SCHENECTADY
METROPLEX
DEVELOPMENT AUTHORITY

(A Component Unit of Schenectady County, New York)

Financial Report

December 31, 2021 and 2020

Schenectady Metroplex Development Authority

(A Component Unit of Schenectady County, New York)

Financial Report

December 31, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Schenectady Metroplex Development Authority
Schenectady, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Schenectady Metroplex Development Authority (Authority) (a component unit of Schenectady County, New York), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority as of December 31, 2021 and 2020, 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 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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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 Authority 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 Authority'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 Authority'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 Authority'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 management's discussion and analysis, the schedule of the local government's proportionate share of the net pension liability and the schedule of local government pension contributions 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 audits 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 9, 2022 on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

BST + Co. CPAs, LLP

Albany, New York
March 9, 2022

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Schenectady Metroplex Development Authority

(A Component Unit of Schenectady County, New York)

Management's Discussion and Analysis
December 31, 2021 and 2020

The Schenectady Metroplex Development Authority, hereafter referred to as the Authority, is pleased to present its Financial Report for the years ended December 31, 2021 and 2020, developed in compliance with accounting principles generally accepted in the United States of America (U.S. GAAP). We encourage readers to consider the information presented on pages 4 to 10 in conjunction with the Authority's financial statements (presented on pages 11 to 13) to enhance their understanding of the Authority's financial performance.

Responsibility and Controls

The Authority has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on the recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

The Authority's system of internal accounting controls is evaluated on an on-going basis by the Authority's internal financial staff. Independent external auditors also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements.

The Audit Committee of the Authority's Board of Directors is comprised of members of the Board who are not employees and who provide a broad overview of management's financial reporting and control functions. Periodically, this Committee meets with management and the independent external auditors to ensure these groups are fulfilling their obligations and to discuss auditing, controls, and financial reporting matters.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Authority's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the net position, results of operations, and cash flows of the Authority in conformity with U.S. GAAP.

Audit Assurance

The unmodified (i.e., clean) opinion of our independent external auditors, BST & Co. CPAs, LLP, is included on pages 1 through 3 of this report.

Financial Highlights

This section presents management's discussion and analysis of the Authority's financial condition and activities for the year ended December 31, 2021. This information should be read in conjunction with the financial statements.

Financial Highlights - Continued

The year 2021 marked another active year for the Authority. The Authority continued the growth of its redevelopment investments and activities within its statutory service area, and management believes the Authority's financial position remains very strong. Following are some of the highlights:

- Total operating revenues increased by 14.4% from the prior year, primarily reflecting increases in sales tax revenue as a result of the economic recovery after the COVID-19 pandemic, as well as an increase in administrative fees earned from its affiliation with local Industrial Development Agencies (IDA's).
- The Authority's sales tax revenues reached $10.3 million, an increase from the $9.04 million in 2020, primarily as a result of the economic recovery after the COVID-19 pandemic. The Authority's sales tax revenues in 2020 were 4.5% less than sales tax revenues in 2019 as a result of the COVID-19 pandemic.
- Total operating expenses decreased to $1.01 million in 2021, a 4.4% drop from 2020 which had been 3.4% lower than 2019. Reductions are due primarily to decreased New York State & Local Retirement System and legal costs.
- Total assets were $16.16 million at the end of 2021 and represents a decrease of 1.7% from the prior year primarily as a result of the decrease in outstanding grants receivable in comparison to 2020.
- Total liabilities decreased 7.5% to $46.7 million primarily due to the repayment of the Authority's outstanding bonds payable, with no issuances of debt in 2021.
- Net project grants and expenditures were $4.8 million in 2021 representing an increase from $2.6 million in 2020 and a decrease from $8.5 million in 2019.
- Undistributed project commitments approximated $2.25 million at the end of 2021 as compared to $2.00 million and $2.76 million at the end of 2020 and 2019, respectively.

Required Financial Statements

The financial statements of the Authority report information about the Authority's use of accounting methods which are similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The statement of net position includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and obligations to Authority creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered its operating costs through its sales tax revenues.

Net position represents the accumulated earnings of the Authority, since inception, less project grants and expenses disbursed.

Required Financial Statements - Continued

The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities, and the overall change in cash during the reporting period.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Summary of Organization and Business

The Authority is a public benefit corporation created pursuant to Article 8, Title 28-B of the New York Public Authorities Law. The Authority was created to pursue a comprehensive, coordinated program of economic development activities in the Route 5 and Route 7 corridors of Schenectady County, New York, with special emphasis on the downtown region of the City of Schenectady, New York.

In creating the Authority, the New York State Legislature determined that its establishment was necessary to provide, within the Authority's statutorily described service district, for the economic prosperity, health, safety, and general welfare of the people of the State of New York, through the construction, development, and operation of infrastructure improvements and new facilities to redevelop an area characterized by deteriorated industrial and commercial structures, uncoordinated and incompatible commercial uses, inadequate public facilities, and substandard economic conditions. The Legislature declared the Authority to be performing an essential governmental function. Accordingly, the property, income, and operations of the Authority are exempt from taxation, assessments, special assessments, fees, and special *ad valorem* levies or assessments of any kind, whether state or local, upon or with respect to any property owned by the Authority, or under its jurisdiction, control, or supervision, or upon the uses thereof. Any fares, tolls, rentals, rates, charges, fees revenues, or other income by the Authority are likewise exempt from taxation.

The Authority is governed by a board of eleven members (the Board), all of whom are residents of Schenectady County and each of whom is appointed by majority vote of the Schenectady County Legislature. Two of the Board members are nominated by the City of Schenectady - one each upon the recommendation of the Mayor and the City Council; one member is nominated by each of three different townships within Schenectady County; one member is nominated upon the joint recommendation of the supervisors of two townships in Schenectady County; one member is nominated by the minority leader of the Schenectady County Legislature; two are nominated by the chairman of the Schenectady County Legislature; and two are nominated by joint recommendation of the Schenectady County Legislature. The Board conducts regular monthly meetings that are open to the public pursuant to Article 7 of the New York Public Officers Law, which is New York's version of an "open meetings" law.

The Authority's general purposes are to design, develop, plan, finance, create, site, construct, renovate, administer, operate, manage, and/or maintain buildings, parks, structures, and other facilities within its service district including, without limitation, industrial, manufacturing, entertainment, and infrastructure facilities, and business, commercial, retail, and government office buildings or space. To carry out its corporate purposes, the Authority is vested with and has broad powers, including the authority to borrow money, issue bonds, and enter into contracts and leases.

Summary of Organization and Business - Continued

The Authority is statutorily entitled to receive, for the period beginning September 1, 1998, and ending August 31, 2038, 70% of one-half of one percent of all sales and compensating use tax revenue received by Schenectady County, which may be used to support all of its statutorily authorized purposes and powers. The Authority has a limited obligation to return a portion of its sales tax revenues in the event such revenues exceed statutorily prescribed limits, which are a function of the Authority's current liabilities, reserve fund requirements, and anticipated project funding requirements.

