



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 January 15, 2020 at 8:30am, at One Hudson City Centre, Suite 301, Hudson, NY 12534 for the purpose of discussing any matters that may be presented to the Committee for consideration.

Dated: January 8, 2020

Sarah Sterling

Secretary

Columbia Economic Development Corporation

CEDC Audit and Finance Committee Agenda

Chairman:

John Lee

Members:

David Fingar

Tish Finnegan

James Lapenn

Seth Rapport

1. Minutes, October 16, 2019*
2. Treasurer's Report*
3. Portfolio Review*
4. 2019 Audit and Finance Committee Discharged Duties*
5. Division of Audit and Finance Committee*
 - a. Draft Audit Committee Charter
 - b. Draft Finance Committee Charter
6. Public Comment

Attachments:

Minutes, October 16, 2019

Treasurer's Report

Portfolio Report

2019 Discharged Duties

Draft Audit Committee Charter

Draft Finance Committee Charter

* Requires action

Columbia Economic Development Corp
Balance Sheet Prev Year Comparison
As of December 31, 2019

	<u>Dec 31, 19</u>	<u>Dec 31, 18</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
1000-02 · Loan Community Ckg 648	27,539.08	43,219.24	-15,680.16	-36.28%
1100-07 · SBA Bank of Greene Cnty RLF #6	39,569.85	157,702.72	-118,142.87	-74.92%
1100-03 · SBA Bank of Greene Cnty RLF #5	72,474.84	104,719.55	-32,244.71	-30.79%
1100-02 · SBA Key-RLF #4	57,123.52	62,747.56	-5,624.04	-8.96%
1100-01 · SBA Key -RLF #3	73,773.32	27,040.41	46,732.91	172.83%
1100-10 · SBA Key- RLF #7	100.00	0.00	100.00	100.0%
Checking and Savings				
Bank Accounts				
1000-00 · 1000 Checking -Key Bank	49,693.80	19,704.83	29,988.97	152.19%
1000-05 · Cash, TD Bank Checking	821.48	821.48	0.00	0.0%
1020-00 · Key Bank - SAVINGS	0.00	601,443.29	-601,443.29	-100.0%
1021-00 · Key Bank - Gold MM Savings	374,991.42	0.00	374,991.42	100.0%
1031-00 · BOGC - Reserve	212,365.69	260,902.81	-48,537.12	-18.6%
1032.00 · Berkshire Bank	150,276.99	0.00	150,276.99	100.0%
Total Bank Accounts	788,149.38	882,872.41	-94,723.03	-10.73%
LOAN Cash	674,298.03	945,229.25	-270,931.22	-28.66%
SBA Cash	119,693.98	119,060.00	633.98	0.53%
Total Checking and Savings	1,582,141.39	1,947,161.66	-365,020.27	-18.75%
Total Checking/Savings	1,852,712.00	2,342,591.14	-489,879.14	-20.91%
Other Current Assets				
Due from PFL	0.00	99.66	-99.66	-100.0%
Accounts Receivable				
1115-09 · Hudson IDA	1,666.66	1,666.66	0.00	0.0%
1115-06 · SBA T/A	54,783.82	51,498.61	3,285.21	6.38%
1115-08 · Goat Grant	50,000.00	50,000.00	0.00	0.0%
Total Accounts Receivable	106,450.48	103,165.27	3,285.21	3.18%
Allowance for Bad debt SBA	-37,582.79	-36,153.73	-1,429.06	-3.95%
1251-15 · Prepaid expense	6,323.40	4,769.40	1,554.00	32.58%
Loans Receivable	280,748.35	391,400.77	-110,652.42	-28.27%
Total Other Current Assets	355,939.44	463,281.37	-107,341.93	-23.17%
Total Current Assets	2,208,651.44	2,805,872.51	-597,221.07	-21.29%
Fixed Assets				
Property & Capitalized Assets	16,696.85	6,782.51	9,914.34	146.18%
Total Fixed Assets	16,696.85	6,782.51	9,914.34	146.18%
Other Assets				
Allowance for Bad Debt Loans	-87,685.32	-85,005.32	-2,880.00	-3.39%
Comm. Pk Land Sale Recv.	19,409.30	28,491.69	-9,082.39	-31.88%
Grants Receivable	227,051.84	237,346.86	-10,295.02	-4.34%
CEDC-LF	1,147,743.08	643,739.12	504,003.96	78.29%
2300 · Security Deposit	3,200.00	0.00	3,200.00	100.0%
Total Other Assets	1,309,518.90	824,572.35	484,946.55	58.81%
TOTAL ASSETS	<u>3,534,867.19</u>	<u>3,637,227.37</u>	<u>-102,360.18</u>	<u>-2.81%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000-01 · *Accounts Payable	19,740.91	12,095.98	7,644.93	63.2%
Total Accounts Payable	19,740.91	12,095.98	7,644.93	63.2%
Other Current Liabilities				

