

SCHOHARIE COUNTY CAPITAL RESOURCE  
CORPORATION

FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Schoharie County Capital Resource Corporation  
Cobleskill, New York

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

#### ***Opinions***

We have audited the accompanying financial statements of the Schoharie County Capital Resource Corporation ("SCCRC") as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise SCCRC's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of SCCRC as of June 30, 2024 and 2023, and the respective changes in financial position and 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SCCRC 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 these 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 SCCRC'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.

### ***Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 SCCRC'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; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SCCRC'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 audits.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Pages 4 – 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplemental Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise SCCRC's basic financial statements. The accompanying schedule of supplemental bond and note information and the schedule of full time equivalent (FTE) jobs created and retained in the basic financial statements are presented for purposes of additional analysis and are not a required part of the financial statements, but it is supplemental information required by the Office of the New York State Comptroller. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2024 on our consideration of SCCRC's 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 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 SCCRC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SCCRC's internal control over financial reporting and compliance.

*Mistert, Manzanero & Scott, LLP*

Oneonta, New York  
August 20, 2024

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

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As financial management of the Schoharie County Capital Resource Corporation ("SCCRC"), we offer readers of these financial statements this narrative overview and analysis of the financial activities for SCCRC for the year ended June 30, 2024. This discussion and analysis are designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. SCCRC encourages its readers to consider the information presented here in conjunction with the financial statements taken as a whole.

**Overview of the Financial Statements**

This discussion and analysis accompany SCCRC's financial statements, including notes to the financial statements and the reports on compliance and internal control to help the reader better understand the financials.

**Financial Statements**

SCCRC's financial statements provide readers with a comprehensive reporting of SCCRC's 2023 – 2024 fiscal year transactions and balances. The difference between the assets and liabilities are reported as net position. Increases or decreases in net position are an indicator of strengthened or weakened financial position.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Financial Analysis**

There was no operating revenue for fiscal years ended June 30, 2024 and 2023. Income net of expenses produced a decrease in net position of \$3,779 and \$3,651 at June 30, 2024 and 2023, respectively. At the close of fiscal year 2024 and 2023, SCCRC had a net position of \$19,784 and \$23,563, respectively.

SCCRC's prime objective is to provide assistance to not-for-profits through the issuance of tax-exempt bond financing. Currently, SCCRC does not administer any direct business assistance.

**Accomplishments**

The SCCRC remained available to the County's non-profits and performed the required administrative responsibilities.

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

MANAGEMENT’S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

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**Economic Factors**

2023 – 2024 continued to be a difficult economic environment, on the local level with no major projects taking place. The following is a 2022 – 2024 comparative summary of SCCRC financial statements, showing the decrease in net position.

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION’S  
NET POSITION

	2024	2023	2022
Current assets	\$ 19,784	\$ 23,563	\$ 27,214
Total assets	19,784	23,563	27,214
Current liabilities	-	-	-
Total liabilities	-	-	-
Total net position	\$ 19,784	\$ 23,563	\$ 27,214

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION’S  
CHANGES IN NET POSITION

	2024	2023	2022
Operating revenues	\$ -	\$ -	\$ -
Operating expenses	3,783	3,656	3,656
Net loss from operations	(3,783)	(3,656)	(3,656)
Non-operating revenues	4	5	5
Net position – Beginning of year	23,563	27,214	30,865
Net position – End of year	\$ 19,784	\$ 23,563	\$ 27,214

**2024 – 2025 GOALS**

SCCRC expects to continue working with local not-for-profits who step forward with viable projects.

**Requests for Information**

Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Schoharie County Capital Resource Corporation, 349 Mineral Springs Road, Cobleskill, New York 12043.

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 19,603	\$ 23,210
Prepaid insurance	<u>181</u>	<u>353</u>
Total assets	<u>19,784</u>	<u>23,563</u>
 <u>LIABILITIES AND NET POSITION</u>		
Net position:		
Unrestricted	<u>19,784</u>	<u>23,563</u>
Total net position	<u>\$ 19,784</u>	<u>\$ 23,563</u>

See accompanying notes.



SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION

Years Ended June 30, 2024 and 2023

	2024	2023
Operating expenses:		
Insurance	\$ 1,278	\$ 1,256
Professional fees	2,500	2,400
Miscellaneous	5	-
Total operating expenses	3,783	3,656
Net loss from operations	(3,783)	(3,656)
Non-operating revenues:		
Interest income	4	5
Net loss	(3,779)	(3,651)
Net position - Beginning of year	23,563	27,214
NET POSITION - END OF YEAR	\$ 19,784	\$ 23,563

See accompanying notes.

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Other operating payments	\$ (3,611)	\$ (3,507)
NET CASH USED IN OPERATING ACTIVITIES	<u>(3,611)</u>	<u>(3,507)</u>
Cash flows from investing activities:		
Interest income	<u>4</u>	<u>5</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>4</u>	<u>5</u>
NET DECREASE IN CASH	(3,607)	(3,502)
Cash and cash equivalents - Beginning of year	<u>23,210</u>	<u>26,712</u>
Cash and cash equivalents - End of year	<u>\$ 19,603</u>	<u>\$ 23,210</u>
Reconciliation of operating income to net cash provided by operating activities:		
Net loss from operations	\$ (3,783)	\$ (3,656)
Decrease in prepaid expenses	<u>172</u>	<u>149</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (3,611)</u>	<u>\$ (3,507)</u>

See accompanying notes.

