

**SARATOGA ECONOMIC DEVELOPMENT
CORPORATION**

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2025 AND 2024

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Fredette, Sankowski, Woodcock & Company

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Saratoga Economic Development Corporation
Saratoga Springs, NY

Opinion

We have audited the accompanying financial statements of Saratoga Economic Development Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saratoga Economic Development Corporation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Saratoga Economic Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Saratoga Economic Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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



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Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Fredette, Sankowski, Woodcock & Co.

Fredette, Sankowski, Woodcock & Company

September 28, 2026



Fredette, Sankowski, Woodcock & Company

Certified Public Accountants

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SARATOGA ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

ASSETS

CURRENT ASSETS	2025	2024
Cash and cash equivalents	\$ 699,798	689,273
Accounts receivable	707,678	127,161
Memberships receivable	-	5,239
Accrued interest receivable	3,557	4,801
Prepaid expense	4,460	18,345
Total current assets	<u>1,415,493</u>	<u>844,819</u>
 PROPERTY AND EQUIPMENT		
At cost, less accumulated depreciation of \$334,263 and \$329,483, respectively	<u>22,878</u>	<u>27,658</u>
 OTHER ASSETS		
Operating lease right-of-use assets	<u>36,079</u>	<u>70,524</u>
Total other assets	<u>36,079</u>	<u>70,524</u>
 TOTAL ASSETS	 <u><u>\$ 1,474,450</u></u>	 <u><u>943,001</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	2025	2024
Accounts payable	\$ 32,697	28,555
Deferred revenue	96,193	31,022
Current portion of operating lease liabilities	33,989	31,566
Total current liabilities	162,879	91,143
LONG TERM LIABILITIES		
Operating lease liabilities, less current portion	3,014	37,002
Total long term liabilities	3,014	37,002
TOTAL LIABILITIES	165,893	128,145
NET ASSETS		
Without donor restrictions	1,308,557	814,856
With donor restrictions	-	-
Total net assets	1,308,557	814,856
TOTAL LIABILITIES AND NET ASSETS	\$ 1,474,450	943,001

See accompanying notes and independent auditors' report.

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Grants and contracts	\$ 342,500	-	342,500
Public support	291,283	-	291,283
Program fees	795,611	-	795,611
Promotional events and seminars, net of expenses of \$56,208	67,662	-	67,662
Interest income	11,936	-	11,936
Miscellaneous income	-	-	-
Net assets released from restrictions due to satisfaction of program restrictions	-	-	-
TOTAL SUPPORT AND REVENUES	1,508,992	-	1,508,992
EXPENSES			
Program services (Schedule 1)	659,493	-	659,493
Management and general (Schedule 1)	355,798	-	355,798
TOTAL EXPENSES	1,015,291	-	1,015,291
Change in Net Assets	493,701	-	493,701
NET ASSETS AT BEGINNING OF YEAR	814,856	-	814,856
NET ASSETS AT END OF YEAR	\$ 1,308,557	-	1,308,557

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Grants and contracts	\$ 354,585	-	354,585
Public support	168,782	-	168,782
Program fees	1,983	-	1,983
Promotional events and seminars, net of expenses of \$92,486	60,055	-	60,055
Interest income	13,420	-	13,420
Miscellaneous income	500	-	500
Net assets released from restrictions due to satisfaction of program restrictions	-	-	-
TOTAL SUPPORT AND REVENUES	599,325	-	599,325
EXPENSES			
Program services (Schedule 1)	554,091	-	554,091
Management and general (Schedule 1)	305,268	-	305,268
TOTAL EXPENSES	859,359	-	859,359
Change in Net Assets	(260,034)	-	(260,034)
NET ASSETS AT BEGINNING OF YEAR	1,074,890	-	1,074,890
NET ASSETS AT END OF YEAR	\$ 814,856	-	814,856

See accompanying notes and independent auditors' report.

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 493,701	(260,034)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	4,780	4,216
Depreciation of right-of-use asset	34,445	27,258
Reduction in lease liability	(31,565)	(29,214)
(Increase) decrease in net assets		
Accounts receivable	(580,517)	136,509
Memberships receivable	5,239	50,658
Accrued interest receivable	1,244	(4,801)
Prepaid expenses	13,885	(9,510)
Increase (decrease) in liabilities		
Accounts payable	4,142	(15,440)
Deferred revenue	65,171	31,022
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>10,525</u>	<u>(69,336)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(18,101)
NET CASH (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>(18,101)</u>
NET CHANGE IN CASH	10,525	(87,437)
CASH, BEGINNING OF YEAR	<u>689,273</u>	<u>776,710</u>
CASH, END OF YEAR	<u><u>\$ 699,798</u></u>	<u><u>689,273</u></u>

See accompanying notes and independent auditors' report.