Columbia Economic Development Corp
Balance Sheet Prev Year Comparison
As of December 31, 2019

	<u>Dec 31, 19</u>	<u>Dec 31, 18</u>	<u>\$ Change</u>	<u>% Change</u>
Accrued Expenses	11,526.95	7,504.12	4,022.83	53.61%
Deferred Revenue	2,999.70	19,293.57	-16,293.87	-84.45%
Land Deposit	3,300.00	3,300.00	0.00	0.0%
Total Other Current Liabilities	<u>17,826.65</u>	<u>30,097.69</u>	<u>-12,271.04</u>	<u>-40.77%</u>
Total Current Liabilities	<u>37,567.56</u>	<u>42,193.67</u>	<u>-4,626.11</u>	<u>-10.96%</u>
Long Term Liabilities				
Debt Reserve	10,000.00	0.00	10,000.00	100.0%
Loans Payable to SBA	457,202.97	563,880.57	-106,677.60	-18.92%
Long term Deferrd Revenue	27,051.84	37,346.86	-10,295.02	-27.57%
Total Long Term Liabilities	<u>494,254.81</u>	<u>601,227.43</u>	<u>-106,972.62</u>	<u>-17.79%</u>
Total Liabilities	<u>531,822.37</u>	<u>643,421.10</u>	<u>-111,598.73</u>	<u>-17.35%</u>
Equity				
Invested in Capital Assets	14,392.85	9,926.51	4,466.34	44.99%
Net assets Restricted	389,797.97	292,231.89	97,566.08	33.39%
Unrestricted Net Position	2,589,616.45	2,299,757.26	289,858.19	12.6%
Net Income	9,238.55	391,890.61	-382,652.06	-97.64%
Total Equity	<u>3,003,044.82</u>	<u>2,993,806.27</u>	<u>9,238.55</u>	<u>0.31%</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,534,867.19</u></u>	<u><u>3,637,227.37</u></u>	<u><u>-102,360.18</u></u>	<u><u>-2.81%</u></u>

Columbia Economic Development Corp
Profit & Loss Budget vs. Actual
January through December 2019

