

**MONTGOMERY COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Chairperson and Board of the
Montgomery County Industrial Development Agency
Fultonville, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Montgomery County Industrial Development Agency, a public benefits corporation, a component unit of the County of Montgomery, New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Montgomery County Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Montgomery County Industrial Development Agency, as of December 31, 2025, 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 Montgomery 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

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 Montgomery 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 Montgomery 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 Montgomery 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 12 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 Montgomery County Industrial Development Agency's basic financial statements. The supplemental information on pages 22 through 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplemental information on pages 22 through 24 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 12, 2026, on our consideration of the Montgomery 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 Montgomery County Industrial Development Agency's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
March 12, 2026

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

The following is a narrative overview and analysis of the financial activities of Montgomery County Industrial Development Agency (IDA or Agency) for the fiscal year ended December 31, 2025. 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 the: MD&A (this section), the basic financial statements and required 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 they have 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. BACKGROUND

A. General

The Montgomery County Industrial Development Agency (IDA or Agency) was created in 1970 by an act of the New York State Legislature. The IDA is a corporate governmental agency constituting a public benefit corporation. The law that authorized the creation of Industrial Development Agencies in New York State states that the purpose of an Industrial Development Agency (IDA) shall be:

“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.”

To accomplish this purpose, the New York State Legislature authorized IDAs to offer incentives in the form of tax exemptions to stimulate certain private sector investment.

B. Tax Exemptions

IDAs are authorized by the New York State Legislature to provide three forms of tax exemptions affecting personal and real property:

1. Property Tax

New York State Law designates IDAs as tax-exempt entities. When an IDA holds title to the real property of a project, New York State Law says all improvements on the property are exempt from all general real property taxes. However, the land that the improvements are located on remains taxable. These exemptions apply as long as the IDA holds title to the property.

The Montgomery County IDA, however, requires companies to make Payments In Lieu Of Taxes (PILOT). A PILOT is a written Agreement between the IDA and a company. The Agreement states that even though the project is tax exempt due to IDA ownership, the IDA wants the company to make certain payments to local taxing jurisdictions. PILOTs consist of an agreed upon percentage of the property tax that would otherwise be due on the property if the project had been completed without IDA involvement. PILOTs are developed in accordance with the Montgomery County IDA's Uniform Tax Exemption Policy. Once a PILOT is executed, the company makes the required annual payments to the IDA in accordance with the PILOT.

2. Sales Tax

IDAs can offer exemptions from sales taxes but only on eligible materials purchased during construction and for eligible equipment for the project.

3. Mortgage Recording Tax

If a project involves a mortgage, companies that receive IDA assistance are exempt from New York State's mortgage recording tax. In Montgomery County, this tax equals 0.75 percent of the total mortgage.

C. Industrial Revenue Bonds

IDAs can also provide important financing for a project through the issuance of Industrial Revenue Bonds (IRBs). IRBs are used to finance new or expansion projects. 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 their funds to a business. The business commits to repay the principal and interest to the lender. The IDA acts as an intermediary for this private transaction. There are no IDA or public funds involved in an IDA bond transaction.

The business and the financial institution themselves negotiate the terms and conditions of the transaction (its length, the interest rate), independent of the IDA.

The Montgomery County IDA, Montgomery County Government or local taxpayers do not lend any public money nor do they assume any responsibility for repaying bonds if the business defaults on any payment. There is also no financial liability on New York State, the County of Montgomery or any political subdivision. IRB payments are solely the responsibility of the company borrowing the money.

D. NYS Public Authorities Accountability Act of 2005 (the Act)

In 2005, the NYS Legislature adopted and Governor Pataki signed in early 2006 the NYS Public Authorities Accountability Act of 2005. This key piece of legislation imposed fundamental changes to the way Industrial Development Agencies in New York State are to be administered and managed. The Act obligated IDAs to take certain affirmative actions to comply with this new law, including:

1. Prepare and file annual reports, budget reports and property reports in accordance with the requirements of the Act.
2. Prepare and adopt property and investment guidelines, personnel and compensation policies, defense and indemnification policies and a Code of Ethics.
3. Create and appoint Audit and Governance Committees.
4. Comply with numerous new operational requirements dealing with matters such as:
 - a. Preparing and filing independent financial audits.
 - b. Obtaining training for Board members.
 - c. Ensuring the separation of oversight and operational duties and responsibilities of the Agency.
 - d. Ensuring that Board members are independent.
 - e. Providing for financial disclosure of Board members.
 - f. Sale of real property.