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Saratoga Economic Development Corporation have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization and Nature of Activities

The Saratoga Economic Development Corporation is a nonprofit organization under the laws of the State of New York. It was formed in 1978 to promote economic development in and around Saratoga County through planning and promoting, and if necessary, coordinating and executing programs in the County of Saratoga aimed to improve the quality of life of its residents by providing for additional employment, bettering and maintaining job opportunities within the County. The Organization also administers programs for municipalities within Saratoga County by achieving various grant objectives that are aimed at helping the municipalities to become more enticing for economic growth.

The Saratoga Economic Development Corporation has been granted exemption from Federal Income Taxation pursuant to Section 501 (c)(3) of the Internal Revenue Code. The Organization's tax returns are generally subject to examination by various taxing authorities of which the open audit periods are the years ended December 31, 2023 through December 31, 2025.

Location

The Saratoga Economic Development Corporation is located in Saratoga Springs, New York, and grants credit to local businesses for membership dues.

Support and Revenues

Net assets without donor restrictions represent assets without externally imposed donor or grantor restrictions. The resources are available for support of the organization's operations and include assets designated by the Board for specific purposes. Board designated net assets included in net assets without donor restrictions at December 31, 2025 and 2024 was \$0.

Net assets with donor restrictions represent assets with externally imposed restrictions as to what the monies must be utilized for.

Grants and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with grantor or donor stipulations that limit their use. When a stipulation expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (Continued)

Unconditional promises to give are recognized as contribution revenue and receivable in the period in which the promise is received. Depending on the existence and nature of the donor-imposed restrictions, unconditional promises to give are reported as net assets with or without donor restrictions. Unconditional promises to give that are due in future periods and are not permanently restricted generally increase net assets with donor restrictions, unless the donor explicitly stipulates that the promise to give is to support current period activities or if other circumstances supporting the promise make it clear that the donor's intension is to support current period activities.

Loan fees are collected on loans referred or originated by the Organization and are reported as net assets without restrictions when received.

Facilitating fees are collected from entities for various services related to help in relocating to Saratoga County. The income is reported as net assets without restrictions when received.

Cash and Cash Equivalents

The Organization includes as cash equivalents all short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Accounts Receivable

The Saratoga Economic Development Corporation uses the direct write off method for valuing accounts receivable. This reduces the current balance of accounts receivable by the actual bad debts for the period.

Property, Equipment and Depreciation

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives of property and equipment for purposes of calculating depreciation are 5-7 years. Major improvements and additions are capitalized at historical cost and depreciated over 7-15 years. Repairs and maintenance are charged against operations as incurred.

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and general and administrative expenses. Directly identifiable expenses are charged to the program and general and administrative expenses and expenses that require allocation are allocated on either a personnel-cost or square-footage basis, whichever is more reasonable for the expense.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

Advertising costs are expensed as they are incurred. The advertising costs for the years ended December 31, 2025 and 2024 was \$203,978 and \$118,319, respectively.

Reclassification

Certain 2024 balances have been reclassified to conform with 2025 presentation.

Uncertain Tax Positions

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

NOTE 2 – FAIR VALUE MEASUREMENT

The recorded value of the organization's unconditional promises to give, accounts receivable and accounts payable approximate fair value based on their short-term nature.

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 – SIGNIFICANT CONCENTRATION OF RISK

Grants and contracts

A material part of the Organization's revenue consists of a contract with the County of Saratoga to provide specific marketing services promoting the benefits of conducting business operations and growing businesses in Saratoga County and seeking new industries to locate in Saratoga County. For the years ended December 31, 2025 and 2024, the Saratoga County contract comprised of approximately 23% and 54%, respectively, of total support and revenues.

Cash and cash equivalents

The Organization maintains its cash in bank deposit accounts at high quality financial institutions. The balances at times may exceed federally insured limits. At December 31, 2025 and 2024, the Organization's cash balances exceeded the federally insured limits by \$578,440 and \$479,715, respectively.

NOTE 4 – SUBSEQUENT EVENT

Management has evaluated subsequent events through September 28, 2026, the date the financial statements were available to be issued.

NOTE 5 – COMMITMENTS

Prior to 2000, the Organization was given the rights to access two, 20-inch water intake structures in the hydro station located in Moreau Industrial Park. The Organization has the right to use up to 5,000,000 gallons of water per day. A valuation of these assets has not been formalized.

NOTE 6 – CONTINGENCIES

Litigation

The Organization was involved in litigation surrounding the nature of the configuration of the Organization. As of December 31, 2024, the litigation ended with no effect on the financial statements.