	<u>Jan - Dec 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Administrative Revenue	34,000.00	35,000.00	-1,000.00	97.14%
Columbia County	480,000.00	460,000.00	0.00	100.0%
Grant Income	10,404.49	23,129.29	-12,724.80	44.98%
Loan Income	6,205.95	5,417.68	788.27	114.55%
Membership/Sponsorship	66,858.56	85,000.00	-18,141.44	78.66%
Other Income				
Bank Interest - SBA RLF	1,102.36	1,270.00	-167.64	86.8%
Bank Interest SBA LLR	533.98	351.00	182.98	152.13%
4040-01 · Other Income	3,495.00	10,790.52	-7,295.52	32.39%
4040-02 · Bank/Miscellaneous Income	25,225.77	4,459.19	20,766.58	565.7%
4040-05 · 5021 Bank Interest Income	1,163.14			
Total Other Income	<u>31,520.25</u>	<u>16,870.71</u>	<u>14,649.54</u>	<u>186.83%</u>
5900 · Interest Income	62,263.35	59,582.32	2,681.03	104.5%
SBA Microloan T/A	99,442.21	95,000.00	4,442.21	104.68%
Total Income	<u>770,694.81</u>	<u>780,000.00</u>	<u>-9,305.19</u>	<u>98.81%</u>
Gross Profit	770,694.81	780,000.00	-9,305.19	98.81%
Expense				
Conferences and Training	7,010.74	2,500.00	4,510.74	280.43%
Consulting -TSI	128,004.00	128,004.00	0.00	100.0%
Consulting Fees	26,828.91	32,500.00	-5,671.09	82.55%
Direct Program Expenses	10,088.45	25,000.00	-14,911.55	40.35%
Facility	38,774.39	35,000.00	3,774.39	110.78%
5051 · Grant Exp.to CRC	5,000.00			
Insurance	3,192.38	3,750.00	-557.62	85.13%
Interest Expense	298.94			
MicroBiz Expenses	47,737.68	20,000.00	27,737.68	238.69%
5200 · New Initiatives	20,852.02	75,000.00	-54,147.98	27.8%
Office Expense				
5060-01 · Comp./Equip & Leasing & Maint.	19,741.71	15,000.00	4,741.71	131.61%
5060-02 · Telephone & Fax	5,411.64	4,000.00	1,411.64	135.29%
5060-03 · Internet	1,633.05	2,000.00	-366.95	81.65%
5060-04 · Office Supplies & Printing	4,596.92	5,000.00	-403.08	91.94%
5060-05 · Dues & Subscriptions	6,159.49	5,500.00	659.49	111.99%
5060-06 · Postage	676.43	500.00	176.43	135.29%
5060-07 · Misc. Office Expenses	6,307.97	5,500.00	807.97	114.69%
5060-08 · Web Site	3,395.64	5,000.00	-1,604.36	67.91%
Total Office Expense	<u>47,922.85</u>	<u>42,500.00</u>	<u>5,422.85</u>	<u>112.76%</u>
Other Expenses				
5100-01 · Miscellaneous Expense	19,665.91	5,000.00	14,665.91	393.32%
Total Other Expenses	<u>19,665.91</u>	<u>5,000.00</u>	<u>14,665.91</u>	<u>393.32%</u>
Employer Expenses	347,211.66	398,500.00	-51,288.34	87.13%
Professional Fees	29,265.75	37,500.00	-8,234.25	78.04%
Public Relations/Marketing	29,602.58	17,500.00	12,102.58	169.16%
Total Expense	<u>761,456.26</u>	<u>822,754.00</u>	<u>-61,297.74</u>	<u>92.55%</u>
Net Ordinary Income	9,238.55	-42,754.00	51,992.55	-21.81%

Columbia Economic Development Corp
Profit & Loss by Class
 January through December 2019

