

Choose Columbia

Columbia Economic Development Corporation

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION NOTICE OF PUBLIC MEETING

Please take notice that there will be a meeting of the Columbia Economic Development Corporation Board held on March 30, 2021 at 8:30am, to consider all matters presented to the Board for consideration.. Due to public health and safety concerns related to COVID-19, the meeting will not take place in-person. In accordance with the Governor's Executive Order 202.1, the meeting will be held **via Zoom**. Join Zoom Meeting:

<https://zoom.us/j/99231514050?pwd=RlVwTi9oQlhxYTlMd0hHc1FoWXXVSdz09>

Meeting ID: 992 3151 4050, Passcode: 804618 Dial 1 646 558 8656 Meeting ID: 992 3151 4050

Passcode: 804618 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 **CEDC's website** www.columbiaedc.com for further instructions to access the virtual meeting and for updated information

Dated: March 23, 2021, Sarah Sterling, Secretary Columbia Economic Development Corporation

CEDC Board of Directors Agenda

Members:

Ruth Adams	Derek Grout	Gary Spielmann
Russell Bartolotta	James Lapenn	Sarah Sterling
Jim Calvin	John Lee	Brian Stickles
Rick Cummings	Kenneth Leggett	
Carlee Drummer	Carmine Pierro	
David Fingar	Seth Rapport	
Tish Finnegan	Richard Scalera	

1. Chairman's Remarks
2. Audit & Finance Committee Report
 - a. 2020 Audited Financials and Required Correspondence*
 - b. Treasurer's Report*
 - c. Statement of Internal Controls*
 - d. 2020 Investment Report*
3. President/CEO Report
 - a. PPP Application*
4. Minutes February 23, 2021*
5. Membership Update
6. Committee Reports
 - a. Executive Committee
 - b. Governance and Nominating Committee (No meeting was held)
 - c. Loan Committee
 - i. Portfolio Review*
 - ii. Fast Forward Loan Presentation
 - iii. Spencertown Market Loan Request*
 - d. Workforce & Education Committee
7. Confidential Board Evaluation Summary*
8. Public Comment

Attachments:

2020 Audited Financials & Correspondence	Statement of Internal Controls	Minutes, Feb 23 2021
Treasurer's Report	2020 Investment Report	Portfolio Review
Spencertown Market Loan Writeup		

*Requires Approval

Columbia Economic Development Corp
Balance Sheet Prev Year Comparison
As of February 28, 2021

	Feb 28, 21	Feb 29, 20	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Checking and Savings				
Operating Bank Accounts				
1000-00 · Checking -Key Bank	14,586.86	55,512.06	-40,925.20	-73.72%
1000-05 · Cash, TD Bank Checking	0.00	821.48	-821.48	-100.0%
1021-00 · Key Bank - Gold MM Savings	253,361.42	266,028.83	-12,667.41	-4.76%
1032.00 · Berkshire Bank	153,439.09	151,028.98	2,410.11	1.6%
1001-00 · Key - PPP/EIDL Account	3,407.54	0.00	3,407.54	100.0%
Total Operating Bank Accounts	424,794.91	473,391.35	-48,596.44	-10.27%
Loan SBA Cash Accounts				
1100-01 · SBA Key - RLF #3	52,678.22	73,847.17	-21,168.95	-28.67%
1100-02 · SBA Key - RLF #4	17,498.16	55,745.13	-38,246.97	-68.61%
1100-03 · SBA Bank of Greene Cty - RLF #5	50,004.95	75,738.10	-25,733.15	-33.98%
1100-07 · SBA Bank of Greene Cty - RLF #6	71,795.47	45,927.82	25,867.65	56.32%
1100-10 · SBA Key - RLF #7	42,156.46	100.00	42,056.46	42,056.46%
1100-11 · SBA Key - RLF #8	75,000.00	0.00	75,000.00	100.0%
Total Loan SBA Cash Accounts	309,133.26	251,358.02	57,775.24	22.99%
Loan CEDC Cash Accounts				
1000-02 · Loan Community Ckg 648	23,640.89	34,303.80	-10,662.91	-31.08%
1020-01 · 1003-Community Svgs DM SC	747,306.60	696,550.54	50,756.06	7.29%
Total Loan CEDC Cash Accounts	770,947.49	730,854.34	40,093.15	5.49%
Grants Cash Accounts				
Key - BTCF County Grant	13,414.47	0.00	13,414.47	100.0%
Total Grants Cash Accounts	13,414.47	0.00	13,414.47	100.0%
Reserve SBA Cash Accounts				
1100-04 · Key Bank - LLR #3	21,090.37	21,085.71	4.66	0.02%
1100-05 · Key Bank - LLR #4	13,051.46	13,048.57	2.89	0.02%
1100-06 · Bank of Greene County - LLR #5	40,056.65	39,963.68	92.97	0.23%
1100-08 · Bank of Greene County - LLR #6	42,075.84	41,978.17	97.67	0.23%
1100-09 · Key Bank - LLR #7	37,600.00	100.00	37,500.00	37,500.0%
1100-12 · Key Bank - LLR #8	22,500.00	0.00	22,500.00	100.0%
Total Reserve SBA Cash Accounts	176,374.32	116,176.13	60,198.19	51.82%
Reserve CEDC Cash Accounts				
1031-00 · BOGC - Reserve	213,068.62	212,574.06	494.56	0.23%
Total Reserve CEDC Cash Accounts	213,068.62	212,574.06	494.56	0.23%
1032-00 · Hudson Bonds Accounts				
Key Bank - Hudson Bonds	11,111.00	0.00	11,111.00	100.0%
Key Bank - Hudson Bonds Awards	14,233.00	0.00	14,233.00	100.0%
Total 1032-00 · Hudson Bonds Accounts	25,344.00	0.00	25,344.00	100.0%
Total Checking and Savings	1,933,077.07	1,784,353.90	148,723.17	8.34%
Total Checking/Savings	1,933,077.07	1,784,353.90	148,723.17	8.34%
Other Current Assets				
Accounts Receivable	108,240.80	198,485.99	-90,245.19	-45.47%
1251-15 · Prepaid expense	0.00	1,804.50	-1,804.50	-100.0%
Loans Receivable	619,069.02	402,445.69	216,623.33	53.83%
CEDC - Loan Funds	961,897.64	986,938.31	-25,040.67	-2.54%
Total Other Current Assets	1,689,207.46	1,589,674.49	99,532.97	6.26%
Total Current Assets	3,622,284.53	3,374,028.39	248,256.14	7.36%
Fixed Assets				
Property & Capitalized Assets	14,340.83	13,532.83	808.00	5.97%

Columbia Economic Development Corp
Balance Sheet Prev Year Comparison
As of February 28, 2021

	Feb 28, 21	Feb 29, 20	\$ Change	% Change
Total Fixed Assets	14,340.83	13,532.83	808.00	5.97%
Other Assets				
Comm. Pk Land Sale Recv.	19,409.30	19,409.30	0.00	0.0%
Grants Receivable	226,343.24	227,051.84	-708.60	-0.31%
Allowance for Bad Debt Loans	-232,015.32	-142,017.11	-89,998.21	-63.37%
2300 - Security Deposit	3,200.00	3,200.00	0.00	0.0%
Total Other Assets	16,937.22	107,644.03	-90,706.81	-84.27%
TOTAL ASSETS	<u>3,653,562.58</u>	<u>3,495,205.25</u>	<u>158,357.33</u>	<u>4.53%</u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000-01 - *Accounts Payable	12,468.75	12,585.91	-117.16	-0.93%
Total Accounts Payable	12,468.75	12,585.91	-117.16	-0.93%
Other Current Liabilities				
HBC Liability	25,344.00	0.00	25,344.00	100.0%
Accrued Expenses	7,901.92	7,598.16	303.76	4.0%
2009 - Loan payable - PPP	68,700.00	0.00	68,700.00	100.0%
Deferred Revenue	5,237.00	0.00	5,237.00	100.0%
Total Other Current Liabilities	107,182.92	7,598.16	99,584.76	1,310.64%
Total Current Liabilities	119,651.67	20,184.07	99,467.60	492.8%
Long Term Liabilities				
2010 - Loan payable - EIDL	100,000.00	0.00	100,000.00	100.0%
Loans Payable to SBA	703,711.53	438,856.03	264,855.50	60.35%
Debt Reserve	10,000.00	10,000.00	0.00	0.0%
Long term Deferred Revenue	26,343.24	27,051.84	-708.60	-2.62%
Total Long Term Liabilities	840,054.77	475,907.87	364,146.90	76.52%
Total Liabilities	959,706.44	496,091.94	463,614.50	93.45%
Equity				
Invested in Capital Assets	14,340.83	13,532.83	808.00	5.97%
Net assets Restricted	397,708.51	397,708.51	0.00	0.0%
Unrestricted Net Position	2,305,039.74	2,583,157.71	-278,117.97	-10.77%
Net Income	-23,232.94	4,714.26	-27,947.20	-592.82%
Total Equity	2,693,856.14	2,999,113.31	-305,257.17	-10.18%
TOTAL LIABILITIES & EQUITY	<u>3,653,562.58</u>	<u>3,495,205.25</u>	<u>158,357.33</u>	<u>4.53%</u>

