

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION MEETING NOTICE

Please take notice that there will be a regular meeting of the Columbia County Capital Resource Corporation and its Audit, Finance Committees held on March 16, 2020 at 8:30am at their offices at One Hudson City Centre, Suite 301, Hudson, NY 12534. This meeting will be held to consider all appropriate business brought before it. The meeting is open to the public.

Nina Fingar-Smith, Secretary, Columbia County Capital Resource Corporation
Dated March 10, 2020

CRC Board of Members Agenda

Members:

Nina Fingar-Smith	Bob Galluscio	William Gerlach
Brian Keeler	Carmine Pierro	Sarah Sterling

Consent Agenda

1. Committee Reports
 - a. Audit Committee
 - i. 2019 Draft Audited Financials*
 - b. Finance Committee
 - i. Treasurer's Report*
 - ii. 2019 Investment Report*

1. Draft Minutes, February 4, 2020*
2. 2019 Confidential Board Evaluation*
3. Administrative Directors Report
4. Shaker Museum Project
5. Public Comments

Attachments:

2019 Draft Audited Financials
Treasurer's Report
2019 Investment Report
Draft Minutes February 4, 2020

* Requires Action

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Years ended December 31, 2019 and 2018

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Management Discussion and Analysis	4
Financial Statements	
Statements of Net Position	7
Statements of Revenues, Expenses, and Changes in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13
Supplementary Information	
Schedule of Conduit Debt Obligations	15
Other Information	
Schedule of Employment Data for Conduit Debt Obligations	16

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Chairman and Board of
Columbia County Capital Resource Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of the Columbia County Capital Resource Corporation, a component unit of the County of Columbia, New York (the "Corporation"), as of December 31, 2019, and for the year then ended, and the related notes to the financial statements which collectively comprise Columbia County Capital Resource Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Columbia County Capital Resource Corporation's 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Columbia County Capital Resource Corporation, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Corporation relies on funding from a related party when revenue is not sufficient to cover annual operating expenses. If the Corporation continues to experience similar results, additional funding may be required in the future. Our opinion is not modified with respect to this matter.

Report on Financial Statements for the Year Ended December 31, 2018

The financial statements of Columbia County Capital Resource Corporation for the year ended December 31, 2018, were audited by Pattison, Koskey, Howe & Bucci, CPAs, P.C. who combined with UHY LLP effective January 1, 2020, and expressed an unmodified opinion on those statements on March 22, 2019.

Other Matters***Required Supplementary Information***

Accounting principles general accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 be presented to supplement the basic financial statements. Such 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. 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 audit 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Columbia County Capital Resource Corporation's basic financial statements. The Schedule of Conduit Debt Obligations and the Schedule of Employment Data for Conduit Debt Obligations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Conduit Debt Obligations is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Conduit Debt Obligations is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Employment Data for Conduit Debt Obligations on page 16 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March __, 2020, on our consideration of Columbia County Capital Resource Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 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 Columbia County Capital Resource Corporation's internal control over financial reporting and compliance.

Hudson, New York
March __, 2020

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2019 and 2018

1. Introduction:

Within this section of the Columbia County Capital Resource Corporation's (the Corporation) financial statements, the Corporation's management provides narrative discussion and analysis of the financial activities of the Corporation for the years ended December 31, 2019 and 2018. This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements for the fiscal years ended December 31, 2019 and 2018.

2. Overview of the Financial Statements:

The Corporation's basic financial statements include: (1) financial statements, (2) notes to the financial statements, (3) supplementary information and (4) other information.

A. Financial Statements

The Corporation's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Corporation is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and are depreciated over their useful lives. See the notes to the financial statements for a summary of the Corporation's significant accounting policies.

The *Statements of Net Position* present information on the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Corporation's financial position.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the Corporation's net position changed during the most recent years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future periods.

The *Statements of Cash Flows* relate to the flows of cash and cash equivalents. Consequently, only transactions that affect the Corporation's cash accounts are recorded in these statements. A reconciliation is provided at the bottom of the statements of cash flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

B. Notes to Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the basic financial statements.

C. Supplementary and Other Information

The Schedule of Conduit Bond Obligations and Schedule of Employment Data for Conduit Debt Obligations are required by the Office of the State Comptroller. Supplementary and other information begins immediately following the notes to the financial statements.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2019 and 2018

DRAFT

3. Financial Highlights:

The revenue budget for 2019 was \$5,005 with a projected gain of \$5. The revenue budget for 2018 was \$5,005 with a projected gain of \$5. There were no amendments to the budget during 2019 or 2018.

