

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

FINANCIAL STATEMENTS

DECEMBER 31, 2014



Teal, Becker & Chiramonte™
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Statement Of Financial Position	3
Statement Of Activities	4
Statement Of Cash Flows	5
Notes To Financial Statements	6-8
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	



The Board of Directors
Albany County Capital Resource Corporation,
a Component Unit of Albany County
112 State Street, Room 740
Albany, New York 12207

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the Albany County Capital Resource Corporation, a Component Unit of Albany County (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the period from inception (September 8, 2014) to December 31, 2014, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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, a Component Unit of Albany County as of December 31, 2014, and the changes in its net assets and its cash flows for the period from inception (September 8, 2014) to December 31, 2014 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, 2015 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 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, a Component Unit of Albany County's internal control over financial reporting and compliance.

Teal Becker & Charamonte CPAs PC

Albany, New York
March 30, 2015

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

Statement Of Financial Position

December 31, 2014

<u>Assets</u>	
Current assets:	
Cash	\$ <u>1,856,612</u>
Total Assets	\$ <u><u>1,856,612</u></u>
 <u>Net Assets</u>	
Net assets:	
Unrestricted	\$ <u>1,856,612</u>
Total net assets	<u>1,856,612</u>
Total Liabilities And Net Assets	\$ <u><u>1,856,612</u></u>

The accompanying notes are an integral part of these financial statements

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

Statement Of Activities

For The Period From Inception (September 8, 2014) To December 31, 2014

Changes in unrestricted net assets:

Revenues:

Fees \$ 1,856,750

Total revenues 1,856,750

Operating expenses:

Administrative 138

Total operating expenses 138

Increase in unrestricted net assets 1,856,612

Net assets - beginning -

Net Assets - Ending \$ 1,856,612

The accompanying notes are an integral part of these financial statements

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

Statement Of Cash Flows

For The Period From Inception (September 8, 2014) To December 31, 2014

Operating activities:	
Increase in unrestricted net assets	<u>\$ 1,856,612</u>
Net cash flows from operating activities	<u>1,856,612</u>
Net increase in cash	1,856,612
Cash - beginning	<u> -</u>
Cash - Ending	<u><u>\$ 1,856,612</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:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed or contractual stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

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

Notes To Financial Statements

Note 1: Summary Of Significant Accounting Policies (Continued)

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 2, 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. Actual results could differ from these estimates.

Note 2: Revenue Bond Transactions

Revenue bonds issued by the Organization are secured by property which is leased to private companies. The debt is retired by the 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 this service, the Organization receives an administrative fee. Such administrative fee income is recognized immediately upon issuance of bonds. During the year ended December 31, 2014 the Organization issued bonds with a face amount of \$185,375,000. The amount actually advanced on the closing date was approximately \$88,000,000. The remaining balance will be issued subsequent to the closing. Revenue bonds outstanding as of December 31, 2014 total \$87,953,506.

Note 3: 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.

**ALBANY COUNTY CAPITAL RESOURCE CORPORATION,
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Notes To Financial Statements

Note 4: Commitments And Contingencies

The Organization follows the guidance for uncertainty in income taxes. As of December 31, 2014, 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 5: Subsequent Events

Subsequent events have been evaluated through March 30, 2015, which is the date the financial statements were available to be issued.

In February 2015, the Organization provided \$150,000 of funding for the relocation of the Hoffman's Playland rides to a site located next to Huck Finn's Warehouse.



**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
112 State Street, Room 740
Albany, New York 12207

Independent Auditors' Report

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 Albany County Capital Resource Corporation, a Component Unit of Albany County (the Organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the period from inception (September 8, 2014) to December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated March 30, 2015.

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) to determine the 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 determination of financial statement amounts. 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, 2015