

**TROY LOCAL DEVELOPMENT  
CORPORATION**

**Financial Statements and  
Independent Auditor's Report**

**December 31, 2024 and 2023**

**TROY LOCAL DEVELOPMENT CORPORATION**

**December 31, 2024 and 2023**

Financial Statements

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Troy Local Development Corporation  
Troy, New York

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

#### ***Qualified Opinion***

We have audited the accompanying financial statements of Troy Local Development Corporation (the "Corporation") as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified Opinions***

As discussed in Note A to the financial statements, management of the Corporation is unable to estimate the possible impairment to the historical cost of some of its real property. In our opinion, this estimate is required in order to conform with accounting principles generally accepted in the United States of America. The effects of this analysis and any resulting adjustment on the Corporation's net position and change in net position is not reasonably determinable.

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 *Governmental 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 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 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 and *Governmental 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 *Governmental 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 part of the basic financial statements, is required by the Government 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.

### ***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 opinion on the basic financial statements do not cover the other information, and 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 28, 2025, on our consideration of the 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 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 the Corporation'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 the Corporation's internal control over financial reporting and compliance.

*Wojeski & Company, CPAs, P.C.*

Albany, New York  
March 28, 2025

**TROY LOCAL DEVELOPMENT CORPORATION**

**Statements of Net Position**

	December 31,	
	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 558,090	\$ 296,371
Accounts receivable, net	361	796
Loans receivable, net	82,145	30,083
Leases receivable - current portion	245,102	238,593
Prepaid expenses	5,582	6,857
	<b>TOTAL CURRENT ASSETS</b>	<b>891,280</b>
	<b>NONCURRENT ASSETS</b>	<b>572,700</b>
Capital assets, net	514,663	519,492
Property held for development and resale	1,908,310	1,967,310
Leases receivable	420,651	675,674
Security deposits	614	614
	<b>TOTAL ASSETS</b>	<b>3,735,518</b>
	<b>LIABILITIES</b>	<b>3,735,790</b>
<b>CURRENT LIABILITIES</b>		
Loan payable, current portion	167,000	167,000
Accounts payable and accrued expenses	259,605	10,808
Accrued interest	7,270	10,923
	<b>TOTAL CURRENT LIABILITIES</b>	<b>433,875</b>
<b>LONG-TERM LIABILITIES</b>		
Due to other government	215,000	215,000
Loan payable, long-term	161,000	328,000
	<b>TOTAL LIABILITIES</b>	<b>809,875</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - leases	<b>601,440</b>	<b>811,325</b>
<b>NET POSITION</b>		
Net investment in capital assets	514,663	519,492
Unrestricted	1,809,540	1,673,242
	<b>TOTAL NET POSITION</b>	<b>\$ 2,324,203</b>
	<b></b>	<b>\$ 2,192,734</b>

See accompanying notes to financial statements.

**TROY LOCAL DEVELOPMENT CORPORATION**

**Statements of Revenues, Expenses and Change in Net Position**

	For the Year Ended December 31,	
	2024	2023
<b>OPERATING REVENUES</b>		
Grant income	\$ 299,370	\$ 135,830
Lease income	230,160	239,831
Administrative fee income	67,641	-
Loan interest and fees	29,940	9,389
Other income	298	3,602
TOTAL OPERATING REVENUES	<u>627,409</u>	<u>388,652</u>
<b>OPERATING EXPENSES</b>		
Economic development grants	385,111	129,362
Professional fees	130,587	110,064
Insurance	17,568	20,264
Property taxes	8,896	12,135
Depreciation	4,829	4,829
Bad debt expense (recovery)	(22,123)	9,389
Other expenses	407	2,048
TOTAL OPERATING EXPENSES	<u>525,275</u>	<u>288,091</u>
OPERATING INCOME	<u>102,134</u>	<u>100,561</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>		
Interest income on leases	32,524	41,339
Interest income on bank accounts	3,673	265
Gain (loss) on sale of property held for development and resale	15,700	(26,418)
Interest expense	(22,562)	(31,271)
TOTAL NON-OPERATING INCOME (EXPENSE)	<u>29,335</u>	<u>(16,085)</u>
<b>CHANGE IN NET POSITION</b>	<u>131,469</u>	<u>84,476</u>
<b>NET POSITION, beginning of year</b>	<u>2,192,734</u>	<u>2,108,258</u>
<b>NET POSITION, end of year</b>	<u>\$ 2,324,203</u>	<u>\$ 2,192,734</u>

See accompanying notes to financial statements.

