

Choose Columbia

Columbia Economic Development Corporation

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION NOTICE OF MEETING

Please take notice that there will be a meeting of the Columbia Economic Development Corporation Audit and Finance Committee held on October 18, 2017 at 8:30am, at 4303 Route 9, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Committee for consideration.

Dated: October 11, 2017

Sarah Sterling

Secretary

Columbia Economic Development Corporation

CEDC Audit and Finance Committee Agenda

Chairman:

Rick Bianchi

Members:

Tish Finnegan

Tony Jones

James Lapenn

John Lee

1. Minutes, July 19, 2017*
2. 2018 Budget Review*
3. Review of Financials*
4. Portfolio Review
5. Public Comment

Attachments:

Minutes, July 19, 2017

Financials

Loan Status Report

* Requires action



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Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
AUDIT and FINANCE COMMITTEE
Wednesday, July 19, 2017
4303 Route 9
Hudson, New York

A regularly scheduled meeting of Columbia Economic Development Corporation's (CEDC) Audit and Finance Committee was held at their offices located at 4303 Route 9, Hudson, NY 12534 on July 19, 2017. The meeting was called to order at 8:34am by Mr. Lapenn, Acting Chair.

Attendee Name	Title	Status	Arrived
Rick Bianchi	Committee Chairman	Excused	
Tish Finnegan	Committee Member	Excused	
Tony Jones	Committee Member	Present	8:37am
James Lapenn	Committee Member	Present	
John Lee	Committee Member	Present	
F. Michael Tucker	President/CEO	Present	
Andy Howard	Counsel	Present	
Brandon Dory	Project Manager	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Erin McNary	Bookkeeper	Excused	
Ed Stiffler	Economic Developer	Present	
Martha Lane	Business Development Specialist	Excused	
Carol Wilber	Marketing Director	Present	

Review of Financials:

Mr. Tucker stated Mr. Vanderbeck, had recently reviewed the financials, cleaning up some of the language that had remained from past transactions. Mr. Tucker reviewed the financials pointing out that the increase in cash represented loan repayments. He noted that the SBA loan receivables were \$100,000 less than the same period last year. He stated SBA writeoffs totaled \$25,000 more over the same period in the previous year.

Mr. Tucker noted Columbia County land sale had decreased from the previous year. He noted CEDC had closed on a parcel in 2016 and one parcel was currently available. He stated that the SBA loans continued to be paid down. He informed the Committee that the SBA would be conducting their annual on-site audit on August 29th. Mr. Tucker stated net income had increased by \$13,000. He noted total equity had increased over last year, with a decrease in total liabilities.



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Mr. Tucker stated the SBA technical assistance award for next year would be unaffected by Congressional votes as it had been previously approved. He noted that cuts to various federal economic development programs had been approved at the House of Representatives. He noted CEDC would continue to try to wean itself off of federal state and local funding.

Mr. Tucker turned to the Profit and Loss statement as compared to the previous year. He noted net income had increased by \$13,000 while total expenses had increased by \$7,000. He noted the consultant expenses had been broken out as had office expenses in order to increase clarity.

Turning to the Profit and Loss budget versus actual, Mr. Tucker noted payroll was below budget due to the timing of the hiring of the new Project Manager. He noted that expenses related to the City of Hudson DRI submission and Broadband mapping had not been budgeted.

Mr. Tucker reviewed the Profit and Loss by class. He discussed setting aside 50% of the loan fund interest to be reinvested into the loan funds or reserves. He informed the Committee that the accountants were pleased with the aggregation of the accounts.

