

**TROY CAPITAL
RESOURCE CORPORATION**

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

December 31, 2023 and 2022

TROY CAPITAL RESOURCE CORPORATION

December 31, 2023 and 2022

Financial Statements

Independent Auditor's Report	1
Statements of Net Position	4
Statements of Revenues, Expenses and Change in Net Position	5
Statements of Cash Flows	6
Notes to Financial Statements	7

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 <i>Government Auditing Standards</i>	11
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Supplementary Information

Schedule I – Schedule of Indebtedness	13
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WOJESKI & COMPANY CPAs, P.C.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Troy Capital Resource Corporation (the "Corporation"), as of and for the years ended December 31, 2023 and 2022, 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, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Controller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Corporation's basic financial statements as a whole. 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the Annual Report of the Corporation as defined by Section 2800 of the New York State Public Authorities Law, *Annual Reports by Authorities*, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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 27, 2024, 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 27, 2024

TROY CAPITAL RESOURCE CORPORATION

Statements of Net Position

	December 31,	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 186,883	\$ 224,992
Due from other government	<u>215,000</u>	<u>215,000</u>
TOTAL CURRENT ASSETS	<u>401,883</u>	<u>439,992</u>
LIABILITIES		
Accounts payable and accrued expenses	<u>15,834</u>	<u>-</u>
NET POSITION		
Unrestricted	<u><u>\$ 386,049</u></u>	<u><u>\$ 439,992</u></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,	
	2023	2022
OPERATING REVENUES		
Project fees	<u>\$ 4,500</u>	<u>\$ 14,500</u>
OPERATING EXPENSES		
Economic development	44,039	58,335
Professional fees	<u>17,674</u>	<u>23,998</u>
TOTAL OPERATING EXPENSES	<u>61,713</u>	<u>82,333</u>
OPERATING LOSS	(57,213)	(67,833)
NON-OPERATING REVENUES		
Interest income	<u>3,270</u>	<u>626</u>
CHANGE IN NET POSITION	(53,943)	(67,207)
NET POSITION, beginning of year	<u>439,992</u>	<u>507,199</u>
NET POSITION, end of year	<u>\$ 386,049</u>	<u>\$ 439,992</u>

See accompanying notes to financial statements

TROY CAPITAL RESOURCE CORPORATION

Statements of Cash Flows

	For the Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from project fees	\$ 4,500	\$ 14,500
Payments to vendors	(45,879)	(86,513)
NET CASH USED IN OPERATING ACTIVITIES	(41,379)	(72,013)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from interest income	3,270	626
Payments for loan advanced to other government	-	(215,000)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	3,270	(214,374)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(38,109)	(286,387)
Cash and cash equivalents at beginning of year	224,992	511,379
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 186,883	\$ 224,992
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (57,213)	\$ (67,833)
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	15,834	(4,180)
NET CASH USED IN OPERATING ACTIVITIES	\$ (41,379)	\$ (72,013)

See accompanying notes to financial statements

TROY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements

December 31, 2023 and 2022

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 (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:

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 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.

Conduit Debt Obligations

To further economic development in the county, the Authority has issued bonds that provide capital financing to private-sector entities for the acquisition and construction of facilities. The properties financed are pledged as collateral and the bonds are payable solely from payments from the private sector entities. In addition, no commitments beyond the collateral, the payments from the private sector entities, and maintenance of tax-exempt status of the conduit debt obligation were extended by the Authority. The bonds are not obligations of the Authority or the State of New York. Accordingly, the Authority 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 Authority receives project administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds. The outstanding balance of bonds issued totaled \$315,875,000 and \$328,540,000 at December 31, 2023 and 2022, respectively.

Adoption of New Accounting Pronouncements

During the year ended December 31, 2023, the Corporation implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements ("PPPs").

TROY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements--Continued

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

Adoption of New Accounting Pronouncements--Continued

GASB statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements ("SBITAs") and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No. 94 and 96. The implementation of GASB Statements No. 94, 96, and a portion of 99 did not have a material impact on the Corporation's financial position or results from operations.

Income Taxes

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

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 the Board of Directors and available to be issued on March 27, 2024.

NOTE B--CASH AND CASH EQUIVALENTS

The Corporation's investment policies are governed by New York State statutes 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. There were no collateralized uninsured deposits for the year ended December 31, 2023.

TROY CAPITAL RESOURCE CORPORATION

Notes to Financial Statements--Continued

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 (TIDA).

Troy Local Development Corporation

In June 2022, the Corporation provided the Troy Local Development Corporation (TLDC), a related party through common management, 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. The loan is collateralized by proceeds from the planned sale of a property owned by TLDC. The note is recorded in the financial statement line "Due from other government" on the Statements of Net Position.

COMPLIANCE REPORT



WOJESKI & COMPANY CPAs, P.C.

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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**

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, 2023, 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 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 27, 2024

SUPPLEMENTARY INFORMATION

TROY CAPITAL RESOURCE CORPORATION

Supplementary Information - Schedule of Indebtedness

For the Year Ended December 31, 2023

Project	Original Issuance Date	Original Bond Issued	Current Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid or Refunded During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity Date
Rensselaer Polytechnic Institute	11/15	\$ 74,045,000	3.35%	\$ 58,730,000	-	\$ 4,080,000	\$ 54,650,000	08/35
Rensselaer Polytechnic Institute	06/20	261,165,000	2.47%	250,640,000	-	7,720,000	242,920,000	09/40
Rensselaer Polytechnic Institute	06/21	<u>19,990,000</u>	1.47%	<u>19,170,000</u>	<u>-</u>	<u>865,000</u>	<u>18,305,000</u>	09/36
		<u>\$ 355,200,000</u>		<u>\$ 328,540,000</u>	<u>\$ -</u>	<u>\$ 12,665,000</u>	<u>\$ 315,875,000</u>	

See independent auditor's report