II. SUMMARY OF 2025 ACTIVITIES

The Montgomery County Industrial Development Agency is comprised of a seven-member Board of Directors. Members serve at the pleasure of the County Legislature.

The IDA met a total of 8 times in 2025. The following is a summary of the primary activities the IDA was involved with in 2025.

A. INITIATIVES AND ACTIVITIES

1. Montgomery County Blueprint

The Montgomery County Blueprint has been successfully completed and transitioned into an active business attraction and marketing phase, positioning the County to proactively market its assets and compete for new investment. Originally supported by a 2019 Consolidated Funding Application award and fully reimbursed through a National Grid grant, the Blueprint provided the foundation for a sustained, data-driven marketing strategy. Despite delays caused by the COVID-19 pandemic, Montgomery County continued to market itself to prospective businesses and site selectors throughout the process. As part of the initiative, the County partnered with Engines of Creation to modernize and strengthen its online presence and Camoin Associates to develop the Montgomery County Business Attraction Blueprint. This work resulted in a comprehensive marketing report, industry-targeted spec sheets, and supporting outreach materials designed to clearly communicate the County's competitive advantages. These efforts have produced measurable results. The Blueprint and accompanying marketing tools directly supported outreach efforts tied to the Exit 29 (Canajoharie) site, helping attract two new potential private-sector investments and generating strong market interest. As a result, all available space at the Exit 29 site is currently spoken for, demonstrating the effectiveness of the County's targeted marketing and business attraction strategy. Overall, the Montgomery County Blueprint has moved beyond planning and analysis into implementation. The initiative continues to guide ongoing outreach, site marketing, and business recruitment efforts, helping convert strategic planning into real economic activity and tangible development outcomes for Montgomery County.

2. Mane Maven Beauty Salon

The Agency administers a Revolving Loan Fund Program on behalf of Montgomery County and received an application from Man Maven Beauty Salon for the purchase of real estate located at 8 East Main Street St Johnsville. The agency recommended approval of a loan for an amount not to exceed \$129,900 to the business. As part of the loan approval the Company has agreed to create 3 full-time positions.

3. Golf Course Apartments, LLC

Construction continued through 2025 and a grand opening ribbon cutting took place in the fall of 2025. Previously, the Agency received and approved an application from Golf Course Apartments LLC for a \$3.7 million 40-unit senior apartment complex exclusively available to those 55 and older and offering independent living options. The project is located in the Town of Amsterdam.

4. DG Distribution Northeast, LLC

The Agency previously finalized processing an amended application from DG Distribution Northeast, LLC (Dollar General) for the possible construction a \$70.42 Million 167,500 sq. ft. cold storage distribution center. The company anticipates that the project will create up to 150 jobs. The agency closed on the land sale and lease/leaseback transaction in late 2025. It is anticipated that ground will be broken in 2026.

5. Log City One, LLC

The Agency previously received an application from Log City One, LLC. for the development of a project called EcoFlats at Log City in the Town of Amsterdam. The project is approximately \$35.6 Million, 168-unit market rate, eco-friendly multifamily development. The EcoFlats project is a Round II winner of the NYSERDA Buildings of Excellence Competition. Eco Flats at Log City is slated to be the largest Phius ZERO multifamily development in the U.S. Shortly after the Agency closed on the lease/leaseback transaction in 2025 groundbreaking and construction commenced.

6. Exit 29 Redevelopment Project

In 2025 the Agency entered into an agreement with Pyramid Brokerage Company to work with the agency in marketing and selling the eastern 19 acres. The Agency also contracted with Camoin Associates on a digital ad campaign targeting key industries such as food processing and advanced manufacturing for the site.