Columbia Economic Development Corp
Profit & Loss Budget vs. Actual
January through February 2021

	<u>Jan - Feb 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Administrative Revenue	5,666.67	5,666.66	0.01	100.0%
Columbia County	61,333.32	61,333.32	0.00	100.0%
Grant Income	843.86			
Membership/Sponsorship	28,842.00	32,500.00	-3,658.00	88.75%
5900 - Interest Income	12,355.01	10,000.00	2,355.01	123.55%
Other Income	312.47	2,007.37	-1,694.90	15.57%
Recovery of Bad Debt	0.00	2,000.00	-2,000.00	0.0%
SBA Microloan T/A	19,166.66	19,166.68	-0.02	100.0%
Total Income	<u>128,519.99</u>	<u>132,674.03</u>	<u>-4,154.04</u>	<u>96.87%</u>
Gross Profit	128,519.99	132,674.03	-4,154.04	96.87%
Expense				
Grants Expense*	2,000.00			
Conferences and Training	859.00	333.32	525.68	257.71%
Consulting -TSI	22,000.00	22,084.00	-84.00	99.62%
Consulting Fees	3,183.72	5,000.00	-1,816.28	63.67%
Facility	6,560.00	6,560.00	0.00	100.0%
Insurance	2,886.45	4,500.00	-1,613.55	64.14%
SBA Interest Expense	20.13			
MicroBiz Expenses	6,487.00	5,283.32	1,203.68	122.78%
New Initiatives				
5200 - New Initiatives	9,000.00			
5200-A - Workforce & Education	5,000.00			
New Initiatives - Other	0.00	5,000.00	-5,000.00	0.0%
Total New Initiatives	<u>14,000.00</u>	<u>5,000.00</u>	<u>9,000.00</u>	<u>280.0%</u>
Office Expense				
5060-01 - Comp./Equip & Leasing & Maint.	6,197.75	3,000.00	3,197.75	206.59%
5060-02 - Telephone & Fax	931.82	750.00	181.82	124.24%
5060-03 - Internet	198.76	233.32	-34.56	85.19%
5060-04 - Office Supplies & Printing	326.96	1,666.68	-1,339.72	19.62%
5060-05 - Dues & Subscriptions	5,847.50	4,500.00	1,347.50	129.94%
5060-06 - Postage	300.00	100.00	200.00	300.0%
5060-08 - Web Site	1,340.00	833.32	506.68	160.8%
Total Office Expense	<u>15,142.79</u>	<u>11,083.32</u>	<u>4,059.47</u>	<u>136.63%</u>
Other Expenses	3,076.64	2,000.00	1,076.64	153.83%
Employer Expenses	68,506.50	68,750.10	-243.60	99.65%
Professional Fees	1,631.00	5,999.96	-4,368.96	27.18%
Public Relations/Marketing	5,399.70	3,000.00	2,399.70	179.99%
Total Expense	<u>151,752.93</u>	<u>139,594.02</u>	<u>12,158.91</u>	<u>108.71%</u>
Net Ordinary Income	<u>-23,232.94</u>	<u>-6,919.99</u>	<u>-16,312.95</u>	<u>335.74%</u>
Net Income	<u>-23,232.94</u>	<u>-6,919.99</u>	<u>-16,312.95</u>	<u>335.74%</u>

Columbia Economic Development Corp
Profit & Loss by Class
January through February 2021

	1 Operating	SBA RLF-07	SBA RLF-06	SBA RLF-05	SBA RLF-04	SBA RLF-03	2 Loan Fund	CDBG 267ED424-02 (3 CDBG Fund)	Total 4 SBA	TOTAL
Ordinary Income/Expense										
Income										
Administrative Revenue	5,666.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,666.67
Columbia County	61,333.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61,333.32
Grant Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	843.86	0.00	843.86
Membership/Sponsorship	28,842.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,842.00
5900 - Interest Income	0.00	1,408.62	2,106.87	1,261.24	679.46	0.00	6,898.82	0.00	0.00	12,355.01
Other Income	76.52	0.00	15.95	11.43	0.54	1.74	185.27	0.00	21.02	312.47
SBA Microloan T/A	19,166.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,166.66
Total Income	115,085.17	1,408.62	2,122.82	1,272.67	680.00	1.74	7,084.09	843.86	21.02	128,519.99
	115,085.17	1,408.62	2,122.82	1,272.67	680.00	1.74	7,084.09	843.86	21.02	128,519.99
Expense										
Grants Expense*	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
Conferences and Training	859.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	859.00
Consulting -TSl	22,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,000.00
Consulting Fees	3,183.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,183.72
Facility	6,560.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,560.00
Insurance	2,886.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,886.45
SBA Interest Expense	0.00	0.00	0.00	0.00	20.13	0.00	0.00	0.00	0.00	20.13
MicroBiz Expenses	6,487.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,487.00
New Initiatives	14,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,000.00
Office Expense	15,142.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,142.79
Other Expenses	2,926.64	0.00	0.00	0.00	0.00	0.00	150.00	0.00	0.00	3,076.64
Employer Expenses	68,506.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68,506.50
Professional Fees	1,631.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,631.00
Public Relations/Marketing	5,399.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,399.70
Total Expense	151,582.80	0.00	0.00	0.00	20.13	0.00	150.00	0.00	0.00	151,752.93
Net Ordinary Income	-36,497.63	1,408.62	2,122.82	1,272.67	659.87	1.74	6,934.09	843.86	21.02	-23,232.94
Net Income	-36,497.63	1,408.62	2,122.82	1,272.67	659.87	1.74	6,934.09	843.86	21.02	-23,232.94

Balance Sheet

Assets

	2014	2015	2016	2017	2018	2019	2020
Capital Assets	\$ 121,067	\$ 6,540	\$ 12,749	\$ 9,176	\$ 6,782	\$ 13,532	14,340
Current Assets		2,073,132	2,288,891	2,350,754	2,273,000	1,955,259	1,965,043
Long Term Assets	3,324,713	1,125,920	943,730	893,374	1,357,448	1,564,374	1,620,577
Total Assets	\$ 3,445,780	\$ 3,205,592	\$ 3,205,592	\$ 3,253,304	\$ 3,637,230	\$ 3,533,165	3,599,960
Current Liabilities	\$ 141,321	\$ 160,262	\$ 137,271	\$ 156,599	\$ 122,293	\$ 151,848	\$ 265,342
Long-term Liabilities	555,246	527,869	498,512	489,324	501,835	375,203	608,127
Deferred inflow of resources		14,225	18,581	5,464	19,294	11,711	9,404
Net position							
Unrestricted	\$2,413,413	\$2,314,340	\$ 2,314,727	\$ 2,301,667	2,661,273	2,626,467	2,274,505
Capital	121,067	6,540	12,749	9,176	6,782	13,532	43,340
Restricted	214,733	182,356	263,530	291,074	325,753	354,404	428,242
Net Income							
Total liabilities, deferred inflows, and net position	\$ 3,445,780	\$ 3,205,592	\$ 3,245,370	\$ 3,253,304	\$ 3,637,230	\$ 3,533,165	\$ 3,599,960

Profit & Loss

	2014	2015	2016	2017	2018	2019	2020
Total operating revenues	406,117	247,767	315,697	317,499	679,839	300,981	491692
Total non-operating revenues	440,559	437,668	440,387	464,006	466,800	487,495	401854
Total revenues	846,676	685,435	756,084	781,505	1,146,639	788,476	893546
Total operating expenditures	719,467	815,754	667,702	769,733	754,251	787,582	1170679
Total non-operating expenditures		115,658	612	861	497	299	183
Total expenditures	719,467	931,412	668,314	770,594	754,748	787,881	1,170,679
Total revenues in excess of expenditure	127,209	-245,977	87,770	10,911	391,891	595	-277316
Net position at the beginning of the year	2,622,004	2,749,213	2,503,236	2,591,006	2,601,917	2,993,808	2,994,403
Net position at the end of the year	2,749,213	2,503,236	2,591,006	2,601,917	2,993,808	2,994,403	2,717,087

Statement of the Effectiveness of Internal Control

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This Statement of the Effectiveness of Internal Controls was adopted by the Board of Directors of the Columbia Economic Development Corporation, (the "Corporation"), a public benefit corporation established under the laws of the State of New York, on this the ___st day of __, 2021.