**TROY LOCAL DEVELOPMENT CORPORATION**

**Statements of Cash Flows**

	For the Year Ended December 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 68,375	\$ 3,322
Proceeds from lease revenue	20,275	22,220
Proceeds from grants	299,370	135,830
Payments to vendors	<u>(292,497)</u>	<u>(264,970)</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 <u>95,523</u>	 <u>(103,598)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Payment on loan payable	(167,000)	(167,000)
Interest paid on loan payable	(26,215)	(34,883)
Proceeds from the sale of land held for development and resale	74,700	115,000
Proceeds from leases receivable	248,514	180,574
Proceeds from interest on leases receivable	<u>32,524</u>	<u>41,339</u>
 NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>162,523</u>	 <u>135,030</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from interest on bank accounts	<u>3,673</u>	<u>265</u>
 NET CASH PROVIDED BY INVESTING ACTIVITIES	 <u>3,673</u>	 <u>265</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 261,719	 31,697
Cash, cash equivalents and restricted cash at beginning of year	<u>296,371</u>	<u>264,674</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 558,090</u>	 <u>\$ 296,371</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating income	\$ 102,134	\$ 100,561
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation	4,829	4,829
Bad debt expense (recovery)	(22,123)	9,389
Changes in operating assets and liabilities:		
Accounts receivable	435	(280)
Loans receivable	(29,939)	(9,389)
Prepaid expenses	1,275	145
Accounts payable and accrued expenses	248,797	8,758
Deferred inflow of resources - leases	<u>(209,885)</u>	<u>(217,611)</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 <u>\$ 95,523</u>	 <u>\$ (103,598)</u>

See accompanying notes to financial statements.

## **TROY LOCAL DEVELOPMENT CORPORATION**

### **Notes to Financial Statements**

**December 31, 2024 and 2023**

### **NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Troy Local Development Corporation (the "Corporation") is a not-for-profit corporation that was established in 1987 for the purposes of constructing, acquiring, rehabilitating, and improving buildings or sites in the City of Troy, New York ("City"), or to assist financially in the construction, acquisition, rehabilitation, and improvement of buildings or sites within the City, and to foster employment opportunities for City residents, including business retention and attraction, and job creation and retention.

The Corporation is a public instrumentality of and supporting organization for, but is separate and apart from, the City.

#### 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 (U.S. GAAP). 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. Net position is classified into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows, if applicable:

Net investment in capital assets: consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any related debt obligations and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to 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 net investment in capital assets. 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".

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.

## **TROY LOCAL DEVELOPMENT CORPORATION**

### **Notes to Financial Statements--Continued**

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

##### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

##### Accounts Receivable

Accounts receivable are non-interest bearing and are carried at their estimated collectible amounts. Accounts receivable are periodically evaluated for collectability based on a review of outstanding receivables, historical collection information and current economic conditions. In the opinion of Corporation management, all receivable balances are considered collectible; accordingly, no allowance for doubtful accounts has been recorded.

##### Loans Receivable

Loans receivable are carried at their estimated collectible amounts. The Corporation determines its allowance for doubtful accounts by regularly evaluating individual receivables and considering collateral value, financial condition, credit history, and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

##### Capital Assets

Acquisition of property and equipment are recorded at cost. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas remediation, maintenance, and repair costs are expensed as incurred. When property and equipment is sold or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to the change in net position. Depreciation is provided for in amounts to relate the cost of depreciable assets to operations over their estimated useful lives on a straight-line basis using an estimated life of 40 years.

