA Board shall determine whether to invest funds into Treasury Bills.
- B. The CFO shall invest funds into Treasury Bills as directed by the IDA Board.
- C. The CFO shall provide monthly reports to the IDA Board regarding the status of all investments in Treasury Bills.

IV. **IDA'S INTERNAL CONTROLS ASSESSMENT PLAN:**

1. **Define the IDA's Primary Functions:**

- a. Annually review the mission of the IDA and verify that its primary operating responsibilities, operations and functions that will help fulfill its mission.
- b. Annually evaluate the IDA's written mission statement to ensure that it clearly defines the IDA's purpose.
- c. Define IDA's objectives and ensure they are understood by IDA staff.
- d. Review policies, procedures and guidelines to ensure that they guide IDA staff in the operations of the IDA and provide methods and procedures to assess the effectiveness of those functions.

2. **Determine Risks:**

- a. Assess the internal and external risk exposure and associated vulnerability of each function of the IDA and assign a corresponding risk level (i.e. high, medium, or low).
- b. If a risk is identified, the IDA Board shall determine how to best handle it by evaluating its significance, likelihood, and cause.
- c. Based on the assigned risk levels, the IDA Board shall determine how frequently to review the controls in place for each function.

3. **Review Existing Internal Control Systems in Place:**

- a. The IDA Board and staff shall annually review and be aware of the policies and practices in place to ensure that the IDA is effective and to address the risks that are relevant to the operation.

4. **Assess the Extent to Which the Internal Control System is Effective:**

- a. The assessment of internal controls should be a structured and monitored process to identify and report any weaknesses of the internal control structure to the IDA Board.
- b. This process should determine if the existing control structure and procedures are adequate, to then mitigate risk, minimize ineffectiveness and deter opportunities that could lead to the abuse of assets.
- c. The assessment should provide the IDA Board with information as to whether the IDA's policies and operating practices were understood and executed properly, and whether they are adequate to protect the organization from waste, abuse, misconduct, or inefficiency.
- d. This assessment shall be completed through a combination of inquiry and observation, a review of documents and records and by replicating transactions to test the sufficiency of the control system.

5. **Take Corrective Action:**

- a. When a weakness is identified, a corrective action plan should be developed, adopted by the IDA Board and then monitored by the IDA Board to ensure that the vulnerability is addressed.

**V. INTERNAL CONTROL CERTIFICATION:**

**1. Section 2800(2)(a)(8) of the Public Authorities Law:**

- a. To satisfy the requirement of Section 2800(2)(a)(8) of Public Authorities Law, the IDA shall incorporate, either within its annual report or as a separate document, a statement explaining that the authority has conducted a formal, documented process to assess the effectiveness of their internal control structure and procedures, and indicating whether or not the internal controls are adequate.
- b. This statement should eventually be posted to the IDA's website.
- c. The IDA shall retain documentation to support the assessment of its internal controls.
- d. If the IDA finds any deficiencies with the internal controls over its functions or operations, additional documentation should be maintained to demonstrate that the IDA has adopted corrective action plans to address these weaknesses.
- e. This documentation should be made available upon request to the IDA's independent auditor or to ABO compliance review staff.

**2. Public Authorities Reporting Information System (PARIS):**

- a. As part of the PARIS Annual Report tab, the IDA will be required to indicate whether or not they have prepared this assessment and to provide the URL link to the statement, if available.

**VI. IDA BOARD'S 2022 ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL FINANCIAL CONTROL SYSTEM:**

**“The IDA Board has documented and assessed the internal control structure and procedures of the Fulton County Industrial Development Agency for the year ending December 31, 2022. The IDA Board determined that internal controls should be modified to include Treasury Bills.”**

Approved by IDA Board of Directors on March 9, 2011.  
Approved by IDA Board of Directors on March 23, 2012.  
Approved by IDA Board of Directors on January 31, 2013.  
Approved by IDA Board of Directors on January 14, 2014.  
Approved by IDA Board of Directors on February 5, 2015.  
Approved by IDA Board of Directors on January 6, 2016.  
Approved by IDA Board of Directors on February 9, 2017.  
Approved by IDA Board of Directors on January 9, 2018.  
Approved by IDA Board of Directors on January 16, 2019.  
Approved by IDA Board of Directors on January 14, 2020.  
Approved by IDA Board of Directors on January 12, 2021.  
Approved by IDA Board of Directors on January 11, 2022.  
Approved by IDA Board of Directors on January 10, 2023.