Purpose

To satisfy the requirement of Section 2800 (1)(a)(9) and Section 2800 (2)(a)(9) of Public Authorities Law, the Corporation has prepared the following statement:

Statement of the Effectiveness of Internal Controls

This statement certifies that the Columbia Economic Development Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2020.

To the extent that deficiencies were identified, the Corporation has developed corrective action plans to reduce any corresponding risk.

**COLUMBIA ECONOMIC
DEVELOPMENT CORPORATION
2020 Investment Report**

In accordance with Section 2925 of the Public Authorities Law; Sections 10, 11 and 858-a of General Municipal Law, the Columbia Economic Development Corporation has prepared an annual Investment Report for 2020.

The Columbia Economic Development Corporation Investment Policy was originally approved on February 5, 2015, with the latest revision made on October 29, 2019.

The Policy was amended on October 29, 2019. Section VI was corrected to reflect the name changes of the Authorized Depositories. No other amendments were made since the policy was reviewed and re-adopted on January 28, 2020.

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

The 2020 Annual Financial Audit is attached as Schedule B.

The Corporation generated \$9,852 in interest income for the period January 1, 2020 – December 31, 2020.

Bank Name	Amount Generated	Fees
Community Bank	\$4,828.00	\$ 940.00
Key Bank	\$1,899.00	\$1,394.00
TD Bank	\$0.00	\$0.00
The Bank of Greene County	\$715.00	\$36.00
Berkshire Bank	\$2,410.00	\$0.00

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Schedule A

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY

I. Scope

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

II. 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.

III. Delegation of Authority

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. 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.

IV. 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 CEDC'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.

V. 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.

VI. 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 President/CEO or his designee within 5 days of receipt for deposit into the Corporation's account.

The President/CEO 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.

VII. Designation of Authorized Depositories

The banks and trust companies authorized for the deposit of monies,:

Depository

Community Bank formerly Kinderhook Bank

Key Bank formerly First Niagara Bank

TD Bank

The Bank of Greene County

Berkshire Bank

VIII. 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).

IX. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depositaries 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.

X. Authorized Investments

As authorized by General Municipal Law, §11, the Agency authorizes the President/CEO 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.

XI. Quarterly Reporting Requirements

Each quarter, at the regularly scheduled monthly meeting of the Corporation's Board of Trustees, 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

THIS POLICY SHALL BE REVIEWED AND ADOPTED ANNUALLY.

Reviewed and approved with changes October 29, 2019

APPENDIX A

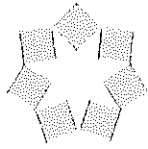
Schedule of securities eligible for collateralization of Corporation deposits:

- 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".

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Schedule B

2020 Audit



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Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
Tuesday, February 23, 2021
One Hudson City Centre, Suite 301
Hudson, NY 12534

Due to public health and safety concerns related to COVID-19, the Columbia Economic Development February 23, 2021 Board meeting will be held at 8:30am via Join Zoom Meeting

<https://us02web.zoom.us/j/88166149084?pwd=dzRrc3VvSit3WDBqakFaUFN4b2R0dz09>

Meeting ID: 881 6614 9084; Passcode: 592089, Dial 1 929 205 6099 US (New York) Meeting ID: 881 6614 9084

The public will have an opportunity to hear the meeting live and provide comments. Comments can be provided via email before and during the meeting to mtucker@columbiaedc.com. Please check the meeting agenda posted on the CEDC's website www.columbiaedc.com for further instructions to access the virtual meeting and for updated information.

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Board of Directors was held via ZOOM Meet due to COVID-19 on February 23, 2021. The meeting was called to order at 8:30 a.m. by David Fingar, Chair.

Attendee Name	Title	Status	Arrived/ Departed
Ruth Adams	Board Member	Present via Zoom	
Russell Bartolotta	Board Member	Excused	
Collin Brown	Board member	Excused	
Jim Calvin	Vice-Chair	Present via Zoom	
Rick Cummings	Board Member	Present via Zoom	
Carlee Drummer	Board Member – Ex-Officio	Present via Zoom	
David Fingar	Chair	Present via Zoom	
Tish Finnegan	Board Member	Present via Zoom	
Derek Grout	Board Member	Present via Zoom	
James Lapenn	Board Member	Present via Zoom	
John Lee	Treasurer	Present via Zoom	
Kenneth Leggett	Board Member	Excused	
Eric Mortenson	Board Member	Excused	
Carmine Pierro	Board Member – Ex Officio	Present via Zoom	
Seth Rapport	Board Member	Present via Zoom	
Richard Scalera	Board Member – Ex Officio	Present via Zoom	
Gary Spielmann	Board Member	Present via Zoom	
Sarah Sterling	Secretary	Present via Zoom	
Brian Stickles	Board Member	Excused	
Andy Howard	CEDC Attorney	Present via Zoom	
F. Michael Tucker	President/CEO	Present via Zoom	
Lauren Cranna	Business Development Partner	Present via Zoom	
Lisa Drahushuk	Administrative Supervisor	Present via Zoom	
Martha Lane	Business Development Director	Present via Zoom	
Cat Lyden	Administrative Assistant-Bookkeeper	Present via Zoom	
Erin McNary	Bookkeeper	Present via Zoom	
Ileana Morales	Marketing Specialist	Present via Zoom	
Carol Wilber	Marketing Director	Present via Zoom	

Mr. Tucker informed the Board that Ms. Wilber had resigned from her position she had held since 2013. He thanked her for her years of service. He read a resolution honoring her on behalf of the Board. *Mr. Spielmann made a motion, seconded by Mr. Lapenn to adopt the resolution and add to the official record. Carried.*

Treasurer's Report:

Mr. Tucker reviewed the Treasurer's Report with the Board. He noted the PPP loan had been forgiven. He stated several minor adjustments were expected as a result of the audit. *Mr. Calvin made a motion, seconded by Mr. Lapenn to approve the report as presented. Carried.*

President/CEO Report:

Mr. Tucker stated the second application for the second Payroll Protection Plan had been approved. He suggested the EDIL loan be repaid upon receipt of the PPP funds. *Mr. Lapenn made a motion, seconded by Ms. Sterling to authorize the repayment as outlined. Carried.*

Mr. Tucker stated the Shaker Museum project proposed for Chatham had been approved. He noted the Transco power line project had received NYS approval for the first phase of their project. Mr. Tucker reviewed his list of projects which included projects proposed for the Commerce Park as well as City of Hudson projects. He noted the Loan program was showing increased interest and they were working on a USDA grant application to assist economic development support in the towns and villages in the county.

Minutes, January 26, 2021:

Mr. Calvin made a motion, seconded by Mr. Lapenn to approve the minutes of January 26, 2021 as presented. Carried.

Membership Update:

Mr. Tucker reported \$27,000 had been raised thus far.

2021 Mission Statement and Performance Goals:

Mr. Spielmann made a motion, seconded by Ms. Finnegan to approve the document as presented. Carried.

2020 Performance Measures Report:

Mr. Calvin made a motion, seconded by Mr. Cummings to approve the report as presented. Carried.

Committee Reports

Audit and Finance Committee:

Mr. Fingar noted the Committee had not met in the past month.

Executive Committee

Mr. Tucker stated as a result of the Executive Committee individual interviews were being held with Elena DeFeo Keane to get an better understanding if staffing levels were adequate.