7. Winn Construction, Inc. and Land Remediation, Inc.

The Agency previously received and entered into a Letter of Interest from Winn Construction, Inc. and Land Remediation Inc. to purchase approximately 12.4 acres of property located in the Florida Business Park Extension. The buyer is exploring the possibility of constructing a 5,000 sq. foot office building and a 10,000 sq. foot warehouse fabrication shop for their businesses. They proceeded through their due diligence process throughout 2025 and notified the Agency that they wish to proceed with the closing on the property.

8. BMG Albany and Amazon.com Services LLC.

The Agency received an application from BMG Albany and Amazon.com Services LLC for the construction of a \$621 Million 3.2 Million sq. ft. multi-story fulfillment warehouse/distribution center. The company anticipates that the project will create up to 750 jobs. The agency processed and approved the application in late 2025 and the company broke ground.

9. PEMM LLC.

The Agency entered into a Letter of Intent with PEMM LLC. for the possible development of a travel center, hospitality facility and commercial building on the eastern 19 acres at the Exit 29 Redevelopment Project.

10. County Micro Grant

The County received a New York State Office of Homes & Community Renewal's Community Development Block Grant award in 2025 in the amount of \$300,000 for a microenterprise grant program. This program targets start-up and expanding businesses throughout the boundaries of Montgomery County. The program provides much needed working capital and financing, in order to get these businesses off the ground or allowing them to get to the next level of economic prosperity. Staff accepted applications in early 2025 and 12 small businesses throughout the County were awarded grants.

B. SUMMARY OF FINANCIAL RESULTS

See Table A-1 below for Condensed Statement of Net Position:

Table A-1**Condensed Statement of Net Position**

	<u>2025</u>	<u>2024</u>	<u>Percentage Change</u> <u>Increase/-Decrease</u>
Assets			
Current assets	\$ 3,501,726	\$ 2,177,399	61%
Capital assets	<u>1,574,984</u>	<u>2,045,779</u>	-23%
Total Assets	5,076,710	4,223,178	20%
Liabilities			
Current liabilities	624,434	838,151	-25%
Long-term liabilities	<u>1,089,318</u>	<u>1,361,091</u>	-20%
Total Liabilities	1,713,752	2,199,242	-22%
Deferred Inflows			
Unearned interest income	8,429	18,429	-54%
Net Position			
Net investment in capital assets	485,666	684,688	-29%
Restricted	98,252	95,846	3%
Unrestricted	<u>2,770,611</u>	<u>1,224,973</u>	126%
Total Net Position	<u>\$ 3,354,529</u>	<u>\$ 2,005,507</u>	67%

Changes in Net Assets

The IDA's revenue was \$1,485,300 (see Table A-2).

The total cost of all programs and services amounted to \$136,278 for 2025. Professional fees and salaries accounted for 17.2% and 60.4%, respectively.

Net position for the year increased by \$1,349,022.

Table A-2

Changes in Net Assets from Operating Results

	<u>2025</u>	<u>2024</u>	<u>Percentage Change Increase/-Decrease</u>
Revenues			
Program Revenues			
Charges for services	\$ 1,514,260	\$ 149,101	916%
Gain (loss) on sale of land	(77,478)	0	-100%
Use of money and property	48,518	48,913	-1%
Total Revenues	<u>1,485,300</u>	<u>198,014</u>	650%
Expenses			
Real property taxes	417	406	3%
Professional fees	23,484	120,501	-81%
Salaries	82,329	79,992	3%
Marketing	0	6,500	-100%
Insurance expense	12,371	10,262	21%
Depreciation	1,072	3,251	-67%
Office expense	15,440	21,642	-29%
All other expenses	1,165	60	1842%
Total Expenses	<u>136,278</u>	<u>242,614</u>	-44%
Increase (Decrease) in Net Position	<u>\$ 1,349,022</u>	<u>\$ (44,600)</u>	3125%

C. LONG-TERM DEBT

The Agency did not have any long-term debt this year.