# **SCHEDULE 9**

## **IDA BOARD LEGISLATION**



LAW OF NEW YORK, 1970

CHAPTER 665

AN ACT to amend the general municipal law, in relation to creating and establishing the Fulton county industrial development agency, and providing for its functions, powers and duties

Became a law May 8, 1970, with the approval of the Governor. Passed on Home Rule request pursuant to article IX, section 2(b) (2) of the Constitution by a majority vote, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general municipal law is hereby amended by inserting in title two of article eighteen-A, a new section, to be section eight hundred ninety-five-c, to read as follows:

§ 895-c. Fulton county industrial development agency. For the benefit of the county of Fulton and the inhabitants thereof, an industrial development agency, to be known as the FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies. It shall be organized in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. Its members shall be appointed by the governing body of the county of Fulton. The agency, its members, officers and employees and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.

§ 2. This act shall take effect immediately.

EXPLANATION — Matter in italics is new; matter in brackets [ ] is old law to be omitted.

State of New York ) ss:
DEPARTMENT OF STATE

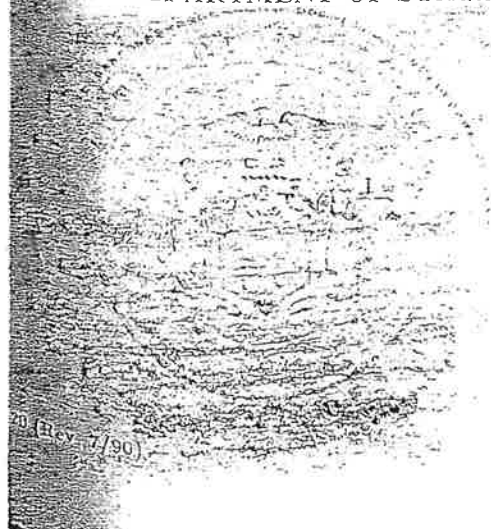
I have compared the preceding with the original law on file in this department, and do hereby certify that the same is a correct transcript therefrom, and of the whole of said original law.

Given under my hand and the official seal of the Department of State, at the City of Albany, this ninth day of June, 1970.

GAIL S. SHAFFER
Secretary of State

[Handwritten signature]

NATHAN A. HANCOCK, SPECIAL DEPUTY SECRETARY OF STATE



(Rev. 7/90)

CERTIFICATE  
OF  
ESTABLISHMENT  
OF

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FOR FILING  
WITH  
SECRETARY OF STATE

THIS is to certify that the Fulton County Industrial Development Agency has been established by special act of the New York State Legislature, and the following is set forth pursuant to Section 856 of the New York State Industrial Development Agency Act:

- (1) The special act establishing the Agency was passed May 8th, 1970 by Chapter 665 of the Laws of 1970 which became effective May 8th, 1970.
- (2) The name of the agency is: FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY.
- (3) The names of the members of the Agency, their Chairman, and their terms of office are as follows:

Mr. Isadore Willner, Chairman - 12/31/71 exp.  
Mr. Harold P. Kaulfuss, Member - Indefinite term  
Mr. F. Dale Simmons, Member - Indefinite term  
Mr. Robert P. Best, Member - Indefinite term  
Mrs. Arlene M. Sitterly, Member - Indefinite term

- (4) The facts establishing the need for such Agency in the municipality are as follows:

To promote the economic welfare of its inhabitants and to actively promote, attract, encourage and develop economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration.

THE BOARD OF SUPERVISORS OF THE  
COUNTY OF FULTON

By: *Gerge H. Hornidge*  
Gerge H. Hornidge, Clerk

OF NEW YORK }  
DEPARTMENT OF STATE } ss:

Hereby Certified, That the attached copy of the Certificate of Establishment for the Fulton County Industrial Development Agency and the Certificates of Appointment of the Members, filed October 5, 1970 and the Certificates of Appointment of the Members, filed October 23, 1980 are true copies of the originals thereof file in this office.

WITNESS my hand and the official seal of the  
Department of State at the City of  
Albany, this 8th day  
of December one thousand  
nine hundred and eighty-one.

*Paul G. Patterson*  
Secretary of State

# SCHEDULE 10

## IDA BOARD

2022

Committee

1. Audit

Appointees

1. Todd Rulison  
2. Joseph Semione  
3. David D'Amore  
4. Mike Fitzgerald

2. Governance

1. Todd Rulison  
2. Joe Semione  
3. Dr. Greg Truckenmiller

3. Finance

1. Joe Gillis  
2. Mike Fitzgerald  
3. Sue Collins

4. Nominating

1. Joseph Semione  
2. Dave D'Amore  
3. Sue Collins  
4. Dr. Greg Truckenmiller

Meetings in 2022:

1/11/22	6 present	1 absent	7/12/22	7 present	0 absent
2/8/22	7 present	0 absent	8/9/22	6 present	1 absent
3/8/22	5 present	2 absent	9/6/22	7 present	0 absent
4/12/22	7 present	0 absent	10/11/21	6 present	1 absent
5/10/22	7 present	0 absent	11/8/22	7 present	0 absent
6/14/22	6 present	1 absent	12/13/22	6 present	1 absent

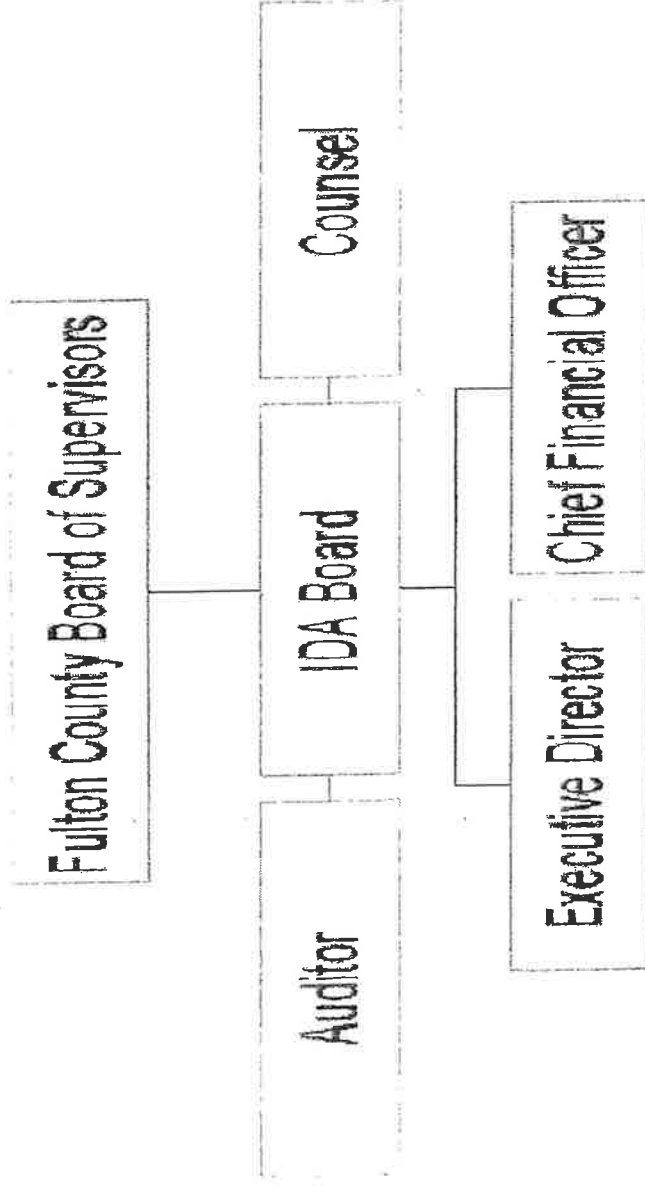
Employees in 2022:

Executive Director  
Chief Financial Officer

Organizational Chart:

- see attached

FULTON COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY



# **SCHEDULE 11**

## **BY-LAWS**

# FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## BYLAWS

### ARTICLE I: THE AGENCY

Section 1: Name: The name of the Agency shall be the Fulton County Industrial Development Agency.

Section 2: Seal of Agency: The seal of the Agency shall be in the form of a circle and shall bear the name of the Agency and the year of its organization.

Section 3: Office of Agency: The office of the Agency shall be: c/o Fulton County Planning Department, 1 East Montgomery Street, Johnstown, NY, 12095.

Section 4: Membership: The Agency shall consist of seven (7) members.

Section 5: Qualifications:

- a. Pursuant to Article 18-a of the General Municipal Law of the State of New York (the "Act"), members of the Agency shall be appointed by, and serve at the pleasure of, the Fulton County Board of Supervisors.
- b. Pursuant to Section 3 of the Public Officers Law of the State of New York (the "Public Officers Law"), each member must be at least eighteen (18) years of age, a citizen of the United States and a resident of Fulton County, New York.
- c. A public officer or employee may be appointed as a member of the Agency without forfeiture of any other public office or employment.

Section 6: Duties and Responsibilities of Members:

- a. Members of the Agency constitute the governing body of the Agency (the Board) and shall have all the powers prescribed in the Act and other applicable laws including but not limited to the Public Authorities Accountability Act and Public Authorities Reform Act.
- b. At a minimum, members shall have the following duties and responsibilities:
  - (1) Execute direct oversight of the Agency's Executive Director, Chief Financial Officer, Legal Counsel, Auditor and other staff in the effective and ethical management of the Agency.
  - (2) Understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Agency.
  - (3) Establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the Executive Director and management.
  - (4) Adopt a code of ethics applicable to each officer, director and employee that, at a minimum, includes the standards established in section seventy-four of the public officers law.
  - (5) Establish written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing,

misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the Agency, investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services.