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

NOTE 1 ORGANIZATION

Schoharie County Capital Resource Corporation (“SCCRC”) is a New York State Corporation – incorporated July 12, 2011 – organized under New York State Not-for-Profit Corporation Law and is located in Cobleskill, New York. SCCRC’s mission is to assist local economic development efforts by promoting community and economic development and the creation of jobs in non-profit and for-profit institutions. SCCRC provides access to low interest tax-exempt and non-tax-exempt financing for eligible projects in Schoharie County. Schoharie County is the sole member of the corporation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

SCCRC reports its activities as a proprietary fund type. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of SCCRC’s are bond fees. Operating expenses include bond issuance costs and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The basic financial statements of SCCRC have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of SCCRC’s accounting policies are described below.

Income Tax Status

SCCRC is a governmental instrument of Schoharie County under IRS revenue ruling 57-128 and therefore pursuant to Section 115 of the Internal Revenue Code is exempt from filing Federal and State income tax returns. Accordingly, no provision for income taxes has been provided for in the financial statements.

Statements of Cash Flows

For the purpose of the statements of cash flows, SCCRC considers all cash and cash equivalents to be all cash accounts including demand accounts and certificates of deposit with an original maturity date of three months or less.

Cash and Cash Equivalents

SCCRC’s cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Net Position

Equity is classified as net position and displayed in three components:

- Invested in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- Restricted – Consists of net assets with constraints on the use either by (a) external groups such as creditors, grantors, contributors, laws, or regulations of other governments, or (b) laws through constitutional provisions or enabling legislation.
- Unrestricted – All other net positions that do not meet the definition of “invested in capital assets” or “restricted.”

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

Contributed Facilities and Services

SCCRC is authorized to use and share employees, facilities, and equipment of the Schoharie County Industrial Development Agency (“SCIDA”) and may reimburse SCIDA an agreed upon proportion of the compensation or costs of the services provided.

Component Unit

Management has evaluated the provisions of Government Accounting Standards Board Statement No. 61 – *The Financial Reporting Entity* and has determined SCCRC is not a component unit of SCIDA.

Subsequent Events

SCCRC has evaluated subsequent events through August 20, 2024, which is the date these financial statements were available to be issued.

Accounting Pronouncements

The following are GASB Statements that have been issued recently and are currently being evaluated, by SCCRC, for their potential impact in future years:

- Statement No. 100, *Accounting Changes and Error Corrections*-an amendment of GASB Statement No. 62 which is effective for the year ending December 31, 2024.
- Statement No. 101, *Compensated Absences*, which will be effective for the year ending December 31, 2024.

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

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NOTE 3 REVENUE BONDS

SCCRC facilitates the issuance of tax-exempt and non-tax-exempt revenue bonds and notes. The bonds and notes are not the obligations of SCCRC or the State of New York. SCCRC does not record the assets or liabilities resulting from completed bonds and notes issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and the funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, SCCRC receives bond administration fees from the borrowing organizations. For the years ended June 30, 2024 and 2023, the SCCRC received no administration fees.

NOTE 4 RELATED PARTIES

SCCRC and SCIDA are related through common board members and management.

NOTE 5 CUSTODIAL CREDIT RISK

Collateral is required for demand deposits and certificates of deposit not covered by the Federal Deposit Insurance Corporation (FDIC). Obligations that may be pledged as collateral are obligations to the United States and its agencies and obligations of the State and its municipalities and school districts.

All SCCRC funds were insured by FDIC as of June 30, 2024 and 2023.

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SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION  
 SCHEDULE OF SUPPLEMENTAL BOND AND NOTE INFORMATION

Year Ended June 30, 2024

<u>Purchaser</u>	<u>Issuee</u>	<u>Issue Date</u>	<u>Price</u>	<u>Rate</u>	<u>Balance</u>	<u>Maturity Date</u>
RBS Citizens, N.A	Cobleskill Alumni Holdings, LLC Cobleskill, New York Series 2013A	09/01/2013	\$ 10,000,000	3.43	\$ -	09/01/2043
Bond Purpose:	Construction					

The current holder of the bond has opted not to exercise its right to a mandatory tender, necessitating the purchase of the bond by another bond holder. The interest rate will increase to 5.23%

See auditor's report.

SCHOHARIE COUNTY CAPITAL RESOURCE CORPORATION

SCHEDULE OF FULL-TIME EQUIVALENT (FTE) JOBS CREATED AND RETAINED

Year Ended June 30, 2024

	<u># of FTE Employees at Project Location before IDA Status</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>	<u># of Current FTE Employees</u>	<u># of FTE Jobs Created During Fiscal Year</u>	<u># of FTE Jobs Retained During Fiscal Year</u>
Project Owner: Cobleskill Alumni Holdings, LLC	<u>0</u>	<u>0</u>	<u>5</u>	<u>10</u>	<u>0</u>	<u>5</u>

See auditor's report.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Schoharie County Capital Resource Corporation  
Cobleskill, 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 the Schoharie County Capital Resource Corporation ("SCCRC") which comprise the statements of net position as of and for the year ended June 30, 2024, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 20, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SCCRC's internal control over financial reporting (internal control) to determine the 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 SCCRC's internal control. Accordingly, we do not express an opinion on the effectiveness of SCCRC'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of SCCRC'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.

MEMBERS: American Institute of Certified Public Accountants,  
New York State Society of Certified Public Accountants, National Conference of CPA Practitioners



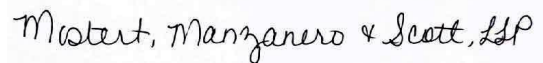
## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SCCRC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 SCCRC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SCCRC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of Schoharie County Capital Resource Corporation's audit committee, management, State of New York, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Oneonta, New York  
August 20, 2024