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 7 – PENSION PLAN

The Organization adopted a 401(k) Plan effective June 1, 2005. Through June 1, 2005 (date of termination) the qualified simplified employee pension – individual retirement account plan was in effect. The new plan covers substantially all employees who have attained age twenty-one with at least one year of service to the Organization. The Organization made contributions to the plan of a match, up to 5% of compensation and a nonelective contribution of 5% of eligible employees' gross wages in 2025 and 2024. The amounts contributed for 2025 and 2024 were \$46,892 and \$34,452, respectively.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general expenditures within one year:

Financial Assets

Cash and cash equivalents	\$ 699,798
Accounts receivable	707,678
Accrued interest receivable	3,557
Prepaid expense	<u>4,460</u>
 Total financial assets, excluding noncurrent receivables	 1,415,493
 Less amounts unavailable to meet cash needs for general expenditures within one year	 <u>-</u>
 Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	 <u><u>\$ 1,415,493</u></u>

The Organization will use the financial assets that are available within one year along with the excess of revenues over expenses to meet the cash needs of the Organization within the next year. The unconditional promises to give listed above, do not reduce the amounts available for general expenditures due to them being collected within in the year and available for use when collected.

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2025</u>	<u>2024</u>
Computer equipment	\$ 34,076	34,076
Office furniture and equipment	39,165	39,165
Equipment	55,000	55,000
Railroad spur	<u>228,900</u>	<u>228,900</u>
	357,141	357,141
Less: accumulated depreciation	<u>(334,263)</u>	<u>(329,483)</u>
	<u>\$ 22,878</u>	<u>27,658</u>

NOTE 10 – LEASES

In January 2024, the Organization leased office space under an operating lease with a one year, with the option to renew on a month-to-month basis. There were no direct costs associated with this lease. The lease calls for monthly installments of \$2,625 for the first year with a 3% escalation upon renewal.

In February 2024, the Organization leased a copier under an operating lease with a 5-year term. There was a \$95 fee associated with this lease. The lease calls for monthly installments of \$117.

The following summarizes the line items in the balance sheet which include amount for the operating leases as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease right-of-use assets	<u>\$ 36,079</u>	<u>\$ 70,524</u>
Current portion of operating lease liabilities	\$ 33,989	\$ 31,566
Long term portion of operating lease liabilities	<u>3,014</u>	<u>37,002</u>
Total operating lease liabilities	<u>\$ 37,003</u>	<u>\$ 68,568</u>

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 – LEASES (continued)

The maturities of operating lease liabilities as of December 31, 2025, were as follows:

2026	\$	34,812
2027		1,404
2028		1,404
2029		234
2030		-
Total lease payments		<u>37,854</u>
Less: Interest		<u>(851)</u>
Present value of lease liability	\$	<u><u>37,003</u></u>

SARATOGA ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE 1 - SCHEDULES OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	December 31, 2025		
	<u>Economic Development</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 247,672	249,724	497,396
Advertising and marketing	203,978	-	203,978
Employee benefits	40,443	40,778	81,221
Payroll taxes	18,707	18,862	37,569
Office supplies and expense	27,019	7,826	34,845
Rent	27,581	4,867	32,448
Travel and promotion	20,451	6,041	26,492
Prospect development	17,061	-	17,061
Licenses, dues and fees	13,209	3,222	16,431
Consultant expense	6,000	10,375	16,375
Professional fees	5,906	8,775	14,681
Strategic planning	9,002	-	9,002
Donations	7,698	-	7,698
Telephone	4,413	769	5,182
Insurance	4,361	770	5,131
Depreciation	4,063	717	4,780
Bank and credit card charges	-	2,862	2,862
Postage	1,189	210	1,399
Web page maintenance	740	-	740
Administrative fees	-	-	-
Total	<u>\$ 659,493</u>	<u>355,798</u>	<u>1,015,291</u>

	December 31, 2024		
	<u>Economic Development</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 253,649	154,617	408,266
Advertising and marketing	118,319	-	118,319
Employee benefits	42,423	26,228	68,651
Payroll taxes	19,899	12,130	32,029
Office supplies and expense	28,807	7,847	36,654
Rent	28,920	5,103	34,023
Travel and promotion	9,091	10,021	19,112
Prospect development	3,337	-	3,337
Licenses, dues and fees	17,337	-	17,337
Consultant expense	-	58,240	58,240
Professional fees	-	25,755	25,755
Strategic planning	-	-	-
Donations	14,000	-	14,000
Telephone	4,243	749	4,992
Insurance	3,952	697	4,649
Depreciation	3,584	632	4,216
Bank and credit card charges	-	2,945	2,945
Postage	730	129	859
Web page maintenance	5,800	-	5,800
Administrative fees	-	175	175
Total	<u>\$ 554,091</u>	<u>305,268</u>	<u>859,359</u>

See accompanying notes and independent auditors' report.