- (6) Adopt a defense and indemnification policy and disclose such plan to any and all prospective board members.
- (7) Perform each of their duties as board members, including but not limited to those imposed by this section, in good faith and with that degree of diligence, care and skill which an ordinarily prudent person in like position would use under similar circumstances, and may take into consideration the views and policies of any elected official or body, or other person and ultimately apply independent judgment in the best interest of the authority, its mission and the public.
- (8) At the time that each member takes and subscribes his or her oath of office, execute an acknowledgment, in the form prescribed by the Authorities Budget Office after consultation with the Attorney General, in which the board member acknowledges that he or she understands his or her role, and fiduciary responsibilities and acknowledges that he or she understands his or her duty of loyalty and care to the organization and commitment to the Agency's mission and the public interest.

### Section 7: Training:

- (a) Agency members shall participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities within one (1) year of appointment to the Board.
- (b) Agency members shall participate in continuing training as may be required to remain informed of best practices, and regulatory and statutory changes relating to effective oversight of management and financial activities of Agency.

### Section 8: Independent Member Requirements:

- (a) A majority of the members of the Agency shall be independent which shall be a member who:
  - (1) Is not, and in the past two (2) years has not been, employed by the Agency or an affiliate in an executive capacity.
  - (2) Is not, and in the past two (2) years has not been, employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the public authority or received any other form of financial assistance valued at more than \$15,000 from the Agency.
  - (3) Is not a relative of an executive office or employee in an executive position of the Agency or an affiliate.
  - (4) Is not, and in the past two (2) years has not been, a lobbyist registered under a State or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Agency.

### Section 9: Code of Ethics:

- (a) The Agency shall adopt and maintain a Code of Ethics applicable to each member and employee of the Agency.
- (b) The Code of Ethics must, at a minimum, contain the standards set forth in Section 74 of the New York Public Officers Law.



- (c) The Code of Ethics must address conflicts of interest, confidentiality and undue influence.
- (d) The Code of Ethics must be included in the Annual Report.

Section 10: Conflict of Interest:

- (a) The Agency shall adopt and maintain a Conflict of Interest policy.

Section 11: Separation of Agency and Management: A member may serve as Executive Director contingent upon compliance with the Agency's Conflict of Interest and Code of Ethics policies.

Section 12: Fiscal Year: The Agency's fiscal year shall be from January 1 to December 31.

**ARTICLE II: OFFICERS:**

Section 1: Officers: The officers of the Agency shall be a Chairman, Vice Chairman, Secretary and Treasurer.

Section 2: Chairman: The Chairman shall:

- (a) Preside at all meetings of the Agency.
- (b) Except as otherwise authorized by resolution of the Agency, sign all agreements, contracts, deeds and any other instruments of the Agency.

Section 3: Vice Chairman: The Vice Chairman shall:

- (a) Perform the duties of the Chairman in the absence or incapacity of the Chairman; and in the case of the resignation or death of the Chairman, the Vice Chairman shall perform such duties as are imposed on the Chairman, until such time as the Agency shall appoint a new Chairman.

Section 4: Secretary: The Secretary shall:

- (a) Keep in safe custody the seal of the Agency and shall have power to affix such seal to all contracts and other instruments authorized to be executed by the Agency.

Section 5: Treasurer: The Treasurer shall:

- (a) Oversee work of Chief Financial Officer.
- (b) Sign all instruments of indebtedness and be authorized to:
  - 1) Sign checks for payment of money;
  - 2) Pay out and disburse monies authorized of the Agency.

(c) Sign checks of the Agency.

Section 6: Additional Duties: The officers of the Agency shall perform such other duties and functions as may, from time to time, be required by the Agency, by the Bylaws of the Agency or by the rules and regulations of the Agency.

Section 7: Appointment of Officers: All officers of the Agency shall be appointed at the annual meeting of the Agency from among the members of the Agency and shall hold office for one year, or until their successors are appointed.

Section 8: Vacancies: Should any office become vacant, the Agency shall appoint a successor from among its membership at the next regular meeting, and such appointment shall be for the unexpired term of said office.

### **ARTICLE III: STAFF**

Section 1: Executive Director: The Agency shall annually appoint an Executive Director. The Executive Director shall not be a member of the Agency. This appointment shall be made at the annual meeting of the Agency.

