



Hamilton County Industrial Development Agency
(A Component Unit of the County of Hamilton, New York)

Financial Statements
December 31, 2025 and 2024

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(A Component Unit of the County of Hamilton, New York)

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Independent Auditor's Report

Chairman and Agency Board
Hamilton County Industrial Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Hamilton County Industrial Development Agency (Agency), a component unit of the County of Hamilton, New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2025 and 2024, and the changes in its financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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.

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 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 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 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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinion on the basic financial statements is not affected by this missing information.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026, on our consideration of the 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 the Agency'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 the Agency's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Latham, New York
March 9, 2026



Hamilton County Industrial Development Agency
(A Component Unit of the County of Hamilton, New York)

Statements of Net Position

	December 31,	
	2025	2024
ASSETS		
Cash	\$ 528,320	\$ 458,961
Cash, restricted	110,111	106,916
Loans receivable, net	406,433	613,916
	\$ 1,044,864	\$ 1,179,793
LIABILITIES AND NET POSITION		
LIABILITIES		
Deposits	\$ -	\$ 1,000
Unearned income	-	1,351
	-	2,351
NET POSITION		
Restricted	110,111	106,916
Unrestricted	934,753	1,070,526
	1,044,864	1,177,442
	\$ 1,044,864	\$ 1,179,793

See accompanying Notes to Financial Statements.

Hamilton County Industrial Development Agency
(A Component Unit of the County of Hamilton, New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,	
	2025	2024
OPERATING REVENUES		
Program income, community development loans	\$ 3,203	\$ 7,584
Interest and fee income, community development loans	13,497	8,856
Grant revenue	-	5,000
Gain on sale of property held for development and resale	-	27,448
	16,700	48,888
OPERATING EXPENSES		
Insurance	577	577
Professional fees	28,696	14,896
Travel	526	379
Provision for uncollectible amounts	128,546	11,401
	158,345	27,253
Operating income (loss)	(141,645)	21,635
NONOPERATING REVENUES		
Interest and earnings	9,067	10,155
	9,067	10,155
Change in net position	(132,578)	31,790
NET POSITION, <i>beginning of year</i>	1,177,442	1,145,652
NET POSITION, <i>end of year</i>	\$ 1,044,864	\$ 1,177,442

See accompanying Notes to Financial Statements.

Hamilton County Industrial Development Agency
(A Component Unit of the County of Hamilton, New York)

Statements of Cash Flows

	Years Ended December 31,	
	2025	2024
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Principal, interest and fee receipts, grant receipts	\$ 97,965	\$ 62,717
Cash received from sale of property held for development and resale	-	27,934
Advances on loans receivable	-	(353,882)
Payments to vendors	(34,478)	(15,852)
	63,487	(279,083)
 CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
Interest income	9,067	10,155
 Net increase (decrease) in cash and cash, restricted	72,554	(268,928)
 CASH AND CASH, RESTRICTED, <i>beginning of year</i>	565,877	834,805
 CASH AND CASH, RESTRICTED, <i>end of year</i>	\$ 638,431	\$ 565,877
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (141,645)	\$ 21,635
Provision for uncollectible amounts	128,546	11,401
(Increase) decrease in		
Loans receivable	78,937	(306,021)
Property held for development and resale	-	486
Increase (decrease) in		
Deposits	(1,000)	1,000
Unearned income	(1,351)	(7,584)
	\$ 63,487	\$ (279,083)

See accompanying Notes to Financial Statements.

Hamilton County Industrial Development Agency
(A Component Unit of the County of Hamilton, New York)

Notes to Financial Statements
December 31, 2025 and 2024

Note 1. Organization and Summary of Significant Accounting Policies

a. Organization and Purpose

The Hamilton County Industrial Development Agency (Agency), a component unit of the County of Hamilton, New York, is a public benefit corporation created in 1986 by the New York State Legislature pursuant to Article 18-A and Section 926-R of the General Municipal Law of the State of New York. The purpose of the Agency is to promote commerce and industry within the County of Hamilton (County) and to advance the general prosperity and economic welfare of the citizens of the County. The primary objective of the Agency is to encourage and assist entrepreneurial activity, business expansion, and job creation. The members of the Agency Board are appointed by the County Board of Supervisors. The Chairman is elected by members of the Agency Board.