Financial Analysis

The following comparative condensed financial statements and other selected information provide key financial data and indicators for management, monitoring, and planning.

Condensed Statements of Net Position

	December 31,				
	2021	2021 vs. 2020	2020	2020 vs. 2019	2019
ASSETS					
Current assets	$ 10,477,646	9.8%	$ 9,542,338	21.4%	$ 7,860,331
Noncurrent assets	5,685,095	-17.6%	6,902,675	-15.4%	8,154,600
Total assets	16,162,741	-1.7%	16,445,013	2.7%	16,014,931
DEFERRED OUTFLOWS	1,149,713	-4.5%	1,203,482	-1.8%	1,225,877
LIABILITIES					
Current liabilities	5,054,099	7.7%	4,691,108	-15.4%	5,542,639
Noncurrent liabilities	41,654,437	-9.0%	45,778,759	-7.2%	49,327,293
Total liabilities	46,708,536	-7.5%	50,469,867	-8.0%	54,869,932
DEFERRED INFLOWS	393,655	2711.0%	14,004	-53.7%	30,242
NET POSITION					
Investment in capital assets	9,721	-1.1%	9,833	-38.0%	15,865
Restricted	4,417,316	-0.9%	4,457,652	1.1%	4,408,969
Unrestricted deficit	(34,216,774)	-8.3%	(37,302,861)	-11.4%	(42,084,200)
Total net position	**$ (29,789,737)**	**-9.3%**	**$ (32,835,376)**	**-12.8%**	**$ (37,659,366)**

Financial Analysis - Continued

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31,				
	2021	2021 vs. 2020	2020	2020 vs. 2019	2019
Sales tax revenue	$ 10,296,486	13.9%	$ 9,037,850	-4.5%	$ 9,462,961
Other operating revenues	232,740	40.5%	165,655	-24.0%	217,835
Total operating revenues	10,529,226	14.4%	9,203,505	-4.9%	9,680,796
Depreciation	6,237	-4.6%	6,540	-36.2%	10,257
Other operating expenses	1,002,093	-4.4%	1,048,587	-3.1%	1,081,963
Total operating expenses	1,008,330	-4.4%	1,055,127	-3.4%	1,092,220
Net operating revenues	9,520,896	16.8%	8,148,378	-5.1%	8,588,576
Non operating expenses, net	(1,652,810)	128.8%	(722,292)	-64.8%	(2,052,221)
Increase in net position	7,868,086	6.0%	7,426,086	13.6%	6,536,355
NET POSITION, *beginning of year*	(32,835,376)	-12.8%	(37,659,366)	5.5%	(35,692,674)
Project grants, net of project and grant revenues	(4,822,447)	85.3%	(2,602,096)	-69.4%	(8,503,047)
NET POSITION, *end of year*	**$ (29,789,737)**	**-9.3%**	**$ (32,835,376)**	**-12.8%**	**$ (37,659,366)**

General Trends and Significant Events

During 2021, the pace of the Authority's redevelopment efforts throughout its statutorily-defined service district increased in comparison to the pace of 2020, which decreased as a result of the COVID-19 pandemic. Management anticipates that the continuing recovery in the revitalized local economy will create new opportunities in the years ahead. In recognition of the continuing need to pursue such opportunities, in 2016, the County and State legislatures approved amending the Authority's enabling statute to increase its authority to issue bonds to $100 million and extension of the sales tax through August 1, 2038.

Financial Condition

The overall financial position of the Authority remained strong at year-end. Current assets at year-end of 2021 were 64.8% of total assets as compared to 58.0% in 2020 and 49.1% in 2019. Total operating expenses in 2021 represented approximately 9.58% of total revenues, which were below total operating expenses of both 2020 and 2019.

Taxable sales have grown at an average annual rate of 2% to 3% for several decades and are expected to continue to do so in the years ahead. The Authority performs periodic internal cash flow projections to evaluate cash adequacy (particularly during the annual budget process) and to control operational expenses to meet the debt ratio coverage covenant in the Trust Indenture that governs operations and financial requirements.

Long-Term Obligations

As of December 31, 2021, the Authority had $42,995,000 in bonds outstanding related to seven separate general resolution bond issues in 2012, 2014, 2015, 2019 and 2020. The bonds mature in 2027, 2033, 2028, 2033 and 2038, respectively. Principal payments related to these bonds will total $3,590,000 during 2022.

Final Comments

Under terms of the Trust Indenture, the Authority has agreed to maintain operating levels sufficient to produce net revenue for each year: (i) to pay Authority expenses; (ii) to pay debt service on outstanding bond obligations (or other parity debt); and (iii) to produce a debt service coverage ratio greater than or equal to 1.25 in each year.

Jayme Lahut, Executive Director since 1999, continues to serve in that capacity.

Contacting the Authority's Director of Finance

This financial report is intended to provide a general overview of the Authority's financial position and to illustrate the Authority's accountability for the revenue it receives. If you have any questions about this report or need additional financial information, please contact:

Schenectady Metroplex Development Authority's
Director of Finance
433 State Street
Schenectady, New York 12305
www.schenectadymetroplex.com

Principal Officials

The members of the Authority's Board of Directors, confirmed by the Schenectady County Legislature, are as follows:

Name	Board Office	Term Expiration
Ray Gillen	Chair	December 31, 2023
Bradley G. Lewis	Vice Chair	December 31, 2023
Karen Zalewski-Wildzunas	Treasurer	December 31, 2022
Sharon A. Jordan	Secretary	December 31, 2022
Nancy Casso		December 31, 2023
Robert J. Dieterich		December 31, 2022
Todd Edwards		December 31, 2022
Neil M. Golub		December 31, 2023
Michael Angelozzi		December 31, 2022
Steven Rifenburg		December 31, 2023
Vacant Seat (Niskayuna)		December 31, 2023

Schenectady Metroplex Development Authority

(A Component Unit of Schenectady County, New York)

