

***ALBANY COUNTY
CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF
ALBANY COUNTY***

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019



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CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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CELEBRATING 50 YEARS OF SERVICE

The Board Of Directors
Albany County Capital Resource Corporation,
a Component Unit of Albany County
Albany, NY

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the Albany County Capital Resource Corporation, (the Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Albany County Capital Resource Corporation, as of December 31, 2020 and 2019, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021, on our consideration of the Albany 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 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 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 Albany County Capital Resource Corporation's internal control over financial reporting and compliance.

Leah Becker & Charonnet, CPAs PC

Albany, New York
March 30, 2021

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF ALBANY COUNTY**

Statements Of Financial Position

December 31

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 1,866,609	\$ 1,325,192
Prepaid expenses	<u>1,676</u>	<u>1,623</u>
Total Assets	<u>\$ 1,868,285</u>	<u>\$ 1,326,815</u>
 <u>Liabilities And Net Assets</u>		
Net assets without donor restrictions	<u>\$ 1,868,285</u>	<u>\$ 1,326,815</u>
Total Liabilities And Net Assets	<u>\$ 1,868,285</u>	<u>\$ 1,326,815</u>

The accompanying notes are an integral part of these financial statements

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF ALBANY COUNTY**

Statements Of Activities

For The Years Ended December 31

	<u>2020</u>	<u>2019</u>
Unrestricted support and revenues:		
Fees	\$ 570,041	\$ 129,030
Interest income	<u>14,468</u>	<u>13,399</u>
Total unrestricted support and revenues	<u>584,509</u>	<u>142,429</u>
Functional expenses:		
Program services	30,242	297,586
Supporting services	<u>12,797</u>	<u>14,039</u>
Total functional expenses	<u>43,039</u>	<u>311,625</u>
Increase (decrease) in net assets without donor restrictions	541,470	(169,196)
Net assets without donor restrictions - beginning	<u>1,326,815</u>	<u>1,496,011</u>
Net Assets Without Donor Restrictions - Ending	<u>\$ 1,868,285</u>	<u>\$ 1,326,815</u>

The accompanying notes are an integral part of these financial statements

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF ALBANY COUNTY**

Statements Of Functional Expenses

For The Years Ended December 31, 2020 And 2019

	2020		
	Program Services	Supporting Services	Total
Functional expenses:			
Advertising sponsorship	\$ 30,242	\$ -	\$ 30,242
Administrative services	-	6,000	6,000
Accounting	-	3,500	3,500
Insurance	-	2,031	2,031
Training and seminars	-	1,250	1,250
Bank Fees	-	16	16
	<u>\$ 30,242</u>	<u>\$ 12,797</u>	<u>\$ 43,039</u>
Total Functional Expenses	<u>\$ 30,242</u>	<u>\$ 12,797</u>	<u>\$ 43,039</u>

	2019		
	Program Services	Supporting Services	Total
Functional expenses:			
Economic development support	\$ 200,000	\$ -	\$ 200,000
Advertising and reception sponsorship	97,586	-	97,586
Legal	-	2,500	2,500
Administrative services	-	6,000	6,000
Accounting	-	3,500	3,500
Insurance	-	1,992	1,992
Bank Fees	-	47	47
	<u>\$ 297,586</u>	<u>\$ 14,039</u>	<u>\$ 311,625</u>
Total Functional Expenses	<u>\$ 297,586</u>	<u>\$ 14,039</u>	<u>\$ 311,625</u>

The accompanying notes are an integral part of these financial statements

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF ALBANY COUNTY**

Statements Of Cash Flows

For The Years Ended December 31

	<u>2020</u>	<u>2019</u>
Operating activities:		
Increase (decrease) in net assets without donor restrictions	\$ 541,470	\$ (169,196)
Changes in operating assets and liabilities:		
Prepaid expenses	<u>(53)</u>	<u>(30)</u>
Net cash flows from (for) operating activities	<u>541,417</u>	<u>(169,226)</u>
Net increase (decrease) in cash	541,417	(169,226)
Cash - beginning	<u>1,325,192</u>	<u>1,494,418</u>
Cash - Ending	<u>\$ 1,866,609</u>	<u>\$ 1,325,192</u>

The accompanying notes are an integral part of these financial statements

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies

Background information - The Albany County Capital Resource Corporation, (the Organization) was formed on September 8, 2014, pursuant to Sections 402 and 1411 of the Not-For-Profit Corporation Laws of the State of New York. The Organization promotes community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of Albany County by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects.