Mr. Tucker reviewed the spreadsheet summarizing the available loan funds, outstanding loan portfolio and the reserve account balances with the Committee. He informed the Committee that Mr. Jones and himself were reviewing the loan program and would be working with Ms. Lane and Ms. Wilber to market and increase the visibility of the loan funds, targeting those businesses with a solid track record. Mr. Tucker reviewed the loan reserves with the Committee. *Mr. Lee made a motion, seconded by Mr. Jones to recommend the financials to the full board for review. Carried.*

Portfolio Review

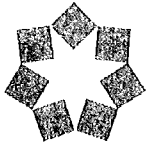
Mr. Tucker informed the Committee that Monkshood Nursery was in the process of selling their property and planned on paying their loan out of the proceeds. He noted the Chatham Café and Deli was past due and in default. He stated Mr. Howard was working with Ms. Lane to draft a formal letter requesting payment of the debt. Mr. Tucker noted that a payment plan would be given as an option.

Vendor Expenses Summary:

Mr. Tucker stated he had enclosed the vendor expense list for the Committee's review. He reviewed the sheet with the Committee, noting the New York State Authority Budget Office had done procurement audits in the recent past.

Banking Relationship:

Mr. Tucker reviewed the handout listing CEDC's current banking relationships.



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Minutes:

Mr. Jones made a motion, seconded by Mr. Lee to approve the minutes of the March 28, 2017 meeting as presented. Carried.

With no other business to come before the committee and no public comment, Mr. Jones made a motion, seconded by Mr. Lee to adjourn the meeting. Carried.

The meeting was adjourned at 9:10am

Respectfully submitted by Lisa Drahushuk

1:51 PM
10/02/17
Accrual Basis

**Columbia Economic Development Corp
Balance Sheet Prev Year Comparison
As of September 30, 2017**

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	Sep 30, 17	Sep 30, 16	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Checking and Savings	2,125,164.55	1,905,259.03	219,905.52	11.5%
Total Checking/Savings	2,125,164.55	1,905,259.03	219,905.52	11.5%
Other Current Assets				
Accounts Receivable	25,416.68	34,078.43	-8,661.75	-25.4%
Allowance for Bad debt SBA	-42,291.54	-79,000.00	36,708.46	46.5%
Other loans receivable	20,470.74	35,990.36	-15,519.62	-43.1%
SBA Loans Receivable	356,081.69	458,369.93	-102,288.24	-22.3%
Total Other Current Assets	359,677.57	449,438.72	-89,761.15	-20.0%
Total Current Assets	2,484,842.12	2,354,697.75	130,144.37	5.5%
Fixed Assets				
Property & Capitalized Assets	12,933.52	6,539.65	6,393.87	97.8%
Total Fixed Assets	12,933.52	6,539.65	6,393.87	97.8%
Other Assets				
Allowance for Bad Debt Loans	-119,630.67	-158,414.66	38,783.99	24.5%
Comm. Pk Land Sale Recv.	37,182.98	45,500.00	-8,317.02	-18.3%
Grants Receivable	305,684.65	358,409.49	-52,724.84	-14.7%
Loans Receivable	622,379.80	670,986.88	-48,607.08	-7.2%
Total Other Assets	845,616.76	916,481.71	-70,864.95	-7.7%
TOTAL ASSETS	3,343,392.40	3,277,719.11	65,673.29	2.0%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000-01 - *Accounts Payable	11,412.16	0.00	11,412.16	100.0%
Total Accounts Payable	11,412.16	0.00	11,412.16	100.0%
Other Current Liabilities				
Accounts payable .. other	0.00	2,700.00	-2,700.00	-100.0%
Accrued Expenses	20,447.38	5,325.00	15,122.38	284.0%
Land Deposit	3,300.00	8,689.50	-5,389.50	-62.0%
Total Other Current Liabilities	23,747.38	16,714.50	7,032.88	42.1%
Total Current Liabilities	35,159.54	16,714.50	18,445.04	110.4%
Long Term Liabilities				
Due to Columbia Cty Land Sale	0.00	45,500.00	-45,500.00	-100.0%
Loans Payable to SBA	568,926.78	495,462.12	73,464.66	14.8%
Long term Deferrd Revenue	100,684.65	153,409.49	-52,724.84	-34.4%
Total Long Term Liabilities	669,611.43	694,371.61	-24,760.18	-3.6%
Total Liabilities	704,770.97	711,086.11	-6,315.14	-0.9%
Equity				
Invested in Capital Assets	12,933.52	773,357.13	-760,423.61	-98.3%
Net assets Restricted	308,332.47	1,042,905.94	-734,573.47	-70.4%