III. PAYMENT IN LIEU OF TAX AGREEMENTS (PILOTS)

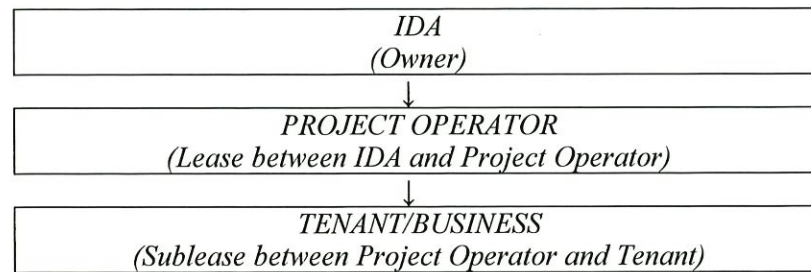
A. Background

The IDA currently has eight active PILOT Agreements. The responsibility for administering and enforcing a PILOT rests with local taxing jurisdictions. Yet, given the complexities with understanding how PILOTs work and changeover in personnel with local taxing jurisdictions, the IDA, in 2025, continued its annual monitoring project to assist local taxing jurisdictions in ensuring that PILOT Agreements are being properly administered.

B. Project Structure

Most projects IDAs are involved with use of a typical format or structure. The IDA “owns” the real property, machinery and equipment and leases them to a “Project Operator.” The Project Operator, in turn, subleases the real property and machinery and equipment to a business.

While the IDA is the “owner” for purposes of the New York real property law, the Project Operator is the true owner of the property for federal tax purposes. Further, the IDA typically attempts to minimize its interest in the property for liability reasons by taking a leasehold interest in the property pursuant to a lease from the Project Operator. Accordingly, in most IDA projects, the IDA “owns” only a leasehold interest in the property.



At the end of the lease term, ownership of the real property, machinery and equipment is transferred from the IDA to either the Project Operator or Tenant. Once title is transferred to the Project Operator or Tenant, the real property becomes fully taxable.

C. PILOTs

Given that IDAs are tax exempt, any property the IDA owns is exempt from property taxes for the entire length of the Lease Agreement. This is where a Payment in Lieu of Tax Agreement (PILOT) comes into play.

IDAs typically require Project Operators/Tenants to execute a PILOT as part of a project. The intent of a PILOT is to avoid allowing a Project Operator/Tenant to be exempt from paying property taxes during the entire time an IDA “owns” the property. A PILOT obligates the Project Operator/Tenant to make payments to local taxing jurisdictions as if the property owned by the tax-exempt IDA was privately owned and taxable. The PILOT allows local taxing jurisdictions to still receive revenues from IDA projects even though the property is tax exempt.

D. Key Provisions with a PILOT

There are two key provisions to understanding how a PILOT is administered:

1. The “Effective” date of the PILOT.

a. Effective Date

The effective date of a PILOT is the date a Certificate of Occupancy (CO) permit is issued by the local Code Enforcement Officer for the construction of the building.

2. Tax Assessment Calendar.

a. Tax Assessment Calendar

Tax rolls for each municipality are completed on March 1st of each year. PILOTs typically are set up so that once a CO is issued, the building becomes assessed on the next tax roll. For example, the tax roll completed on March 1, 2025, was used for the 2025-2026 school tax bills and the 2026 County and City/Town tax bills.

The first year of a PILOT is, therefore, the first tax year after the property goes into the tax assessment roll. For example:

> New Building Completed	:	July, 2025
> CO Issued	:	August, 2025
> Building Goes on Tax Roll	:	March, 2026
> Year 1 of PILOT for:		
School Tax	:	2025-2026 Tax Year (September – August)
County Tax	:	2026 Tax Year (January – December)
City/Town Tax	:	2026 Tax Year (January – December)

The implementation of this annual monitoring program has helped local taxing jurisdictions properly administer PILOTs and ensure that they receive, in a timely fashion, all payments due them.

