

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

***FINANCIAL STATEMENTS***

***DECEMBER 31, 2023 AND 2022***



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

## **Independent Auditors' Report**

### **Report on the Audits of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Albany County Capital Resource Corporation, a Component Unit of Albany County (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Albany County Capital Resource Corporation, a Component Unit of Albany County 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Albany County Capital Resource Corporation, a Component Unit of Albany County 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 Albany County Capital Resource Corporation, a Component Unit of Albany County's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audits 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 auditors' 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 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 audits.
- 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 Albany County Capital Resource Corporation, a Component Unit of Albany County'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 Albany County Capital Resource Corporation, a Component Unit of Albany County'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, on our consideration of the Albany County Capital Resource Corporation, a Component Unit of Albany County'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 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, a Component Unit of Albany County's internal control over financial reporting and compliance.

*Leah Becker & Charamonte, CPAs PC*

Albany, New York  
March 27, 2024

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

Statements Of Financial Position

December 31

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>Assets</u></b>		
<b>Current assets:</b>		
Cash	\$ 1,607,014	\$ 1,671,223
Loan receivable (Note 3)	-	7,111
Prepaid expenses	<u>1,739</u>	<u>1,758</u>
Total current assets	<u>1,608,753</u>	<u>1,680,092</u>
 <b>Loan receivable (Note 3)</b>	 <u>194,988</u>	 <u>188,253</u>
 <b>Total Assets</b>	 <u><u>\$ 1,803,741</u></u>	 <u><u>\$ 1,868,345</u></u>
 <b><u>Liabilities And Net Assets</u></b>		
 <b>Net assets without donor restrictions</b>	 <u><u>\$ 1,803,741</u></u>	 <u><u>\$ 1,868,345</u></u>
 <b>Total Liabilities And Net Assets</b>	 <u><u>\$ 1,803,741</u></u>	 <u><u>\$ 1,868,345</u></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><b>2023</b></u>	<u><b>2022</b></u>
<b>Support and revenues:</b>		
Interest income	\$ 38,866	\$ 6,117
Total support and revenues	<u>38,866</u>	<u>6,117</u>
<b>Functional expenses:</b>		
Supporting services	83,470	25,955
Program services	<u>20,000</u>	<u>-</u>
Total functional expenses	<u>103,470</u>	<u>25,955</u>
<b>Decrease in net assets without donor restrictions</b>	(64,604)	(19,838)
<b>Net assets without donor restrictions - beginning</b>	<u>1,868,345</u>	<u>1,888,183</u>
<b>Net Assets Without Donor Restrictions - Ending</b>	<u><u>\$ 1,803,741</u></u>	<u><u>\$ 1,868,345</u></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

<b>2023</b>			
	<b>Program Services</b>	<b>Supporting Services</b>	<b>Total</b>
<b>Functional expenses:</b>			
Management fee	\$ -	\$ 66,667	\$ 66,667
Advertising sponsorship	20,000	-	20,000
Legal	-	5,850	5,850
Accounting	-	4,600	4,600
Administrative services	-	3,600	3,600
Insurance	-	2,338	2,338
Bank fees	-	415	415
<b>Total Functional Expenses</b>	<b>\$ 20,000</b>	<b>\$ 83,470</b>	<b>\$ 103,470</b>
<b>2022</b>			
	<b>Program Services</b>	<b>Supporting Services</b>	<b>Total</b>
<b>Functional expenses:</b>			
Legal	\$ -	\$ 12,500	\$ 12,500
Administrative services	-	7,200	7,200
Accounting	-	4,000	4,000
Insurance	-	2,255	2,255
<b>Total Functional Expenses</b>	<b>\$ -</b>	<b>\$ 25,955</b>	<b>\$ 25,955</b>

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

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Operating activities:</b>		
Decrease in net assets without donor restrictions	\$ (64,604)	\$ (19,838)
Changes in operating assets:		
Loan receivable	376	4,636
Prepaid expenses	<u>19</u>	<u>-</u>
Net cash flows for operating activities	<u>(64,209)</u>	<u>(15,202)</u>
<b>Net decrease in cash</b>	(64,209)	(15,202)
<b>Cash - beginning</b>	<u>1,671,223</u>	<u>1,686,425</u>
<b>Cash - Ending</b>	<u><u>\$ 1,607,014</u></u>	<u><u>\$ 1,671,223</u></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, a Component Unit of Albany County, (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.

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 that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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

Notes To Financial Statements

**Note 1: Summary Of Significant Accounting Policies (Continued)**

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.

The Organization has identified its material revenue stream from contracts with customers as follows:

Services - 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.

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 statements 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 4, there is no liability to the Organization; therefore, the obligations are not accounted for in the accounts of the Organization.

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

Notes To Financial Statements

**Note 1: Summary Of Significant Accounting Policies (Continued)**

Accounts and loan receivable - Accounts receivable are comprised of amounts billed and currently due from customers. Accounts receivable are amounts related to any unconditional right the Organization has to receive consideration. Receivables are considered past due when payment is not received within the period allowed under the terms of the sale or contract. The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expenses in the year of recovery.

Allowance for credit loss - The Organization recognizes an allowance for credit losses in an amount equal to the current expected credit losses. The estimation of the allowance is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible. The Organization assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. The expense associated with the allowance for credit losses is recognized in supporting services.

Income taxes - The Organization is exempt from federal income taxes under Section 501 (c)(3) of 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.

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.

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

Notes To Financial Statements

**Note 1: Summary Of Significant Accounting Policies (Continued)**

Recently adopted accounting principle - Effective January 1, 2023, the Organization adopted *ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326)*: Measurement of Credit Losses on Financial Instruments, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the Current Expected Credit Losses (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including accounts receivable, contract assets, loan receivables, and held-to-maturity debt securities. It also applies to off-balance-sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. In addition, ASC 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities the Organization does not intend to sell or believes that is more-likely-than-not they will be required to sell. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an organization's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in ASC 326 were loans receivable.

The Organization adopted ASC 326 using the modified retrospective transition method as of the date of adoption for all financial assets measured at amortized cost and off-balance-sheet credit exposures. Results for reporting periods beginning January 1, 2023 are presented under ASC 326, while prior period amounts are not adjusted and continue to be reported in accordance with previously applicable generally accepted accounting principles. The adoption of this accounting guidance as of January 1, 2023 did not have an effect on the Organization's results of operations and on the opening balance of net assets.

**Note 2: Availability And Liquidity**

The Organization has \$1,607,014 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: Loan Receivable**

The Organization's loan receivable comprises a loan that is recorded at cost. The loan is due December 16, 2031 and has a fixed interest rate of 4.50% through December 16, 2026 and thereafter, a fixed interest rate commencing on December 17, 2026 and ending on December 16, 2031 as set forth by the Organization. During 2023 payments on the loan ceased and there are ongoing legal proceedings regarding the unpaid balance. The Organization is also exploring options to be reimbursed through Albany County ARPA funds.

**Note 4: 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, 2023 total \$75,163,199.

**Note 5: 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 6: Commitments And Contingencies**

The Organization follows the guidance for uncertainty in income taxes. As of December 31, 2023, 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 7: Subsequent Events**

Subsequent events have been evaluated through March 27, 2024, which is the date the financial statements were available to be issued.



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**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, a Component Unit of Albany County, (the Organization), which comprise the statement of financial position as of December 31, 2023, 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 27, 2024.

***Report on 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 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.

### ***Report on 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.

*Leah Becker & Charamonte CPAs PC*

Albany, New York  
March 27, 2024