

**TROY CAPITAL
RESOURCE CORPORATION**

**Financial Statements and
Supplementary Information**

December 31, 2020 and 2019

TROY CAPITAL RESOURCE CORPORATION

December 31, 2020 and 2019

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Troy Capital Resource Corporation (the "Corporation"), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. 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 auditor's 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 auditor considers internal control relevant to the Corporation'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 entity'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 Corporation as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 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 opinion on the basic financial statements is not affected by this missing information.

Other 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic 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 March 26, 2021, 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 26, 2021

TROY CAPITAL RESOURCE CORPORATION

Statements of Net Position

	December 31,	
	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	<u>\$ 577,050</u>	<u>\$ 290,402</u>
TOTAL CURRENT ASSETS	<u>577,050</u>	<u>290,402</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	<u>6,533</u>	<u>-</u>
NET POSITION		
Unrestricted	<u>\$ 570,517</u>	<u>\$ 290,402</u>

See accompanying notes to financial statements

TROY CAPITAL RESOURCE CORPORATION

Statements of Revenues, Expenses and Change in Net Position

	For the Year Ended December 31,	
	2020	2019
OPERATING REVENUES		
Project fees	<u>\$ 496,214</u>	<u>\$ 4,000</u>
OPERATING EXPENSES		
Economic development	208,669	134,192
Professional fees	<u>7,742</u>	<u>8,865</u>
TOTAL OPERATING EXPENSES	<u>216,411</u>	<u>143,057</u>
OPERATING INCOME (LOSS)	279,803	(139,057)
NON-OPERATING REVENUES		
Interest income	<u>312</u>	<u>805</u>
CHANGE IN NET POSITION	280,115	(138,252)
NET POSITION, beginning of year	<u>290,402</u>	<u>428,654</u>
NET POSITION, end of year	<u>\$ 570,517</u>	<u>\$ 290,402</u>

See accompanying notes to financial statements

TROY CAPITAL RESOURCE CORPORATION

Statements of Cash Flows

	For the Year Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from project fees	\$ 496,214	\$ 5,500
Payments to vendors	<u>(209,878)</u>	<u>(143,057)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>286,336</u>	<u>(137,557)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from interest income	<u>312</u>	<u>805</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	286,648	(136,752)
Cash and cash equivalents at beginning of year	<u>290,402</u>	<u>427,154</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 577,050</u>	<u>\$ 290,402</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ 279,803	\$ (139,057)
Changes in operating assets and liabilities:		
Accounts receivable	-	1,500
Accounts payable	<u>6,533</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 286,336</u>	<u>\$ (137,557)</u>

See accompanying notes to financial statements

TROY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements

December 31, 2020 and 2019

NOTE A--CORPORATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Troy Capital Resource Corporation (the "Corporation") was created during 2009 under Section 1411 of the New York State Not-For-Profit Corporation Law. The Corporation, although established by the City Council of the City of Troy, New York (the "City"), is a separate public benefit corporation and operates independently of the City.

The Corporation was established to promote community and economic development for the citizens of the City by developing and providing programs to access low interest tax-exempt and non-tax-exempt financing for eligible projects and undertaking projects and activities within the City for the purpose of relieving and reducing unemployment, improving job opportunities, attracting new industry, or encouraging the development of, or retention of, industry in the City. In return for its efforts, the Corporation receives application and closing fees related to this financing.

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. 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, 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 unspent 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 net position".

TROY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements--Continued

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

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.

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 (U. S. GAAP) 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.

Receivables

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 to collectible; accordingly, no allowance for doubtful accounts has been recorded.

Financing Activities

Revenue bonds issued by the Corporation are collateralized by property that is leased to companies and is retired by lease payments. The bonds are not obligations of the Corporation or the State of New York. The Corporation does not record the assets or liabilities resulting from completed bond transactions in its accounts since its primary function is to arrange financing between borrowing companies 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 bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds.

The outstanding balance of bonds issued totaled \$328,450,000 and \$399,065,000 at December 31, 2020 and 2019, respectively.

Income Taxes

The Corporation is exempt from Federal, State and Local income taxes.

TROY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements--Continued

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

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 26, 2021.

The COVID-19 outbreak in the United States has caused operational disruption through mandated and voluntary closings of businesses and affecting business operations across a wide range of industries and organizations. The extent of the impact on COVID-19 to the Corporation's operational and financial performance will depend on certain elements, including the duration of the spread of the outbreak, impact on granting agencies, contributors, customers, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Corporation's financial condition or results of operations is uncertain.

NOTE B--CASH AND CASH EQUIVALENTS

The Corporation's investment policies are governed by New York State statutes and its 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 \$252,000 for the year ended December 31, 2020.

NOTE C--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

The Corporation's current Board of Directors is the same as that of the Troy Industrial Development Authority (Authority).

TROY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements--Continued

NOTE C--RELATED PARTY TRANSACTIONS--Continued

Troy Local Development Corporation

The Corporation provided to the Troy Local Development Corporation, a related party through common management, assistance that totaled \$160,000 and \$100,000 for the years ended December 31, 2020 and 2019, respectively. The assistance is recorded in the financial statement line "Economic Development" on the accompanying statements of revenue, expenses and change in 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 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 Troy Capital Resource Corporation (the "Corporation"), which comprise the statement of net position as of December 31, 2020, 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 26, 2021.

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 the 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 may exist that have not been identified.

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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wojeski & Company, CPAs, P.C.

Albany, New York
March 26, 2021

SUPPLEMENTARY INFORMATION

TROY CAPITAL RESOURCE CORPORATION

Supplementary Information - Schedule of Indebtedness

For the Year Ended December 31, 2020

<u>Project</u>	<u>Original Issuance Date</u>	<u>Original Bond Issued</u>	<u>Current Interest Rate</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid or Refunded During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity Date</u>
Rensselaer Polytechnic Institute	04/10	\$ 311,630,000	5.08%	\$ 311,630,000	\$ -	\$ 311,630,000	\$ -	09/40
Rensselaer Polytechnic Institute	06/10	47,180,000	5.08%	10,610,000	-	7,930,000	2,680,000	09/21
Rensselaer Polytechnic Institute	11/15	74,045,000	4.56%	66,825,000	-	2,220,000	64,605,000	08/35
Rensselaer Polytechnic Institute	06/20	<u>261,165,000</u>	3.15%	<u>-</u>	<u>261,165,000</u>	<u>-</u>	<u>261,165,000</u>	09/40
		<u>\$ 694,020,000</u>		<u>\$ 389,065,000</u>	<u>\$ 261,165,000</u>	<u>\$ 321,780,000</u>	<u>\$ 328,450,000</u>	

See independent auditor's report