

Columbia County Industrial Development Agency

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY MEETING NOTICE

Please take notice that there will be a regular meeting of the Columbia County Industrial Development Agency and Audit Committee held on December 14, 2020 at 8:30am. This meeting will be held to consider all appropriate business brought before it. Due to public health and safety concerns related to COVID-19, the Columbia County IDA Board will not be meeting in-person. In accordance with the Governor's Executive Order 202.1, the Tuesday, December 14, 2020 Board meeting will be held at **8:30 am via Google Meet**, <https://meet.google.com/dru-zvhb-kmt> join via phone: 1 904-580-9445 PIN: 470692032# and will be recorded with a transcript provided at a later date. The public will have an opportunity to hear the meeting live and provide comments. Comments can also be provided via email before and during the meeting to mtucker@columbiaedc.com. Please check the meeting agenda posted on the IDA's website on www.columbiaedc.com for further instructions to access the virtual meeting and for updated information.

Nina Fingar Smith, Secretary
Columbia County Industrial Development Agency
Dated December 4, 2020

IDA Board of Members Agenda

Members:

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

1. Draft Minutes, October 4, 2020*, October 23, 2020*
2. Treasurer's Report*
3. Audit Committee Report
 - a. 2020 Audit Engagement Letter*
4. Administrative Director's Report
5. Proposed IDA Fee Schedule*
6. IDA Commerce Park Properties*
7. G-Tel Inc/Valstar Inc Project
8. Klocke Estate Distillery LLC
9. Public Comments

Attachments:

Draft Minutes October 6, 2020
Draft Minutes October 23, 2020
Treasurer's Report
2020 Audit Engagement Letter
Proposed IDA Fee Schedule
* Requires Action

One Hudson City Centre, Suite 301
Hudson, New York 12534
518-828-4718

DRAFT

**Columbia County
Industrial Development Agency**

**MINUTES
COLUMBIA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Full Board

Tuesday, October 6, 2020

Via conference call due to COVID-19 outbreak

A regularly scheduled meeting of Columbia County Industrial Development Agency's Board held via conference call due to COVID-19 on Tuesday, October 6, 2020. The meeting was called to order at 8:49am by Carmine Pierro, Chairman.

Attendee Name	Title	Status	Arrived
Nina Fingar-Smith	Board Member	Present via phone	
Robert Galluscio	Treasurer	Present via phone	
William Gerlach	Board Member	Present via phone	
Brian Keeler	Board Member	Present via phone	
Carmine Pierro	Chairman	Present via phone	
Sarah Sterling	Secretary	Present via phone	
Theodore Guterman II	Counsel	Present via phone	
F. Michael Tucker	President/CEO	Present via phone	
Lisa Drahushuk	Administrative Supervisor	Present via phone	
Erin McNary	Bookkeeper	Present via phone	
Ed Stiffler	Economic Developer	Present via phone	
Martha Lane	Business Development Specialist	Present via phone	
Carol Wilber	Marketing Director	Present via phone	
Bill Better	Attorney	Present via phone	
A Joseph Scott	CEDC Bond Counsel	Present via phone	
Karen Borovich	Gtel	Present via phone	

Consent Agenda:

Mr. Pierro noted the following would be presented as a consent agenda:

- Full Board minutes August 4, 2020
- Treasurer's Report
- 2021 Budget

Ms. Fingar-Smith made a motion, seconded by Ms. Sterling to approve the Consent Agenda. Carried.

Administrative Director's Report:

Mr. Tucker stated he had sent out an invitation regarding a presentation by NYSERTA regarding real property tax aspects on solar projects. He noted Mr. Stiffler had developed a list of solar projects located in the county. He stated projects have been approaching IDA's in order to

obtain sales tax exemption as well as a PILOT. He anticipated as this evolves, discussions should be held to determine a uniform response to the requests. Mr. Tucker stated Klocke Estates was still determining if they would utilize any of the benefits available through the IDA.