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 01/07/20
 Accrual Basis

Ordinary Income/Expense	SBA - RLF-7	SBA RLF-06	SBA RLF-05	SBA RLF-04	SBA RLF-03	1 Operating	2 Loan Fund	Total 3 CDBG Fund	Total 4 SBA	TOTAL
Income										
TA Fee Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fee Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Revenue	0.00	0.00	0.00	0.00	0.00	34,000.00	0.00	0.00	0.00	34,000.00
Columbia County	0.00	0.00	0.00	0.00	0.00	460,000.00	0.00	0.00	0.00	460,000.00
Grant Income	0.00	0.00	0.00	0.00	0.00	0.00	2,600.64	7,603.85	0.00	10,404.49
Loan Income	0.00	843.89	892.19	539.03	373.57	0.00	3,557.27	0.00	0.00	6,205.95
Membership/Sponsorship	0.00	0.00	0.00	0.00	0.00	66,858.56	0.00	0.00	0.00	66,858.56
Other Income	0.00	420.40	595.65	60.08	36.23	15,340.13	475.00	14,068.78	533.98	31,520.25
SBA Microloan T/A	0.00	0.00	0.00	0.00	0.00	99,442.21	0.00	0.00	0.00	99,442.21
5900 - Interest Income	0.00	12,976.99	8,882.81	3,260.73	2,039.92	0.00	35,102.90	0.00	0.00	62,263.35
Total Income	0.00	14,241.28	10,360.65	3,859.84	2,449.72	675,640.90	41,735.81	21,872.63	533.98	770,694.81
Gross Profit	0.00	14,241.28	10,360.65	3,859.84	2,449.72	675,640.90	41,735.81	21,872.63	533.98	770,694.81
Expense										
Conferences and Training	0.00	0.00	0.00	0.00	0.00	7,010.74	0.00	0.00	0.00	7,010.74
Consulting -T/SI	0.00	0.00	0.00	0.00	0.00	128,004.00	0.00	0.00	0.00	128,004.00
Consulting Fees	0.00	0.00	0.00	0.00	0.00	26,828.91	0.00	0.00	0.00	26,828.91
Direct Program Expenses	0.00	0.00	0.00	0.00	0.00	10,088.45	0.00	0.00	0.00	10,088.45
Facility	0.00	0.00	0.00	0.00	0.00	38,774.39	0.00	0.00	0.00	38,774.39
5051 - Grant Exp.to CRC	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	0.00	0.00	5,000.00
Insurance	0.00	0.00	0.00	0.00	0.00	3,192.38	0.00	0.00	0.00	3,192.38
Interest Expense	0.00	0.00	0.00	298.94	0.00	0.00	0.00	0.00	0.00	298.94
MicroBiz Expenses	0.00	0.00	0.00	0.00	0.00	47,737.68	0.00	0.00	0.00	47,737.68
5200 - New Initiatives	0.00	0.00	0.00	0.00	0.00	20,852.02	0.00	0.00	0.00	20,852.02
Office Expense	0.00	0.00	0.00	0.00	0.00	47,922.85	0.00	0.00	0.00	47,922.85
Other Expenses	0.00	23.00	0.00	0.00	0.00	19,592.91	50.00	0.00	0.00	19,665.91
Employer Expenses	0.00	0.00	0.00	0.00	0.00	347,211.66	0.00	0.00	0.00	347,211.66
Professional Fees	0.00	0.00	0.00	0.00	0.00	29,265.75	0.00	0.00	0.00	29,265.75
Public Relations/Marketing	0.00	0.00	0.00	0.00	0.00	29,602.66	0.00	0.00	0.00	29,602.66
Total Expense	0.00	23.00	0.00	298.94	0.00	761,084.32	50.00	0.00	0.00	761,455.26
Net Ordinary Income	0.00	14,218.28	10,360.65	3,560.90	2,449.72	-85,443.42	41,685.81	21,872.63	533.98	9,236.55

Trial Balance Report for CEDC Loan Fund for the Period 01/01/2019 - 12/31/2019
By Funding Source
(All transactions)