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10/02/17

Accrual Basis

Columbia Economic Development Corp Balance Sheet Prev Year Comparison As of September 30, 2017

	<u>Sep 30, 17</u>	<u>Sep 30, 16</u>	<u>\$ Change</u>	<u>% Change</u>
Unrestricted Net Position	2,269,737.81	683,596.66	1,586,141.15	232.0%
Net Income	47,617.63	66,773.27	-19,155.64	-28.7%
Total Equity	<u>2,638,621.43</u>	<u>2,566,633.00</u>	<u>71,988.43</u>	<u>2.8%</u>
TOTAL LIABILITIES & EQUITY	<u>3,343,392.40</u>	<u>3,277,719.11</u>	<u>65,673.29</u>	<u>2.0%</u>

1:52 PM
 10/02/17
 Accrual Basis

Columbia Economic Development Corp
Profit & Loss Prev Year Comparison
 January through September 2017

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	Jan - Sep 17	Jan - Sep 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
Administrative Revenue	35,916.68	50,665.84	-14,749.16	-29.1%
Columbia County	345,000.00	327,750.00	17,250.00	5.3%
Goat Genetics Grant	20,000.00	0.00	20,000.00	100.0%
Grant Income	26,781.20	31,000.50	-4,219.30	-13.6%
Loan Income	47,888.98	57,870.65	-9,981.67	-17.3%
Membership/Sponsorship	48,831.00	42,125.00	6,706.00	15.9%
Other Income	16,771.73	11,394.92	5,376.81	47.2%
SBA Microloan T/A	62,721.53	48,210.40	14,511.13	30.1%
Total Income	603,911.12	569,017.31	34,893.81	6.1%
Expense				
Conferences and Training	1,710.00	2,916.82	-1,206.82	-41.4%
Consulting -TSI	90,000.00	0.00	90,000.00	100.0%
Consulting Fees	16,341.64	90,483.23	-74,141.59	-81.9%
Direct Program Expenses	7,374.83	8,486.99	-1,112.16	-13.1%
Employer Payroll Taxes	20,689.93	20,992.41	-302.48	-1.4%
Facility	21,466.44	19,514.88	1,951.56	10.0%
Fringe Benefits	33,864.40	15,083.00	18,781.40	124.5%
Insurance	3,346.31	4,365.93	-1,019.62	-23.4%
Inter-Fund Expenses	0.00	26,250.00	-26,250.00	-100.0%
Interest Expense	-1,013.26	207.67	-1,220.93	-587.9%
MicroBiz Expenses	15,491.81	11,063.45	4,428.36	40.0%
New Initiatives	50,259.98	0.00	50,259.98	100.0%
Office Expense	31,785.17	35,658.98	-3,873.81	-10.9%
Other expense and activities	3,857.98	22.00	3,835.98	17,436.3%
Other Expenses	11,250.00	12,178.85	-928.85	-7.6%
Payroll	210,649.91	203,105.15	7,444.76	3.7%
Professional Fees	27,557.65	36,264.57	-8,706.92	-24.0%
Public Relations/Marketing	11,760.70	15,650.11	-3,889.41	-24.9%
Total Expense	556,293.49	502,244.04	54,049.45	10.8%
Net Ordinary Income	47,617.63	66,773.27	-19,155.64	-28.7%
Net Income	47,617.63	66,773.27	-19,155.64	-28.7%