The Executive Director shall be responsible for:

- 1) General supervision over the administration of the business and affairs of the Agency, subject to the direction of the Agency.
- 2) Management of all projects of the Agency.
- 3) Prepare agendas for all Agency meetings and distributes agendas to Agency members prior to each meeting.
- 4) Prepare and distribute minutes of all Agency meetings.
- 5) Work with Audit Committee in preparation of Annual Audit and Financial Reports.
- 6) Work with Treasurer in administering and managing fiscal affairs of the Agency.
- 7) Prepare and distribute Annual Report.
- 8) Receipt of all communications and correspondence to the Agency.
- 9) Maintain Agency files.
- 10) Other work as directed by the Agency.

Section 2: Chief Financial Officer: The Agency shall annually appoint a Chief Financial Officer.

The Chief Financial Officer shall:

- (a) Have the care and custody of all funds of the Agency and shall deposit the same in the name of the Agency in such bank or banks as the Agency may select.
- (b) Keep regular books of accounts showing receipts and expenditures.
- (c) Render to the Agency, at each regular meeting, a Budget Report and a summary of the financial condition of the Agency.
- (d) Sign checks of the Agency.

Section 3: Legal Counsel: The Agency shall annually appoint a legal counsel who shall serve at the pleasure of the Agency. Legal counsel shall provide legal advice as requested by the Agency. This appointment shall be made at the Agency's annual meeting.

Section 4: Auditor: The Agency shall annually appoint an Auditor in accordance with State law to prepare the annual audit and financial reports required to be prepared by the Agency. This appointment shall be made at the Agency's annual meeting.

Section 5: Additional Personnel: The Agency may, from time to time, employ such personnel as it deems necessary to exercise its powers, duties and functions, as prescribed by the NYS Industrial Development Act, as amended, and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel shall be determined by the Agency, subject to the laws of the State of New York.

#### **ARTICLE IV: MEETINGS**

Section 1: Annual Meetings: The annual meeting of the Agency shall be held in January of each year.

Section 2: Regular Meetings: Regular meetings of the Agency will be called by the Executive Director, Chairman or by resolution of the Agency. Notice of all meetings shall be given to the local media.

Section 3: Special Meetings: The Chairman may, when he/she deems it desirable, and shall, upon the written request of two members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Agency or may be mailed or e-mailed to the business or home address of each member of the Agency at least three (3) days prior to the date of such special meeting. Waivers of notice may be signed by any members failing to receive a proper notice.

Section 4: Quorum: At all meetings of the Agency, a majority of the members of the Agency shall constitute a quorum for the purpose of transacting business, provided that a smaller number may meet and adjourn to some other time or until the quorum is obtained.

Section 5: Order of Business: At the regular meetings of the Agency, the following shall be the order of business:

1. Attendance.
2. Call meeting to order.
3. Approve minutes of previous meeting.
4. Budget Report
5. Committee Reports.
6. Old Business.

7. New Business.
8. Other Business.
9. Close of Meeting.

Section 6: Manner of Voting:

- 1) The voting on all motions or resolutions coming before the Agency shall be by a call of yeas and nays and shall be entered into the minutes of such meeting.
- 2) A majority of the total membership of the Agency shall approve all motions and resolutions.
- 3) Meetings and voting shall be conducted in accordance with Public Officers Law.

Section 7: Open Meetings Law: All meetings shall be conducted in conformance with the NYS Open Meetings Law.

**ARTICLE V: COMMITTEES:**

Section 1: Audit Committee: The Chairman shall annually appoint at least three (3) independent Agency members to serve on the Audit Committee. Non-independent members may be appointed provided that independent members constitute a majority. The Audit Committee shall be responsible to:

- 1) Assure that the Agency fulfills its responsibilities for the Agency's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and
- 2) Provide an avenue of communication between the independent auditor and Agency.
- 3) Recommend to the Agency the hiring of an independent auditor, establish compensation to be paid to the Auditor and provide direct oversight of the performance of the independent annual audit performed by the independent Auditor.

Section 2: Governance Committee: The Chairman shall annually appoint at least three (3) independent Agency members to serve on the Governance Committee. Non-independent members may be appointed provided that independent members constitute a majority. The Governance Committee shall be responsible to:

- 1) Keep the Agency informed of current best practices in corporate governance.
- 2) Review and update the Agency's governance principles and practices; and
- 3) Advising the Fulton County Board of Supervisors on the skills, qualities and professional or educational experiences necessary to be effective Agency members.
- 4) Examine ethical and conflict of interest issues, perform Agency self-evaluations and recommend Bylaws or changes to them.

Section 3: Finance Committee: The Chairman shall annually appoint at least three (3) independent members to serve on the Finance Committee. Non-independent members may be appointed provided that independent members constitute a majority. The Finance Committee shall be responsible to:

- 1) Review all proposals involving the issuance of debt by the Agency.
- 2) Prepare and submit recommendations to the Agency Board of Directors regarding the issuance of any debt by the Agency.
- 3) Prepare and submit to the Agency Board of Directors proposed policies regarding the issuance of debt by the Agency.