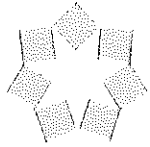
Governance and Nominating Committee:

Slate of Directors:

Mr. Spielmann presented the proposed slate of directors to be voted on at the Annual Meeting as follows:

- Ruth Adams – Art Omi
- David Fingar – Mid-Hudson Cablevision
- Derek Grout – Harvest Spirits
- Sarah Sterling – HOUSE Hudson Valley
- Gary Spielmann – Kinderhook Library

He noted Russell Bartolotta and Eric Mortenson had both resigned due to other commitments and a third vacancy existed from Dr. Suttmeier's resignation. *Mr. Calvin made a motion, seconded by Mr. Lapenn to approve the proposed slate of directors as presented. Carried.*



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Mr. Spielmann reviewed the process developed by the Governance and Nominating Committee. The process allows for any current board member to propose a candidate. The Governance and Nominating Committee will review the proposed candidates qualifications and interests, if the review is positive, the Committee will ask the proposer to contact the proposed candidate and explain CEDC's mission and role and responsibility of board members. If the proposed candidate is interested, the proposer will contact the Chair of the Committee to schedule an interview. The Committee will then vote on the proposed candidate at the next meeting and if positive will recommend the proposed candidate to the full board. The full board will then vote on the proposed candidate at the next scheduled meeting and the proposer will then notify the candidate.

Mr. Tucker stated the Governance and Nominating Committee had asked Mr. Tucker to review the Board Orientation Manual as well as create a Board Prospect Information kit. He noted he and Ms. Cranna had begun work on that and would present at the next Governance and Nominating Committee meeting. He stated he had reached out to Collin Brown regarding his committee membership.

2021 Compliance Calendar:

Mr. Cummings made a motion, seconded by Mr. Fingar to approve the 2021 Compliance Calendar. Carried.

Loan Committee:

Ms. Lane stated two loans had closed in the past month, WYLDE Hudson and Hudson Roastery. She stated one loan had been approved by the Loan Committee, Bodega Aquila Real which was not presented to the Loan Committee as the loan amount was under \$20,000.

Portfolio Review:

Ms. Lane noted several loans were in arrears and have subsequently paid on their loans. Ms. Lane noted there were two loans remaining that were being paid by the SBA until April. She stated there were 23 loans which would receive five payments from the SBA, and the two closed after February 1st will receive three payments from the SBA. *Mr. Lapenn made a motion, seconded by Mr. Spielmann to approve the Portfolio Review. Carried.*

Workforce and Education:

Mr. Tucker stated he was working on Career Jam which had moved the event date to April 16th. He noted that he had spent some time on determining how to become a virtual participant in order to develop a template for other businesses. Mr. Tucker stated they were looking for 15 businesses from Columbia County and 15 businesses from Greene County to participate. He and Ms. Wilber had been working on a transition plan to enable continuity of the programs she had been responsible for.

With no other business to be conducted, and no public comment, Ms. Finnegan made a motion, seconded by Mr. Lee to adjourn the meeting. Carried. The meeting adjourned at 9:09am.

Respectfully submitted by Lisa Drafusluk,

Trial Balance Report for All Funds for the Period 01/01/2021 - 03/11/2021

			Cumulative Pmts			Latest Pmts		Periods Past Due									
LoanID	Borrower	Close Date	Loan Amount	Principal Balance	Principal	Interest	Amount	Date	ONE	ONE+	TWO+	THREE+	FOUR+	FIVE+	SIX+	Total Past	Days Past
1250-99a	711 CR3 LLC	03/05/2020	30,000.00	26,293.66	1,054.40	480.01	511.47	02/19/2021									< 30
1250-36a	Albert Schulze, d...	05/23/2019	17,000.00	12,091.68	495.60	182.86	339.23	02/19/2021									< 30
1250-19a	Alula Woodworks	05/24/2018	13,350.00	6,525.77	448.87	74.34	261.21	02/19/2021									< 30
1250-18a	Berlida Dolic	04/23/2018	15,000.00	7,051.41	530.52	46.57	293.49	02/19/2021									< 30
1250-16a	Fahat Bazaar	02/07/2018	15,000.00	4,215.83	684.26	55.00	398.26	02/19/2021									< 30
1250-96a	Georgia Ray's Kt...	09/22/2020	15,000.00	13,846.05	456.46	93.54	275.00	02/18/2021									< 30
1250-37a	Germanatown Beer F...	06/07/2019	30,000.00	22,807.67	1,362.22	179.24	513.82	02/19/2021									< 30
1250-30	Minna Goods, LLC	02/15/2019	25,000.00	17,373.54	1,069.35	218.34	429.23	02/19/2021									< 30
1250-13a	SUHE Enterprises,...	10/13/2017	25,000.00	11,957.03	706.77	145.69	426.23	02/19/2021									< 30
1250-20a	Wandering Fool, LLC	06/28/2018	25,000.00	14,711.57	1,007.52	271.17	426.23	02/19/2021									< 30
1250-31a	Willia's Bakery Ca...	04/17/2019	30,000.00	22,031.31	1,300.39	167.00	511.47	02/19/2021									< 30
SBA Loan Fund - SBA RLF-06: 12 loans																	
Fund: SBA Loan Fund, Subfund: SBA RLF-07																	
1230-61	Buttercup Treats	09/17/2020	15,000.00	13,855.30	454.96	95.04	275.00	02/19/2021									< 30
1260-58a	Countryside Cleanup	09/15/2020	25,300.00	23,733.77	623.96	161.94	392.95	02/19/2021									< 30
1260-59	Heavenly Essentials	09/15/2020	15,000.00	13,862.18	454.05	95.07	274.56	02/19/2021									< 30
1260-52	IMBY, Inc.	06/26/2020	15,000.00	13,150.62	455.57	94.43	275.00	02/22/2021									< 30
1260-55a	KT Hair Studio LL...	07/13/2020	14,000.00	11,820.38	1,314.11	102.89	400.00	03/04/2021									< 30
1260-50	Micosta Enterpris...	06/04/2020	15,000.00	12,927.86	716.06	107.32	274.46	03/04/2021									< 30
1260-56	Poured Candle Bar...	08/11/2020	20,000.00	18,184.83	607.21	124.79	366.00	02/19/2021									< 30
1260-57	Quality Q Holding...	09/03/2020	35,000.00	32,874.98	863.68	224.32	544.00	02/19/2021									< 30
1260-54	Red Mannequin	07/13/2020	15,000.00	13,379.91	479.01	70.99	275.00	02/04/2021									< 30
1260-53	Romber Works, LLC	06/19/2020	15,000.00	13,167.28	449.88	100.12	275.00	02/25/2021									< 30
1260-50a	Talbott & Arding #2	09/25/2020	33,500.00	31,391.29	826.42	214.20	520.31	02/19/2021									< 30
1260-51a	Tivoli Farm #2	06/11/2020	15,000.00	12,923.07	709.89	113.49	274.46	03/08/2021									< 30
SBA Loan Fund - SBA RLF-07: 12 loans																	
Fund: SBA Loan Fund, Subfund: SBA RLF-08																	
1270-10a	Hudson Roastery LLC	02/12/2021	25,000.00	25,000.00													< 30
1270-11a	WYLDE Hudson LLC	02/17/2021	25,000.00	25,000.00													< 30
SBA Loan Fund - SBA RLF-08: 2 loans																	
SBA Loan Fund: 44 loans																	
															420.25	420.25	

Trial Balance Report for All Funds for the Period 01/01/2021 - 03/11/2021
By Funding Source
(All transactions)

				Cumulative Pmts		Latest Pmts		Periods Past Due										
LoanID	Borrower	Close Date	Loan Amount	Principal Balance	Principal	Interest	Amount	Date	ONE	ONE+	TWO+	THREE+	FOUR+	FIVE+	SIX+	Total Past	Days Past	
Report total: 79 loans				2,076,218.86	1,574,760.16	59,854.81	14,146.72	33,775.67	420.25							420.25		

Page 2 of 4

Trial Balance Report for All Funds for the Period 01/01/2021 - 03/11/2021
By Funding Source
(All transactions)