Total revenue did not meet budget in 2019 and 2018. In 2019, revenue did not meet budget due to less interest income. In 2018, revenue did not meet budget due to less interest income than was budgeted for and lack of a contribution from Columbia Economic Development Corporation. Total expenditures in 2019 and 2018 were overall below budget due to professional fees, insurance and office expenses being below what was budgeted for the year.

4. Financial Statement Analysis:

Below is a comparative summary of the Corporation's Statements of Net Position as of December 31:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets	<u>\$ 2,117</u>	<u>\$ 1,735</u>	<u>\$ 6,173</u>
Net Position	<u>\$ 2,117</u>	<u>\$ 1,735</u>	<u>\$ 6,173</u>

The Corporation's assets consist of cash in banks as of December 31, 2019 and 2018.

Below is a comparative summary of the Corporation's Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues			
Contribution-CEDC	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Total revenues	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Expenditures	<u>4,618</u>	<u>4,438</u>	<u>4,681</u>
Total revenues in excess (deficiency) of expenditures	382	(4,438)	319
Net position, beginning of the year	<u>1,735</u>	<u>6,173</u>	<u>5,854</u>
Net position, end of the year	<u>\$ 2,117</u>	<u>\$ 1,735</u>	<u>\$ 6,173</u>

The Corporation's revenues in 2019 were \$5,000 versus \$- in 2018. The \$5,000 of revenue in 2019 was the result of a contribution received from Columbia Economic Development Corporation.

The Corporation's expenses in 2019 were \$4,618 versus \$4,438 in 2018. The expenses increased in 2019 over 2018 primarily due to an increase in insurance expense.

The Corporation's net position increased by \$382 in 2019 versus a decrease of \$4,438 in 2018.

5. Economic Factors and Next Year's Budget:

The ability to generate future fee revenue and meet the Corporation's 2020 revenue budget expectation is dependent on future project closings. The ability to predict the future success of such events is difficult. Economic conditions in Columbia County, New York as well as changes in interest rates influence the Corporation's ability to attract such project and financing activities. If the Corporation is unable to attract new project and financing activities it will be required to seek other options to generate revenue to cover future expenses.

The Corporation has contracted with Columbia Economic Development Corporation (CEDC) to provide administrative services and CEDC's President and CEO currently serves as the Corporation's Administrative Director. The Corporation has begun a marketing effort targeted towards Columbia County not-for-profit organizations to educate them on the benefits of financing capital projects through the Corporation. If this marketing effort is successful, the ability to attract new projects and financing activities will help the Corporation generate revenue to cover future expenses.

6. Additional Information:

This report is prepared for the use of the Corporation's audit committee, management, federal awarding agencies and pass through entities, and members of the public interested in the affairs of the Corporation. Questions with regard to this financial report or requests for additional information may be addressed to the Administrative Director, Columbia County Capital Resource Corporation, One Hudson City Centre, Suite 301, Hudson, NY 12534.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENTS OF NET POSITION
December 31, 2019 and 2018

DRAFT

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	<u>\$ 2,117</u>	<u>\$ 1,735</u>
Total assets	<u>\$ 2,117</u>	<u>\$ 1,735</u>
LIABILITIES AND NET POSITION		
NET POSITION		
Unrestricted	<u>\$ 2,117</u>	<u>\$ 1,735</u>
Total liabilities and net position	<u>\$ 2,117</u>	<u>\$ 1,735</u>

See notes to financial statements.

DRAFT

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUE		
Contribution- CEDC	<u>\$ 5,000</u>	<u>\$ -</u>
Total revenues	<u>5,000</u>	<u>-</u>
EXPENSES		
Professional fees	2,646	2,599
Insurance	1,873	1,695
Office	<u>99</u>	<u>144</u>
Total expenses	<u>4,618</u>	<u>4,438</u>
INCREASE (DECREASE) IN NET POSITION	382	(4,438)
NET POSITION BEGINNING OF YEAR	<u>1,735</u>	<u>6,173</u>
NET POSITION END OF YEAR	<u>\$ 2,117</u>	<u>\$ 1,735</u>

See notes to financial statements.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contribution-CEDC	\$ 5,000	\$ 5,000
Operating expenses paid	(4,618)	(4,438)
Net cash provided by operating activities	<u>382</u>	<u>562</u>
Net increase in cash and cash equivalents	382	562
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,735</u>	<u>1,173</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 2,117</u>	<u>\$ 1,735</u>

Reconciliation of change in net position to net cash provided by (used for) operating activities:

Change in net position	\$ 382	\$ (4,438)
Decrease in due from related party - CEDC	-	5,000
Net cash provided by operating activities	<u>\$ 382</u>	<u>\$ 562</u>

See notes to financial statements.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

DRAFT

NOTE 1 – NATURE OF ORGANIZATION

Business Activity

The Columbia County Capital Resource Corporation was established in October 2009 by the Columbia County Board of Supervisors under the Laws of New York State to promote economic growth in the County of Columbia, New York. The Corporation is exempt from federal, state and local income taxes. The Corporation is a component unit of the County of Columbia, New York.