##### Property Held for Development and Resale

Property held for development and resale is recorded at cost and is carried at the lower of cost or fair value. Major additions, renewals, and betterments are capitalized, whereas remediation, maintenance, and repair costs are expensed as incurred. When property held for development or resale is sold or otherwise disposed of, the appropriate accounts are relieved of costs and any resultant gain or loss is credited or charged to the change in net position.

## **TROY LOCAL DEVELOPMENT CORPORATION**

### **Notes to Financial Statements--Continued**

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

##### Property Held for Development and Resale--Continued

Recognition of impairment of property held for development and resale is required when events and circumstances indicate that an entity will not be able to recover the carrying amount of these assets. The Corporation recognizes an impairment loss, equal to the amount by which the carrying amount of an asset exceeds its fair value, if the carrying amount of the asset is not recoverable. As of the years ended December 31, 2024 and 2023, the Corporation is unable to make a reasonable estimation of impairment, if any, on any of its land held for development and resale.

##### Revenue and Expense Recognition

Revenue consists of exchange revenue such as project fees and nonexchange revenue such as grants and contributions. Grant income is recognized as costs are incurred. Contribution revenue is recognized when received. Expenses are recognized when incurred.

The Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues are determined based on the services provided by the Corporation. Operating expenses include the costs associated with providing those services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

##### Leases

As a lessor, the Corporation recognizes a lease receivable and deferred inflow of resources for any lease with a term greater than 12 months. The lease receivable is recorded at the present value of the lease payments to be received during the lease term. The lease term will be adjusted based on the existence of any extension or termination options when it is reasonably certain that the Corporation or the lessee will exercise those options. The deferred inflow of resources is initially measured at an amount equal to the initial measurement of the related lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease that is related to future periods less any lease incentives. The deferred inflows of resources is recognized as lease revenue on a straight-line basis over the term of the lease.

##### Income Taxes

The Corporation is exempt from income taxes as a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code and comparable New York State law. Accordingly, no provisions have been made for income taxes in these financial statements.

## **TROY LOCAL DEVELOPMENT CORPORATION**

### **Notes to Financial Statements--Continued**

#### **NOTE A--CORPORATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued**

##### Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform to the classification used in 2024. These reclassifications had no effect on the change in net position or net position.

##### 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 approved by management and available to be issued on March 28, 2025.

#### **NOTE B--CASH AND CASH EQUIVALENTS**

The Corporation's investment policies are governed by New York State statutes and the Corporation's own written investment policy. The Corporation is authorized to use demand deposit accounts, money market accounts, and certificates of deposit. 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 certificates of deposit not covered by FDIC insurance. The Corporation's uninsured deposits are collateralized by accounts held by the pledging financial institution agent in the Corporation's name. The total amount of collateralized uninsured deposits was approximately \$240,000 at December 31, 2024.

#### **NOTE C--LOANS RECEIVABLE**

The Corporation administers an economic development loan program with the primary objective of stimulating the City's economic base in order to create new job opportunities. Loans are made to eligible borrowers meeting targeted economic criteria at market interest rates, currently 5% on the loan administered by the Corporation. Loans made under the program are generally collateralized by machinery, equipment, or real property of the borrower. Certain loans require fixed monthly payments while others are due in one lump sum payment.