Fund: CDC Loan Fund, Subfund: CDC-01																	
LoanID	Borrower	Close Date	Loan Amount	Principal Balance	Cumulative Pmts ==			Latest Pmts ==		Periods Past Due ==							
					Principal	Interest	Amount	Date	ONE	ONE+	TWO+	THREE+	FOUR+	FIVE+	SIX+	Total Past	Days Past
1220-41	41 Cross Street H...	12/13/2017	75,000.00	62,659.05	2,377.05	803.07	1,060.04	03/08/2021									< 30
1220-70	711 CR3 LLC	09/05/2020	30,000.00	28,169.47	751.60	243.02	511.47	02/24/2021									< 30
1220-85	ACW Millwork & C...	10/15/2020	83,000.00	83,000.00													< 30
1220-47	Alula Woodworks	05/24/2018	13,350.00	8,058.55	217.17	44.83	252.00	02/04/2021									< 30
1220-40	Brown's Car Sales...	09/08/2017	12,500.00	5,688.76	422.40	60.92	483.32	02/18/2021									< 30
1220-74	Columbia County C...	06/12/2020	15,000.00	14,486.40	513.60	36.40	275.00	02/16/2021									< 30
1220-76	Countryside Cleanup	09/15/2020	22,500.00	22,500.00													< 30
1220-97	East Neuk Corp.	03/10/2020	25,000.00	23,793.80	303.43	100.41	403.84	01/26/2021									< 30
1220-66	Germanatown Beer F...	06/07/2019	30,000.00	24,971.30	1,143.33	320.89	484.74	03/08/2021									< 30
1220-47b	Germanatown Laundr...	09/14/2018	25,000.00	17,801.78	652.93	152.43	402.68	02/12/2021									< 30
1220-49	G.G. & G. Flower ...	10/10/2018	15,000.00	8,453.40	492.61	73.53	283.07	02/12/2021									< 30
1220-72	Hudson-Athens Ret...	03/31/2020	12,000.00	11,575.45	307.07	66.85	186.96	02/22/2021									< 30
1220-50	Hudson-Athens Ref...	09/13/2017	25,000.00	13,740.19	686.45	118.79	402.62	02/12/2021									< 30
1220-81	Hudson Cruises**	09/30/2020	600.00	600.00			600.00	01/19/2021									< 30
1220-09	Hudson Cruises, Inc.	08/15/2014	50,000.00	40,063.50	626.17	943.81	387.65	01/29/2021									< 30
1220-67	Hudson Dev. Corp	10/30/2019	200,000.00	200,000.00			2,499.99	833.33	03/04/2021								< 30
1220-100	Hudson Roastery LLC	02/12/2021	25,000.00	24,673.35	326.65	61.64	388.29	03/09/2021									< 30
1220-75	James Swartz, dba...	09/08/2020	1,961.24	1,506.36	283.48	16.52	100.00	02/16/2021									< 30
1220-80	Jannsen, Charlotta	09/30/2020	2,452.50	2,452.50													< 30
1220-51	Minna Goods, LLC	02/15/2019	48,000.00	34,957.23	1,150.93	298.51	724.72	02/16/2021									< 30
1220-36	Nick Jennings LLC	04/13/2017	10,000.00	3,635.79	347.69	38.97	193.33	02/16/2021									< 30
1220-16	Olde Hudson, LLC	12/02/2015	40,000.00	6,707.31	1,283.74	99.19	696.46	02/18/2021									< 30
1220-79	Old Klaverack Bre...	09/22/2020	50,000.00	50,000.00													< 30
1220-58	Philmont Beautifi...	12/17/2019	25,000.00	17,214.28	7,785.72	889.90	4,337.81	02/26/2021									< 30
1220-21	Phoenix Services ...	05/01/2015	128,698.92	77,815.68	2,065.78	987.44	1,017.74	03/02/2021									< 30
1220-73	State 11 Distille...	04/10/2020	12,000.00	11,399.34	150.87	36.09	186.96	02/26/2021									< 30
1220-43	SUH6 Enterprises,...	10/13/2017	25,000.00	12,010.79	700.77	104.47	402.62	03/02/2021									< 30
1220-77	Talbott & Arding	09/25/2020	25,000.00	25,000.00													< 30
1220-82	The DePace Family	09/30/2020	1,550.00	1,550.00			1,550.00	03/10/2021									< 30
1220-89	Tivoli Farm Inc.	12/16/2019	50,000.00	45,784.87	1,217.08	396.94	807.01	03/02/2021									< 30

CONFIDENTIAL

TO: Loan Committee

FROM: Martha Lane, Business Development Director

SUBJECT: Authorization to Make a Loan and Take Related Actions

DATE: March 15, 2021

Applicant: Spencertown Market
825 Route 203
Spencertown NY 12165

Amount: \$25,000 SBA Microloan
\$25,000 CEDC Loan

Purpose: Equipment, working capital

Interest Rate: 3.75%

Repayment: SBA Loan: 84 level monthly payments, fully amortized, of \$388.29
CEDC Loan: 84 level monthly payments, fully amortized, of \$388.29

Note: for SBA Microloans closed between February 1, 2021 and September 30, 2021, up to three months of principal and interest payments shall be made by the SBA; thereafter, all payments shall be made by Borrower.

Proposed Collateral: Lien on all business assets

Other Security: Personal guaranty of principal

One Hudson City Centre, Suite 204
Hudson, NY 12534

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

March __, 2021

To the Board of Directors of
Columbia Economic Development Corporation:

We have audited the financial statements of Columbia Economic Development Corporation as of and for the year ended December 31, 2020, and have issued our report thereon dated March __, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 23, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Columbia Economic Development Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team and others in our firm, as appropriate have complied with all relevant ethical requirements regarding independence. We have applied a safeguard which included a quality control partner review to the independence threat of our preparation of the Organization's financial statements and preparation of the Organization's annual tax return.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Columbia Economic Development Corporation is included in Note 2 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is the allowance for loan losses.

Management's estimate of the allowance for loan losses is based on a review of outstanding loans receivable on an individual loan basis. Management performs a risk assessment of each loan considering collateral, payment history, delinquency status, and other matters indicating the borrower's ability to pay. We evaluated the key factors and assumptions used to develop the allowance for loan losses and determined that the estimate is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Columbia Economic Development Corporation's financial statements related to the allowance for loan losses, revenue recognition, and loans.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Columbia Economic Development Corporation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated March __, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Columbia Economic Development Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Columbia Economic Development Corporation's auditors.

This report is intended solely for the information and use of the board of directors and management of Columbia Economic Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)

AUDITED FINANCIAL STATEMENTS

For the year ended December 31, 2020
(with memorandum totals for the year ended December 31, 2019)

DRAFT

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)

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INDEPENDENT AUDITOR'S REPORT

To the Chairman and Board of
Columbia Economic Development Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Columbia Economic Development Corporation (a not-for-profit component unit of the County of Columbia, New York) (the "Corporation"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Columbia Economic Development Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Columbia Economic Development 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 Economic Development Corporation as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 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 sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March __, 2021 on our consideration of Columbia Economic Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Economic Development Corporation's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Columbia Economic Development Corporation's 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated March 31, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hudson, New York
March __, 2021

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2020

1. Introduction:

Within this section of the Columbia Economic Development Corporation's (the "Corporation") financial statements, the Corporation's management provides narrative discussion and analysis of the financial activities of the not-for profit Corporation for the year ended December 31, 2020. This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements for the year ended December 31, 2020.

2. Overview of the Financial Statements:

The Corporation's basic financial statements include: (1) financial statements, and (2) notes to the financial statements.

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 notes to the financial statements for a summary of the Corporation's significant accounting policies.

The *Statement of Net Position* presents 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 *Statement of Revenues, Expenses and Change in Net Position* presents information showing how the Corporation's net position changed during the most recent year. 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 *Statement of Cash Flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Corporation's cash accounts are recorded in this statement. A reconciliation is provided at the bottom of the statement of cash flows to assist in the understanding of the difference between cash flows from operating activities and operating income.

Notes to Financial Statements:

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

3. Financial Highlights:

During the year ended December 31, 2020, the Corporation was able to assist Columbia County businesses through its loan programs as well as certain fiscal agent and fiscal sponsorship arrangements (see note 14). The fiscal agent and fiscal sponsorships were created in an effort to help businesses during the COVID 19 pandemic.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2020

3. Financial Highlights (Continued):

Net position decreased \$277,316 during the year ended December 31, 2020. Operating revenues increased \$190,711 or 63%, primarily due to an increase in grant revenue of \$228,145 offset by decreases in other revenues. Non-operating activity in 2020 (excluding appropriations) resulted in a gain of \$10,671 as a result of interest income exceeding interest expenses. Operating expenses increased \$383,097 or 49%, primarily due to an increase in grant expense of \$239,770, an increase in consulting of \$46,598, an increase in bad debt expense of \$84,176 and an increase in marketing of \$42,849.