G-tel Application:

Mr. Tucker gave some background on the project noting the company is currently expanding their service area, doubling the area. The project will allow customers to obtain greater internet speed. They have obtained a \$4 million loan in order to finance the expansion. Mr. Better, the attorney for G-tel further explained the project. He noted they were not asking for a PILOT or sales tax exemption. They were asking for a mortgage recording tax exemption in the amount of \$50,000. Ms. Sterling asked if this would assist in addressing the gaps in service in the County. Mr. Better stated it would. Mr. Scott outlined the process moving forward, beginning with the public hearing.

Mr. Tucker stated the next step would be to schedule a public hearing. He suggested October 19th at 8:30am. The Board agreed to move forward with the public hearing. Mr. Guterman stated that at sometime after the Board would need to schedule a special meeting to discuss the project and review the public comment and decide to approve the requested benefit. Mr. Tucker stated the next available date would be October 23rd.

Mr. Tucker reviewed the fees, noting he had done an analysis and suggested that the usual IDA fee of 1% should be adjusted to reflect the requested benefits. He suggested a total fee of \$10,000, inclusive of the application fee, would be appropriate. He also stated the IDA should determine a more standardized schedule for projects that don't utilize all the benefits the IDA offers. The board agreed, noting the potential for solar projects.

Ms. Sterling made a motion, seconded by Ms. Fingar – Smith to schedule a Public Hearing on the G-Tel project, for October 19th at 8:30am as a virtual meeting. Carried.

Premier Personal Products Corp.: Mr. Tucker noted the owner had filed for a certiorari appeal. The Town had raised their assessment and there was a question if the appeal arbitrated should be based on the PILOT or reviewed by the review board as other properties not under a PILOT agreement would be, when challenged.

With no further business to discuss or public comment, a motion was made by Mr. Galluscio and seconded by Ms. Sterling. Carried. The meeting adjourned at 9:22am.

Respectfully submitted by Lisa Draushuk

Columbia County IDA
Balance Sheet
 As of October 31, 2020

	<u>Oct 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
Key Checking	6,728.88
Key Money Market	35,803.36
Comm - Escrow 2990 Rt 9 Realty	21,609.41
Key - Escrow BAC Sales, Inc.	35,226.68
Total Checking/Savings	<u>99,368.33</u>
Total Current Assets	99,368.33
Other Assets	
Comm. Park Land Sale Recv.	
HRVH, LLC	11,852.69
Limz	8,215.26
Total Comm. Park Land Sale Recv.	<u>20,067.95</u>
Total Other Assets	<u>20,067.95</u>
TOTAL ASSETS	<u><u>119,436.28</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Escrow 2990 Rt 9 Realty	21,609.41
Escrow BAC Sales, Inc.	35,226.68
due to CEDC	2,000.00
Total Other Current Liabilities	<u>58,836.09</u>
Total Current Liabilities	58,836.09
Long Term Liabilities	
Due to Col.Cnty Land Sale	
HRVH, LLC	11,852.69
Limz	8,215.26
Total Due to Col.Cnty Land Sale	<u>20,067.95</u>
Total Long Term Liabilities	<u>20,067.95</u>
Total Liabilities	78,904.04
Equity	
Fund Balance - Unrestricted	65,255.44
Net Income	-24,723.20
Total Equity	<u>40,532.24</u>
TOTAL LIABILITIES & EQUITY	<u><u>119,436.28</u></u>

Columbia County IDA
Profit & Loss Budget vs. Actual
 January through October 2020

	Jan - Oct 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Comm Prk Principal Inc.	3,810.23	9,600.00	-5,789.77	39.7%
Land Sale Income				
Land Sale Inc. (Int)	615.25	1,160.00	-544.75	53.0%
Total Land Sale Income	615.25	1,160.00	-544.75	53.0%
Administration Fee Income	5,500.00	41,000.00	-35,500.00	13.4%
Application and Misc Income	1,000.00			
Bank Interest	16.53	41.68	-25.15	39.7%
Total Income	10,942.01	51,801.68	-40,859.67	21.1%
Expense				
Comm. Park Land Sale				
Comm Park money to County	3,810.23	9,600.00	-5,789.77	39.7%
Total Comm. Park Land Sale	3,810.23	9,600.00	-5,789.77	39.7%
Consultants	0.00	6,250.00	-6,250.00	0.0%
Legal Fees	1,749.50	6,250.00	-4,500.50	28.0%
Accounting & Audit	7,950.00	8,500.00	-550.00	93.5%
Administration/CEDC	20,000.00	20,000.00	0.00	100.0%
Insurance	1,812.50	2,600.00	-787.50	69.7%
Office & Misc Exp	342.98	1,250.00	-907.02	27.4%
Total Expense	35,665.21	54,450.00	-18,784.79	65.5%
Net Ordinary Income	-24,723.20	-2,648.32	-22,074.88	933.5%
Other Income/Expense				
Other Income				
PILOT Receipts	134,666.96			
Total Other Income	134,666.96			
Other Expense				
PILOT Payments	134,666.96			
Total Other Expense	134,666.96			
Net Other Income	0.00			
Net Income	-24,723.20	-2,648.32	-22,074.88	933.5%

