

SCHENECTADY COUNTY CAPITAL RESOURCE CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

SCHENECTADY COUNTY CAPITAL RESOURCE CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Schenectady County Capital Resource Corporation

Opinion

We have audited the accompanying financial statements of the Schenectady County Capital Resource Corporation (the "SCCRC") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Schenectady County Capital Resource Corporation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Schenectady County Capital Resource Corporation 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 Schenectady County Capital Resource Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards and with *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 generally accepted auditing standards and with *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 Schenectady County Capital Resource Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schenectady County Capital Resource Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 28, 2024, on our consideration of the Schenectady County Capital Resource Corporation'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 Schenectady County Capital Resource Corporation'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 Schenectady County Capital Resource Corporation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
February 28, 2024

SCHENECTADY COUNTY CAPITAL RESOURCE CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Assets			
Cash		\$ <u>107,828</u>	\$ <u>112,108</u>
	<u>NET ASSETS</u>		
Net Assets			
Net Assets Without Restrictions		\$ <u>107,828</u>	\$ <u>112,108</u>

SCHENECTADY COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenues:		
Administrative Fees	\$ -	\$ 141,139
Interest	<u>20</u>	<u>18</u>
Total Revenues	<u>20</u>	<u>141,157</u>
 Program Expenses:		
Management Fees	-	42,341
Contracted Services	<u>4,300</u>	<u>4,200</u>
Total Expenses	<u>4,300</u>	<u>46,541</u>
 Change in Net Assets	(4,280)	94,616
 Net Assets, Beginning of Year	<u>112,108</u>	<u>17,492</u>
 Net Assets, End of Year	<u>\$ 107,828</u>	<u>\$ 112,108</u>

SCHENECTADY COUNTY CAPITAL RESOURCE CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ (4,280)	\$ 94,616
Cash, Beginning of Year	<u>112,108</u>	<u>17,492</u>
Cash, End of Year	<u><u>\$ 107,828</u></u>	<u><u>\$ 112,108</u></u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Schenectady County Capital Resource Corporation (the “SCCRC”) was formed in August 2010 as a not-for-profit local development corporation. The SCCRC is a public instrumentality of, but separate and apart from, Schenectady County (the “County”), governed by three to seven directors appointed by the governing body of the County. The SCCRC’s purpose is to promote community and economic development and the creation and maintenance of job opportunities in the County by developing and providing programs for non-profit and commercial organizations to access low interest tax-exempt and non-tax-exempt financing.

Basis of Accounting and Reporting

The financial statements of the SCCRC have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Cash

The Organization maintains cash in a bank. The balances were fully insured by the Federal Deposit Insurance Corporation as of December 31, 2023 and 2022.

Industrial Development Revenue Bonds and Note Transactions

Certain industrial development revenue bonds and notes issued by the SCCRC are secured by property which is leased to companies and is retired by these payments. The bonds and notes are not obligations of the SCCRC. The SCCRC 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 SCCRC receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes.

At December 31, 2023 and 2022, the value of bonds outstanding were \$87,520,000 and \$90,620,000, respectively.

Income Taxes

The SCCRC is an affiliate of a governmental unit and as such is exempt from Federal income taxes pursuant to §501(a) of the code and is not required to file annual information returns on Form 990.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value

The Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the SCCRC would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

Cash - The carrying amounts approximate fair value because of the short maturity of the instrument.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through February 28, 2024, the date the financial statements were available to be issued. No such events or transactions were identified.

2. ADMINISTRATIVE SERVICE AGREEMENT

Effective in 2012, the SCCRC 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. The terms of the agreement require the SCCRC to pay 30% of the administrative fee collected at closings of projects. The SCCRC paid the Authority \$42,341 for the year ended December 31, 2022 only.

SUPPLEMENTARY INFORMATION

SCHENECTADY COUNTY CAPITAL RESOURCE CORPORATION

SCHEDULE OF INDEBTEDNESS

DECEMBER 31, 2023

Project Description	Original Issue Date	Current Interest Rate	Outstanding January 1, 2023	Issued During 2023	Principal Payments 2023	Outstanding December 31, 2023	Final Maturity Date
Union College	2017	Varies	\$ 58,135,000	\$ -	\$ 3,100,000	\$ 55,035,000	1/2047
Union College	2022	Varies	16,240,000	-	-	16,240,000	7/2032
Union College	2022	Varies	2,915,000	-	-	2,915,000	7/2048
Union College	2022	Varies	3,075,000	-	-	3,075,000	7/2049
Union College	2022	Varies	3,240,000	-	-	3,240,000	7/2050
Union College	2022	Varies	3,415,000	-	-	3,415,000	7/2051
Union College	2022	Varies	<u>3,600,000</u>	<u>-</u>	<u>-</u>	<u>3,600,000</u>	7/2052
			<u>\$ 90,620,000</u>	<u>\$ -</u>	<u>\$ 3,100,000</u>	<u>\$ 87,520,000</u>	

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**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 Capital Resource Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Schenectady County Capital Resource Corporation (the "SCCRC") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Schenectady County Capital Resource Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Schenectady County Capital Resource Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Schenectady County Capital Resource Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Schenectady County Capital Resource Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
February 28, 2024

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

Board of Directors
Schenectady County Capital Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Schenectady County Capital Resource Corporation's (the "SCCRC"), which comprise the statement of net position as of December 31, 2023, and the related statements of activities and cash flows for the year ended, and have issued our report thereon dated February 28, 2024.

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 SCCRC failed to comply with the SCCRC'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 SCCRC'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 SCCRC, 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 28, 2024