Section 4: Other: The Chairman or Agency shall create other Committees as deemed necessary and appropriate. The Chairman shall appoint members to serve on all such Committees.

## ARTICLE VI: ANNUAL REPORT

Section 1: Annual Report: The Agency shall prepare an Annual Report and submit said report to the Fulton County Board of Supervisors, Fulton County Treasurer and NYS Authority Budget Office by March 30<sup>th</sup> of each year.

Section 2: Annual Report Contents:

a. At a minimum, the Annual Report shall include the following:

- (1) Its operations and accomplishments.
- (2) Its financial reports including:
  - (a) Audited financials in accordance with all applicable regulations and following generally accepted accounting principles as defined in subdivision ten of section two of the state finance law.
  - (b) Grants and subsidy programs.
  - (c) Operating and financial risks.
  - (d) Current ratings, if any, of its bonds issued by recognized municipal bond rating agencies and notice of changes in such ratings, and
  - (e) Long-term liabilities, including leases and employee benefit plans.
- (3) Its mission statement and measurements including its most recent measurement report.
- (4) A schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year as part of a schedule of debt issuance that includes the date of issuance, term, amount, interest rate and means of repayment.
- (5) A compensation schedule that shall include, by position, title and name of the person holding such position or title, the salary, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of such authority whose salary is in excess of one hundred thousand dollars.
- (6) The projects undertaken by such authority during the past year.
- (7) A listing and description, in addition to the report required by paragraph a of subdivision three of all real property of such authority having an estimated fair market value in excess of fifteen thousand dollars that the authority acquires or disposes of during such period. The report shall contain the price received or paid by the authority and the name of the purchaser or seller for all such property sold or bought by the authority during such period.
- (8) Such authority's code of ethics.
- (9) An assessment of the effectiveness of its internal control structure and procedures.
- (10) A copy of the legislation that forms the statutory basis of the authority.

- (11) A description of the authority and its board structure including:
  - (a) Names of committees and committee members.
  - (b) Lists of board meetings and attendance.
  - (c) Descriptions of major authority units, subsidiaries.
  - (d) Number of employees, and
  - (e) Organizational chart.
- (12) Its charter, if any, and by-laws.
- (13) A listing of material changes in operations and programs during the reporting year.
- (14) At a minimum a four-year financial plan, including:
  - (a) A current and projected capital budget, and
  - (b) An operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance.
- (15) Its board performance evaluations.
- (16) A description of the total amounts of assets, services or both assets and services bought or sold without competitive bidding, including:
  - (a) The nature of those assets and services.
  - (b) The names of the counterparties, and
  - (c) Where the contract price for assets purchased exceeds fair market value, or where the contract price for assets sold is less than fair market value, a detailed explanation of the justification for making the purchase or sale without competitive bidding, and a certification by the chief executive officer and chief financial officer of the public authority that they have reviewed the terms of such purchase or sale and determined that it complies with applicable law and procurement guidelines.
- (17) A description of any material pending litigation in which the authority is involved as a party during the reporting year.

## **ARTICLE VII: BUDGET**

**Section 1:** The Agency shall submit to the Chairman and Clerk of the Fulton County Board of Supervisors, the Fulton County Treasurer and the Authority Budget Office a budget report containing, for operations and capital construction, actual receipts and expenditures of last completed fiscal year, estimated receipts and expenditures for the next fiscal year and the current fiscal year.

**Section 2:** The Budget Report shall be submitted at least sixty (60) days before the start of the Agency's fiscal year.

## **ARTICLE VIII: INDEPENDENT AUDIT**

**Section 1:** The Agency shall have annually prepared an Independent Audit Report, a management letter and other external examination of the books and accounts of the Agency.

**Section 2:** The Independent Auditor utilized by the Agency shall be subject to the following restrictions:

- (a) The same lead (or coordinating) audit partner cannot provide auditing services to the Agency for more than five (5) consecutive years.

- (b) The independent accounting firm cannot perform certain non-audit services to the Agency contemporaneously with the audit without written approval from the Audit Committee of the Agency.
- (c) The Accounting firm cannot perform auditing services for the Agency if any officer of the Agency was employed by that firm and participated in any capacity in the audit of the Agency during the one-year period preceding initiation of the annual audit.

Section 3: The independent auditors must timely report to the Audit Committee of the Agency the following:

- (a) All critical accounting policies and practices to be used.
- (b) Any alternative treatments of financial information that have been discussed with Agency officials, ramifications of the use of such alternative treatments and the treatment preferred by the accounting firm.
- (c) Other material written communications between the accounting firm and Agency management.