Statements of Net Position

	December 31, 2021	December 31, 2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	$ 4,164,115	$ 1,803,304
Cash and cash equivalents, restricted	18,832	128,734
Sales tax receivable	4,246,071	4,481,310
Current installments of loans receivable, net	396,095	472,561
Grants receivable	-	980,000
Other receivables	922	83,947
Interest receivable	-	10,251
Investment reserves, restricted	1,587,795	1,520,764
Prepaid expenses	63,816	61,467
Total current assets	10,477,646	9,542,338
NONCURRENT ASSETS		
Loans receivable, less current installments, net	2,595,853	3,813,949
Note receivable	250,000	250,000
Investment reserves, restricted	2,829,521	2,828,893
Capital assets, net	9,721	9,833
Total noncurrent assets	5,685,095	6,902,675
Total assets	16,162,741	16,445,013
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	833,569	980,703
Deferred outflows related to net pension liability	316,144	222,779
Total deferred outflows of resources	1,149,713	1,203,482
TOTAL ASSSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 17,312,454**	**$ 17,648,495**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Current installments of bonds payable	$ 3,590,000	$ 3,480,000
Accounts payable and accrued expenses	536,168	354,419
Accrued interest	668,674	598,461
Due to the County of Schenectady, current portion	68,324	65,388
Premium on bonds, net of amortization, current portion	172,101	172,101
Escrow payable	18,832	20,739
Total current liabilities	5,054,099	4,691,108
NONCURRENT LIABILITIES		
Bonds payable, less current installments	39,405,000	42,995,000
Net pension liability	1,332	295,229
Due to the County of Schenectady, less current portion	390,483	458,807
Premium on bonds, net of amortization, less current portion	1,857,622	2,029,723
Total noncurrent liabilities	41,654,437	45,778,759
Total liabilities	46,708,536	50,469,867
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to net pension liability	393,655	14,004
NET POSITION		
Investment in capital assets	9,721	9,833
Restricted	4,417,316	4,457,652
Unrestricted deficit	(34,216,774)	(37,302,861)
Total net position	(29,789,737)	(32,835,376)
TOTAL NET POSITION, LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 17,312,454**	**$ 17,648,495**

See accompanying Notes to Financial Statements.

Schenectady Metroplex Development Authority

(A Component Unit of Schenectady County, New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended December 31, 2021	2020
OPERATING REVENUES		
Sales tax revenues	$ 10,296,486	$ 9,037,850
Other income	232,740	165,655
	10,529,226	9,203,505
OPERATING EXPENSES		
Payroll	452,690	461,082
Payroll taxes	56,991	51,150
Pension plan	58,000	125,980
Health insurance	85,629	59,996
Accounting	72,800	72,600
Advertising	15,870	3,924
Consulting	7,333	15,050
Depreciation	6,237	6,540
Dues and subscriptions	4,901	14,843
Insurance	65,187	68,521
Legal	13,365	40,033
Rent	48,875	52,503
Repairs and maintenance	9,911	9,962
Resource data	55,574	46,301
Utilities	18,082	17,055
Other operating expenses	36,885	9,587
	1,008,330	1,055,127
Net operating revenues	**9,520,896**	**8,148,378**
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	68,922	96,900
Interest expense, net	(1,736,753)	(1,652,278)
Bond issuance costs	-	(145,948)
New York State grant	-	980,000
Debt service fees	(13,342)	(12,748)
Miscellaneous income	28,363	11,782
	(1,652,810)	(722,292)
Change in net position	**7,868,086**	**7,426,086**
NET POSITION, *beginning of year*	(32,835,376)	(37,659,366)
Project grants and expenditures, net of project revenues	(4,822,447)	(2,602,096)
NET POSITION, *end of year*	**$ (29,789,737)**	**$ (32,835,376)**

See accompanying Notes to Financial Statements.

Schenectady Metroplex Development Authority

(A Component Unit of Schenectady County, New York)

Statements of Cash Flows

	Years Ended December 31, 2021	2020
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from sales tax revenues	$ 10,613,861	$ 8,581,278
Cash received from other sources	1,212,740	165,655
Cash paid to suppliers and other vendors	(351,132)	(343,112)
Repayment of loans receivable	870,106	378,900
Cash paid for salaries	(452,690)	(461,082)
Cash paid for employee benefits	(200,620)	(237,126)
	11,692,265	**8,084,513**
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES		
Debt service fees	(13,342)	(12,748)
Bond issuance costs	-	(145,948)
Repayments of bond principal	(3,480,000)	(3,410,000)
Repayment of amounts due to the County of Schenectady	(65,388)	(62,578)
Interest paid	(1,666,540)	(1,759,666)
	(5,225,270)	**(5,390,940)**
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of office furniture and equipment	**(6,125)**	**(508)**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Proceeds from restricted investment reserves	(67,659)	(238,934)
Investment earnings received	79,173	92,646
Miscellaneous earnings received	28,363	11,782
Project grants and expenditures paid, net of project and grant revenues received	(4,249,838)	(2,422,924)
	(4,209,961)	**(2,557,430)**
Net increase in cash and cash equivalents	**2,250,909**	**135,635**
CASH AND CASH EQUIVALENTS, *beginning of year*	1,932,038	1,796,403
CASH AND CASH EQUIVALENTS, *end of year*	**$ 4,182,947**	**$ 1,932,038**
RECONCILIATION OF NET OPERATING REVENUES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net operating revenues	$ 9,520,896	$ 8,148,378
Adjustments to reconcile net operating revenues to net cash provided (used) by operating activities		
Depreciation	6,237	6,540
Change in loans receivable	869,217	378,011
Change in sales tax receivable	235,239	(372,885)
Change in grants receivable	980,000	-
Change in other receivables	83,025	(82,798)
Change in prepaid expenses	(2,349)	7,267
	$ 11,692,265	**$ 8,084,513**
SUPPLEMENTARY CASH FLOW INFORMATION		
Noncash investing activities:		
Series 2019A and 2019B Bond Anticipation Notes redeemed	$ -	$ 9,510,000
Series 2020A and 2020B General Resolution Bonds issued	-	8,040,000

See accompanying Notes to Financial Statements.

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization

On June 30, 1998, the Public Authorities Law and the Executive Law of the State of New York were amended to allow for the establishment of the Schenectady Metroplex Development Authority (Authority) as a public benefit corporation, and to amend the tax law in relation to authorizing additional sales and compensating use taxes in Schenectady County (County). The amended laws (Laws of New York, 1998; Chapter 124, Article 8, Title 28-B) allowed for collection of additional sales and compensating use taxes to begin on September 1, 1998, and to end on August 31, 2033. On May 31, 2016, the amended laws extended the collection of additional sales and compensating use taxes to August 31, 2038. The Schenectady Metroplex Development Authority Act (Act) was created by the New York State Legislature with powers to provide the State of New York and the County with the capability to effectively and efficiently develop, renovate, and optimize the economic and social activities of the Route 5 and Route 7 corridors of the County. The Authority began operations as a component unit of Schenectady County, New York, on January 1, 1999.

The Authority is governed by a Board of eleven members who are residents of the County and are appointed by a majority vote of the County Legislature.

b. Basis of Accounting and Financial Statement Presentation

The Authority's financial statements are prepared 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 Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows and inflows of resources associated with the operations are included on the statements of net position.

Net position is segregated into restricted and unrestricted components, as follows:

- *Investment in capital assets* consists of capital assets, net of accumulated depreciation.
- *Restricted net position* has external constraints placed on use.
- *Unrestricted net position (deficit)* consists of assets, liabilities, and deferred outflows and inflows that do not meet the definition of "net investment in capital assets" or "restricted net position."

