

SARATOGA COUNTY CAPITAL RESOURCE CORPORATION

FINANCIAL REPORT

DECEMBER 31, 2021 AND 2020

SARATOGA COUNTY CAPITAL RESOURCE CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Saratoga County Capital Resource Corporation
Ballston Spa, New York

Opinion

We have audited the accompanying financial statements of Saratoga County Capital Resource Corporation ("SCCRC") (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2021 and 2020, 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 Saratoga County Capital Resource Corporation, as of December 31, 2021 and 2020, 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 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 Saratoga 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 Saratoga County Capital Resource Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and access 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 Saratoga 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 Saratoga 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of indebtedness 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 January 22, 2022 on our consideration of the SCCRC'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 SCCRS'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 SCCRC's internal control over financial reporting and compliance.

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CUSACK & COMPANY, CPA'S LLC

Latham, New York
January 22, 2022

SARATOGA COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash	\$ 504,513	\$ 95,673
Certificates of Deposit	-	410,371
Accrued Interest Receivable	<u>-</u>	<u>1,395</u>
Total Assets	<u>\$ 504,513</u>	<u>\$ 507,439</u>

LIABILITIES

Accounts Payable	\$ -	\$ -
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NET ASSETS

Net Assets Without Donor Restrictions	<u>504,513</u>	<u>507,439</u>
Total Liabilities and Net Assets	<u>\$ 504,513</u>	<u>\$ 507,439</u>

SARATOGA COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Revenues:		
Administrative Fees	\$ 45,000	\$ 55,500
Interest	3,226	8,279
Miscellaneous Income	1,620	-
Total Revenues	<u>49,846</u>	<u>63,779</u>
Program Expenses:		
Contracted Services	\$ 47,680	\$ 44,377
Grant Expense	2,000	47,000
Dues and Membership Fees	-	5,945
Conferences	-	2,965
Insurance	2,861	2,842
Office Expenses	231	128
Total Expenses	<u>52,772</u>	<u>103,257</u>
Change in Net Assets	(2,926)	(39,478)
Net Assets, Beginning of Year	<u>507,439</u>	<u>546,917</u>
Net Assets, End of Year	<u>\$ 504,513</u>	<u>\$ 507,439</u>

SARATOGA COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows Provided By (Used In) Operating Activities:		
Change in Net Assets	\$ (2,926)	\$ (39,478)
Decrease in Accrued Interest Receivable	<u>1,395</u>	<u>890</u>
Net Decrease in Cash	(1,531)	(38,588)
Cash and Certificates of Deposit, Beginning of Year	<u>506,044</u>	<u>544,632</u>
Cash and Certificates of Deposit, End of Year	<u>\$ 504,513</u>	<u>\$ 506,044</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Saratoga County Capital Resource Corporation (“SCCRC”) was formed in August 2010 as a not-for-profit local development corporation. SCCRC is a public instrumentality of, but separate and apart from, Saratoga County (the “County”), governed by three to seven directors appointed by the governing body of the County. 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.

Cash

SCCRC maintains cash in one bank. These balances were fully insured by the Federal Deposit Insurance Corporation and collateralized as of December 31, 2021 and 2020.

Industrial 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, 2021, the outstanding balance of bonds outstanding was \$154,130,965.

Income Taxes

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 carrying value of cash approximates fair value by its very nature.

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 January 22, 2022, the date the financial statements were available to be issued. No such events or transactions were identified.

2. CERTIFICATES OF DEPOSIT

Certificates of deposit at December 31, 2020 consisted of four certificates with interest rates ranging from .2% to 2.75% and all maturing in 2021.

3. UNCERTAINTY

The United States is presently in the midst of a national health emergency related to a virus commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on SCCRC and its future financial position and results of operations is not presently determinable.

SUPPLEMENTAL INFORMATION

SARATOGA COUNTY CAPITAL RESOURCE CORPORATION

SCHEDULE OF INDEBTEDNESS

DECEMBER 31, 2021

<u>Project Description</u>	<u>Original Issue Date</u>	<u>Outstanding January 1, 2021</u>	<u>Issued During 2021</u>	<u>Principal Payments 2021</u>	<u>Outstanding December 31, 2021</u>	<u>Final Maturity Date</u>
Saratoga Hospital	2013	\$ 15,885,000	\$ -	\$ 1,010,000	\$ 14,875,000	2028
Saratoga Hospital	2017	41,222,965	-	2,352,000	38,870,965	2041
Skidmore College - Series A	2014	3,695,000	-	1,190,000	2,505,000	2023
Skidmore College - Series B	2014	17,680,000	-	990,000	16,690,000	2033
Skidmore College	2018	34,185,000	-	575,000	33,610,000	2048
Skidmore College - Series A	2020	26,515,000	-	-	26,515,000	2050
Skidmore College - Series A	2021	-	21,065,000	-	21,065,000	2050
		<u>\$139,182,965</u>	<u>\$ 21,065,000</u>	<u>\$ 6,117,000</u>	<u>\$154,130,965</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
Saratoga County Capital Resource Corporation
Ballston Spa, 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 Saratoga County Capital Resource Corporation (SCCRC) which comprise the statement of financial position as of December 31, 2021, 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 January 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered SCCRC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SCCRC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of SCCRC's internal control over financial reporting.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SCCRC'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.

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
January 22, 2022

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES**

To the Board of Directors
Saratoga County Capital Resource Corporation
Ballston Spa, New York

We have examined the Saratoga County Capital Resource Corporation (the "SCCRC") compliance with Section 2925(3) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended December 31, 2021. Management is responsible for the SCCRC's compliance with those requirements. Our responsibility is to express an opinion on the SCCRC's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the America Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and, accordingly, included examining, on a test basis, evidence supporting the SCCRC's compliance with those requirements and performing such other procedures we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the SCCRC's compliance with specific requirements.

In our opinion, SCCRC has complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2021.

This report is intended solely for the information and use of the Board of Directors, management, and certain New York State Departments and Agencies. It 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
January 22, 2022