Total assets increased by \$66,795 or 1.89% and total liabilities increased \$346,418 or 65.73% for the year ended December 31, 2020. Cash and cash equivalents was \$1,528,459 at December 31, 2020, an increase of \$93,895 from December 31, 2019. Total loans increased by \$20,122 to \$1,530,202 presented net of an allowance for loan loss of \$231,826 at December 31, 2020.

4. Financial Statement Analysis:

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

	<u>2020</u>	<u>2019</u>
Assets		
Capital assets	\$ 14,340	\$ 13,532
Current assets	1,965,043	1,955,259
Long-term assets	1,620,577	1,564,374
Total assets	<u>\$ 3,599,960</u>	<u>\$ 3,533,165</u>
Current liabilities	\$ 265,342	\$ 151,848
Long-term liabilities	608,127	375,203
Deferred inflow of resources	9,404	11,711
Net position		
Unrestricted	2,274,505	2,626,467
Capital	14,340	13,532
Restricted	428,242	354,404
Total liabilities, deferred inflows, and net position	<u>\$ 3,599,960</u>	<u>\$ 3,533,165</u>

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2020

4. Financial Statement Analysis (Continued):

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

	2020	2019
Operating revenues		
Charges for services	\$ 34,000	\$ 34,000
Interest from loans	57,751	68,578
Grant revenues	363,323	135,178
Membership fees	36,618	55,148
Land sale	-	1,282
Other operating revenues	-	6,795
Total operating revenues	<u>491,692</u>	<u>300,981</u>
Non-operating revenues		
Columbia County appropriation	391,000	460,000
Interest earnings	10,854	27,495
Total non-operating revenues	<u>401,854</u>	<u>487,495</u>
Total revenues	<u>893,546</u>	<u>788,476</u>
Operating expenditures		
Personnel and benefits	356,122	347,214
Professional fees	38,535	29,266
Grants	244,770	5,000
Office expense	89,436	96,978
Consulting	203,788	157,190
Marketing	23,571	28,211
New initiatives	58,814	20,852
Bad debt	104,176	20,000
Other operating expenditures	51,467	82,871
Total operating expenditures	<u>1,170,679</u>	<u>787,582</u>
Nonoperating expenditures		
Interest	183	299
Total nonoperating expenditures	<u>183</u>	<u>299</u>
Total expenditures	<u>1,170,862</u>	<u>787,881</u>
Total revenues in excess of expenditures	(277,316)	595
Net position at the beginning of the year	2,994,403	2,993,808
Net position at the end of the year	<u>\$ 2,717,087</u>	<u>\$ 2,994,403</u>

The 2020 original budget included revenue of \$810,000 and expenses of \$860,000 with a projected loss of \$50,000. During the year ended December 31, 2020, the Corporation amended the budget after Columbia County reduced the Corporation's contract fee by \$69,000 and in anticipation of other revenue reductions resulting from COVID 19 impacts to include revenue of \$723,000 and expenses of \$807,900 with a projected loss of \$84,900.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2020

4. Financial Statement Analysis (Continued):

Total revenues were \$170,546 more (24%) than the amended budget and total expenditures were \$362,962 more (45%) than the amended budget. Total revenues exceeded the amended budget primarily due to an increase in grant revenue of \$250,323 and the delay of recognizing the Paycheck Protection Program (PPP) loan of \$68,700 as grant income until 2021 when forgiveness by the SBA was received. Total expenses exceeded the amended budget primarily due to a corresponding increase in grant expense of \$244,770 and an increase in the allowance for loan losses of \$100,000, increasing bad debt expense.

5. 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 President/CEO, Columbia Economic Development Corporation, 1 Hudson City Centre, Suite 301, Hudson, NY 12534.

DRAFT

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
STATEMENT OF NET POSITION
December 31, 2020
(with memorandum only totals at December 31, 2019)

	2020	2019 (memorandum only)
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,528,459	\$ 1,434,564
Certificate of deposit	153,439	151,029
Restricted cash - fiscal agency	25,344	-
Prepaid expenses	2,888	6,323
Accounts receivable	1,667	1,667
Account receivable - IDA	6,000	-
Grant receivable	-	62,750
Land sale receivable, current portion	9,491	9,491
SBA technical assistance grant receivable	19,282	62,740
Loans receivable, current portion	218,473	226,695
Total current assets	<u>1,965,043</u>	<u>1,955,259</u>
FURNITURE AND EQUIPMENT, NET		
Furniture and equipment, net of \$26,027 of accumulated depreciation	14,340	13,532
Total furniture and equipment, net	<u>14,340</u>	<u>13,532</u>
OTHER ASSETS		
Restricted cash	295,730	267,871
Security deposit	3,200	3,200
Land sale receivable, long term portion	9,918	9,918
Loans receivable, less current portion, net of allowance of \$231,826	1,311,729	1,283,385
Total other assets	<u>1,620,577</u>	<u>1,564,374</u>
Total assets	<u>3,599,960</u>	<u>3,533,165</u>
CURRENT LIABILITIES		
Accounts payable	29,715	21,465
Accrued expenses	15,581	11,332
Due to fiscal agency	25,344	-
Loans payable - PPP and EIDL, current portion	50,389	-
Loans payable - SBA microloan program, current portion	135,572	110,310
Unearned revenue, current portion	8,741	8,741
Total current liabilities	<u>265,342</u>	<u>151,848</u>
NON-CURRENT LIABILITIES		
Loans payable-PPP and EIDL, long-term portion	118,311	-
Loans payable-SBA microloan program, long-term portion	461,505	346,892
Unearned revenue, long-term portion	18,311	18,311
Debt reserve deposit	10,000	10,000
Total non-current liabilities	<u>608,127</u>	<u>375,203</u>
Total liabilities	<u>873,469</u>	<u>527,051</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred grant income	5,237	-
Deferred membership income	4,167	11,711
Total deferred inflows of resources	<u>9,404</u>	<u>11,711</u>
NET POSITION		
Unrestricted	2,274,505	2,626,467
Invested in capital assets	14,340	13,532
Restricted		
Commerce Park water tower	71,817	71,817
County directed	48,889	48,889
Columbia County Student Connects Program	8,000	-
Columbia County Business Continuity Fund Program	414	-
SBA microloan program	299,122	233,698
Total net position	<u>\$ 2,717,087</u>	<u>\$ 2,994,403</u>

See notes to financial statements.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
For the year ended December 31, 2020
(with memorandum only totals for the year ended December 31, 2019)

	2020	2019 (memorandum only)
OPERATING REVENUE		
Administrative fees - related party	\$ 24,000	\$ 24,000
Administrative fees - Hudson IDA	10,000	10,000
Grant revenue	363,323	135,178
Interest on loans	57,751	68,578
Membership fees	36,618	55,148
Land sale	-	1,282
Other income	-	6,795
Total operating revenue	<u>491,692</u>	<u>300,981</u>
OPERATING EXPENSES		
Personnel and benefits	356,122	347,214
Grant expense	244,770	5,000
Office expense	89,436	96,978
Program delivery fees	27,287	46,125
Professional fees	38,535	29,266
Consulting	203,788	157,190
Meetings and events	3,020	10,088
Insurance	3,001	3,192
Marketing	23,571	28,211
New initiatives	58,814	20,852
Depreciation	5,427	3,650
Moving expenses	-	15,769
Bad debt	104,176	20,000
Miscellaneous	12,732	4,047
Total operating expenses	<u>1,170,679</u>	<u>787,582</u>
OPERATING LOSS	<u>(678,987)</u>	<u>(486,601)</u>
NON-OPERATING REVENUE (EXPENSES)		
Bank interest	10,854	27,495
Interest expense and fees	(183)	(299)
Total Non-Operating Revenue (Expenses)	<u>10,671</u>	<u>27,196</u>
Appropriation from the County of Columbia, NY	<u>391,000</u>	<u>460,000</u>
CHANGE IN NET POSITION	<u>(277,316)</u>	<u>595</u>
NET POSITION, Beginning of year	<u>2,994,403</u>	<u>2,993,808</u>
NET POSITION, End of year	<u>\$ 2,717,087</u>	<u>\$ 2,994,403</u>

See notes to financial statements.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
STATEMENT OF CASH FLOWS
For the year ended December 31, 2020
(with memorandum only totals for the year ended December 31, 2019)

