

*SCHENECTADY COUNTY*  
*INDUSTRIAL DEVELOPMENT AGENCY*

*FINANCIAL STATEMENTS*

*DECEMBER 31, 2020*

*SCHENECTADY COUNTY*  
*INDUSTRIAL DEVELOPMENT AGENCY*  
*FINANCIAL STATEMENTS*  
*DECEMBER 31, 2020*

---

	<b><u>Page</u></b>
Independent Auditor's Report	1-2
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8
Supplementary Information	
Statement of Indebtedness	9
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-11
Independent Auditor's Report on Compliance with Laws and Regulations Related to Investment Guidelines for Public Authorities	12

**CUSACK & COMPANY**  
**Certified Public Accountants LLC**  
7 AIRPORT PARK BOULEVARD  
LATHAM, NEW YORK 12110  
(518) 786-3550  
FAX (518) 786-1538  
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM  
WWW.CUSACKCPAS.COM

MEMBERS OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Schenectady County  
Industrial Development Agency  
Schenectady, New York

We have audited the accompanying financial statements of Schenectady County Industrial Development Agency (the "Agency") which comprise the statement of net position as of December 31, 2020, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2020, and the changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *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 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. Our opinion on the basic financial statements is not modified with respect to this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the Agency's basic financial statements as a whole. The accompanying supplementary information on page 9 is presented for purposes of additional analysis is are not a required part of the basic financial statements. The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 accompanying supplementary information on page 9 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 February 19, 2021 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.



**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
February 19, 2021



**SCHENECTADY COUNTY**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020

---

**Assets**

Current Assets:

Cash	\$ 174,765
Prepaid Expense	<u>852</u>

Total Assets	<u><u>\$ 175,617</u></u>
--------------	--------------------------

**Net Position**

Unrestricted Net Position	<u><u>\$ 175,617</u></u>
---------------------------	--------------------------

***SCHENECTADY COUNTY***  
***INDUSTRIAL DEVELOPMENT AGENCY***  
*STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION*  
*FOR THE YEAR ENDED DECEMBER 31, 2020*

---

Revenues:	
Grant Revenue	\$ 52,665
Administrative Fees	255,850
Other Income	<u>3,312</u>
Total Revenues	<u>311,827</u>
Expenses:	
Project Expenses	52,665
Management Fee	76,155
Professional Fees	9,150
Miscellaneous	<u>1,407</u>
Total Expenses	<u>139,377</u>
Changes in Net Position	172,450
Net Position, Beginning of Year	<u>3,167</u>
Net Position, End of Year	<u><u>\$ 175,617</u></u>

*SCHENECTADY COUNTY*  
*INDUSTRIAL DEVELOPMENT AGENCY*  
*STATEMENT OF CASH FLOWS*  
*FOR THE YEAR ENDED DECEMBER 31, 2020*

---

Cash Flows Provided by (Used in) Operating Activities:

Receipts from Customers	\$ 255,850
Receipts from Grants	399,253
Other Income	3,312
Payments to Vendors	(89,170)
Payments for Project Expenses	<u>(399,253)</u>

Net Cash Provided by Operating Activities 169,992

Cash, Beginning of Year 4,773

Cash, End of Year \$ 174,765

Reconciliation of Change in Net Position to Net Cash  
Provided by Operating Activities:

Change in Net Position	\$ 172,450
Adjustments to Reconcile Change in Net Position to Net Cash Provided by (Used in) Operating Activities:	
Changes in Operating Assets and Liabilities	
Grants Receivable	346,588
Prepaid Expense	(57)
Accounts Payable	(64,871)
Due to Metroplex	<u>(284,118)</u>

Net Cash Provided by Operating Activities \$ 169,992

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Organization and Purpose*

The Schenectady County Industrial Development Agency (the “Agency”) is a public benefit corporation established on December 17, 1978, under the mandate of Article 18-A, “New York State Industrial Development Act” of New York State general municipal law. The Agency was established for the purpose of encouraging economic growth within Schenectady County, New York (the “County”).

The Agency’s function is to authorize the issuance of industrial revenue bonds for industrial development projects and to assist businesses in acquiring or constructing various facilities in order to provide job opportunities and increase economic welfare. In return for its efforts, the Agency receives application and closing fees related to this business financing.

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows.

*Accounting Method*

The Agency’s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) for public authorities. 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 in the statement of net position.

Revenues are recognized when earned and expenses are recognized when incurred.