01/07/2020 03 29 PM

LoanID	Borrower	Close Date	Term	Rate	Loan Amount	Principal Balance	Principal	Interest	Escrow	Cumulative Pmts			Latest Pmts			Periods Past Due		
										Amount	Date	THREE+	TWO+	ONE+	ONE	THREE+	TWO+	ONE+
1220-44	2 Dukes & a Princess	03/28/2018	72 mo	5.000	25,000.00	18,435.32	3,833.39	998.05			402.62	12/27/2019						
1220-41	41 Cross Street H...	12/13/2017	84 mo	5.000	75,000.00	71,234.19	3,765.81	3,096.89			1,060.04	11/04/2019	1,060.04					
1220-60	AbraxasTacos LLC	05/09/2019	60 mo	7.250	12,500.00	11,565.14	934.86	315.79			250.13	09/18/2019	250.13					
1220-45	ACW Millwork & Ca...	06/20/2018	84 mo	5.000	50,000.00	40,682.19	6,296.17	2,184.11			706.70	11/18/2019						
1220-47	Alvia Woodworks	05/24/2018	60 mo	6.500	13,350.00	9,760.08	2,243.76	631.13			262.00	12/04/2019	261.21					
1220-40	Brown's Car Sales...	09/08/2017	60 mo	6.000	12,500.00	7,335.77	2,572.82	588.76			242.32	12/20/2019						
1220-06	Dyson, Inc.	09/02/2013	72 mo	3.000	32,045.12	3,851.83	8,423.71	43.21			486.88	08/14/2019						
1220-33	East Chatham Food...	08/04/2016	60 mo	7.250	15,000.00	8,423.71	1,705.04	50.90			8,474.61	02/08/2019						
1220-66	Germantown Beer F...	06/07/2019	72 mo	5.000	30,000.00	28,294.96	1,705.04	718.66			484.74	12/02/2019						
1220-47b	Germantown Laundr...	09/14/2018	72 mo	5.000	25,000.00	20,381.23	3,719.49	1,112.67			402.68	12/16/2019						
1220-49	G.G. & G. Flower ...	10/10/2018	60 mo	5.000	15,000.00	11,817.20	2,740.74	656.10			283.07	12/16/2019						
1220-50	Hudson-Athens Ref...	09/13/2017	72 mo	5.000	25,000.00	16,452.05	3,938.20	895.24			402.62	11/18/2019						
1220-09	Hudson Cruises, Inc.	06/15/2014	240 mo	7.000	50,000.00	42,299.91	1,628.39	3,023.41			387.65	12/05/2019						
1220-67	Hudson Dev. Corp	10/30/2019	36 mo	5.000	200,000.00	200,000.00		1,666.66			833.33	12/16/2019						
1220-10	J.E.M. Woodworkin...	06/01/2015	72 mo	6.500	32,066.98	14,888.83	2,095.63	656.85			12,311.44	08/07/2019						
1220-37	Les Collines	03/21/2018	60 mo	6.000	14,222.33	10,254.93	2,095.63	653.97			274.96	11/04/2019	274.96					
1220-13	Mario's Home Center	10/01/2008	120 mo	2.250	100,000.00	8,304.79	8,304.79	73.10			901.93	10/28/2019						
1220-51	Minna Goods, LLC	02/15/2019	72 mo	5.000	45,000.00	39,504.08	5,495.92	1,751.28			724.72	12/16/2019						
1220-54	Miracle Springs F...	05/01/2019	84 mo	5.000	100,000.00	100,000.00		2,916.69			416.67	12/03/2019						
1220-36	Nick Jennings LLC	04/13/2017	60 mo	6.000	10,000.00	5,005.99	1,973.11	346.85			193.33	12/16/2019						
1220-16	Olde Hudson, LLC	12/02/2015	72 mo	7.750	40,000.00	15,423.25	6,883.83	1,473.69			696.46	12/16/2019						
1220-48	Old Klaverack Bre...	08/15/2018	60 mo	7.250	15,132.44	11,790.35	2,377.52	864.48			324.20	11/07/2019	324.20					
1220-19	Parr Inabar Corp	04/23/2013	72 mo	7.000	35,000.00	2,302.06	2,302.06	33.86			545.76	04/25/2019						
1220-18	Paul Calcagno, Jr...	12/15/2014	42 mo	7.000	60,000.00	61.97	13,027.87	574.35			1,257.02	12/27/2019	7.65	14.90	21.83			
1220-58	Philomont Beautifi...	12/17/2019	18 mo	0.000	25,000.00	25,000.00					1,017.74	12/09/2019						
1220-21	Phoenix Services ...	05/01/2015	180 mo	5.000	128,698.92	90,663.41	12,393.24	4,819.64			432.25	12/05/2019						
1220-22	Ronnybrook Farm D...	02/06/2014	72 mo	7.500	25,000.00	879.78	4,897.50	289.50			13,149.98	12/20/2019						
1220-35	Slate 11 Distille...	02/24/2017	72 mo	5.250	25,000.00	18,176.40	1,056.53				402.62	12/16/2019						
1220-43	SUHS Enterprises...	10/13/2017	72 mo	5.000	25,000.00	16,792.97	3,913.62	918.62			750.00	07/31/2019						
1220-12	The Pond Restaurant	10/13/2017	120 mo	5.000	100,000.00	92,700.48	2,504.33	2,745.67										
1220-69	Tivoli Farm Inc.	12/16/2019	72 mo	5.000	50,000.00	50,000.00												
1220-53	Train Time Expos...	04/19/2019	72 mo	7.250	22,500.00	21,026.23	1,473.77	849.61			387.23	10/31/2019						
1220-46	Wandering Fool, LLC	06/28/2018	72 mo	5.000	25,000.00	19,410.38	3,780.14	1,051.30			402.62	12/27/2019						
1220-52	Willia's Bakery Ca...	04/17/2019	72 mo	5.000	30,000.00	27,137.08	2,862.92	1,002.28			483.15	12/27/2019						