IV. CONCLUSION

The Montgomery County IDA looks forward to 2026 with additional development across the county. In addition to the continued development at the Exit 29 site, the IDA will work to identify potential sites for new business and industrial parks in the western portion of Montgomery County. The IDA will continue to work closely with the County Legislature for future development and continue to build on its successes to foster a sustainable climate for Montgomery County, where we are "Made of Something Stronger".

V. CONTACTING THE IDA'S FINANCIAL MANAGEMENT

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

Kenneth Rose, Chief Executive Officer
Montgomery County Industrial Development Agency
113 Park Drive, PO Box 277
Fultonville, NY 12072
(518) 853-8334

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

DECEMBER 31, 2025

ASSETS

Cash	
Unrestricted	\$ 2,234,214
Restricted	1,079,056
Loan receivable	178,425
Prepaid expenses	10,031
Fixed assets (net)	1,574,984
TOTAL ASSETS	5,076,710

LIABILITIES

Accounts payable	30,751
Due to other governments	1,683,001
TOTAL LIABILITIES	1,713,752

DEFERRED INFLOWS

Unearned interest income	8,429

NET POSITION

Net investment in capital assets	485,666
Restricted	98,252
Unrestricted	2,770,611
TOTAL NET POSITION	<u><u>\$ 3,354,529</u></u>

See notes to basic financial statements.

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

	Program Revenue			Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Other Program Revenues	
FUNCTION/PROGRAMS				
Real property taxes	\$ 417	\$ 0	\$ 0	\$ (417)
Professional fees	23,484	1,398,174	0	1,374,690
Salaries	82,329	0	0	(82,329)
Insurance expense	12,371	0	0	(12,371)
Depreciation	1,072	0	0	(1,072)
Office expense	15,440	0	0	(15,440)
All other expenses	1,165	60,609	0	59,444
Unallocated	0	55,477	0	55,477
Total function/programs	<u>\$ 136,278</u>	<u>\$ 1,514,260</u>	<u>\$ 0</u>	<u>1,377,982</u>
GENERAL REVENUE				
(Loss) on sale of land				(77,478)
Use of money and property				48,518
Total general revenue				<u>(28,960)</u>
CHANGE IN NET POSITION				1,349,022
TOTAL NET POSITION - BEGINNING OF YEAR				<u>2,005,507</u>
TOTAL NET POSITION - END OF YEAR				<u>\$ 3,354,529</u>

See notes to basic financial statements.

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net position	\$ 1,349,022
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Depreciation expense	1,072
Loss on sale of land	77,478
(Increase) decrease in assets:	
Receivables	89,213
Prepaid	(315)
Increase (decrease) in liabilities and deferred inflows:	
Accounts payable	(72,388)
Due to other governments	(413,102)
Unearned interest income	(10,000)
	<u> </u>
Net cash provided by operating activities	1,020,980

CASH FLOWS FROM INVESTING ACTIVITY:

Net change in fixed assets	<u>392,245</u>
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NET INCREASE IN CASH

1,413,225

CASH - BEGINNING OF YEAR

1,900,045

CASH - END OF YEAR

\$ 3,313,270

RECONCILIATION TO STATEMENT OF NET POSITION

CASH - UNRESTRICTED	\$ 2,234,214
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CASH - RESTRICTED	<u>1,079,056</u>
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TOTAL CASH AND CASH EQUIVALENTS

\$ 3,313,270

See notes to basic financial statements.

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Montgomery County Industrial Development Agency (the Agency) have been prepared in conformity with U.S. generally accepting accounting principles (GAAP). A summary of the significant accounting principles applied in the preparation of the accompanying basic financial statements follows:

a. Organization and Purpose

The Montgomery County Industrial Development Agency is a public benefit corporation established under Title I of Article 18-A, Section 895-d, of the General Municipal Law of the State of New York and Chapter 666 of the Laws of 1970 of the State for the purpose of encouraging economic growth in Montgomery County. Members of the IDA are appointed by the County Board of Supervisors. The IDA is an independent agency.

b. 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.