Additionally, the Organization's purpose is to undertake projects and activities within Albany County for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding Albany County by attracting new industry to the County or by encouraging the development of, or retention of, an industry in the County, and lessening the burdens of government and acting in the public interest. The Directors of the Organization are appointed by the Albany County Legislature. The Organization's Directors have complete responsibility for management of the Organization and accountability for fiscal matters.

Recently adopted accounting principle - Effective January 1, 2019, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and all subsequent amendments issued thereafter, that amend the accounting guidance on revenue recognition. The Organization adopted Topic 606 using a modified retrospective method with a cumulative-effect adjustment to net assets recognized as of the date of adoption.

The adoption of this accounting guidance as of January 1, 2019 did not have a material effect on the Organization's financial position and results of operations, and the Organization did not record a cumulative catch-up adjustment to the opening balance of net assets.

Revenue recognition - Revenue from contracts with customers is recognized using the five-step model: (1) identify the contract, (2) identify performance obligations, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue. Contracts with customers are typically defined by the Organization's customary business practices and are valued at the contract price. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies (Continued)

The Organization has identified its material revenue stream as follows:

The Organization develops and provides programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects. For the Organization's services, various fees are charged as a result of their assistance. These fees may include an administrative fee for bond issuance, application fee, fees for modification or amendment transactions, post-closing modification amendments, special meeting fees and other miscellaneous fees. Revenues from such services are recognized at the agreed-upon contractual amount at a point in time as the service is performed. Upon completion of service, a receivable is recorded related to this revenue as the Organization has an unconditional right to invoice and receive payment. Payments are typically received shortly after services have been rendered.

Basis of presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies (Continued)

Functional allocation of expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization allocates expenses based on project closings and all other expenses incurred have been directly allocated to their specific program or supporting services.

Revenue bonds - The Organization may issue revenue bonds. The bonds are special obligations of the Organization payable solely from revenue derived from the leasing, sale, or other disposition of a project. As explained more fully in Note 3, there is no liability to the Organization; therefore, the obligations are not accounted for in the accounts of the Organization.

Income taxes - The Organization is exempt from federal income taxes under the Internal Revenue Code. Tax positions are evaluated and recognized in the financial statements when it is more-likely-than-not that the position will be sustained upon examination by tax authorities.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Organization periodically evaluates estimates and assumptions used in the preparation of the financial statements and makes changes on a prospective basis when adjustments are necessary. Significant estimates made by the Organization in the accompanying financial statements include certain assumptions related to the allocation of expenses between program services and supporting services. Actual results could differ from these estimates.

Presentation - Certain reclassifications, when applicable, are made to the prior year financial statement presentation to correspond to the current year's format. Reclassifications, when made, have no effect on total net assets or changes in net assets.

Note 2: Availability And Liquidity

The Organization has \$1,866,609 of cash available within one year of the statements of financial position date to meet cash needs for general expenditure. None of the cash is subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statements of financial position date. The Organization expects that the available cash and future receipts will cover future expenditures for the period of one year from the statements of financial position date.

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
A COMPONENT UNIT OF ALBANY COUNTY**

Notes To Financial Statements

Note 3: Revenue Bond Transactions

Revenue bonds issued by the Organization are secured by property which is leased to private companies. The debt is retired by lease payments. The bonds are not obligations of New York State, Albany County, and are not a liability of the Organization. Accordingly, the Organization does not record the related activity in its accounts. The Organization acts merely as a financing conduit. For providing the service, the Organization receives an administrative fee. Such administrative fee income is recognized immediately upon issuance of bonds. Revenue bonds outstanding as of December 31, 2020 total \$17,160,987.

Note 4: Concentrations Of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash in financial institutions. Accounts at each institution are insured up to the Federal Deposit Insurance Corporation limits.

Note 5: Commitments And Contingencies

The Organization follows the guidance for uncertainty in income taxes. As of December 31, 2020, the Organization believes that it has appropriate support for the income tax positions taken and to be taken on its returns based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Organization has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

Note 6: Risks And Uncertainties

The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's customers and employees, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain and cannot be reasonably estimated at this time.

Note 7: Subsequent Events

Subsequent events have been evaluated through March 30, 2021, which is the date the financial statements were available to be issued.



CELEBRATING 50 YEARS OF SERVICE

**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***

The Board Of Directors
Albany County Capital Resource Corporation,
a Component Unit of Albany County

Independent Auditors' Report

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 Albany County Capital Resource Corporation, (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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.

Teal Becker & Charamonte CPAs PC

Albany, New York
March 30, 2021