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10/02/17

Accrual Basis

**Columbia Economic Development Corp
Profit & Loss Budget vs. Actual
January through September 2017**

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	Jan - Sep 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Administrative Revenue	35,916.68	44,250.01	-8,333.33	81.2%
Columbia County	345,000.00	345,000.00	0.00	100.0%
Goat Genetics Grant	20,000.00			
Grant Income	26,781.20	31,000.50	-4,219.30	86.4%
Loan Income	47,888.98	46,777.91	1,111.07	102.4%
Membership/Sponsorship	48,831.00	56,250.00	-7,419.00	86.8%
Other Income	16,771.73	16,470.49	301.24	101.8%
SBA Microloan T/A	62,721.53	59,999.99	2,721.54	104.5%
4101 - CEO Roundtable sponsor	0.00	0.00	0.00	0.0%
Total Income	603,911.12	599,748.90	4,162.22	100.7%
Expense				
Conferences and Training	1,710.00	3,749.99	-2,039.99	45.6%
Consulting -TSI	90,000.00	90,000.00	0.00	100.0%
Consulting Fees	16,341.64	18,750.01	-2,408.37	87.2%
Direct Program Expenses	7,374.83	13,321.04	-5,946.21	55.4%
Employer Payroll Taxes	20,689.93	18,655.30	2,034.63	110.9%
Facility	21,466.44	21,466.44	0.00	100.0%
Fringe Benefits	33,864.40	35,347.39	-1,482.99	95.8%
Insurance	3,346.31	4,874.99	-1,528.68	68.6%
Inter-Fund Expenses	0.00			
Interest Expense	-1,013.26	1,347.48	-2,360.74	-75.2%
MicroBiz Expenses	15,491.81	14,655.87	835.94	105.7%
New Initiatives	50,259.98	18,750.06	31,509.92	268.1%
Office Expense				
5060-01 - Comp./Equip & Leasing & Maint.	11,732.59	11,250.00	482.59	104.3%
5060-02 - Telephone & Fax	2,903.13	3,375.00	-471.87	86.0%
5060-03 - Internet	1,237.00	1,387.52	-150.52	89.2%
5060-04 - Office Supplies & Printing	3,669.96	3,749.95	-79.99	97.9%
5060-05 - Dues & Subscriptions	4,888.45	4,874.97	13.48	100.3%
5060-06 - Postage	352.58	1,125.00	-772.42	31.3%
5060-07 - Misc. Office Expenses	4,438.96	3,749.95	689.01	118.4%
5060-08 - Web Site	2,562.50	5,999.94	-3,437.44	42.7%
Total Office Expense	31,785.17	35,512.33	-3,727.16	89.5%
Other expense and activities	3,857.98			
Other Expenses	11,250.00	12,845.88	-1,595.88	87.6%
Payroll	210,549.91	232,122.29	-21,572.38	90.7%
Professional Fees	27,557.65	32,599.98	-5,042.33	84.5%
Public Relations/Marketing	11,760.70	13,500.00	-1,739.30	87.1%
Total Expense	556,293.49	567,499.05	-11,205.56	98.0%
Net Ordinary Income	47,617.63	32,249.85	15,367.78	147.7%
Net Income	47,617.63	32,249.85	15,367.78	147.7%

Columbia Economic Development Corp
Profit & Loss by Class
January through September 2017