c. Basis of Presentation

The Agency operations are accounted for in a manner similar to a private business enterprise. The measurement focus is upon determination of net income, financial position and changes in cash flows.

d. Fixed Assets

Fixed assets are stated at cost. Expenditures for additions, renewals and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation, if any, are eliminated from the accounts and the resulting gain or loss is included in revenue. The Agency pursues economic development, in part, by purchasing real property and preparing the property for sale or lease, with an option to buy, to local businesses or to those businesses which desire to relocate to Montgomery County. During the time the Agency holds the property, the Agency attempts to maintain the condition of the property by offering it to businesses under the terms of short-term operating leases. The operating leases are incidental to the objective of selling the property and thereby increasing the County's tax base. Depreciation is not recognized on those properties being temporarily utilized as described above. Depreciation during these lease periods would not be material in amount. Otherwise, depreciation is recognized when an asset is placed in service.

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2025

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

d. Fixed Assets – (Continued)

As of December 31, 2025, the following asset is depreciated using the straight-line method:

<u>Asset</u>	<u>Estimated Useful Life</u>
Parking lot improvements	30 Years

e. Income Taxes

The Agency is exempt from federal, state and local income taxes.

f. Estimates

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

g. Advertising

Advertising costs are expensed as incurred. Marketing expense for the year ended December 31, 2025, was \$-0-.

NOTE 2 – INDUSTRIAL DEVELOPMENT REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by the Agency 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 obligations of the County or New York State. The bonds and notes are not general obligations of the Agency, but rather are special obligations of the Agency, payable solely from the Agency's interest in the assets (real property and equipment) being financed. The Agency 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 Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized when received. At December 31, 2025, there were no bonds outstanding.

NOTE 3 – CASH

The Agency's investment policies are governed by State statutes. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Treasurer 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.

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 and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2025, the Agency's deposits were fully collateralized.

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 4 – FIXED ASSETS (NET)

As of December 31, 2025, fixed assets (net) consist of:

Florida Park:	
Land and development costs	\$ 635,288
Land - conservation and utility easements	13,763
Total	<u>649,051</u>
Exit 29:	
Land	800,069
Glen Park:	
Land	116,571
Total	<u>116,571</u>
Land - to be transferred to other governments	9,283
Land - parking lot	10
Parking lot improvements	97,530
Total	<u>1,672,514</u>
Less accumulated depreciation	<u>(97,530)</u>
Total Fixed Assets (Net)	<u>\$ 1,574,984</u>

NOTE 5 – RESTRICTED CASH

Restricted assets consist of cash in the amount of \$1,079,056 as of December 31, 2025, that is held in escrow for NBT Bank property lease and USDA accounts.

NOTE 6 – LOAN RECEIVABLE

On November 5, 2023, the Agency signed a loan agreement with 131 Riverside LLC for a 4-year term with an interest rate of 4.69% in the amount of \$324,800.

The Agency's loan receivable at December 31, 2025 is as follows:

Loan receivable	\$ 178,425
Less unearned interest income	<u>8,429</u>
Net investment in loan receivable	<u>\$ 169,996</u>

Future loans receivable payments due are:

2026	\$ 83,009
2027	<u>86,987</u>
Total	<u>\$ 169,996</u>

MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE 7 – UNEARNED INTEREST INCOME

Unearned interest income at December 31, 2025, consists of:

Unearned interest income - loan receivable	<u>\$ 8,429</u>
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NOTE 8 – DUE TO OTHER GOVERNMENTS

As of December 31, 2025, \$1,683,001 represents loans owed to Montgomery County, New York, to be used in the development of business/industrial parks within Montgomery County and are comprised of the following:

\$407,197 of the balance is recorded as a liability as the County has passed resolutions requiring the serial bond issued by the County to provide the funding to the Agency be repaid in full once the Glen Canal View Business Park starts generating net revenues.

\$295,000 of the balance is recorded as a liability because the Agency and the County entered into an agreement in September, 2001, which requires the Agency to repay the funds advanced to acquire the Florida Park. The Agency is required to repay the County from the first cash consideration from sales or lease transactions. There was no change in the balance due the County in the current year.