**TROY LOCAL DEVELOPMENT CORPORATION****Notes to Financial Statements--Continued****NOTE C--LOANS RECEIVABLE--Continued**

A summary of loans receivable is as follows:

	<b>2024</b>	<b>2023</b>
Loans receivable	\$ 82,145	\$ 52,205
Allowance for doubtful accounts	-	(22,122)
	<b><u>\$ 82,145</u></b>	<b><u>\$ 30,083</u></b>
Loans receivable, beginning of year	\$ 52,205	\$ 42,817
Capitalized interest and late fees	29,940	9,388
	<b><u>\$ 82,145</u></b>	<b><u>\$ 52,205</u></b>

**NOTE D--CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Subtractions	Ending Balance
Land	\$ 397,501	\$ -	\$ -	\$ 397,501
Buildings and improvements	191,051	-	-	191,051
	<u>588,552</u>	<u>-</u>	<u>-</u>	<u>588,552</u>
Accumulated depreciation	(69,060)	(4,829)	-	(73,889)
Total, net	<u>\$ 519,492</u>	<u>\$ (4,829)</u>	<u>\$ -</u>	<u>\$ 514,663</u>

Capital assets activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Subtractions	Ending Balance
Land	\$ 397,501	\$ -	\$ -	\$ 397,501
Buildings and improvements	191,051	-	-	191,051
	<u>588,552</u>	<u>-</u>	<u>-</u>	<u>588,552</u>
Accumulated depreciation	(64,231)	(4,829)	-	(69,060)
Total, net	<u>\$ 524,321</u>	<u>\$ (4,829)</u>	<u>\$ -</u>	<u>\$ 519,492</u>

## **TROY LOCAL DEVELOPMENT CORPORATION**

### **Notes to Financial Statements--Continued**

#### **NOTE E--PROPERTY HELD FOR DEVELOPMENT OR RESALE**

Property held for development of resale consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
King Fuels Sites	\$ 1,894,810	\$ 1,894,810
Federal Street	-	59,000
16 Northern Drive	13,500	13,500
	<u>\$ 1,908,310</u>	<u>\$ 1,967,310</u>

#### **NOTE F--LOAN PAYABLE**

During 2006, the Corporation entered into a loan agreement with the City for \$3,000,000 to be used for property acquisition and economic development. The agreement requires semi-annual interest payments at 5% and annual principal payments to the City as billed by the United States Department of Housing and Urban Development (HUD) Section 108 loan authorization pursuant to the Brownfields Economic Development Initiative ("BEDI"). The loan matures in August 2026 and is collateralized by a mortgage on real property. The loan contains a provision that in an event of default, outstanding principal amounts together with accrued and unpaid interest will become immediately due.

Activity in loans payable for the year ended December 31, 2024, was as follows:

	Principal Outstanding at <u>12/31/2023</u>	Additions	Redemptions	Principal Outstanding at <u>12/31/2024</u>
Loan payable	<u>\$ 495,000</u>	<u>\$ -</u>	<u>\$ (167,000)</u>	<u>\$ 328,000</u>
Less current portion				<u>167,000</u>
				<u>\$ 161,000</u>

A summary of future principal payments and estimated interest payments is as follows:

Year Ending December 31,	Bond Principal	Bond Interest	Total Debt Service Requirements
2025	<u>\$ 167,000</u>	<u>\$ 17,448</u>	<u>\$ 184,448</u>
2026	<u>\$ 161,000</u>	<u>\$ 8,597</u>	<u>\$ 169,597</u>
	<u>\$ 328,000</u>	<u>\$ 26,045</u>	<u>\$ 354,045</u>

#### **NOTE G--LEASES**

##### Facility Lease

The Corporation has an active lease agreement arising from the leasing of property owned by the Corporation.

## **TROY LOCAL DEVELOPMENT CORPORATION**

### **Notes to Financial Statements--Continued**

#### **NOTE G--LEASES--Continued**

##### Facility Lease--Continued

The lease agreement requires monthly lease payments of approximately \$6,100 that increases annually by a percentage equal to the increase in the Consumer Price Index (CPI). The initial term expired on December 31, 2023 and included two 5-year renewal options. The initial 5-year option period was renewed, and accordingly, is included in the lease term. In addition, the lease agreement required a \$10,000 annual road remediation fee that expired on December 31, 2023, and is continuing on a short-term year-to-year basis.