The Corporation was formed under section 1411 of the New York State Not for Profit Corporation Law (the "NFPCL"). The purpose of the Corporation is to assist not for profit entities that are undertaking projects that further the following purposes: reducing unemployment; promoting an increase in employment and job opportunities; improving, training, and instructing individuals of their capabilities for such jobs; and lessening the burdens of government and acting in the public interest. The Corporation may carry on research for the purpose of aiding a community or geographical area by attracting new industry to the community or area by encouraging development. This is done primarily through administering tax-exempt bonds.

Uncertainty

The Corporation was able to obtain a \$5,000 contribution in 2019 from a related party to cover the Corporation's current year expenditures. The Corporation did not generate any revenue in 2018. In recent years, the Organization has operated with expenditures in excess of revenues. If the Corporation fails to generate revenue in the future in part by the support of related parties, it will either need to curtail operations and/or seek additional sources of cash flow, the outcome of which is currently uncertain.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Revenues are recorded when earned and expenses are recorded when incurred. In accordance with accounting principles generally accepted in the United States of America, the Agency applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", was adopted by the Corporation in 2012. The government-wide financial statements include the Corporation's only fund which is required to be presented as an enterprise fund.

Deferred Outflows/Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

DRAFT

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Statement 63 changed how governments organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet).

As a result of Statement 63, financial statements will include deferred outflows of resources and deferred inflows of resources ("deferrals"), in addition to assets and liabilities, and will report net position instead of net assets.

Budgetary Data

The budget policies are as follows:

In October of each year the Administrative Director submits a tentative budget to the Board of Directors for the next fiscal year which begins on January 1. The tentative budget includes proposed expenditures and the proposed means of financing.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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 Recognition

Revenue is recognized for administrative services performed related to bond issuances in the period the services are performed generally when the related bond issuances are finalized.

Net Position

Net position is an element of proprietary fund financial statements and is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflow of resources.

Subsequent Events

Subsequent events have been evaluated through March __, 2020, which is the date the financial statements were available to be issued.

NOTE 3 – CREDIT RISK

For purposes of reporting cash flows, the Corporation considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents. As of December 31, 2019 and 2018, cash, which consists of one checking and one savings account, was covered by federal depository insurance up to \$250,000. Management believes the risk of loss is low.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 4 – CONDUIT DEBT OBLIGATIONS

From time to time, the Columbia County Capital Resource Corporation issues negotiable bonds to provide financial assistance to not for profit entities for the acquisition and construction of facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the not for profit entity served by the bond issuance.

Neither the County of Columbia, Columbia County Capital Resource Corporation, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019 and 2018, there was (1) series of Bonds outstanding, with an aggregate principal amount payable of \$_____ and \$5,575,000, respectively.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Corporation receives administrative services from Columbia Economic Development Corporation (CEDC)'s staff. During 2019 and 2018, the fee for these services were waived by CEDC and no amount was paid.

During the year ended December 31, 2019, the CEDC contributed \$5,000 to the Corporation.

DRAFT

**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**

INDEPENDENT AUDITORS' REPORT

To the Chairman and the Board of
Columbia County Capital Resource Corporation:

We have audited, 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, the financial statements of Columbia County Capital Resource Corporation as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Columbia County Capital Resource Corporation's basic financial statements, and have issued our report thereon dated March __, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbia County Capital Resource Corporation's internal control over financial reporting (internal control) to determine the 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 Columbia County Capital Resource Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Columbia County 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbia County Capital Resource Corporation's financial statements are free of 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*.

DRAFT

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.

