

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

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

CONTENTS

PAGE

FINANCIAL STATEMENTS

Independent auditors' report.....	1 – 2
Statements of financial position.....	3
Statements of activities.....	4
Statements of cash flows	5
Notes to financial statements	6 – 7



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Montgomery County Capital Resource Corporation (a not-for-profit Corporation), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Montgomery County Capital Resource Corporation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the year then ended 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). 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 Montgomery County Capital Resource 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 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 Montgomery County Capital Resource Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 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 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, 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 Montgomery County Capital Resource 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 Montgomery County Capital Resource 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.

WEST & COMPANY CPAs PC

Gloversville, New York
March 21, 2024

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS:		
Cash and cash equivalents	<u>\$ 258,083</u>	<u>\$ 253,161</u>
TOTAL ASSETS	<u><u>\$ 258,083</u></u>	<u><u>\$ 253,161</u></u>
 LIABILITIES:		
Due to other governments	<u>\$ 2,123</u>	<u>\$ 0</u>
Total liabilities	<u>2,123</u>	<u>0</u>
 NET ASSETS:		
Without donor restrictions	<u>255,960</u>	<u>253,161</u>
Total net assets	<u>255,960</u>	<u>253,161</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 258,083</u></u>	<u><u>\$ 253,161</u></u>

See accompanying notes and independent auditors' report.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE:		
Interest income	\$ 6,672	\$ 422
Total revenue	6,672	422
EXPENSES:		
Management and General Expenses		
Professional fees	1,750	1,750
Program Expenses		
Marketing expenses	2,123	4,277
Total expenses	3,873	6,027
INCREASE (DECREASE) IN NET ASSETS	2,799	(5,605)
NET ASSETS - BEGINNING OF YEAR	253,161	258,766
NET ASSETS - END OF YEAR	<u>\$ 255,960</u>	<u>\$ 253,161</u>
 NET ASSETS AT BEGINNING OF THE YEAR	 \$ 253,161	 \$ 258,766
Change in net assets for the year	2,799	(5,605)
NET ASSETS AT END OF THE YEAR	<u>\$ 255,960</u>	<u>\$ 253,161</u>

See accompanying notes and independent auditors' report.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 2,799	\$ (5,605)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Increase (decrease) in:		
Due to other governments	<u>2,123</u>	<u>0</u>
Net cash provided (used) by operating activities	<u>4,922</u>	<u>(5,605)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,922	(5,605)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>253,161</u>	<u>258,766</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 258,083</u></u>	<u><u>\$ 253,161</u></u>

See accompanying notes and independent auditors' report.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Montgomery County Capital Resource Corporation (the 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, 2023 and 2022.

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.

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.

MONTGOMERY COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

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

Revenue Recognition

The Corporation adopted ASC Topic 606, *Revenue from Contracts with Customers*. 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 therefrom 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>2023</u>	<u>2022</u>
2014 Tax-exempt Bonds	\$ 15,055,000	\$ 16,095,000
2020 Tax-exempt Bonds	6,375,000	6,395,000
2020 Taxable Bonds	<u>180,000</u>	<u>265,000</u>
Total Outstanding	<u>\$ 21,610,000</u>	<u>\$ 22,755,000</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, 2023 and 2022, the Corporation exceeded the insurance limit by \$8,083 and \$3,161, respectively.

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, 2023, the Corporation had \$258,083 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.

