

**CITY OF ALBANY CAPITAL RESOURCE
CORPORATION**

**(A Discretely Presented Component Unit of
City of Albany, New York)**

**Financial Statements as of
December 31, 2025 and 2024
Together with
Independent Auditor's Reports**

CITY OF ALBANY CAPITAL RESOURCE CORPORATION
(A Discretely Presented Component Unit of the City of Albany, New York)

TABLE OF CONTENTS

Independent Auditor’s Report..... 1

Financial Statements

 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

Other Required 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*..... 10

INDEPENDENT AUDITOR'S REPORT

March 9, 2026

To the Board of Directors of
City of Albany Capital Resource Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Albany Capital Resource Corporation (a discretely presented component unit of City of Albany, New York), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the City of Albany Capital Resource Corporation'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 financial position of City of Albany Capital Resource Corporation, as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 City of Albany Capital Resource 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 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 City of Albany Capital Resource 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

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 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 the 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 the City of Albany Capital Resource 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 City of Albany Capital Resource 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 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, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026 on our consideration of City of Albany Capital Resource 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 City of Albany Capital Resource 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 City of Albany Capital Resource Corporation's internal control over financial reporting and compliance.

CITY OF ALBANY CAPITAL RESOURCE CORPORATION
(A Discretely Presented Component Unit of the City of Albany, New York)

STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 2,012,008	\$ 849,327
TOTAL ASSETS	<u>2,012,008</u>	<u>849,327</u>
LIABILITIES		
Due to City of Albany Industrial Development Agency	<u>-</u>	<u>20,000</u>
TOTAL LIABILITIES	<u>-</u>	<u>20,000</u>
NET POSITION		
Unrestricted	<u>2,012,008</u>	<u>829,327</u>
Total Net Position	<u>\$ 2,012,008</u>	<u>\$ 829,327</u>

The accompanying notes are an integral part of these statements.

CITY OF ALBANY CAPITAL RESOURCE CORPORATION
(A Discretely Presented Component Unit of the City of Albany, New York)

STATEMENTS OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OPERATING REVENUE:	<u>2025</u>	<u>2024</u>
Agency fees	\$ 1,249,525	\$ 503,050
Total operating revenue	<u>1,249,525</u>	<u>503,050</u>
 OPERATING EXPENSES:		
Strategic initiatives	75,000	70,000
Professional fees	5,000	5,800
Insurance	1,212	1,205
Miscellaneous expenses	-	317
Administrative expenses	<u>-</u>	<u>20,000</u>
Total operating expenses	<u>81,212</u>	<u>97,322</u>
Operating income	<u>1,168,313</u>	<u>405,728</u>
 NON-OPERATING REVENUES:		
Interest income	<u>14,368</u>	<u>1,704</u>
Total non-operating revenue	<u>14,368</u>	<u>1,704</u>
CHANGE IN NET POSITION	1,182,681	407,432
NET POSITION - beginning of year	<u>829,327</u>	<u>421,895</u>
NET POSITION - end of year	<u>\$ 2,012,008</u>	<u>\$ 829,327</u>

The accompanying notes are an integral part of these statements.

CITY OF ALBANY CAPITAL RESOURCE CORPORATION
(A Discretely Presented Component Unit of the City of Albany, New York)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments received for agency fees	\$ 1,249,525	\$ 503,050
Payments for operating expenses	<u>(101,212)</u>	<u>(197,837)</u>
Net Cash Provided by Operating Activities	<u>1,148,313</u>	<u>305,213</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>14,368</u>	<u>1,704</u>
Net Cash Provided by Investing Activities	<u>14,368</u>	<u>1,704</u>
Change in cash	<u>1,162,681</u>	<u>306,917</u>
Cash, Beginning of Year	<u>849,327</u>	<u>542,410</u>
Cash, End of Year	<u>\$ 2,012,008</u>	<u>\$ 849,327</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 1,168,313	\$ 405,728
Changes in operating assets and liabilities:		
Due to City of Albany IDA	(20,000)	20,000
Accounts payable and accrued liabilities	<u>-</u>	<u>(120,515)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,148,313</u>	<u>\$ 305,213</u>

The accompanying notes are an integral part of these statements.

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION
(A Discretely Presented Component Unit of the City of Albany, New York)**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Albany Capital Resource Corporation, a discretely presented component unit of the City of Albany was formed on April 16, 2010, pursuant to Sections 402 and 1411 of the Not-For-Profit Corporation Laws of the State of New York. The City of Albany Capital Resource Corporation promotes community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the City of Albany by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses, and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects.