Revenues are recognized when earned, and expenses are recognized when incurred. The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues include sales tax revenue and other revenues collected based on the services provided by the Authority. Operating expenses include the costs associated with carrying out the economic development activities of the Authority and providing those services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Project grants and expenditures, net of project and grant revenues, are reported as a direct adjustment to net position.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

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, liabilities, and deferred outflows and inflows of resources, 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.

d. Sales Tax Revenues

Pursuant to Subdivision (C) of Section 1210 (C) of the tax law, the County dedicates one-half of one percent of County sales and compensating use tax on all sales and compensating uses taxable pursuant to Article 29 of the tax law, beginning on September 1, 1998, and ending on August 31, 2038, and annually deposits such net collections received there from in the Schenectady Metroplex Development Authority Support Fund, held by the County. Beginning January 1, 1999, and then quarterly thereafter, the County transfers 70% of net collections received from the one-half of one percent to the Authority. The remaining 30% is transferred by the County to the Schenectady County real property tax abatement and economic development fund.

e. Fair Value Measurements

The Authority reports certain assets at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date (Note 7).

f. Cash and Cash Equivalents

- Cash and cash equivalents include amounts in short-term investments with a maturity date of three months or less from the date of purchase, whether unrestricted or restricted.

- Restricted cash and cash equivalents consist of escrow deposits held on account of others for the payment of future obligations and funds held from the issuance of bonds.

- Unrestricted and restricted cash and cash equivalents are either adequately insured by the Federal Deposit Insurance Corporation or collateralized by securities held by the pledging bank's trust department in the Authority's name or U.S. Government and/or federal agency securities held by the Trustee.

g. Investment Reserves

New York State statutes authorize the Authority to invest in certificates of deposit, obligations of New York State and its localities, the United States Government and its agencies, and repurchase agreements collateralized by U.S. obligations.

For the years ended December 31, 2021 and 2020, the Authority's investments are composed of mutual funds that are compliant with Securities and Exchange Commission Rule 2a-7. The Authority's mutual fund investments have a AAA credit rating from Standard and Poor's and Moody's.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

g. Investment Reserves - Continued

To mitigate custodial credit risk, all of the Authority's investments are held in its own name. The purpose of these investment reserves is described in Note 6.

h. Receivables

Sales tax receivable consists of amounts due from the County from the sales and compensating use tax collections plus interest thereon and amounts due from other entities. Receivables of $4,246,071 and $4,481,310, based in part on estimates by management, are being held by the County in the Schenectady Metroplex Development Authority Support Fund but have not yet been transferred to the Authority as of December 31, 2021 and 2020, respectively.

Loans and notes receivable are carried at the original loan amount less payments of principal received and an allowance for estimated uncollectible balances. Accrued interest income is reported for loan interest earned but not received at year end. As of December 31, 2021, and 2020, the Authority has an allowance of $3,020,888 and $3,031,116, respectively, for loans and notes receivable.

Other than the allowance described above, management considers all other receivables to be fully collectible. If, in the future, management determines that amounts may be uncollectible, the other receivables will be written off or an allowance will be established, and operations will be charged when that determination is made.

In addition, at times the Authority may receive grants from outside parties. There were no grant receivables at December 31, 2021. Grants receivable totaling $980,000 from the New York State Urban Development Corporation were outstanding at December 31, 2020. Management considers grants receivable to be fully collectible.

i. Capital Assets

Capital assets are reported at cost, net of accumulated depreciation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. The Authority uses a capitalization threshold of $500 to analyze expenditures for capitalization. When capital assets are retired or disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited to operations.

Depreciation is provided for in amounts to relate the cost of depreciable assets to operations over their estimated useful lives on a straight-line basis. Leasehold improvements are amortized over the shorter of the life of the asset or the life of the lease with amortization being included in depreciation expense. The estimated useful life for office furniture and equipment, and leasehold improvements ranges from three to five years.

The Authority evaluated prominent events or changes in circumstances affecting capital assets to determine if impairment of any capital assets has occurred. A capital asset is considered impaired if both: (a) the decline in service utility of the capital asset is large in magnitude; and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. There were no impaired capital assets at December 31, 2021 and 2020.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

j. Tax Status

The Authority is exempt from federal income taxes under Section 115 of the Internal Revenue Code and is also exempt from New York State income taxes.

k. Parking Operations

In prior years, the Authority participated in projects to enhance parking opportunities within the City of Schenectady (City). The projects consisted of various City-owned lots and garages, some of which required significant renovations. The City became unable to provide sufficient resources for the capital improvements and maintenance costs associated with the projects and transferred title of several parking lots and a garage to the Authority in 2004. The Authority has and continues to operate the projects at a net loss as part of its revitalization mission. Accordingly, the parking rates charged by the Authority are not designed to recoup operating costs or fund future capital projects. The Authority's ability to dispose of the projects is restricted due to discounted multi-year parking arrangements with the State of New York and other organizations. Due to the financial constraints and the Authority's intent to manage the projects as an economic incentive activity rather than an operational enterprise activity, project costs are reported to project grants and expenditures, net of project and grant revenues as incurred.

l. Deferred Outflows of Resources and Deferred Inflows of Resources

The Authority reports deferred outflows of resources and deferred inflows of resources on its statement of net position in connection with the changes in the net pension liability that will be amortized into pension expense over time, as further described in Note 11. The Authority also reports deferred outflows of resources for deferred loss on a bond refunding, as further described in Note 5.

m. Pensions

The Authority is a participating employer of the New York State and Local Retirement System (System). Employees in permanent positions are required to enroll in the System, and employees in part-time or seasonal positions have the option of enrolling in the System. The System is a cost sharing, multiple-employer, public employee defined benefit retirement system. The impact on the Authority's financial position and results of operations due to its participation in the System is more fully described in Note 11.

n. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 9, 2022, the date the financial statements were available to be issued.

Note 2 - Loans Receivable

A summary of the Authority's loans receivable is as follows:

	December 31, 2021	December 31, 2020
Loans receivable (a) (b)	$ 6,012,836	$ 7,317,626
Less allowance	3,020,888	3,031,116
Less current installments	396,095	472,561
Loans receivable, less current installments	$ 2,595,853	$ 3,813,949

(a) All of the loans include collateral which is specific to each loan. The collateral may include real property, liens on furniture, fixtures and equipment, assignments of rents, and personal guarantees of the project owners.

(b) The loans include terms which vary with each loan. Maturity periods vary up to a maximum of 20 years. The latest maturity date is April 2035. Interest rates vary from 0% to 5%. Required monthly payments range from $938 to $8,772.