Fund: CEDC Loan Fund, Subfund: CEDC-01

Trial Balance Report for CEDC Loan Fund for the Period 01/01/2019 - 12/31/2019

By Funding Source
(All transactions)

01/07/2020 03 29 PM

LoanID	Borrower	Close Date	Term	Rate	Loan Amount	Principal Balance	Cumulative Pmts			Latest Pmts			Periods Past Due		
							Principal	Interest	Escrow	Amount	Date	ONE	ONE+	TWO+	THREE+
CEDC Loan Fund - CEDC-01: 34 loans					1,488,015.79	1,003,908.94	153,005.69	38,039.85		49,351.47	2,178.19	339.10	21.83	17.59	
CEDC Loan Fund: 34 loans					1,488,015.79	1,003,908.94	153,005.69	38,039.85		49,351.47	2,178.19	339.10	21.83	17.59	
Report total: 34 loans					1,488,015.79	1,003,908.94	153,005.69	38,039.85		49,351.47	2,178.19	339.10	21.83	17.59	



DRAFT

Choose Columbia

Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
AUDIT and FINANCE COMMITTEE
Tuesday, October 16, 2019
4400 Route 23, Columbia Greene Community College
Hudson, New York

A regularly scheduled meeting of Columbia Economic Development Corporation’s (CEDC) Audit and Finance Committee was held at 4400 Route 23, Columbia Greene Community College Board Room, Hudson, NY 12534 on October 16, 2019. The meeting was called to order at 8:34am by Mr. Lee, Acting-Chair.

Attendee Name	Title	Status	Departed
David Fingar	Committee Member	Excused	
Tish Finnegan	Committee Member	Present	
James Lapenn	Committee Member	Excused	
John Lee	Committee Member	Present	
Seth Rapport	Committee Member	Present	
F. Michael Tucker	President/CEO	Present	
Andy Howard	Counsel	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Erin McNary	Bookkeeper	Excused	
Ed Stiffler	Economic Developer	Present	
Martha Lane	Business Development Specialist	Present	
Carol Wilber	Marketing Director	Excused	
Kayla Duntz	CEDC Intern	Excused	

Minutes:

Ms. Finnegan made a motion, seconded by Mr. Rapport to approve the minutes from August 14, 2019. Carried.

Treasurer’s Report:

Mr. Tucker reviewed the balance sheet and the profit and loss statements with the Committee. He reviewed the Reserve Analysis he handed out to the Committee. Mr. Rapport suggested the SBA loan fund and the CEDC loan fund be on separate sheets in order to improve the report’s clarity. *Mr. Rapport made a motion, seconded by Ms. Finnegan to recommend approval of the Treasurer’s Report as presented to the full board. Carried.*



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Portfolio Report:

Ms. Lane noted since the report had been run, EZ Foods had made a payment, as had State 11 Distillery and Serenity Wellness. She noted les collines remained in contact with Ms. McNary. Mr. Tucker stated Mr. Calcagno remained behind, but continued to make payments.