One Hudson City Centre, Suite 204
Hudson, NY 12534

Phone 518-828-1565
Fax 518-828-2672
Web www.uhy-us.com

November 23, 2020

Mr. F. Michael Tucker
President and CEO
and
Mr. Carmine Pierro
Chairman of the Audit Committee

Columbia County Industrial Development Agency
1 Hudson City Centre, Suite 301
Hudson, NY 12534

Dear Mr. Tucker and Mr. Pierro:

The following represents our understanding of the services we will provide Columbia County Industrial Development Agency (a component unit of the County of Columbia, New York).

You have requested that we audit the financial statements of Columbia County Industrial Development Agency, comprised of the statement of net position as of December 31, 2020, and the statements of revenue, expenses, and changes in net position and cash flows for the year then ending and the related notes, which collectively comprise Columbia County Industrial Development Agency's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's discussion and analysis

Supplementary information other than RSI will accompany Columbia County Industrial Development Agency's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- Schedule of conduit debt obligations
- Schedule of projects and exemptions
- Schedule of PILOTS

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

- Schedule of Employment Data

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

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 basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic 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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Columbia County Industrial Development Agency's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and

- g. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

With respect to any non-attest services we perform, including the preparation of the Agency's financial statements, we will not assume management responsibilities on behalf of Columbia County Industrial Development Agency. However, we will provide advice and recommendations to assist management of Columbia County Industrial Development Agency in performing its responsibilities.

Columbia County Industrial Development Agency's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows:

- This engagement is limited to the financial statement preparation services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of Columbia County Industrial Development Agency's basic financial statements. Our report will be addressed to the governing body of Columbia County Industrial Development Agency. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The timing of our audit will be scheduled for performance and completion as follows:

	<i>Begin</i>	<i>Complete</i>
Document internal control and preliminary tests	January 2021	January 2021
Mail confirmations	N/A	January 2021
Perform year-end audit procedures	January 2021	January 2021
Audit committee meeting	N/A	March 2021
Board meeting	N/A	March 2021
Issue audit report	N/A	March 31, 2021

Matthew VanDerbeck is the engagement partner for the audit services specified in this letter. His responsibilities include supervising UHY LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

From time to time, both during and after the conclusion of our engagement, we may be required to respond to subpoenas or other requests for documents, testimony or court appearances, or to otherwise take actions under compulsion of law or legal process, relating to you and/or the work we have undertaken for you as identified and described herein. In any such instance, you will be and remain responsible to compensate us for our time expended, and to reimburse us for our costs and disbursements (including attorney's fees) incurred, in complying with any such legal requirements, all in the manner described in the following paragraph that addresses billing and payment.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered every as work progresses and are payable upon presentation. We estimate that our fee for the audit will be \$7,950. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use Columbia County Industrial Development Agency's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

At the conclusion of our audit engagement, we will communicate to Columbia County Industrial Development Agency's Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of UHY LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to Columbia County and/or New York State pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of UHY LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to New York State. The New York State Comptroller may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

UHY LLP has a contractual arrangement with UHY Advisors, Inc. and its various wholly owned subsidiaries ("UHY Advisors") pursuant to which UHY Advisors provides UHY LLP with services for which licensure as a CPA is not required. In order to avoid duplication of efforts arising out of this arrangement, we request that you consent to our sharing with UHY Advisors and UHY Advisors sharing with UHY LLP the information that may be obtained from you during the course of our engagement. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent to make disclosures to UHY Advisors of confidential information that we may obtain in the course of our engagement.