The loans do not have a stated interest rate or due date. No amounts have been recorded in these financial statements related to the interest cost to the Agency since the interest would be offset by an equal amount of revenue from the County.

The remaining balance of \$980,804, represents accounts payable owed to the County and the MC3 fund.

NOTE 9 – RESTRICTED NET POSITION

Restricted net position at December 31, 2025 consists of the following:

USDA revolving loan fund	<u>\$ 98,252</u>
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NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Agency has received a federal grant for specified purposes that is subject to review and audit by the grantor agency or their designee. Such an audit could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the Agency believes such disallowance, if any, will be immaterial.

NOTE 11 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage of and destruction of assets; errors and omissions; and injuries to board members. The Agency has purchased commercial insurance for all of the risks named above. As of December 31, 2025, management is not aware of any claims or potential claims incurred. Therefore, no amounts for losses have been recorded as of December 31, 2025.

NOTE 12 – SUBSEQUENT EVENTS

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



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
Montgomery County Industrial Development Agency
Fultonville, 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 financial statements of the Montgomery County Industrial Development Agency, a public benefit corporation, as of and for the year ended December 31, 2025, 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 12, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Montgomery County Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing 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 Montgomery County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Montgomery 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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery 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 statements. 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 12, 2026

DATED: JANUARY 10, 2007

CODE OF ETHICS

1. Generally. This Code of Ethics applies to both the members and the employees of Montgomery County Industrial Development Agency (the "Agency"). The purpose of this Code of Ethics is to promote honest and ethical conduct and compliance with the law.
2. Definitions. For purposes of the section, unless the context specifically indicates otherwise:
 - (a) "Agency" shall mean the Montgomery County Industrial Development Agency.
 - (b) "employee" shall mean any employee of the Montgomery County Industrial Development Agency.
3. Rule With Respect to Conflicts of Interest. No member or employee of the Agency should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.
4. Standards.
 - (a) No member or employee of the Agency should accept other employment which will impair his independence of judgment in the exercise of his official duties.
 - (b) No member or employee of the Agency should accept employment or engage in any business or professional activity which will require him to disclose confidential information which he has gained by reason of his official position or authority.
 - (c) No member or employee of the Agency should disclose confidential information acquired by him in the course of his official duties nor use such information to further his personal interests.
 - (d) No member or employee of the Agency should use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others.
 - (e) No member or employee of the Agency should engage in any transaction as representative or agent of the Agency with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.
 - (f) A member or employee of the Agency should not by his conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.
 - (g) A member or employee of the Agency should abstain from making personal investments in enterprises which he has reason to believe may be directly involved in decisions to be made by him or which will otherwise create substantial conflict between his duty in the public interest and his private interest.

- (h) A member or employee of the Agency should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.
 - (i) No member or employee of the Agency employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer or employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the Agency.
 - (j) If any officer or employee of the Agency shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is subject to receiving benefits from the Agency, he should file with the members of the Agency a written statement that he has such a financial interest in such activity which statement shall be open to public inspection.
5. Violations. In addition to any penalty contained in any other provision of law any such member or employee who shall knowingly and intentionally violate any of the provisions of this section may be fined, suspended or removed from office or employment in the manner provided by law.

CERTIFICATE OF CHIEF EXECUTIVE OFFICER

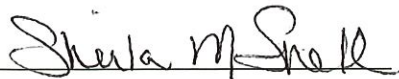
I, Kenneth Rose, certify that I am the Chief Executive Officer of Montgomery County Industrial Development Agency and that this report, to the best of my knowledge, information and belief, is a true and correct statement of the financial transactions and fiscal condition for the year ended December 31, 2025.

Signature: 

Title: Chief Executive Officer

CERTIFICATE OF CHIEF FISCAL OFFICER

I, Sheila Snell, certify that I am the Chief Fiscal Officer of Montgomery 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, 2025.

Signature: 

Title: Chief Fiscal Officer