Hudson, New York
March __, 2020

DRAFT

SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
SCHEDULE OF CONDUIT DEBT OBLIGATIONS
Year ended December 31, 2019

DRAFT

<u>Bonds Listing</u>	<u>Outstanding Beginning of the Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of the Fiscal Year</u>	<u>Final Maturity Date</u>
Columbia Memorial Hospital - Series A	\$ 5,575,000	\$ -		\$ 5,575,000	2035

See notes to financial statements

DRAFT

OTHER INFORMATION

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
SCHEDULE OF EMPLOYMENT DATA FOR CONDUIT DEBT OBLIGATIONS
Year ended December 31, 2019



<u>Bonds Listing</u>	<u># of FTE Employees at Project Location Before CRC 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>
Columbia Memorial Hospital - Series A	1,089	-	1,089	1,159

See notes to financial statements.

7:38 AM
03/03/20
Accrual Basis

CRC
Balance Sheet
As of February 29, 2020

	<u>Feb 29, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
Key Bank checking	186.59
Key Bank Savings	206.74
Total Checking/Savings	<u>393.33</u>
Total Current Assets	<u>393.33</u>
TOTAL ASSETS	<u><u>393.33</u></u>
LIABILITIES & EQUITY	
Equity	
Retained Earnings	2,116.97
Net Income	-1,723.64
Total Equity	<u>393.33</u>
TOTAL LIABILITIES & EQUITY	<u><u>393.33</u></u>

7:38 AM
 03/03/20
 Accrual Basis

CRC
Profit & Loss Budget vs. Actual
 January through February 2020

	Jan - Feb 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Bank Int. Inc.	0.00	0.84	-0.84	0.0%
Grant from CEDC	0.00	0.00	0.00	0.0%
Total Income	0.00	0.84	-0.84	0.0%
Expense				
Accounting & Audit	0.00	0.00	0.00	0.0%
Insurance	1,695.50	2,000.00	-304.50	84.8%
Miscellaneous	28.14	83.32	-55.18	33.8%
Total Expense	1,723.64	2,083.32	-359.68	82.7%
Net Ordinary Income	-1,723.64	-2,082.48	358.84	82.8%
Net Income	-1,723.64	-2,082.48	358.84	82.8%

DRAFT

**COLUMBIA COUNTY
CAPITAL RESOURCE CORPORATION
2019 Investment Report**

In accordance with Section 2925 of the Public Authorities Law; Sections 10, 11 and 858-a of General Municipal Law, the Columbia County Capital Resource Corporation has prepared an annual Investment Report for 2019.

The Columbia County Capital Resource Corporation Investment Policy was approved on February 5, 2015.

The Policy was amended, reviewed and adopted on December 3, 2019. All changes are italicized and underlined in the document.

The Investment Policy has been attached to this document as Schedule A.

The 2019 Annual Financial Audit is attached as Schedule B.

The Corporation generated \$.05 in interest income for the period January 1, 2019 – December 31, 2019.

Bank Name	Amount Generated	Fees
Key Bank Checking account	\$.05	\$17.50

Schedule A

Scope

This investment policy applies to all moneys and other financial resources available for investment by the Columbia County Capital Resource Corporation (the "Corporation").

I. Objectives

The primary objectives of the Corporation's investment activities are, in priority order.

- To conform with all applicable federal, state and other legal requirements;
- To adequately safeguard principal;
- To provide sufficient liquidity to meet all operating requirements; and
- To obtain a reasonable rate of return.

II. Delegation of Authority

The responsibility for administration of the investment program is delegated to the Administrative Director who shall establish procedures, subject to Board approval, for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates, and other relevant information.

III. Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Corporation.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

Consistent with the Columbia County Capital Resource Corporation's Conflict of Interest Policy, all participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

IV. Diversification

It is the policy of the Corporation to diversify its deposits and investments by financial institution such that the Corporation's deposits and investments do not exceed FDIC coverage and collateral pledged by such institution.

V. Internal Controls

It is the policy of the Corporation that all moneys collected by any officer or employee of the Corporation be transferred to the Administrative Director or their designee, within 5 days of receipt for deposit into the Corporation's account.

The Administrative Director is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VI. Designation of Authorized Depositories

The banks and trust companies authorized for the deposit of monies, up to the amounts; which are collateralized:

Depository
Key Bank

VII. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, §10, all deposits of the Corporation, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of "eligible securities" with an aggregate market value, as provided by General Municipal Law, §10, equal to the aggregate amount of such deposits (a list of eligible collateral securities are included as Appendix A to this policy).

VIII. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depositories trust department and/or a third party bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.

The custodial agreement shall provide securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other

deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

IX. Authorized Investments

As authorized by General Municipal Law, §11, the Corporation authorizes the Administrative Director to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York
- Money market/savings

All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within one year of the date of purchase.