	2020	2019 (memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES		
Administrative fees - related party	\$ 18,000	\$ 24,000
Administrative fees - Hudson IDA	10,000	10,000
Principal disbursed on loans receivable	(671,820)	(697,000)
Principal received on loans receivable	550,589	318,252
Membership contributions	29,074	52,300
Grant revenue	474,768	96,156
Land sale	-	10,365
Interest on loans	57,751	68,578
Payments to employees	(356,122)	(347,114)
Payments to vendors	(666,743)	(408,275)
Other income	-	13,495
Net cash used for operating activities	<u>(554,503)</u>	<u>(859,243)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Appropriation from the County of Columbia, NY	391,000	460,000
Proceeds from loans payable - PPP and EIDL	168,700	-
Payments on SBA microloan program	(110,125)	(106,679)
Proceeds from SBA microloan program	250,000	-
Net cash provided by noncapital financing activities	<u>699,575</u>	<u>353,321</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	(2,410)	(151,029)
Purchase of equipment	(6,235)	(10,400)
Interest paid	(183)	(299)
Interest received	10,854	27,495
Net cash provided by (used for) investing activities	<u>2,026</u>	<u>(134,233)</u>

See notes to financial statements,

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended December 31, 2020
(with memorandum only totals for the year ended December 31, 2019)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 147,098	\$ (640,155)
CASH AND CASH EQUIVALENTS, Beginning of year	1,702,435	2,342,590
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,849,533</u>	<u>\$ 1,702,435</u>

RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 1,528,459	\$ 1,434,564
Restricted cash - fiscal agency	25,344	-
Restricted cash	295,730	267,871
	<u>\$ 1,849,533</u>	<u>\$ 1,702,435</u>

Reconciliation of operating loss to net cash
used for operating activities:

Operating loss	\$ (678,987)	\$ (486,601)
Bad debt reserve (recovery)	104,176	20,000
Depreciation expense	5,427	3,650
Changes in assets, liabilities, and deferred inflows:		
Prepays	3,435	(1,554)
Loans receivable	(124,298)	(378,748)
Land sale receivable	-	9,083
SBA technical assistance grant receivable	43,458	(11,242)
Grant receivable	62,750	(12,750)
Accounts receivable	-	100
Account receivable - IDA	(6,000)	-
Security deposit	-	(3,200)
Accounts payable	8,250	9,369
Due to fiscal agency	25,344	-
Unearned revenue	-	(10,295)
Debt reserve deposit	-	10,000
Land deposit	-	(3,300)
Accrued expenses	4,249	3,828
Deferred grant income	5,237	(4,735)
Deferred membership income	(7,544)	(2,848)
Net cash used for operating activities	<u>\$ (554,503)</u>	<u>\$ (859,243)</u>

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 – NATURE OF ORGANIZATION

Financial Reporting Entity

The Columbia Economic Development Corporation ("CEDC" or the "Corporation") was organized as a not-for-profit entity for the purpose of promoting and developing industry and job development in Columbia County, New York (the "County"). The Corporation is a component unit of the County, is a separate entity, and operates independently of the County.

Programs of the Corporation

General Operating

The Corporation derives its revenues primarily from Columbia County appropriations and from administrative fees from related parties such as Columbia County Capital Resource Corporation ("CRC") and Columbia County Industrial Development Agency ("CCIDA"). The fund also derives revenue from interest from loan receivables.

Loan Program

The loan program offers loans to local businesses, often at a discounted interest rate, to attract business to the County as well as expand business growth from existing businesses already located in the County. The fund also is used to continue offering the Microbusiness seminar series and is used to fund expenses as it applies to the administration and delivery of programs.

The loan program receives grant money from time to time from CDBG-NYS. As a requirement of the grant, the loan program awards a contingent grant (usually based on employment goals) to local organizations after meeting certain NYS grant requirements. If requirements of the grant are not met by the local organization, the grant converts to a loan. The Corporation treats these arrangements as loans until the contingencies are met. As of December 31, 2020, the Corporation's loans receivables include \$200,000 of these loan types, expected to be forgiven in 2022, comprised of:

	Original Loan Balance	Loan Balance at December 31, 2020
Flanders/Precisionaire Corporation	\$ 200,000	\$ 200,000

CDBG Small Cities

Grant funds received with performance requirements are recorded as unearned revenue in the period granted. The Corporation records a receivable for the amount of the loan lent out or grant made to the third party business. As obligations are met, the loan is paid off or written down and the loan balance is earned or forfeited. Unearned revenue is recognized in income as performance obligations are met and contingent grants made are recognized in expense as earned by the grantee.

267ED424-02 Grant

The 267ED424-02 grant offered assistance to local businesses by offering low interest business loans. The Corporation receives interest and principal payments on a monthly basis. At December 31, 2020, the loan balance outstanding was \$27,052.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Programs of the Corporation (Continued)

Microbusiness Program

The microbusiness program is funded by the loan program. The program offers technical assistance to local businesses. The program also offers seminars taught by local business owners and professionals.

SBA-Microloan Program

Loans are provided to small businesses in Columbia and Greene Counties funded by the Small Business Administration (SBA). Loans over 120 days past due are required to be charged off. The loan maturity date should not exceed six years on Microloans. The Corporation may charge up to 7.75% over the Corporation's cost of funds on a microloan of more than \$10,000 and up to 8.5% over the Intermediary's cost of funds on a microloan of \$10,000 or less. Amounts loaned to the Corporation are maintained in a restricted revolving loan fund. The Corporation is also required to maintain a separate loan loss reserve fund with its own funds representing at least 15% of SBA funds received.

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 Corporation applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as the Corporation is a component unit of the County of Columbia, New York (the "County"), a governmental entity. The Corporation does not apply any Financial Accounting Standards Board (FASB) or AICPA pronouncements post November 30, 1989, as clarified by GASB No. 62. In accordance with GASB standards, balances and activity for the Corporation are 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.

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.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

Membership fees collected in the current year that will be recognized as revenue next year and grant payments received in advance of the grant term are classified as a deferred inflow.

Prior Year Amounts

Amounts shown for December 31, 2019, in the accompanying statements are included to provide a basis for comparison with December 31, 2020 and present summarized totals only. Accordingly, the December 31, 2019 amounts are not intended to present all information necessary for a fair presentation in accordance with accounting principles generally accepted in the United States of America.

Budgetary Data

The budget policies are as follows:

In October of each year, the President/CEO submits a tentative budget to the Board of Directors for their approval for the next fiscal year. The tentative budget includes proposed expenditures and the proposed means of financing, which is to be used as a guide of activity for the fiscal year.

Income Taxes

A provision for income tax has not been provided for in these financial statements, as the Corporation is a not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Corporation has evaluated any uncertain tax positions and related income tax contingencies and determined uncertain positions, if any, are not material to the financial statements. Penalties and interest assessed by income taxing authorities are included in operating expenses, if incurred. None of the Corporation's returns are currently under examination.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

The Corporation's loans are generally secured by specific items of collateral including real property, consumer assets, and business assets. Although the Corporation has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions in Columbia County, New York.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(A Component Unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates (Continued)

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term.

As discussed in Note 6, the Corporation obtained a loan from the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). According to the rules of the SBA, the Corporation is required to retain PPP loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Corporation's judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Corporation may be required to adjust previously reported amounts and disclosures in the financial statements.

Revenue Recognition

Contribution revenue is recognized in the period it is unconditional, measurable, and future installments are considered probable of collection. Contribution revenue that is restricted as a result of a purpose or time restriction is included as a component of "restricted net position", when applicable.

Administrative revenue is recognized in the period services are provided and payments are generally received from related parties on a quarterly basis. Grant revenue is recognized on cost reimbursable contracts in the period the costs are incurred. Advances on grants prior to costs being incurred in accordance with the terms of the grant agreement are deferred until the period costs are incurred. Membership revenue is recognized as revenue over the period of membership.

Interest on loans is recognized in the period earned over the life of the related loans receivable.

Operating revenues include revenue generated from ongoing operating activities. Non-operating revenues include investing, financing and other non-recurring activities.

Columbia County Appropriation

For the year ended December 31, 2020, Columbia County appropriated \$391,000 for unrestricted use by the Corporation. The Corporation recognizes appropriated income in the period appropriated.