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Ordinary Income/Expense	Total 1 Operating	2 Loan Fund	Total 3 CDBG Fund	Total 4 SBA	TOTAL
Income					
Administrative Revenue	35,916.68	0.00	0.00	0.00	35,916.68
Columbia County	345,000.00	0.00	0.00	0.00	345,000.00
Goat Geniecs Grant	20,000.00	0.00	0.00	0.00	20,000.00
Grant Income	0.00	0.00	26,781.20	0.00	26,781.20
Loan Income	0.00	27,433.05	1,013.00	19,442.93	47,888.98
Membership/Sponsorship	48,831.00	0.00	0.00	0.00	48,831.00
Other Income	13,031.38	2,312.24	476.69	951.42	16,771.73
SBA Microloan T/A	62,721.53	0.00	0.00	0.00	62,721.53
Total Income	525,500.59	29,745.29	28,270.89	20,394.35	603,911.12
Expense					
Conferences and Training	1,710.00	0.00	0.00	0.00	1,710.00
Consulting -T/SI	90,000.00	0.00	0.00	0.00	90,000.00
Consulting Fees	16,341.64	0.00	0.00	0.00	16,341.64
Direct Program Expenses	7,354.83	20.00	0.00	0.00	7,374.83
Employer Payroll Taxes	20,689.93	0.00	0.00	0.00	20,689.93
Facility	21,466.44	0.00	0.00	0.00	21,466.44
Fringe Benefits	33,864.40	0.00	0.00	0.00	33,864.40
Insurance	3,346.31	0.00	0.00	0.00	3,346.31
Inter-Fund Expenses	0.00	0.00	0.00	0.00	0.00
Interest Expense	0.00	0.00	0.00	-1,013.26	-1,013.26
MicroBiz Expenses	15,491.81	0.00	0.00	0.00	15,491.81
New Initiatives	50,259.98	0.00	0.00	0.00	50,259.98
Office Expense	31,763.17	0.00	0.00	22.00	31,785.17
Other expense and activities	0.00	0.00	0.00	3,857.98	3,857.98
Other Expenses	0.00	11,250.00	0.00	0.00	11,250.00
Payroll	210,549.91	0.00	0.00	0.00	210,549.91
Professional Fees	27,557.65	0.00	0.00	0.00	27,557.65
Public Relations/Marketing	11,760.70	0.00	0.00	0.00	11,760.70
Total Expense	542,156.77	11,270.00	0.00	2,866.72	556,293.49
Net Ordinary Income	-16,656.18	18,475.29	28,270.89	17,527.63	47,617.63

Columbia Economic Development Corp
Profit & Loss by Class
January through September 2017

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Total 1 Operating	2 Loan Fund	Total 3 CDBG Fund	Total 4 SBA	TOTAL
<u>-16,656.18</u>	<u>18,475.29</u>	<u>28,270.89</u>	<u>17,527.63</u>	<u>47,617.63</u>

Net Income

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Columbia EDC Available Funds to Loan, Current Outstanding Loan Portfolio & Reserve Account Balances - Sept 30, 2017

CEDC Loan Fund	Bank Relationship	TYPE	Available to lend	Total Available
	Kinderhook Bank	SV	-	
	Kinderhook Bank	SV	-	
	Kinderhook Bank	CK	54,194.00	54,194.00
CEDC Loan Fund (Small Cities)	Kinderhook Bank	CK	-	
	Kinderhook Bank	SV	869,326.00	923,520.00
SBA Micro Loan Fund				
	Key Bank	RLF3	41,730.00	
	Key Bank	RLF 4	52,710.00	
	Bank of Greene County	RLF 5	116,227.00	
	Bank of Greene County	RLF6	148,687.00	359,354.00
	SBA - Available Funds		150,000.00	509,354.00
				1,432,874.00

Current CEDC Outstanding Loan Balances	723,522.00
Current SBA Loan Portfolio Balance	356,078.00
Total CEDC & SBA Outstanding Loan Balances	1,079,600.00

Reserve Accounts	Bank Relationship	TYPE	Available	Total Reserves
CEDC Loan Fund			119,631.00	
SBA Loan Funds			42,292.00	161,923.00
SBA Loan Funds				
	Key Bank	LLR 3	21,054.00	
	Key Bank	LLR 4	20,752.00	
	Bank of Greene County	LLR 5	39,434.00	103,848.00
	Bank of Greene County	LLR 6	22,608.00	
				265,771.00
Water Tower Reserve			71,817.00	337,588.00