A summary of changes in gross loans receivable during the year ended December 31, 2021 is as follows:

Loans receivable, January 1, 2021	$ 7,317,626
Less: loans written off	(434,684)
Less: principal repayments	(870,106)
Loans receivable, December 31, 2021	$ 6,012,836

A summary of changes in gross loans receivable during the year ended December 31, 2020 is as follows:

Loans receivable, January 1, 2020	$ 7,745,693
Less: loans written off	(49,167)
Less: principal repayments	(378,900)
Loans receivable, December 31, 2020	$ 7,317,626

Interest earnings on loans receivable were $67,279 and $73,040 for the years ended December 31, 2021 and 2020, respectively, and are included in investment earnings within these financial statements.

Note 3 - Note Receivable

During December 2008, the Authority transferred real property and a note receivable for $250,000 from Grupo Lucano, LLC to Bombers Real Estate, LLC. As consideration, the Authority received a 20-year unsecured note receivable with no interest. The entire principal balance of the note is due December 2028, or upon sale of the property.

Note 4 - Capital Assets

Capital assets are summarized as follows:

	January 1, 2021	Additions	Dispositions	December 31, 2021
Office furniture and equipment	$ 119,192	$ 6,125	$ (17,970)	$ 107,347
Leasehold improvements	17,198	-	-	17,198
	136,390	6,125	(17,970)	124,545
Accumulated depreciation	(126,557)	(6,237)	17,970	(114,824)
	$ 9,833	$ (112)	$ -	$ 9,721

	January 1, 2020	Additions	Dispositions	December 31, 2020
Office furniture and equipment	$ 118,684	$ 508	$ -	$ 119,192
Leasehold improvements	17,198	-	-	17,198
	135,882	508	-	136,390
Accumulated depreciation	(120,017)	(6,540)	-	(126,557)
	$ 15,865	$ (6,032)	$ -	$ 9,833

Note 5 - Deferred Outflows: Deferred Loss on Bond Refunding

The Authority issued General Resolution Refunding Bonds Series 2012, Series 2015 and Series 2020 during the years ended December 31, 2012, 2015 and 2020, respectively. The Authority's deposits into the respective Series Refunding Escrow accounts exceeded the net carrying value of each of the refunded bonds. This excess resulted in deferred outflows. The deferred outflows are being amortized using the straight-line method over the remaining life of the defeased bonds.

Future amortization of these deferred outflows is summarized as follows:

For the year ending December 31,	
2022	$ 147,147
2023	147,147
2024	130,740
2025	97,922
2026	97,922
2027 through 2031	174,490
Thereafter	38,201
	$ 833,569

Note 6 - Bonds Payable, Net

During August 2012, the Authority issued $13,240,000 of General Resolution Refunding Bonds to provide resources to purchase U.S. Government, state, and local government series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of $13,610,000 of the 2001A and 2004A General Resolution Bonds. The General Resolution Bonds, 2001A were fully redeemed in 2012 and the General Resolution Bonds, 2004A were fully redeemed in 2013. This advance refunding was undertaken to reduce total debt service payments by $491,973 with an estimated present value savings of $844,244. The 2012 General Resolution Refunding Bonds were issued at a premium of $967,200, which is amortized over the life of the bonds on a straight-line basis, which approximates the effective interest method. Amortization of the premium began in 2012. Accumulated amortization expense was $596,440 and $531,960 at December 31, 2021 and 2020, respectively. The terms of the 2012 General Resolution Refunding Bonds include interest at rates ranging from 3.00% to 5.00% during the life of the bonds, payable March 15 and September 15 of each year. The 2012 General Resolution Refunding Bonds include annual principal payments ranging from $290,000 to $1,125,000 and mature September 15, 2027.

During January 2014, the Authority issued $10,030,000 of General Resolution Bonds, Series 2014A, and $7,440,000 of General Resolution Bonds, Series 2014B, to fund certain commercial real estate developments within the Authority's service district approved by the Authority's Board of Directors and refund Bond Anticipation Notes outstanding. The terms of the Series 2014A General Resolution Bonds include interest at rates ranging from 3.50% to 5.00% during the life of the bonds, payable on February 1 and August 1 of each year. The Series 2014A General Resolution Bonds were issued at a premium of $513,848, which is amortized over the life of the bonds on a straight-line basis, which approximates the effective interest method. Amortization of the premium began in 2014. Accumulated amortization expense was $208,136 and $182,123 at December 31, 2021 and 2020, respectively. No principal payments are required on the Series 2014A General Resolution Bonds until December 2024, at which time the annual principal payments range from $100,000 to $1,335,000. The Series 2014A General Resolutions Bond mature on December 31, 2033. The terms of the 2014B General Resolution Bonds include interest at rates ranging from 0.979% to 4.588% during the life of the bonds, payable on February 1 and August 1 of each year. The Series 2014B General Resolution Bonds include annual principal payments ranging from $675,000 to $845,000 and mature on August 1, 2033.

During May 2015, the Authority issued $20,380,000 of General Resolution Refunding Bonds to provide resources to purchase U.S. Government, state, and local government series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of $19,250,000 of the 2005A, 2005B, and 2006 General Resolution Bonds. This advance refunding was undertaken to reduce total debt service payments by $2,477,146, with an estimated present value of savings of $1,935,889. The terms of the 2015 General Resolution Refunding Bonds include interest at rates ranging from 0.450% to 3.934% during the life of the bonds, payable February 1 and August 1 of each year. The General Resolution Refunding Bonds include annual principal payments ranging from $710,000 to $1,880,000 and mature August 1, 2028.

During December 2019, the Authority issued $4,850,000 of General Resolution Refunding Bonds (Federally Taxable) to provide resources to purchase U.S. Government, state, and local government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of $4,530,000 of the 2010A and 2010B General Resolution Bonds. This advance refunding was undertaken to reduce total debt service payments by $1,137,363, with an estimated present value of savings of $900,378. The terms of the 2020 General Resolution Refunding Bonds includes interest at rates ranging from 1.970% to 3.20% during the life of the bonds, payable February 1 and August 1 of each year. The bonds include annual principal payments ranging from $125,000 to $435,000 and mature August 1, 2033.

Note 6 - Bonds Payable, Net - Continued

During December 2020, the Authority issued $6,335,000 of General Resolution Bonds, Series 2020A, and $1,705,000 of General Resolution Bonds, Series 2020B (Federally Taxable) to repay the 2019A and 2019B Bond Anticipation Notes and to finance certain development and parking projects within the Authority's service district. The Series 2020A bonds include interest at a rate of 4.00% during the life of the bonds, payable on February 1 and August 1 of each year. The Series 2020A bonds were issued at a premium of $1,434,859, which is to be amortized using the straight-line basis, which approximates the effective interest method. Amortization of the premium began in 2021. Accumulated amortization expense was $81,608 at December 31, 2021. No principal payments are required on the Series 2020A General Resolution Bonds until August 2027, at which time the annual principal payments range from $365,000 to $655,000. The Series 2020A General Resolution Bonds mature on August 1, 2038. The Series 2020B General Resolution Bonds include interest at rates ranging from 1.166% to 1.979% during the life of the bonds, payable on February 1 and August 1 of each year. No principal payments are required on the Series 2020B General Resolution Bonds until August 2023, at which time the annual principal payments range from $60,000 to $420,000. The Series 2020B General Resolution Bonds mature on August 1, 2027.