He reviewed the Banking Relationship Sheet with the Committee. *Mr. Rapport made a motion, seconded by Ms. Finnegan to recommend approval of the report as presented to the full board. Carried.*

Loan Loss Review:

Mr. Tucker stated he and Ms. Lane completed an analysis of each loan at the end of September. He stated he would be presenting it to the Loan Committee for their review. Mr. Lee asked if the loan risk assessment would be reported to the Loan Committee. Mr. Tucker stated it would, noting there were only a handful of loans that were concerning. Mr. Rapport asked if the risk of the loan was reflected in the interest rate. Ms. Lane stated it would be.

2020 Budget:

Mr. Tucker reviewed the proposed draft budget with the Committee. *Ms. Finnegan made a motion, seconded by Mr. Rapport to recommend the draft 2020 budget to the full board as presented. Carried.*

Investment Policy:

Mr. Tucker asked if the Committee would like to change the policy to allow additional investments such as layered Certificates of Deposits. Mr. Rapport noted the investments would need to be safe.

Mr. Lee upon a review of the Investment Policy suggested a change in the first sentence of Section III so it would read: "The responsibility for administration of the investment program is delegated to the President/CEO who shall establish procedures, *subject to Board approval*, for the operation of the investment program consistent with these investment guidelines.

Ms. Finnegan suggested language in the third paragraph of Section IV so it would read: Consistent with CEDC's Conflict of Interest policy, all participants involved in the investment process shall refrain from personal business activity that could that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. *Mr. Rapport made a motion, seconded by Ms. Finnegan to recommend the policy to the full board with the changes as outlined. Carried.*



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

The meeting adjourned at 9:30am

Respectfully submitted by Lisa Draushuk

CEDC 2019 Audit and Finance Committee Report of Discharged Duties

During 2019 the CEDC Audit and Finance Committee:

- The Committee reviewed, updated and re-affirmed charter.
- Reviewed and recommended the audit engagement letter, the 2018 management letter, audited financials, 990 and PARIS report submissions for approval to the CEDC Board.
- Reviewed and recommended Board approval of financial statements
- Reviewed and recommended Board approval of the risk assessment document.
- Reviewed and recommended Board approval of the portfolio report and the vendor expense summary.
- Reviewed and recommended Board approval of the proposed 2020 budget.

AUDIT COMMITTEE CHARTER

Columbia Economic Development Corporation

Purpose

Pursuant to Article IV, Section 1 of the Corporation's bylaws, the purpose of the Audit Committee shall be to:

- Assure that the corporation's board fulfills its responsibilities for the corporation's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting;
- Provide an avenue of communication between management, the independent auditors and the Board of Directors;

Powers of the Audit Committee

- Oversee the work of any public accounting firm employed by the corporation.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from corporation employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with corporation staff, independent auditors or outside counsel, as necessary.
- Retain, at the corporation's expense, such outside counsel, experts and other advisors as the audit finance committee may deem appropriate.

The CEDC board will ensure that the Audit Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The Audit Committee shall consist of not less than three members of the Board of Directors who are independent of corporate operations. The corporation's board will appoint the Audit Committee members and the Audit Committee chair.

Audit Committee members shall be prohibited from being an employee of the corporation or an immediate family member of an employee of the corporation. In addition, Audit Committee members shall not engage in any private business transactions with the corporation or receive compensation from any private entity that has material business relationships with the corporation, or be an immediate family member of an individual that engages in private business transactions with the corporation or receives compensation from an entity that has material business relationships with the corporation.

Ideally, all members on the Audit Committee shall possess or obtain a basic understanding of governmental financial reporting and auditing. The Audit Committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the corporation.

The Audit Committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls and, 5) an understanding of audit and finance committee functions.

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Meetings

The Audit Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Audit Committee are expected to attend each committee meeting, in person. The Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit Committee will meet with the corporation's independent auditor at least annually to discuss the financial statements of the corporation.

Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials five (5) business days before the scheduled Audit Committee meeting. The Audit Committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

A report of the committee's meeting shall be prepared and presented to the board at its next scheduled meeting following the meeting of the committee.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

Responsibilities

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations and whistleblower policies; and (d) miscellaneous issues related to the financial practices of the corporation.