Additionally, the City of Albany Capital Resource Corporation purpose is to undertake projects and activities within the City of Albany for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the City of Albany by attracting new industry to the City or by encouraging the development of, or retention of, an industry in the City, and lessening the burdens of government and acting in the public interest. The Directors of the City of Albany Capital Resource Corporation are appointed by the City of Albany's governing body. The City of Albany Capital Resource Corporation's Directors have complete responsibility for management of the City of Albany Capital Resource Corporation and accountability for fiscal matters.

Financial Reporting Entity

City of Albany Capital Resource Corporation is a component unit of the City of Albany. In accordance with accounting principles generally accepted in the United States of America, City of Albany Capital Resource Corporation's financial statements are discretely presented in the City's financial statements.

Basis of Accounting

The accounting policies of City of Albany Capital Resource Corporation conform to generally accepted accounting principles as applicable to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. City of Albany Capital Resource Corporation is considered a proprietary business-type entity and reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 City of Albany Capital Resource Corporation are revenues from tax exempt revenue bonds. Operating expenses include administrative expenses, grant payments, and professional fees. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is City of Albany Capital Resource Corporation's policy to use restricted resources first, then unrestricted resources as they are needed.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits and Risk Disclosure

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by the Federal Deposit Insurance Corporation. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, City of Albany Capital Resource Corporation's deposits may not be returned to them.

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in City of Albany Capital Resource Corporation's name.

Net Position

Net position represents the difference between the assets/deferred outflows of resources, and liabilities/and deferred inflows of resources. Net position is reported as restricted only when there are limitations imposed on its use.

It is the policy of the City of Albany Capital Resource Corporation to first use restricted resources when an expense is incurred for purposes which both restricted and unrestricted resources are available.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Bonds

The City of Albany Capital Resource Corporation may issue revenue bonds. The bonds are special obligations of the City of Albany Capital Resource Corporation payable solely from revenue derived from the leasing, sale, or other disposition of a project. As explained more fully in Note 3, there is no liability to the City of Albany Capital Resource Corporation; therefore, the obligations are not accounted for in the accounts of the City of Albany Capital Resource Corporation.

Income Taxes

The City of Albany Capital Resource Corporation is exempt from income taxes as a not-for-profit corporation under tax section 501(c)(3) as determined by the Internal Revenue Service and, accordingly, these financial statements do not reflect a provision for income taxes.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Accounts Receivable

Accounts receivable, if any, are comprised of amounts billed and currently due from customers. Accounts receivable are amounts related to any unconditional right the City of Albany Capital Resource Corporation has to receive consideration. Receivables are considered past due when payment is not received within the period allowed under the terms of the sale or contract. The City of Albany Capital Resource Corporation writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to bad debt expenses in the year of recovery. Substantially all of the accounts receivable are considered collectible.

2. CASH

City of Albany Capital Resource Corporation maintains its cash accounts with one commercial bank. The accounts are fully insured by the Federal Deposit Insurance Corporation (FDIC).

Cash balances at December 31, 2025 were insured as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	<u>\$ 2,012,008</u>	<u>\$ 2,012,008</u>
Covered by FDIC insurance	<u>\$ 2,012,008</u>	

Cash as of December 31, 2024 was also fully insured by FDIC insurance.

3. REVENUE BOND TRANSACTIONS

Revenue bonds issued by the City of Albany Capital Resource Corporation are secured by property which is leased to private companies. The debt is retired by the lease payments. The bonds are not obligations of New York State, the City of Albany, and are not a liability of the City of Albany Capital Resource Corporation. Accordingly, the City of Albany Capital Resource Corporation does not record related activity in its accounts. The City of Albany Capital Resource Corporation acts merely as a financing conduit. For providing this service, the City of Albany Capital Resource Corporation receives an administrative fee. Such administrative fee income is recognized immediately upon issuance of bonds. Revenue bonds outstanding as of December 31, 2025 and 2024 total \$568,260,853 and \$271,238,490, respectively.

4. RELATED PARTY TRANSACTIONS

The City of Albany Capital Resource Corporation shares a common board of directors with the City of Albany Industrial Development Agency, a component unit of the City of Albany.

As of December 31, 2025 and 2024, City of Albany Capital Resource Corporation owes the City of Albany Industrial Development Agency \$0 and \$20,000, respectively for the allocation of contracted administrative expenses.

OTHER REQUIRED 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

March 9, 2026

To the Board of Directors of
City of Albany Capital Resource Corporation:

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 City of Albany Capital Resource Corporation, (a discretely presented component unit of City of Albany, New York), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise City of Albany Capital Resource Corporation's basic financial statements, and have issued our report thereon dated March 9, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Albany Capital Resource 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Albany Capital Resource Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Albany Capital Resource 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 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 or significant deficiencies may exist that were not identified.

6 Wembley Court
Albany, NY 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

(Continued)

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*

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Albany Capital Resource 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 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.