

**RENSSELAER COUNTY
CAPITAL RESOURCE CORPORATION**

**Financial Statements,
Supplementary Information, and
Independent Auditor's Report**

December 31, 2023 and 2022

RENSELAER COUNTY CAPITAL RESOURCE CORPORATION

Financial Statements

December 31, 2023 and 2022

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rensselaer County Capital Resource Corporation
Troy, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Rensselaer County Capital Resource Corporation (the "Corporation"), a component unit of the County of Rensselaer, New York, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively the Corporation's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinions.

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 Corporation'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 opinions. 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 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 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.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Corporation's basic financial statements. The schedule of indebtedness is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The schedule of indebtedness is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Annual Report of the Corporation as defined by Section 2800 of the New York State Public Authorities Law, *Annual Reports by Authorities*, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, as we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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 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 Corporation's internal control over financial reporting and compliance.

Wojeski & Company, CPAs, P.C.

Albany, New York
March 27, 2024

RENSELAER COUNTY CAPITAL RESOURCE CORPORATION

Statements of Net Position

	December 31,	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	<u>\$ 22,000</u>	<u>\$ 30,000</u>
NET POSITION		
Unrestricted	<u>22,000</u>	<u>30,000</u>
TOTAL NET POSITION	<u><u>\$ 22,000</u></u>	<u><u>\$ 30,000</u></u>

See accompanying notes to financial statements.

RENSSELAER COUNTY CAPITAL RESOURCE CORPORATION

Statements of Revenues, Expenses and Change in Net Position

	For the Year Ended December 31,	
	2023	2022
OPERATING REVENUES		
Project fees	\$ -	\$ 30,000
OPERATING EXPENSES		
Professional fees	<u>8,000</u>	<u>-</u>
CHANGE IN NET POSITION	(8,000)	30,000
NET POSITION, beginning of year	<u>30,000</u>	<u>-</u>
NET POSITION, end of year	<u>\$ 22,000</u>	<u>\$ 30,000</u>

See accompanying notes to financial statements.

RENSELAER COUNTY CAPITAL RESOURCE CORPORATION

Statements of Cash Flows

	For the Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from project fees	\$ -	\$ 30,000
Payments for operating expenses	<u>(8,000)</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(8,000)</u>	<u>30,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(8,000)</u>	<u>30,000</u>
Cash and cash equivalents at beginning of year	<u>30,000</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 22,000</u></u>	<u><u>\$ 30,000</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Change in net position	<u>\$ (8,000)</u>	<u>\$ 30,000</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ (8,000)</u></u>	<u><u>\$ 30,000</u></u>

See accompanying notes to financial statements.

RENSELAER COUNTY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements

December 31, 2023

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Rensselaer County Capital Resource Corporation (the "Corporation"), is a not-for-profit corporation that was established in 2018 under Section 1411 of the New York State Not-For-Profit Corporation Law. The Corporation was established to assist Rensselaer County (the County) in relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the 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.

Basis of Presentation

The Corporation's financial statements are prepared using the accrual basis in accordance with accounting principles generally accepted in the United States of America. 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 Corporation is determined by its measurement focus. The transactions of the Corporation are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the statement of net position with revenues recorded when earned and expenses recorded when incurred. Net position is classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and accumulated amortization, reduced by the outstanding balances of bonds, notes, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of investment in capital assets, net of related debt. Rather that portion of the debt is included in restricted net position.

Restricted net position: This component of net position represents external restrictions on net position imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position: This component represents net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Corporation's policy to use restricted resources first, then unrestricted resources as needed.

RENSSELAER COUNTY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements--Continued

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Basis of Presentation--Continued

The Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Corporation's principal on-going operations. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Corporation considers as cash all demand deposits and all highly liquid investments which are readily convertible to cash.

Conduit Debt Obligations

To further economic development in the county, the Corporation has issued bonds that provide capital financing to private-sector organizations for the acquisition and construction of facilities. The properties financed are pledged as collateral and the bonds are payable solely from payments from the private sector entities. The bonds are not obligations of the Corporation or the State of New York. In addition, the Corporation has made no commitments related to the bonds beyond the pledged collateral, the payments from the private sector entities, and the maintenance of tax-exempt status of the conduit debt obligation. Accordingly, the Corporation does not record the assets or liabilities resulting from completed bond transactions. The Corporation's primary function is to arrange financing between borrowing organizations and bond holders, and funds arising from those transactions are controlled by trustees or banks acting as fiscal agents. For providing this service, the Corporation receives project administration fees from the borrowing organizations. Such administrative fee income is recognized immediately upon issuance of bonds. The outstanding balance on the bonds issued totaled \$2,420,000 and \$2,960,000 at December 31, 2023 and 2022, respectively.

Income Taxes

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

RENSSELAER COUNTY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements--Continued

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Adoption of New Accounting Pronouncements

During the year ended December 31, 2023, the Corporation implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements ("PPPs"). GASB statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements ("SBITAs") and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No.94 and 96. The implementation of GASB Statements No. 94, 96, and a portion of 99 did not have a material impact on the Corporation's financial position or results from operations.

Subsequent Events

The Corporation evaluates transactions that occur subsequent to year end for potential recognition or disclosure in the financial statements through the date on which the financial statements are available to be issued. The financial statements were available to be issued on March 27, 2024.

NOTE B--CASH AND CASH EQUIVALENTS

The Corporation's investment policies are governed by New York State Statutes. In addition, the Corporation has its own written investment policy. The Corporation is authorized to use demand deposit accounts, money market accounts, and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and those of New York State and its municipalities and school districts.

All cash of the Corporation is maintained in accounts covered by the Federal Deposit Insurance Corporation (FDIC). In accordance with state law, collateral is required for demand deposits and certificate of deposit not covered by FDIC insurance. All of the Corporations deposits were covered by FDIC insurance as of December 31, 2023.

NOTE C--RELATED PARTY TRANSACTIONS

Rensselaer County

Rensselaer County provides office space to the Corporation without compensation.

RENSELAER COUNTY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements--Continued

NOTE C--RELATED PARTY TRANSACTIONS--Continued

Rensselaer County Industrial Development Corporation

The Corporation's current Board of Directors is the same as that of the Rensselaer County Industrial Development Corporation (IDA). In addition, the IDA provided administrative support to the Corporation without compensation.

COMPLIANCE REPORT



**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***

To the Board of Directors
Rensselaer County Capital Resource Corporation
Troy, New York

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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Rensselaer County Capital Resource Corporation (the "Corporation"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic 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 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wojeski & Company, CPAs, P.C.

Albany, New York
March 27, 2024

RENSELAER COUNTY CAPITAL RESOURCE CORPORATION

Supplementary Information - Schedule of Indebtedness

For the Year Ended December 31, 2023

Project	Original Issuance Date	Original Bond Issued	Current Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid or Refunded During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity Date
Hudson Valley Community College	11/2022	\$ 2,960,000	4.62%	\$ 2,960,000	\$ -	\$ 540,000	\$ 2,420,000	8/2026
		<u>\$ 2,960,000</u>		<u>\$ 2,960,000</u>	<u>\$ -</u>	<u>\$ 540,000</u>	<u>\$ 2,420,000</u>	

See independent auditor's report