A. Independent Auditors and Financial Statements

The Audit Committee shall:

- Oversee independent auditors retained by the corporation and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The corporation's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the corporation's operations, such as bookkeeping or other services related to the accounting records or financial statements of the corporation, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the corporation's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.

- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Audit Committee shall:

- Review management's assessment of the effectiveness of the corporation's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

C. Special Investigations

The Audit Committee shall:

- Ensure that the corporation has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the corporation or any persons having business dealings with the corporation or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

H. Other Responsibilities of the Audit Committee

The Audit Committee shall:

- Present annually to the corporation's board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the corporation. The Audit Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

FINANCE COMMITTEE CHARTER **Columbia Economic Development Corporation**

Purpose

Pursuant to Article IV, Section 1 of the Corporation's bylaws, the purpose of the Finance Committee shall be to oversee the corporation's debt and debt practices and to recommend policies concerning the corporation's issuance and management of debt.

Duties and Responsibilities of the Finance Committee

It shall be the responsibility of the Finance Committee to:

A. Review the Corporation's Annual Budget

The Finance Committee shall:

- Review, amend and recommend the corporation's annual operating budget as presented by corporate management for the upcoming fiscal year.
- Monitor and report to the board on the corporation's compliance with its adopted budget during the fiscal year (actual versus estimated budget) on a monthly/quarterly basis.

B. Oversee the Corporation's Investments

The Finance Committee shall:

- Annually review and recommend to the board approval of the corporation's annual investment report, investment policy and evaluate allocation of assets.
- Annually review the audit of investments as provided by independent auditors.
- Recommend to the board the selection of investment advisors.
- Make recommendations concerning the appointment and compensation of investment advisors and underwriting firms used by the corporation, and oversee the work performed by these individuals and firms on behalf of the corporation.

C. Oversee the Corporation's Debt

The Finance Committee shall:

- Review proposals for the issuance of debt by the corporation and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the corporation.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the corporation and its subsidiaries.

D. Assess the Corporation's Capital Requirements and Capital Plan

The Finance Committee shall:

- Assess the financial requirements of the corporation's capital plans. The assessment is to include current and future capital needs, a justification of why such capital expenditure is required and an explanation of funding sources for capital projects such as grants, issuance of debtor specified pay-as-you-go resources.
- Review the financial aspects of major proposed transactions, significant expenditures, new programs and services, as well as proposals to discontinue programs or services and making action recommendations to the board.

E. Review Financial and Procurement Thresholds

The Finance Committee shall:

- Review and make recommendations to the board regarding any proposed procurements submitted to the committee.
- Review and recommend changes to the corporation's thresholds for procuring goods and services and procurement policy.
- Review and recommend changes to the corporation's fee schedules.
- Review the scope and terms of the corporation's insurance policies and liability coverage on an annual basis.

F. Other Responsibilities of the Finance Committee

The Finance Committee shall:

- Report annually to the corporation's board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the corporation. The Finance Committee charter will be updated as applicable laws and regulations change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.
- Annually review both the CEDC and SBA loan funds, including loan policies, lending limits and reserves.

The CEDC board will ensure that the Finance Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The Finance Committee shall consist of not less than three members of the Board of Directors who are independent of corporate operations. The corporation's board will appoint the Finance Committee members and the Finance Committee chair.

Finance Committee members shall be prohibited from being an employee of the corporation or an immediate family member of an employee of the corporation. In addition, Finance Committee members shall not engage in any private business transactions with the corporation or receive compensation from any private entity that has material business relationships with the corporation, or be an immediate family member of an individual that engages in private business transactions with the corporation or receives compensation from an entity that has material business relationships with the corporation.

Meetings

The Finance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Finance Committee are expected to attend each committee meeting, in person. The Audit and Finance Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

Meeting agendas will be prepared for every meeting and provided to the Finance Committee members along with briefing materials five (5) business days before the scheduled Finance

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Committee meeting. The Finance committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

A report of the committee's meeting shall be prepared and presented to the board at its next scheduled meeting following the meeting of the committee.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.