All current holders of the Authority's bonds have been provided with a direct pledge of future sales tax revenues to ensure full repayment of outstanding bond balances.

A summary of the Authority's bonds payable is as follows:

	December 31, 2021	December 31, 2020
General Resolution Refunding Bonds, Series 2012	$ 6,210,000	$ 7,100,000
General Resolution Bonds, Series 2014A	10,030,000	10,030,000
General Resolution Bonds, Series 2014B	2,435,000	3,215,000
General Resolution Refunding Bonds, Series 2015	11,870,000	13,365,000
General Resolution Refunding Bonds, Series 2019	4,410,000	4,725,000
General Resolution Refunding Bonds, Series 2020A	6,335,000	6,335,000
General Resolution Refunding Bonds, Series 2020B	1,705,000	1,705,000
Bonds payable, end of year	$ 42,995,000	$ 46,475,000

A summary of bond transactions is as follows:

	December 31, 2021	December 31, 2020
Bonds payable, *beginning of year*	$ 46,475,000	$ 41,845,000
Bonds issued	-	8,040,000
Principal payments	(3,480,000)	(3,410,000)
Bonds payable, *end of year*	$ 42,995,000	$ 46,475,000

Note 6 - Bonds Payable, Net - Continued

A summary of future principal payments and interest payments on the bonds is as follows:

	Principal	Interest	Total
For the year ending December 31,			
2022	$ 3,590,000	$ 1,656,503	$ 5,246,503
2023	4,135,000	1,522,612	5,657,612
2024	4,280,000	1,372,979	5,652,979
2025	4,420,000	1,233,944	5,653,944
2026	4,565,000	1,081,427	5,646,427
2027 through 2031	14,460,000	3,252,381	17,712,381
2032 through 2036	6,260,000	859,705	7,119,705
2037 through 2038	1,285,000	77,600	1,362,600
	$ 42,995,000	$ 11,057,151	$ 54,052,151

Interest expense, net of amortization of bond premium and deferred loss on refunding for the years ended December 31, 2021 and 2020 was $1,734,030 and $1,488,662, respectively. Interest paid during the years ended December 31, 2021 and 2020 totaled $1,670,126 and $1,554,986, respectively.

As required by the bond documents, the Authority is required to establish and maintain certain reserves for the benefit of the bondholders. Reserves reported within the Debt Service Fund are maintained for debt service payments during the upcoming year, while reserves reported within the Debt Service Reserve Fund are maintained for periods extending beyond one year. These reserves are held in trust by M&T Investment Group and are reported at fair value as follows:

	December 31,	
	2021	2020
Investment reserves, restricted		
Debt Service Reserve Fund	$ 2,829,521	$ 2,828,893
Debt Service Fund	1,587,795	1,520,764
	$ 4,417,316	$ 4,349,657

Note 7 - Fair Value Measurements

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of inputs that may be used to measure fair value are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Authority has the ability to access.

Note 7 - Fair Value Measurements - Continued

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted process that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value at December 31, 2021 and 2020:

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Authority are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Authority are deemed to be actively traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level within the fair value hierarchy, the major categories of the Authority's investments measured at fair value:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 4,417,316	$ -	$ -	$ 4,417,316

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 4,349,657	$ -	$ -	$ 4,349,657

Note 8 - Due to the County of Schenectady

During October 2006, the Authority was informed by Schenectady County that excessive sales and use tax collections were erroneously remitted to the Authority for periods prior to December 31, 2005. The Authority has agreed with the County's findings and has entered into a repayment agreement with the County to repay $1,193,076 of excess sales tax revenues over a twenty-one-year period with interest at 4.49%. The agreement expires in 2027.

A summary of future principal and estimated interest payments on the amounts due to the County is as follows:

	Principal	Interest	Total
For the year ending December 31,			
2022	$ 68,324	$ 20,600	$ 88,924
2023	71,391	17,533	88,924
2024	74,597	14,327	88,924
2025	77,946	10,978	88,924
2026	81,446	7,478	88,924
Thereafter	85,103	3,821	88,924
	$ 458,807	$ 74,737	$ 533,544

Interest expense for the years ended December 31, 2021 and 2020 was $22,439 and $26,346, respectively. Interest paid during the years ended December 31, 2021 and 2020 totaled $23,537 and $29,035, respectively.

Note 9 - Project Grants and Commitments

Project grants distributed and expenditures incurred, net of project and grant revenues, during the years ended December 31, 2021 and 2020, and unspent project commitments at December 31, 2021 were as follows:

	Project Grants and Expenditures 2021	Unspent Project Commitments at December 31, 2021	Project Grants and Expenditures 2020
Adirondack Beverages	$ -	$ -	$ 3,280
Airport Business Park	-	-	8,439
Albany Street Demolition	-	-	85,483
ALCO Heritage Trail	-	-	82,249
ALCO Statewide Underwriters	-	-	15,000
Ambition Coffee & Eatery Renovation	33,000	-	-
2 Argyle Place	-	-	200
Back Barn Brewing	3,599	-	-
BelGioioso Cheese	175	46,444	385,425
Best Companies Renovation	-	190,000	-
b. inspired Home Décor	20,000	-	10,000
Bittersweet Candy	-	-	5,000

Note 9 - Project Grants and Commitments - Continued

	Project Grants and Expenditures 2021	Unspent Project Commitments at December 31, 2021	Project Grants and Expenditures 2020
Bobby's Auto Service Site Cleanup	68,786	-	82,747
Bountiful Bread	67,100	-	-
Building 9 - Phase 2	-	-	210
Catapult Games	-	-	6,000
Center City Rehab	2,000	-	-
Centre Street Lofts	68,000	-	2,625
Charles G. Burch Supply	1,040	98,960	-
301 Clinton Street	-	4,250	1,200
C.O.C.O.A. House	-	57,500	-
Columbia Altamont - 1925 Curry	3,525	-	-
Costumer Expansion	144,344	70,656	-
727 Crane Street Façade	-	17,500	-
810 Crane Street Façade	-	53,000	-
815 Crane Street Façade	-	27,500	-
822 Crane Street	8,971	-	-
935 Crane Street Façade	-	52,500	-
944 Crane Street Façade	19,712	925	87,988
Distributed Solar Development Project	-	-	90,000
Downtown Ambassador Program	38,500	42,000	3,836
Downtown Fix-up Project #4	68,750	81,250	-
DSIC	300,828	39,172	180,000
133 Edison Ave.	-	5,000	-
Electric City Art	-	-	1,688
Film Schenectady Marketing	60,000	-	-
First Principles Technology	54,207	33,793	-
The Franklin	-	-	30,000
426 Franklin Street	180,000	-	743
53 Freemans Bridge Road	1,975	53,525	-
Garage Stairwell	404,571	49,329	-
Gazette Press Building	15,229	10,301	15,661
2309 Guilderland Avenue	16,830	-	-
Hillside View	1,399	163,248	-
Homchand "Ramesh" and Radica Doodnauth	-	9,050	-
HP-You, LLC	30,000	-	-
Jahnel Group, Inc. Relocation	-	-	99,000
125 Jay Street Façade	-	-	24,888
Jay Street Lighting	-	-	9,605
229 Liberty Street Parking Lot	-	-	2,200
Live In Schenectady	-	108,387	576
Lower State Street Parking Project	398,489	160,352	52,300

