

**MONTGOMERY COUNTY CAPITAL
RESOURCE CORPORATION**

SCHEDULE OF INVESTMENTS

YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Chairperson and Board of the
Montgomery County Capital Resource Corporation
Fonda, New York

Report on the Schedule of Investments

We have audited the accompanying schedule of investments of the Montgomery County Capital Resource Corporation, a public benefit corporation, as of December 31, 2020, and the related notes.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of the schedule of investments in conformity with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule of investments based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of investments are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of investments. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the schedule of investments, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Montgomery County Capital Resource Corporation's preparation and fair presentation of the schedule of investments 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 entity'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 schedule of investments.

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

Opinion

In our opinion, the schedule of investments referred to above present fairly, in all material respects, the investments of the Montgomery County Capital Resource Corporation as of December 31, 2020, in conformity with U.S. generally accepted accounting principles.

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 the Montgomery County Capital Resource Corporation as of and for the year ended December 31, 2020, and our report thereon dated March 11, 2021, 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 11, 2021, on our consideration of the Montgomery County Capital Resource Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the schedule of investments. 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 the Montgomery County Capital Resource Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montgomery County Capital Resource Corporation's internal control over financial reporting and compliance with respect to the schedule of investments.

WEST & COMPANY CPAs PC

Gloversville, New York
March 11, 2021

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

SCHEDULE OF INVESTMENTS

DECEMBER 31, 2020

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

The accompanying notes are an integral part of this statement.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO SCHEDULE OF INVESTMENTS

DECEMBER 31, 2020

NOTE 1 – BACKGROUND AND ORGANIZATION

Organization and Purpose

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 accounts of the Corporation 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 schedule of investments 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 Corporation 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 Corporation. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to economic development operations of the Corporation. All other expenses are reported as nonoperating expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments held by the Corporation 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.

NOTE 3 – INVESTMENTS

As of December 31, 2020, the Corporation had the following investments. Investment maturities are shown for December 31, 2020 only.

	<u>Fair Value</u>	<u>Investment Maturities Less Than 1 Year</u>
Money Market	\$ 261,942	\$ 261,942
Total	261,942	
Less: cash equivalents	(261,942)	
Total unrestricted investments	<u>\$ 0</u>	

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO SCHEDULE OF INVESTMENTS

DECEMBER 31, 2020

NOTE 3 – INVESTMENTS – (CONTINUED)

Types of Investments

Except as otherwise provided by resolution of the members of the Agency, an Investment Officer may invest Agency Funds in any obligation described in Section 11(2) and Section 11(3) of the General Municipal Law. Generally, Sections 11(2) and 11(3) of the General Municipal Law permit the following types of investments:

- 1) special time deposits in, or certificates of deposit issued by, any bank or trust company located and authorized to do business in the State of New York, provided that such deposit account or certificate of deposit is secured in the same manner as is provided for securing deposits of Agency Funds by Section 10(3) of the General Municipal Law;
- 2) obligations of, or obligations where the payment of principal and interest are guaranteed by, the United States of America;
- 3) obligations of the State of New York; and
- 4) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any municipality or school district or district corporation organized under the laws of the State of New York.



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
Montgomery County Capital Resource Corporation
Fonda, 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 Montgomery County Capital Resource Corporation, a public benefit corporation, as of and for the year ended December 31, 2020, and the related notes to the schedule of investments, and have issued our report thereon dated March 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the schedule of investments, we considered Montgomery County Capital Resource Corporation'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 Montgomery County Capital Resource Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Montgomery County Capital Resource Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Montgomery County Capital Resource Corporation'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 the Montgomery County Capital Resource Corporation 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 11, 2021