CEDC LOAN STATUS REPORT

SBA Micro Loan		Loan Type	Orig Loan Amount	Orig Loan date	Loan Bal	# of Years	Interest Rate	Monthly Payment	Day Due	Past Due if >30	Last Pymt	Change Date
BASILICA INDUSTRIES	MICRO	\$35,000	04/13/16	26,290.00	6	7.00%	\$693.04	13			09/18/17	04/13/21
BROWN'S CAR SALES, LLC	MICRO	\$12,500	09/08/17	12,500.00	5	7.00%	\$247.51	31				09/08/22
EAST CHATHAM FOOD CO	MICRO	\$20,000	08/04/16	15,958.00	5	7.25%	\$398.39	4			09/29/17	08/04/21
EZ FOODS #3	MICRO	\$9,000	08/31/16	5,955.00	3	7.25%	\$278.75	31			09/29/17	08/30/19
BLACK FOREST FLAMMKUCHEN	MICRO	\$23,000	05/27/14	8,639.00	5	7.50%	\$460.87	27			09/25/17	05/27/19
FOX & HARRROW	MICRO	\$8,500	06/05/17	8,038.00	4	7.25%	\$204.53	5			09/11/17	06/05/21
HUDSON ATHENS RETAIL	MICRO	\$25,000	09/13/17	25,000.00	13	6.00%	\$414.32	13				09/13/23
HUDSON CLOTHIER	MICRO	\$20,000	05/01/15	13,300.00	6	7.75%	\$348.23	1			09/13/17	05/01/21
HUDSON CHATHAM WINERY	MICRO	\$20,500	08/02/13	7,364.00	6	6.00%	\$339.74	2			09/18/17	08/02/19
J. SWARTZ ENGINE REPAIR #2	MICRO	\$10,000	04/08/15	6,615.00	5	7.75%	\$201.57	8			09/22/17	04/08/20
JEM WOODWORKING #2	MICRO	\$25,000	06/01/15	16,909.00	6	7.50%	\$432.25	1			09/05/17	06/01/21
B.Dorsey Les Collins	MICRO	\$19,500	07/06/15	14,956.00	6	7.75%	\$339.52	6			09/25/17	07/06/21
215 MAIN VENTURES LLC	MICRO	\$25,000	06/30/17	24,160.00	6	7.25%	\$429.23	30			09/29/17	06/30/23
NICK JENNINGS (TBD)	MICRO	\$5,000	04/13/17	4,647.00	5	7.00%	\$99.01	13			09/18/17	04/13/22
OAK PIZZERIA NAPOLETANA	MICRO	\$25,000	05/11/16	19,190.00	5	7.25%	\$497.98	11			09/21/17	05/11/21
OEDE HUDSON LLC	MICRO	\$35,000	12/02/15	26,407.00	6	7.75%	\$609.40	2			09/14/17	12/02/21
PAGODA HOME, INC.	MICRO	\$25,000	11/11/15	18,505.00	6	7.75%	\$435.29	11			09/19/17	11/11/21
PARR INABAR CORPORATION	MICRO	\$15,000	04/23/13	4,548.00	6	7.00%	\$255.74	23			09/18/17	04/23/19
PRIMITIVE TWIG	MICRO	\$15,000	12/10/13	4,820.00	5	7.50%	\$300.57	10		\$300.00	09/15/17	03/21/16
TALBOTT, ARDING & CO.	MICRO	\$25,000	03/31/16	19,725.00	6	7.25%	\$428.84	30			09/22/17	03/30/22
RCKHOUNDZZ	MICRO	\$2,000	09/28/17	2,000.00	3	7.00%	\$61.75	28				09/28/20
RONNYBROOK	MICRO	\$25,000	02/06/14	11,072.00	6	7.50%	\$432.25	6			09/13/17	02/06/20
STATE 11 DISTILLERY	MICRO	\$25,000	02/24/17	23,017.00	6	7.25%	\$429.23	6			09/07/17	02/24/23
SCHERIFF ELECTRICAL	MICRO	\$25,000	12/19/14	14,964.00	6	7.75%	\$435.29	19			09/20/17	12/19/20
VERDIGRIS TEA	MICRO	\$30,000	09/09/15	21,499.00	6	7.75%	\$522.34	9			09/08/17	09/09/21
		\$ 505,000.00		\$ 356,078.00			\$ 9,295.64					
Current Total		\$1,907,238.30		\$1,079,600.00			\$28,005.91					