Note 9 - Project Grants and Commitments - Continued

	Project Grants and Expenditures 2021	Unspent Project Commitments at December 31, 2021	Project Grants and Expenditures 2020
Maxon Alco SMRT Study	12,320	-	25,000
Media Well Done Rent Allocation	5,141	-	8,383
Mill Artisan District	-	-	5,075
Miracle on Craig Street	-	179,876	124
Mohawk Harbor Townhouse Project	-	7,373	1,138
The Nest	-	-	8,500
Nott Apartments	-	-	32,650
Open Door Bookstore	-	-	5,346
Orion Boutique	25,000	-	-
P1 Ventures	76,075	28,925	-
Parking Program	1,025,822	-	1,118,320
Passport Downtown Parking Project	25,103	26,201	4,696
Pedestrian Safety and Crosswalk	350	309,650	-
Purchase Adirondack Trailways	391,812	-	-
Purchase Capital Equipment	-	-	11,111
R.A.D. Soap Co.	625	114,375	-
Rail Track Improvement	-	-	1,200
Renaissance Square	-	-	100
Reserve at Towpath Trail	2,516	7,484	-
Residences at Vista Square	-	-	925
Restore New York 2017 Program	-	-	20,074
Risa Management Corp Relocation	-	-	50,000
River Rink at Mohawk Harbor	-	60,000	-
Robinson Block Redevelopment	-	-	2,243
S Church Street Renewal	1,027,341	-	-
Schenectady Armory Center	-	-	75,000
Schenectady Armory Paving	-	-	24,000
Schenectady Trading Company, LLC	-	-	2,727
SI Group Relocation	-	-	600
SMRT Architecture Project	-	-	60,000
13 State Street, LLC Lease	-	6,642	-
400 State Street	-	-	13,750
401 State Street	99,100	-	1,425
500 State Street	3,025	21,975	-
501 State Street	-	24,907	93
Take Two Café	6,000	-	-
Trustco Renovation	100,000	-	-
Upgrade Security Cameras	35,000	-	-
Weigh Station Restoration	-	92,127	7,698
Allowance for loans receivable	434,685	-	1,000,000
Professional services and predevelopment costs (a)	234,869	-	160,817
	5,515,814	$ 2,254,177 (b)	3,927,338
Project revenue	(693,367)		(1,325,242)
	$ 4,822,447		$ 2,602,096

Note 9 - Project Grants and Commitments - Continued

(a) Professional services and predevelopment costs represent costs incurred by the Authority during the review and planning phase of the project approval process. In addition, at times, certain professional fees are incurred by the Authority in connection with approved projects. These costs are not included in the approved grant amount.

(b) Unspent project commitments are subject to meeting project requirements prior to the Authority's release of the funds.

Note 10 - Net Position

The Authority has reported a deficit in its net position as of December 31, 2021 and 2020. This deficit is the result of cumulative project grants and expenditures in excess of net revenues. Funding for these expenditures was mostly provided by proceeds of the Authority's bond obligations which will be repaid over the statutory life of the Authority from future sales tax revenues. Current holders of the Authority's bonds have been provided with a direct pledge of these future sales tax revenues to ensure full repayment of existing obligations, and the Authority has established conservative guidelines under its General Bond Resolution that preclude further borrowings unless repayment capacity can be demonstrated.

Note 11 - New York State and Local Employees' Retirement System

a. Plan Description

The Authority participates in the System, a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct state-wide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Note 11 - New York State and Local Employees' Retirement System - Continued

b. Contributions

Employees in Tier I through IV are noncontributory except for employees with less than 10 years of service who contribute 3% of their salary, Tier V employees who contribute 3% of their salary, and Tier VI employees who contribute between 3% and 6% of their salary. The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. The Authority's contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2021	$	65,814
2020		66,368
2019		61,341

c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021 and 2020, the Authority reported a liability of $1,332 and $295,229, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2021 and 2020, the Authority's proportion was 0.0013378% and 0.0011149%, respectively.

For the years ended December 31, 2021 and 2020, the Authority recognized pension expense of $55,756 and $124,460, respectively. At December 31, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2021		December 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 16,269	$ -	$ 17,375	$ -
Changes in assumptions	244,930	4,619	5,945	5,133
Net differences between projected and actual investment earnings on pension plan investments	-	382,658	151,349	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	54,945	6,378	48,110	8,871
Total	$ 316,144	$ 393,655	$ 222,779	$ 14,004

Note 11 - New York State and Local Employees' Retirement System - Continued

c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021 related to pensions will be recognized in pension expense as follows:

For the year ending December 31,	
2022	$ (2,943)
2023	5,253
2024	(12,802)
2025	(67,019)
	$ (77,511)

d. Actuarial Assumptions

The total pension liability at March 31, 2021 and 2020 was determined by using an actuarial valuation as of April 1, 2020 and 2019, respectively, with updated procedures used to roll forward the total pension liability to March 31, 2021 and 2020. The actuarial valuation used the following actuarial assumptions, which were consistent from year to year:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.70% (2021), 2.50% (2020)
Salary Scale	4.40% (2021), 4.20% (2020)
Investment Rate of Return, Including Inflation	
2021	5.90% compounded annually, net of expenses
2020	6.80% compounded annually, net of expenses
Cost of Living Adjustment	1.40% (2021), 1.30% (2020)
Decrement	
2021	Based on FY 2015 - 2020 experience
2020	Based on FY 2010 - 2015 experience
Mortality improvement	System Experience and Society of Actuaries

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 11 - New York State and Local Employees' Retirement System - Continued

e. Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the applicable valuation dates are summarized as follows:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic portfolio and absolute return strategies	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	1.00%	0.50%
	100.00%	

f. Discount Rate

The discount rate projection of cash flows assumed that contributions from members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability as of December 31, 2021 calculated using the discount rate of 5.90%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Authority's proportionate share of the net pension liability (asset)	$ 369,740	$ 1,332	$ (338,426)

