

**MONTGOMERY COUNTY CAPITAL RESOURCE
CORPORATION
(A NOT-FOR-PROFIT CORPORATION)**

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Officers, Directors and Members
Montgomery County Capital Resource Corporation
(A Not-For-Profit Corporation)
Fonda, New York

We have audited the accompanying financial statements of Montgomery County Capital Resource Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements 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 Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Montgomery County Capital Resource Corporation as of December 31, 2020 and 2019, 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.

WEST & COMPANY CPAs PC

Gloversville, New York
March 11, 2021

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS:		
Cash and cash equivalents	\$ 261,942	\$ 210,479
TOTAL ASSETS	<u>\$ 261,942</u>	<u>\$ 210,479</u>
NET ASSETS:		
Without donor restrictions	\$ 261,942	\$ 210,479
TOTAL NET ASSETS	<u>\$ 261,942</u>	<u>\$ 210,479</u>

See accompanying notes and independent auditors' report.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUE:		
Agency fees	\$ 84,300	\$ 0
Interest income	432	992
Total revenue	84,732	992
EXPENSES:		
Management and General Expenses		
Professional fees	1,739	1,500
Project expenses	31,530	0
Total expenses	33,269	1,500
INCREASE (DECREASE) IN NET ASSETS	51,463	(508)
NET ASSETS - BEGINNING OF YEAR	210,479	210,987
NET ASSETS - END OF YEAR	<u>\$ 261,942</u>	<u>\$ 210,479</u>
NET ASSETS AT BEGINNING OF THE YEAR	\$ 210,479	\$ 210,987
Change in net assets for the year	51,463	(508)
NET ASSETS AT END OF THE YEAR	<u>\$ 261,942</u>	<u>\$ 210,479</u>

See accompanying notes and independent auditors' report.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 51,463	\$ (508)
Net cash provided (used) by operating activities	51,463	(508)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>210,479</u>	<u>210,987</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 261,942</u>	<u>\$ 210,479</u>

See accompanying notes and independent auditors' report.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Montgomery County Capital Resource Corporation was established to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for eligible projects.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

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

Net assets without donor restrictions – Net assets that are not subject to imposed restrictions and may be expended for any purpose in performing the primary objectives of the Corporation. The Corporation’s Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature whereby the donor has stipulated that the funds be maintained in perpetuity. The Corporation had no net assets with donor restriction as of December 31, 2020 and 2019.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less, or which are redeemable on demand. Fair value approximates carrying amounts.

Income Taxes

Montgomery County Capital Resource Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provisions for taxes in the accompanying financial statements. The Corporation is exempt from filing federal and state income tax returns under IRS Revenue Procedure 95-8.

Functional Expenses

The cost of providing certain activities of the Corporation have been summarized on a functional basis in the statement of activities. Certain categories of expenses are attributable to the operation of the Corporation and administrative support. Expenses have been classified based on actual direct expenditures.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of management’s estimates. Accordingly, actual results could differ from those estimates.

Revenue Recognition

The Corporation adopted ASC Topic 606, *Revenue from Contracts with Customers*, on January 1, 2019. The Corporation’s financial results for reporting periods beginning January 1, 2019, are presented under the new accounting standard. Based on the manner in which the Corporation historically recognized revenue, the adoption of ASC 606 did not have a material impact on the amount or timing of its revenue recognition and the Corporation recognized no cumulative effect adjustment upon adoption.

The Corporation’s revenue consisted of interest income and agency fees, which are recorded as revenue when earned.

NOTE 2 – AGENCY BONDS

Certain industrial development revenue bonds and notes issued by the Corporation are secured by property which is leased or sold to companies and the debt is retired by these payments or installment sale payments. The bonds and notes are not general obligations of the Corporation, but rather are special obligations of the Corporation, payable solely from the Corporation’s interest in the assets (real property and equipment) being financed. The Corporation does not record the assets or liabilities resulting from completed bonds and notes issued in its accounts, since its primary function is to act as a financing conduit between the borrowing companies and the bond and note holders, and the funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Corporation receives bond administration fees from the borrowing companies. Such administrative fee income is recognized when received. On September 17, 2014, the Corporation issued one such bond for \$24,808,627. On March 17, 2020 the Corporation issued two additional bonds, tax-exempt revenue bonds in the amount of \$7,945,000 and taxable revenue bonds in the amount of \$385,000.

Bonds outstanding as of December 31 were:

<u>Description</u>	<u>2020</u>	<u>2019</u>
2014 Tax-exempt Bonds	\$ 18,030,000	\$ 18,940,000
2020 Tax-exempt Bonds	7,945,000	0
2020 Taxable Bonds	<u>385,000</u>	<u>0</u>
Total Outstanding	<u>\$ 26,360,000</u>	<u>\$ 18,940,000</u>

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Corporation maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020 and 2019, the Corporation’s cash balances were fully insured.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 4 – LIQUIDITY

The Corporation maintains sufficient operating cash on hand to support its operations. There are no restrictions on its operating cash account, therefore at December 31, 2020, the Corporation had \$261,942 of cash on hand to meet general expenditures within one year.

NOTE 5 – SUBSEQUENT EVENTS

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