X. Monthly Reporting Requirements

At each regularly scheduled meeting of the Corporation's Board, the Treasurer shall prepare a report of the Corporation's cash and investment balances as of the last day of the preceding month or a later date, if available. At a minimum such report shall contain:

- The name of each financial institution
- Type of account (checking, savings, certificate of deposit, etc.)
- Current rate of interest
- Account balance as of the last day of the previous month
- Maturity date in the case where funds are not currently available

THIS POLICY SHALL BE REVIEWED AND ADOPTED ANNUALLY.

DRAFT

APPENDIX A

Schedule of securities eligible for collateralization of Corporation deposits:

- I. Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- II. Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- III. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation that under a specific State statute may be accepted as security for deposit of public moneys.
- IV. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- V. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- VI. Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- VII. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally statistical rating organization.
- VIII. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.
- IX. Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- X. Zero coupon obligations of the United States government marketed as "Treasury strips".

Amended and Adopted on 12/3/19 The changes from the previous version are italicized and underlined.

Schedule B
2019 Audit Report

DRAFT

**COLUMBIA COUNTY
CAPITAL RESOURCE CORPORATION**

DRAFT

**MINUTES
COLUMBIA COUNTY
Capital Resource Corporation
Board Meeting
Tuesday, February 4, 2020
One Hudson City Centre
Suite 301
Hudson, New York**

The regular meeting of Columbia County Capital Resource Corporation Board, held at their offices located at One Hudson City Centre, Suite 301, Hudson, NY 12534 on the above date. The meeting was called to order at 9:10am by Carmine Pierro, Chairman following a motion made by Ms. Sterling and seconded by Ms. Fingar-Smith.

Attendee Name	Title	Status	Arrived
Nina Fingar-Smith	Board Member	Present	
Robert Galluscio	Treasurer	Excused	
William Gerlach	Board Member	Present	
Brian Keeler	Board Member	Excused	
Carmine Pierro	Chairman	Present	
Sarah Sterling	Secretary	Present	
Theodore Guterman II	Counsel	Present	
F. Michael Tucker	President/CEO	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Erin McNary	Bookkeeper	Present	
Edward Stiffler	Economic Developer	Excused	
Martha Lane	Business Development Specialist	Present	
Carol Wilber	Marketing Director	Excused	

Slate of Directors:

Ms. Sterling made a motion, seconded by Mr. Gerlach to approve the Slate of Officers as recommended by the Governance Committee. Carried.

2020 Annual Housekeeping Resolution:

Mr. Gerlach made a motion, seconded by Ms. Fingar-Smith to approve the 2020 Annual Housekeeping Resolution. Carried.

Minutes:

Ms. Sterling made a motion, seconded by Ms. Fingar-Smith to approve the minutes from December 3, 2019. Carried.

2019 Operations and Accomplishments:

Ms. Sterling made a motion, seconded by Ms. Fingar-Smith to approve the 2019 Operations and Accomplishments Report. Carried.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION

DRAFT

2019 Performance Measures Report:

Mr. Gerlach made a motion, seconded by Ms. Sterling to approve the 2019 Performance Measures Report. Carried.

2020 Mission & Measurements Statement:

Ms. Fingar-Smith made a motion, seconded by Ms. Sterling to approve the 2020 Mission and Measurements Statement. Carried.

Ms. Sterling made a motion, seconded by Ms. Fingar-Smith to suspend the CRC meeting in order to hold the Committee meetings. Carried. The meeting was suspended at 9:12am.

Mr. Gerlach made a motion, seconded by Mr. Fingar-Smith to resume the meeting. Carried. The meeting resumed at 9:19am.

Consent Agenda:

Committee Reports

Audit Committee

2019 Internal Controls Statement

2019 Discharged Duties

Finance Committee

Treasurer's Report

2019 Discharged Duties

Governance Committee

2020 Compliance Calendar

2019 Discharged Duties

Mr.; Gerlach made a motion, seconded by Ms. Fingar-Smith to approve all items on the Consent Agenda. Carried.

Administrative Director's Report:

Mr. Tucker noted Columbia Memorial Hospital remained interested in utilizing the CRC for their upcoming expansion. He stated the Shaker Museum was planning an exhibition hall in the village of Chatham and might have use of the CRC benefits. Mr. Tucker handed out a brochure.

With no public comment and no further business to come before the Board, Mr. Gerlach made a motion, seconded by Ms. Sterling to adjourn the meeting. Carried. The meeting was adjourned at 9:22am.

Respectfully submitted by Lisa Draushuk