## **ARTICLE IX: INDEMNIFICATION OF MEMBERS, OFFICERS AND EMPLOYEES**

Section 1: Right of Indemnification: Each Member, Officers and Employees of the Agency, whether or not then in office, and any person whose testator or intestate was such a Member, Officer or Employee shall be indemnified by the Agency for the defense of, or in connection with, any threatened, pending or completed actions or proceedings and appeals therein, whether civil, criminal, administrative or investigative, in accordance with and to the fullest extent permitted by the Section 18 of the Public Officers Law of the State of New York or other applicable law, as such law now exists or may hereafter be adopted or amended; provided, however, that the Agency shall provide indemnification in connection with an action or proceeding (or part thereof) initiated by such a Member, Officer or Employee only if such action or proceeding (or part thereof) was authorized by the Board.

Section 2: Advancement of Expenses:

- (A) Expenses incurred by a Member, Officer or Employee in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article IX may be paid by the corporation in advance of the final disposition of such action or proceeding upon (1) the receipt of an undertaking by or on behalf of such Member, Officer or Employee to repay such advancement in case such Member, Officer or Employee is ultimately found not to be entitled to indemnification as authorized by this Article IX and (2) approval by the Board.
- (B) To the extent permitted by law, the Board shall not be required to find that the Member, Officer or Employee has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Agency makes any advance payment of expenses hereunder.

Section 3: Availability and Interpretation: To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article IX: (A) shall be available with respect to events occurring prior to the adoption of this Article IX, (B) shall continue to exist after any rescission or restrictive amendment of this Article IX with respect to events occurring prior to such rescission or amendment, (C) shall be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding or, at the sole discretion of the Member, Officer or Employee (or, if applicable, at the sole discretion of the testator or intestate of such Member, Officer or Employee seeking such rights), on the basis of applicable law in effect at the time such rights are claimed and (d) shall be in the nature of contract rights that may be enforced in any court of competent jurisdiction as if the Agency and the Member, Officer or Employee for whom such rights are sought were parties to a separate written agreement.

Section 4: Other Rights: The rights of indemnification and to the advancement of expenses provided in this Article IX shall not be deemed exclusive of any other rights to which any Member, Officer or Employee of the Agency or other person may now or hereafter be otherwise entitled, whether contained in these bylaws, a resolution of the Board or an agreement providing for such indemnification, the creation of such other rights being hereby expressly authorized. Without limiting the generality of the foregoing, the rights of indemnification and to the advancement of expenses provided in this Article IX shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any Member, Officer or Employee of the Agency or other person in any action or proceeding to have assessed or allowed in his or her favor, against the Agency or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

Section 5: Severability: If this Article IX or any part hereof shall be held unenforceable in any respect by a court of competent jurisdiction, it shall be deemed modified to the minimum extent necessary to make it enforceable, and the remainder of this Article IX shall remain fully enforceable. Any payments made pursuant to this Article IX shall be made only out of funds legally available therefor.

## **ARTICLE X: MISCELLANEOUS**

**Section 1: Annual Financial Disclosure:** Each member of the Agency shall annually complete and file with the Fulton County Board of Supervisors a Financial Disclosure Statement in compliance with Fulton County's Ethics Law.

**Section 2: Loans to Members:** No loans shall be made by the Agency to its members, officers or staff.



**ARTICLE XI: AMENDMENTS:**

Section 1: Amendments to Bylaws: The bylaws of the Agency shall be amended only with the approval of at least a majority of all the members of the Agency at a regular or a special meeting, but no such amendment shall be adopted unless at least a seven day written notice thereof has been previously given to all members of the Agency.

Adopted:    March 15, 2007  
                  September 3, 2010  
                  March 8, 2022

## **SCHEDULE 12**

# **MATERIAL CHANGES IN OPERATIONS AND PROGRAMS**

**- None**

# **SCHEDULE 13**

## **FOUR-YEAR FINANCIAL PLAN**



Budget Report for Fulton County Industrial Development Agency  
 Fiscal Year Ending: 12/31/2023