*Estimates*

In preparing financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Cash*

The Agency's investment policy and state statutes authorize the Agency to maintain deposits with FDIC-insured commercial banks located within the state. The Agency is authorized to use demand accounts, money market accounts and certificates of deposit. Collateral is required for all deposits not covered by federal deposit insurance. As of December 31, 2020, all of the Agency's deposits were fully insured or collateralized.

*Industrial Development Revenue Bonds and Note Transactions*

Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by these payments. The bonds and notes are not obligations of the Agency, County, or New York State. 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 arrange the financing between the borrowing companies and the bond note holders, and funds arising therefrom 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 immediately upon issuance of bonds and notes.

At December 31, 2020, the value of bonds outstanding was \$7,405,000.

*Tax Status*

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

*Subsequent Events*

In preparing the financial statements and notes thereto, the Agency considered subsequent events or transactions as to any potential material impact on operations or financial position occurring through February 19, 2021, the date the financial statements were available to be issued. No such events or transactions were identified.

**2. COMMITMENTS AND CONTINGENCIES**

*Administrative Service Agreement*

Effective in 2012, the Agency entered into an administrative service agreement with the Schenectady Metroplex Development Authority (the Authority), an unrelated party. In accordance with the agreement, the Authority provides general administrative functions and other requested services for the Agency at 30% of the administrative fees collected at the closing of projects. The administrative fee was \$76,155 for the year ended December 31, 2020.

**SCHENECTADY COUNTY**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
*NOTES TO FINANCIAL STATEMENTS (CONTINUED)*  
*DECEMBER 31, 2020*

---

**3. UNCERTAINTY**

The United States is presently in the midst of a national health emergency related to a virus commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Agency and its future financial position and results of operations is not presently determinable.

## **SUPPLEMENTARY INFORMATION**

**SCHENECTADY COUNTY**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
 STATEMENT OF INDEBTEDNESS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Project Description</u>	<u>Original Issue Date</u>	<u>Current Interest Rate</u>	<u>Outstanding January 1, 2020</u>	<u>Issued During 2020</u>	<u>Principal Payments 2020</u>	<u>Outstanding December 31, 2020</u>	<u>Final Maturity Date</u>
Sunnyview Hospital 2003A	08/03	Varies	\$ 4,860,000	-	\$ 265,000	\$ 4,595,000	08/33
Sunnyview Hospital 2003B	08/03	Varies	2,970,000	-	160,000	2,810,000	08/33
			<u>\$ 7,830,000</u>	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ 7,405,000</u>	



**CUSACK & COMPANY**  
**Certified Public Accountants LLC**  
7 AIRPORT PARK BOULEVARD  
LATHAM, NEW YORK 12110  
(518) 786-3550  
FAX (518) 786-1538  
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM  
WWW.CUSACKCPAS.COM

MEMBERS OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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***

Board of Directors  
Schenectady County  
Industrial Development Agency  
Schenectady, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Schenectady County Industrial Development Agency, which comprise the statement of net position as of December 31, 2020 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 19, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Schenectady County Industrial Development Agency'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Schenectady County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Schenectady 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Schenectady County Industrial Development 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Schenectady County Industrial Development Agency's financial statements are free from 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 statement 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 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 Schenectady County Industrial Development 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 Schenectady County Industrial Development Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
February 19, 2021

**CUSACK & COMPANY**  
**Certified Public Accountants LLC**  
7 AIRPORT PARK BOULEVARD  
LATHAM, NEW YORK 12110  
(518) 786-3550  
FAX (518) 786-1538  
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM  
WWW.CUSACKCPAS.COM

MEMBERS OF:  
AMERICAN INSTITUTE  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:  
NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAWS AND REGULATIONS RELATED TO INVESTMENT  
GUIDELINES FOR PUBLIC AUTHORITIES**

Board of Directors  
Schenectady County  
Industrial Development Agency  
Schenectady, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Schenectady County Industrial Development Agency (the "Agency", a New York State public benefit corporation), which comprise the statement of net position as of December 31, 2020, and the related statements of revenue, expenses and change in net position and cash flows for the year ended, and have issued our report thereon dated February 19, 2021.

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.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency failed to comply with the Agency's own investment policies as well as applicable laws, regulations, and the State Comptroller's Investment Guidelines. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Agency's noncompliance with the above referenced requirements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of management of the Agency, the Board of Directors, and the New York State Comptroller and is not intended to be and should not be used by anyone other than those specified parties.



**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
February 19, 2021