b. Basis of Accounting and Financial Statement Presentation

The Agency's financial statements are prepared using the accrual basis in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accounting and financial reporting treatment applied to the Agency is determined by its measurement focus. The transactions of the Agency are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statement of net position. Net position is segregated into restricted and unrestricted components, as follows:

- Net investment in capital assets: Consists of capital assets, net of accumulated depreciation and reduced by related outstanding debt balances.
- Restricted net position: Consists of restricted assets related to the United States Department of Agriculture (USDA) loan program.
- Unrestricted net position: Consists of assets and liabilities that do not meet the definitions of net investment in capital assets or restricted net position.

Revenues are recognized when earned, and expenses are recognized when incurred. The Agency distinguishes operating revenues and expenses from nonoperating items. Operating revenues are determined based on the services provided by the Agency. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

c. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Hamilton County Industrial Development Agency
(A Component Unit of the County of Hamilton, New York)

Notes to Financial Statements
December 31, 2025 and 2024

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

d. Cash and Investments

The Agency's investment policies are governed by New York State statutes. In addition, the Agency has its own written investment policy. Agency funds must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within New York State. The Agency is authorized to use demand accounts, money market 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 not insured by the FDIC. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of New York and its municipalities and school districts. Deposits are categorized as: (1) insured by the FDIC; (2) collateralized, for which the securities are held by the pledging financial institution's trust department or agent in the Agency's name; or (3) uncollateralized.

The Agency's deposits were fully insured or collateralized for the years ended December 31, 2025 and 2024.

e. Loans Receivable, Net

Loans made from community development funds: The Agency has entered into various agreements with the County to act as the subrecipient of certain federal Rural Business Enterprise Grant Program Revolving Loan funds that the County receives from the USDA through the New York State Office of Rural Development. In general, the applicable federal funds and proceeds from the repayment of loans initially made from the federal funds can be used to make grants or loans to eligible recipients for authorized purposes. Federal funds are used for eligible grant and loan programs.

The Agency accounts for federal fund transactions in accordance with the applicable federal and state program requirements. Receipt of the federal pass-through funds is recorded as federal aid revenue when all eligibility requirements have been met, and expenditures for loans or grants to eligible recipients are recorded as expenses. In accordance with federal requirements, the repayment of loan proceeds is considered program income and must be accounted for and used for similar authorized purposes. Accordingly, loans made under the federal programs are also recorded as receivables from the loan recipients, with the principal amount offset by deferred revenues. Some loans were made at 0% interest. Based on compliance with program requirements, portions of some of the outstanding loans may be forgiven. As program revenue is received from the loan repayments and recorded as revenue, the related loans receivable and deferred revenue accounts are also adjusted. If portions of the loans are forgiven, the related loans receivable and deferred revenue accounts are reduced.

Loans made from agency funds: Loans made from Agency funds are repayable in accordance with the individual loan agreements and generally provide for monthly repayments with terms of up to 20 years, with interest ranging from 0% to 3%. These loans are generally collateralized by property of the loan recipients and are stated net of an allowance for estimated uncollectible amounts. The Agency records an allowance based on a review of outstanding loan balances and collection history. The allowance is reviewed annually.

f. Property Held for Development and Resale

Property held for development and resale is recorded at the lower of cost or net realizable value. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas remediation, maintenance, and repair costs are expensed as incurred. When property held for development and resale is retired or otherwise disposed of, the appropriate accounts are relieved of costs, and any resultant gain or loss is credited or charged to the change in net position.

Hamilton County Industrial Development Agency
(A Component Unit of the County of Hamilton, New York)

Notes to Financial Statements
December 31, 2025 and 2024

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

g. Subsequent Events

The Agency has evaluated subsequent events for potential recognition or disclosure through March 9, 2026, the date the financial statements were available to be issued.