Note 11 - New York State and Local Employees' Retirement System - Continued

h. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the New York State and Local Employees' Retirement System as of March 31, 2021 and 2020 were as follows (amounts in thousands):

	March 31, 2021	March 31, 2020
Employers' total pension liability	$ 220,680,157	$ 194,596,261
Plan net position	(220,580,583)	(168,115,682)
Employers' net pension liability	$ 99,574	$ 26,480,579
Ratio of plan net position to the employers' total pension liability	99.95%	86.39%

Note 12 - Commitments, Contingencies, Risks, and Uncertainties

a. Bonds and Notes

The Authority has the ability to issue bonds, notes, or other obligations to pay for the cost of any project. As more fully described in the Act, the principal amount of such outstanding obligations may not exceed $100,000,000. At December 31, 2021, the Authority had issued a total of $81,845,000 in bonds. There were $42,995,000 and $46,475,000 of outstanding obligations, related to its General Resolution Bonds described in Note 6 at December 31, 2021 and 2020, respectively.

b. Leases

During September 2020, the Authority entered into a lease agreement for its office space. Monthly payments range from $4,073 to $5,071 over the term of the lease. The lease expires December 31, 2025. A summary of future minimum annual payments under the lease is as follows:

For the year ending December 31,	
2022	$ 60,856
2023	60,856
2024	60,856
2025	60,856
	$ 243,424

The Authority's previous lease agreement required payments totaling $4,773 per month during of the year ended December 31, 2020. As a result of the executed September 2020 lease agreement, the lessor fully abated rent in July 2020. Total rent expense was $48,875 and $52,503 for the years ended December 31, 2021 and 2020, respectively.

Note 12 - Commitments, Contingencies, Risks, and Uncertainties - Continued

c. Employment Agreement

The Authority has entered into a contract with its Executive Director which states that the Executive Director shall receive severance pay equal to 50% of his annual salary upon termination.

d. Return of Revenues

In the event that the sales tax revenues the Authority receives from Schenectady County exceed its current liabilities by more than 10% at the end of its year, after a lawful deposit in its reserve fund of not less than 5% of its revenues, and after a lawful deposit into its construction and development account in the amount necessary to provide payment for the anticipated projects of the next year, then the Authority must return to the County 75% of such surplus amount.

During the years ended December 31, 2021 and 2020, the Authority recognized sales tax revenues of $10,296,486 and $9,037,850, respectively. As of December 31, 2021, and 2020, the Authority had outstanding project and loan commitments totaling $2,254,177 and $2,002,518, respectively, which the Authority has authorized to be distributed in the next year. The Authority also had current liabilities of $5,054,099 and $4,691,108 at December 31, 2021 and 2020, respectively, payable during 2021 and 2022, respectively.

As of December 31, 2021, the Authority was not obligated to return revenues to the County, other than those described in Note 8.

e. Litigation Claims

The Authority is involved in an action for alleged breach of contract relating to the development of a property. In management's and counsel's opinion, if the action moves forward, the Authority has numerous strong defenses. Management and counsel are unable to predict any final outcome.

The Authority is involved in several claims from outside parties. Either no formal action has commenced as a result of these claims or they are in the discovery stage, and the claims are being reviewed by management and counsel for merit. As a result, management and counsel cannot render an opinion on the merits of the claims or their potential effects, if any, on the financial position of the Authority as of the date of this report. However remote, if any damages were ultimately awarded to plaintiffs that are attributed to the Authority, those damages would be covered by the Authority's insurance policies.

No adjustments have been made to the financial statements related to these claims.

f. Environmental Risks

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Authority expect such compliance to have, any material effect upon the capital expenditures or financial condition of the Authority. Management believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

Note 12 - Commitments, Contingencies, Risks, and Uncertainties - Continued

g. Custodial Credit Risk

Investment reserves are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority and are held either by: (a) the counterparty; or (b) the counterparty's trust department or agent but not in the government's name. All of the Authority's investments are held under its name with the trustee.

h. Fair Value of Investments

The Authority invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Note 13 - Accounting Pronouncements Issued But Not Yet Implemented

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations.* The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2021.* This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries and derivative instrument terminology was effective upon the issuance of the standard in January 2021. The remaining components of this standard, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

Note 13 - Accounting Pronouncements Issued But Not Yet Implemented - Continued

GASB Statement No. 93, *Replacement of Interbank Offered Rates.* This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions to the reference rate. The objecting of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods beginning after December 31, 2021. The requirements to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement were effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a government or nongovernment entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPP's meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator to require to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) including the definition of a SBITA, establishment of a right-to-use subscription asset and related liability, providing capitalization criteria, and requiring note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

Note 13 - Accounting Pronouncements Issued But Not Yet Implemented - Continued

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* This statement has three objectives: (1) to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board would typically perform; (2) to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans (OPEB), and employee benefit plans other than pension plans or OPEB plans as a fiduciary component unit in fiduciary fund financial statements; and (3) to enhance the relevance, consistency, and comparability of the accounting and financial reporting of the Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Certain requirements of this statement are effective immediately, and certain requirements are effective for reporting periods beginning after June 15, 2021.

Management has not yet estimated the potential impact of these statements on the Authority's financial statements.

Schenectady Metroplex Development Authority

(A Component Unit of Schenectady County, New York)

Required Supplementary Information - Schedule of the Local Government's
Proportionate Share of the Net Pension Liability

	December 31,						
	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.0013378%	0.0011149%	0.0012862%	0.0011964%	0.0011767%	0.0012218%	0.0121940%
Authority's proportionate share of the net pension liability	$ 1,332	$ 295,229	$ 91,134	$ 38,612	$ 110,567	$ 196,107	$ 41,194
Authority's covered-employee payroll	$ 455,078	$ 471,269	$ 451,887	$ 526,087	$ 513,214	$ 476,888	$ 464,911
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.29%	62.65%	20.17%	7.34%	21.54%	41.12%	8.86%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

Schenectady Metroplex Development Authority

(A Component Unit of Schenectady County, New York)

Required Supplementary Information
Schedule of Local Government Pension Contributions
Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 65,814	$ 66,368	$ 61,341	$ 71,891	$ 77,422	$ 72,842	$ 84,368	$ 96,359	$ 87,189	$ 73,965
Contributions in relation to the contractually required contribution	65,814	66,368	61,341	71,891	77,422	72,842	84,368	96,359	87,189	73,965
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	455,078	471,269	451,887	526,087	513,214	476,888	464,911	464,775	392,040	386,265
Contributions as a percentage of covered-employee payroll	14.46%	14.08%	13.57%	13.67%	15.09%	15.27%	18.15%	20.73%	22.24%	19.15%

See Independent Auditor's Report.