UHY Advisors, Inc. and UHY LLP are U.S. members of Urbach Hacker Young International Limited, a UK company, and form part of the international UHY network of legally independent accounting and consulting firms. "UHY" is the brand name for the UHY international network. Any services described herein are provided by UHY Advisors and/or UHY LLP (as the case may be) and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.

You agree to assume all management responsibilities for the financial statement preparation services, and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skills, knowledge, and/or experience; evaluate the adequacy and results of the services; and accept responsibility for them. It is your responsibility to maintain original data and records as well as information produced by information systems. We cannot accept and have no responsibility to maintain any of your data, records, or information. Erin McNary and F. Michael Tucker will be the responsible management employees for overseeing our non-attest services.

This engagement letter and all services rendered hereunder shall be governed, construed, and enforced by the laws of the State of New York, without the need to resort to principles of conflicts of laws. New York law shall apply to any legal or equitable proceeding that shall be instituted in any way arising out of this engagement letter, any obligations contained or allegedly contained herein, and all services rendered touching or relating in any way to the obligations of this engagement letter. All parties to this engagement consent to the exclusive jurisdiction of the federal and state courts located in New York and, more particularly, the state court located in Albany County, New York and the federal court located in the Northern District of New York.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

For the purposes of this engagement letter (and other letters of correspondence), transmitted copies (reproduced documents transmitted via photocopy, facsimile, or process that accurately transmits

the original) are considered documents equivalent to original documents. Signatures transmitted and received via facsimile, pdf format, e-mail, or an electronic signature platform will be treated for all purposes of this engagement letter (and other letters of correspondence) as original signatures and will be deemed valid, binding, and enforceable by and against all parties.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

UHY LLP

Matthew VanDerbeck, CPA
Partner
One Hudson City Centre, Suite #204
Hudson, NY 12534

RESPONSE:

This letter correctly sets forth our understanding.

Columbia County Industrial Development Agency

Acknowledged and agreed on behalf of Columbia County Industrial Development Agency by:

Title: President and CEO

Date: _____

Title: Chairman of the Audit Committee

Date: _____

OFFICE LOCATIONS

California

Orange County
949 556 8905

Connecticut

Norwalk
203 401 2101

West Hartford
860 519 1726

Farmington
860 676 9020

Florida

Miami
305 438 7993

Georgia

Atlanta
678 602 4470

Maryland

Columbia
410 423 4800

Frederick
301 695 1040

Michigan

Ann Arbor
734 213 1040

Farmington Hills
248 355 1040

Detroit
319 964 1040

Sterling Heights
586 254 1040

Missouri

St. Louis
314 615 1301

New York

Albany
518 449 3171

New York
212 381 4800

Rye Brook
914 697 4966

Report On Peer Review

We are pleased to provide a copy of UHY LLP's most recent peer review report dated January 31, 2018 as well as the related letter from the Chair of the American Institute of Certified Public Accountants' National Peer Review Committee notifying us that the Committee accepted our peer review report on May 30, 2018. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. UHY LLP received a peer review report rating of *pass* – the best possible outcome.

Peer reviews are conducted on a triennial basis and are performed on the system of quality control for the accounting and auditing practice applicable to non-SEC issuers. Our next peer review will be due on January 31, 2021.

A peer review is conducted by qualified CPA inspectors from an outside CPA firm. These peer reviewers select engagements that are representative of the reviewed firm's non-SEC practice. Their selection considers the various industries served by the firm, the partners serving those industries and must include all levels of attest service – audits, reviews, compilations, agreed-upon procedures engagements, SOC 1 and SOC 2 engagements, and other attestation services.

In addition to the numerous engagement files reviewed in detail, the peer reviewers inspect other areas of our non-SEC practice including client acceptance and retention, independence, integrity and objectivity, licensing and professional membership, and our staff and partner resources related to recruiting, hiring, assignments, education and training, and continuing professional education.

We are proud of our record of commitment to quality and pledge to continue in our dedication to the highest level of service.