##### National Grid License Agreement

In December of 2021, the Corporation entered into a license agreement with National Grid that grants National Grid an exclusive right to enter the Kings Fuel site for the exclusive purpose of undertaking an environmental remediation project. The term of the agreement began in February 2022 and runs through December 31, 2026 and can be extended if necessary.

The agreement calls for monthly license fees that decrease over the term of the agreement as each phase of the remediation project is completed.

The original monthly license fees, which are subject to change depending on the term of each phase, are payable to the Corporation as follows:

Phase	Expected Term	Payment
Phase I	18 Months	\$10,765/month
Phase II	24 Months	\$9,921/month
Phase III	20 Months	\$7,894/month

In addition, the agreement requires National Grid to pay the Corporation a Road and Parking Lot Paving Credit in the amount of \$239,400. The credit shall be payable to the Corporation in three equal installments of \$79,800 payable with the first monthly license fee payment for Phase II, Phase III and with the final monthly license fee payment upon completion of the Remediation project.

The total amount of revenue recognized under the agreements are as follows for the years ended December 31:

	2024	2023
Amortization of deferred inflows of resources - leases	\$ 209,885	\$ 217,611
Variable lease payments	10,275	18,000
Short-term lease payments	10,000	4,220
Total lease revenue	230,160	239,831
Interest revenue	32,524	41,339
	<u>\$ 262,684</u>	<u>\$ 281,170</u>

The Corporation did not recognize revenue associated with residual value guarantees and termination penalties.

## **TROY LOCAL DEVELOPMENT CORPORATION**

### **Notes to Financial Statements--Continued**

#### **NOTE G--LEASES--Continued**

The following is a schedule of future payments that are included in the measurement of the lease receivable:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 245,102	\$ 24,304	\$ 269,406
2026	160,191	15,226	175,417
2027	167,531	6,720	174,251
2028	78,226	2,463	80,689
Thereafter	14,703	3,297	18,000
	<u>\$ 665,753</u>	<u>\$ 52,010</u>	<u>\$ 717,763</u>

#### **NOTE H--COMMITMENTS AND CONTINGENCIES**

##### Environmental Risks

The Corporation is developing and implementing a plan for environmental remediation and site development on the King Fuel properties with assistance from the New York State Department of Environmental Conservation and National Grid. Preliminary testing and clean-up efforts began in late 2007 and are expected to continue for several years. The Corporation's funding assistance has been provided through the BEDI grant and loan funds.

##### Program Grant and Loan Commitments

The Corporation has approved various applications for funding under its loan and grant programs. Funding of the approved amounts is dependent upon the applicant meeting various documentation requirements.

#### **NOTE I--RELATED PARTY TRANSACTIONS**

##### City of Troy

The City of Troy provides staff support and office space to the Corporation without compensation.

##### Troy Industrial Development Authority

During the year ended December 31, 2017, the Corporation and the Troy Industrial Development Authority (IDA) entered into a fee sharing agreement. Under the agreement, the IDA will provide the Corporation a portion of the administration fee for board approved projects that include the Corporation's involvement. During the years ended December 31, 2024 and 2023, the Corporation received \$67,640 and \$0, respectively, in administrative fees from the IDA pursuant to this agreement.

##### Troy Capital Resource Corporation

In June 2022, the Troy Capital Resource Corporation (CRC) provided the Corporation with a loan in the amount of \$215,000. The loan is noninterest bearing and is due upon demand with a final maturity date of May 31, 2027.

**TROY LOCAL DEVELOPMENT CORPORATION**

**Notes to Financial Statements--Continued**

**NOTE I--RELATED PARTY TRANSACTIONS--Continued**

Troy Capital Resource Corporation--Continued

The loan was collateralized by proceeds from the planned sale of a property owned by the Corporation (see Note E). The note is recorded in the financial statement line "Due to other government" on the Statements of Net Position.

## **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  
Troy Local Development 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 Troy Local Development Corporation ("Corporation"), which comprise the statement of net position as of December 31, 2024, and the related statements of revenues, expenses and change in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 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 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 Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of 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 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 28, 2025