Run Date: 10/11/2022  
 Status: CERTIFIED  
 Certified Date: 10/11/2022

**Budget & Financial Plan**

**Budgeted Revenues, Expenditures, And Changes in Current Net Assets**

	Last Year (Actual) 2021	Current Year (Estimated) 2022	Next Year (Adopted) 2023	Proposed 2024	Proposed 2025	Proposed 2026
<b>REVENUE &amp; FINANCIAL SOURCES</b>						
Operating Revenues						
Charges For Services	\$27,748.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rental And Financing Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Revenues	\$0.00	\$41,000.00	\$5,800.00	\$5,800.00	\$5,800.00	\$5,800.00
<b>Non-Operating Revenues</b>						
Investment Earnings	\$1,479.00	\$1,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
State Subsidies/Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Subsidies/Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Municipal Subsidies/Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public Authority Subsidies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Nonoperating Revenues	\$1,151,655.00	\$164,140.00	\$182,820.00	\$182,820.00	\$182,820.00	\$182,820.00
Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total revenues and financing sources</b>	<b>\$1,180,882.00</b>	<b>\$206,140.00</b>	<b>\$203,620.00</b>	<b>\$203,620.00</b>	<b>\$203,620.00</b>	<b>\$203,620.00</b>
<b>EXPENDITURES</b>						
Operating Expenditures						
Salaries And Wages	\$28,587.00	\$32,000.00	\$34,000.00	\$34,000.00	\$34,000.00	\$34,000.00
Other Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Professional Services Contracts	\$55,429.00	\$78,500.00	\$138,500.00	\$138,500.00	\$138,500.00	\$138,500.00
Supplies And Materials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Expenses	\$20,377.00	\$95,640.00	\$31,120.00	\$31,120.00	\$31,120.00	\$31,120.00
<b>Non-Operating Expenditures</b>						
Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest And Other Financing Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Nonoperating Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total expenses</b>	<b>\$104,393.00</b>	<b>\$206,140.00</b>	<b>\$203,620.00</b>	<b>\$203,620.00</b>	<b>\$203,620.00</b>	<b>\$203,620.00</b>
<b>Excess (Deficiency) Of Revenues And Capital Contributions Over Expenses</b>	<b>\$1,076,489.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**SCHEDULE 14**

**PERFORMANCE EVALUATIONS**

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**Policy No. 10-05**

**2022 IDA Board Performance Questionnaire**

<b>Criteria</b>	<b>Agree</b>	<b>Somewhat Agree</b>	<b>Somewhat Disagree</b>	<b>Disagree</b>
Board members understand the mission and purpose of the IDA.	7			
The policies, practices and decisions of the IDA are consistent with this mission.	7			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these responsibilities.	6	1		
The Board has adopted policies, by-laws, and practices for the effective governance, management and operation of the IDA and reviews these annually.	7			
The Board sets goals to accomplish its mission.	5	1		
Board decisions are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	7			
Board members communicate effectively with the Executive Director and are well informed of all important issues.	7			
Board members are knowledgeable of IDA programs, financial statements, reporting requirements, and other transactions.	7			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	7			
The Board knows the statutory obligations of the IDA and if the IDA is in compliance with state law.	7			
Board and Committee meetings facilitate open, deliberate and thorough discussions and the active participation of members.	7			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	7			
Board members feel empowered to delay votes, defer agenda items or table actions if they feel additional information or discussion is required.	7			
The Board exercises appropriate oversight of Executive Director and CFO, including setting performance expectations and reviewing performance annually.	6	1		
The Board has identified the areas of most risk to the IDA and works with management to implement risk mitigation strategies before problems occur.	7			
Board members demonstrate leadership and vision and work respectfully with each other.	6	1		

# SCHEDULE 15

## ASSETS AND SERVICES BOUGHT OR SOLD WITHOUT COMPETITIVE BIDDING

### A. PROFESSIONAL SERVICES:

#### 1. Auditing Services:

The IDA Board retained the West & Company, Gloversville, NY to provide auditing services in 2022. Since auditing services are professional services, they were acquired without competitive bidding. The value of the services was \$9,250.

#### 2. Legal Services:

The IDA Board retained Fitzgerald, Morris, Baker, Firth, Glens Falls, NY to provide legal services in 2022. Since these legal services are professional services, they were acquired without competitive bidding. The value of these services was approximately \$8,000.

#### 3. IDA Website:

The IDA Board retained Emery Designs to provide computer services in 2022. Since these computer services are professional services, they were acquired without competitive bidding. The value of these services was approximately \$10,000.

#### 4. Appraisals:

The IDA Board retained CBRE to prepare separate appraisals on 13+/- and 35+/- acres of land the IDA was looking to sell in the Tryon Technology Park. Since appraisal services are professional services, they were acquired without competitive bidding. The value of the services was \$3,500.

#### 5. Engineering:

- a. The IDA retained Environmental Design Partnership to prepare bid specifications for purchasing a new backup generator. The cost of this engineering work was approximately \$16,000. Since engineering services are professional services, they were acquired without competitive bidding.
- b. The IDA retained C.T. Male Associates to prepare As-Built drawings of the Tryon Technology Park's sewer infrastructure. The cost of this work was \$2,500. Since engineering services are professional services, they were acquired without competitive bidding.

**SCHEDULE 16**

**PENDING LITIGATION**

**- None**