UHY ^{LLP}



Peer Review Program
Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

May 30, 2018

Cynthia Scheuer
UHY LLP
66 S Pearl St Ste 401
Albany 12207-1516

Dear Cynthia Scheuer:

It is my pleasure to notify you that on May 22, 2018, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is January 31, 2021. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Sincerely,

Michael Fawley
Chair - National PRC
nprc@aicpa.org 919-402-4502
National Peer Review Committee

CC: Candace Wright, Paul Rohan

Firm Number: 900003882951

Review Number: 553233



Report on the Firm's System of Quality Control

To the Partners of UHY LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of UHY LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended July 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of UHY LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended July 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. UHY LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
January 31, 2018



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COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FEE SCHEDULE

Application Fee: At the time of application for approval by the Agency of any transaction there shall be a non-refundable application fee of One Thousand Dollars (\$1,000.00) for projects with a project cost of up to but not including \$5,000,000.00. The application fee shall increase to Two Thousand Dollars (\$2,000.00) for projects with a project cost of \$5,000,000.00 and above.

For an extension of an application, each extension of six months shall require payment of one quarter of the Agency Administrative Fee.

Agency Administrative Fees:

1. New Projects

The Agency Administrative Fee for Projects shall be the greater of one percent (1%) of the bond, mortgage or project cost. One quarter of the Agency Administrative Fee or .25% must be received by the Agency prior to the issuance of a Sales Tax Letter by the Agency, except for installment sale transactions when the entire Agency Administrative Fee of 1% is due prior to the issuance of the Sale Tax Letter. The balance of the Agency Administrative Fee or .75% shall be due on the closing of the transaction.

2. Re-financings

The Agency Administrative Fee for re-financings shall be \$1,000 plus one percent (1%) of any new money being financed.

3. Payment in Lieu of Tax Agreement Administration Fee

Entities having Payment in Lieu of Tax Agreements (PILOTs) shall pay an annual fee of \$1500 to the Agency for each year the PILOT is in force. Payment is due with the first payment due for that year.

FOR DISCUSSION PURPOSES ONLY

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FEE SCHEDULE**

Application Fee: At the time of application for approval by the Agency of any transaction there shall be a non-refundable application fee of One Thousand Dollars (\$1,000.00) for projects with a project cost of up to but not including \$5,000,000.00. The application fee shall increase to Two Thousand Dollars (\$2,000.00) for projects with a project cost of \$5,000,000.00 and above.

For an extension of an application, each extension of six months shall require payment of one quarter of the Agency Administrative Fee.

Agency Administrative Fees:

1. New Projects

The Agency Administrative Fee for New Projects shall be:

(a) One percent (1%) of the bond, mortgage or project cost, whichever is greater for projects up to \$5,000,000.00.

(b) For projects greater than \$5,000,000.00, \$50,000.00 plus one-half of One percent (1%) of the bond, mortgage or project cost, whichever is greater for any amount over \$5,000,000.00.

(c) One quarter of the Agency Administrative Fee must be received by the Agency prior to the issuance of a Sales Tax Letter by the Agency

2. Notwithstanding the foregoing, if the Applicant is seeking only sales tax exemption or only mortgage tax exemption (but not both), then the fee will be 40% of the amount of the fee referenced in Paragraph 1. If the exemption sought is for sales tax only, the entire amount of the Agency Administrative Fee must be received by the Agency prior to the issuance of a Sales Tax Letter by the Agency.

3. Notwithstanding the foregoing, for projects where the Applicant is seeking sales tax exemption and mortgage tax exemption, but not a PILOT Agreement, the fee will be 60% of the amount of the fee referenced in Paragraph 1 and half of this fee must be received by the Agency prior to the issuance of a Sales Tax Letter. The balance of the Agency Administrative Fee shall be due on the closing of the transaction.

4. Re-financings

The Agency Administrative Fee for re-financings shall be \$1,000 plus one percent (1%) of any new money being financed.

5. Payment in Lieu of Tax Agreement Administration Fee

Entities having Payment in Lieu of Tax Agreements (PILOTs) shall pay an annual fee of \$2,000.00 to the Agency for each year the PILOT is in force. Payment is due with the first payment due for that year.