Note 2. Loans Receivable

A summary of loan receivable activity during 2025 and 2024 is as follows:

	Loans Receivable	Allowance for Uncollectible Amounts	Loans Receivable, Net
January 1, 2025	\$ 661,637	\$ (47,721)	\$ 613,916
Loans advanced	8,991	-	8,991
Principal repayments	(87,928)	-	(87,928)
Provision for uncollectible amounts	-	(128,546)	(128,546)
December 31, 2025	<u>\$ 582,700</u>	<u>\$ (176,267)</u>	<u>\$ 406,433</u>
	Loans Receivable	Allowance for Uncollectible Amounts	Loans Receivable, Net
January 1, 2024	\$ 355,616	\$ (36,320)	\$ 319,296
Loans advanced	353,882	-	353,882
Principal repayments	(47,861)	-	(47,861)
Provision for uncollectible amounts	-	(11,401)	(11,401)
December 31, 2024	<u>\$ 661,637</u>	<u>\$ (47,721)</u>	<u>\$ 613,916</u>

Note 3. Contingencies, Risks and Uncertainties

The USDA grants received by the Agency through the County are subject to audit by certain agencies of New York State and the United States government. Such audits could result in disallowances and a request for return of funds. The Agency administration believes that disallowances, if any, will be immaterial.

Hamilton County Industrial Development Agency
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Notes to Financial Statements
December 31, 2025 and 2024

Note 4. Civic Facility Revenue Bonds

During the year ended December 31, 1998, the Agency issued Series 1998A Civic Facility Revenues Bonds (Revenue Bonds) totaling \$6,000,000. The Revenue Bonds issued by the Agency are secured by a loan agreement from an independent third-party organization that utilized the proceeds to construct a museum within the County. The repayment terms of the loan agreement match the repayment terms of the Revenue Bonds issued by the Agency. The Agency is obligated to maintain its tax-exempt status; however, the Revenue Bonds are considered conduit debt and, therefore, are not obligations of the Agency. As such, the Agency does not record the Revenue Bonds as liabilities and does not record the related assets that resulted from the construction of the museum. The Revenue Bonds bear interest at rates ranging from 5.125% to 5.250% and are due in November 2028. At December 31, 2025 and 2024, \$1,090,000 and \$1,420,000, respectively, was outstanding on the Revenue Bonds.

Note 5. Accounting Standards Not Yet Implemented

The Agency has not yet implemented the following accounting pronouncements:

GASB Statement No. 103, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model, including a reiteration of the Management's Discussion and Analysis requirements, description and presentation requirements for unusual or infrequent items, definitions of nonoperating revenues and expenses, major component unit presentation requirements, and the requirement that budgetary comparison information be presented as required supplementary information versus as a statement. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. It also establishes disclosure requirements for capital assets held for sale, including disclosures relating to debt for which the capital assets held for sale are pledged as collateral. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Management has not yet estimated the extent of the potential impact of these statements on the Agency's 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**

Independent Auditor's Report

Chairman and Agency Board
Hamilton County Industrial Development Agency

We have audited, 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 (*Government Auditing Standards*), the financial statements of the Hamilton County Industrial Development Agency (Agency), a component unit of the County of Hamilton, New York, 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 9, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from 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 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*.

Agency's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Agency's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is 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 entity'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.

BST & Co. CPAs, LLP

Latham, New York
March 9, 2026



Hamilton County Industrial Development Agency
(A Component Unit of the County of Hamilton, New York)

Schedule of Findings and Responses
Year Ended December 31, 2025

2025-001. Accounting and Financial Reporting

Criteria: The Hamilton County Industrial Development Agency (Agency), a component unit of the County of Hamilton, New York, is required to maintain its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition and cause: The Agency's financial statements required material adjustments during the audit to comply with U.S. GAAP. These adjustments included:

- Adjustments made to net position in order to reflect audit adjustments made in prior years.
- Adjustments to the provision for uncollectible amounts.
- Adjustments made to properly report loans receivable.
- Adjustments made to properly report unearned income.

Effect or potential effect: As noted above, audit procedures identified a number of correcting adjustments to the original trial balance presented at the commencement of the audit.

Recommendation: Those responsible for financial reporting should undergo additional training to help ensure a thorough understanding of U.S. GAAP and the preparation of the financial statements.

Views of responsible officials: The Agency understands the recommendation and will pursue training for its personnel relative to U.S. GAAP for governments and financial statement preparation.