Cash and Cash Equivalents

The Corporation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Certificates of Deposit

The Corporation records certificate of deposits at amortized cost.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost and fair market value for donated items. Maintenance and repairs are expensed as incurred whereas major repairs and betterments are capitalized. Property and equipment comprise office equipment, furniture and software. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets, which are:

Computer/Software	3 – 5 years
Furniture and Equipment	5 – 10 years

Loans and Allowance for Loan Losses

Loans are stated at their recorded investment, which is the amount of unpaid principal, reduced by an allowance for loan losses. Interest is calculated by using the simple interest method.

The allowance for loan losses reflects management's judgment of probable loan losses inherent in the portfolio at the balance sheet date. The Corporation uses a disciplined process and methodology to establish the allowance for loan losses. To determine the total allowance for loan losses, management estimates the reserves needed for each loan outstanding.

To determine the balance of the allowance account, loans are evaluated on a case by case basis and future losses are projected using historical experience adjusted for current economic and industry conditions. Management exercises significant judgment in determining the estimation method that fits the credit risk characteristics of each case. Management must use judgment in establishing additional input factors for estimating purposes. The assumptions used to determine the allowance are periodically reviewed by management to ensure that their theoretical foundation, assumptions, data integrity, computational processes, and reporting practices are appropriate and properly documented.

The establishment of the allowance for loan losses relies on a consistent process that requires multiple layers of management review and judgment and responds to changes in economic conditions, customer behavior, and collateral value, among other influences. From time to time, events or economic factors may affect the loan portfolio, causing management to provide additional amounts to, or release balances from, the allowance for loan losses.

Management monitors differences between estimated and actual incurred loan losses. This monitoring process includes periodic assessments by senior management of loan portfolios and the assumptions used to estimate incurred losses in those portfolios. Additions to the allowance for loan losses are made by charges to the provision for loan losses. Credit exposures deemed to be uncollectible are charged against the allowance for loan losses. Recoveries of previously charged off amounts are credited to the allowance for loan losses.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit and Market Risk

Financial instruments that potentially expose the Corporation to concentrations of credit and market risk consist primarily of cash and cash equivalents, certificates of deposit and loans receivable. Cash and cash equivalents and certificates of deposit are maintained at Federal Deposit Insurance Corporation insured financial institutions and credit exposure is limited to any one institution. As of December 31, 2020, the Corporation was in excess of the FDIC limits of approximately \$1,081,000.

Concentrations of credit risk with respect to notes receivables are limited due to the diverse industry backgrounds of its borrowers. Furthermore, management feels its borrower approval processes and regular review of provisions for loan losses, adequately provides for any material credit risks. Generally, sufficient collateral or a personal guarantee is obtained for all loans at the time of disbursement. Collateral is generally in the form of a mortgage on real property or a chattel lien on equipment title.

The Corporation received \$391,000 from the County of Columbia representing 44% of its total revenue for the year ended December 31, 2020.

Investment Policy

The Corporation's has an investment policy that includes authorized investments of the following types: 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 and money market/savings accounts. All deposits of the Corporation in excess of Federal Deposit Insurance Act (FDIC) coverage shall be secured by a pledge of eligible securities with an aggregate market value equal to the aggregate amount of such deposits in excess of FDIC.

Interest Income on Loans

Interest on loans is accrued and credited to income based on the principal amount outstanding. The accrual of interest on loans is discontinued when, in accordance with adopted policies, there is an indication that the borrower may be unable to meet payments as they become due. Upon such discontinuance, all unpaid accrued interest is reversed.

Risks and Uncertainties

In December 2019, a novel strain of coronavirus disease ("COVID-19") was first reported in Wuhan, China. Less than four months later, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic.

As part of its efforts to minimize the financial impact of COVID-19, the Organization applied for and received two loans offered by federal government programs. See Note 6 for further discussion of these loans.

The extent of COVID-19's effect on the Organization's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Organization's finances.

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties (Continued)

However, if the pandemic continues to evolve into a severe worldwide health crisis, the disease could have a material adverse effect on the Organization's activities, results of operations, financial condition and cash flow.

In addition, the potential for additional collection risk to the Organization's loans receivable balance exists, however, the impact is uncertain and difficult to predict at this time.

Subsequent Events

Subsequent events have been evaluated through March __, 2021, which is the date the financial statements were available to be issued.

As part of its efforts to further minimize the financial impact of the ongoing COVID-19 pandemic, the Corporation applied for and received a second Paycheck Protection Program Loan under the CARES Act for \$64,114 in February 2021. The Corporation expects this loan to be fully forgiven.

NOTE 3 – CERTIFICATE OF DEPOSIT

The Corporation has a certificate of deposit (CD) at Berkshire Bank. The CD is for a 13-month term scheduled to mature in October 2021. The CD's interest rate was 0.449% and had a balance of \$153,439 as of December 31, 2020.

NOTE 4 – LOANS RECEIVABLE

During the year ended December 31, 2020, the Corporation loaned \$671,820 to 27 local businesses. During the year ended December 31, 2020, the Corporation increased its allowance for loan losses by \$100,000 due to concerns related to the impacts of the COVID 19 pandemic.

A summary of loan activity is as follows:

	Balance at December 31, 2019	New Lendings	Payments	(Write-offs) and Recoveries	Balance at December 31, 2020
Loan Fund	\$ 1,203,912	\$ 292,020	\$ 350,281	\$ (11,144)	\$ 1,134,507
CDBG Small Cities	27,052	-	-	-	27,052
SBA Microloan	424,584	379,800	200,308	(3,607)	600,469
	<u>1,655,548</u>	<u>\$ 671,820</u>	<u>\$ 550,589</u>	<u>\$ (14,751)</u>	<u>1,762,028</u>
Less: Allowance for loan losses	(145,468)				(231,826)
Total Loans	<u>\$ 1,510,080</u>				<u>\$ 1,530,202</u>

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
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December 31, 2020

NOTE 5 – FURNITURE AND EQUIPMENT

A summary of furniture and equipment is as follows as of December 31, 2020:

	December 31, 2019	Acquisitions	Disposals	December 31, 2020
Furniture and equipment	\$ 34,132	\$ 6,235	\$ -	\$ 40,367
Accumulated depreciation	(20,600)	(5,427)	-	(26,027)
Total Furniture and Equipment	<u>\$ 13,532</u>	<u>\$ 808</u>	<u>\$ -</u>	<u>\$ 14,340</u>

Depreciation expense was \$5,427 during the year ended December 31, 2020.

NOTE 6 – LOANS PAYABLE – PPP AND EIDL

In May 2020, the Organization applied for and received a loan in the amount of \$68,700 from Key Bank through the Small Business Association's ("SBA") Paycheck Protection Program (the "Program"). This loan has allowed the Organization to retain a full workforce to date. The SBA loan was subject to forgiveness should the Organization demonstrate to the lender the funds were spent on specific payroll, debt interest, rent, and/or utility type expenses during the 8 or 24 weeks subsequent to receipt of the loan proceeds. If not forgiven, the loan would accrue interest at 1.00% per annum and mature on May 1, 2022, with the Organization making monthly payments of \$3,866 including principal and interest beginning December 1, 2020 through maturity. Subsequent to year end, in February 2021, the loan was fully forgiven by the SBA.

In July 2020, the Organization also applied for and received a loan in the amount of \$100,000 from the SBA's Emergency Injury Disaster Loan (EIDL) Program. Interest accrues on the EIDL loan at a fixed rate of 2.75% per annum. There is a 12-month deferral period of all principal payments due on the EIDL loan, with interest accruing on the principal balance during this 12-month deferral period.

Beginning August 2021, the Organization will begin to make 348 monthly payments of \$428, with the first payments received by the SBA going first towards the accrued interest to date until the accrued interest is paid off in full. Once the accrued interest is paid in full, these monthly payments will then go towards principal and interest.

The EIDL loan matures on July 24, 2050 and is collateralized by all tangible and intangible property of the Organization, including equipment, accounts receivable, and deposit accounts.

Maturities of the loans payable are as follows:

	PPP Loan	EIDL Loan	Total
2021	\$ 49,417	\$ 972	\$ 50,389
2022	19,283	2,378	21,661
2023	-	2,444	2,444
2024	-	2,512	2,512
2025	-	2,582	2,582
Thereafter	-	89,112	89,112
	<u>\$ 68,700</u>	<u>\$ 100,000</u>	<u>\$ 168,700</u>

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 7 – RESTRICTED NET POSITION

Restricted net position at December 31, 2020, consists of the following:

Commerce Park water tower	\$	71,817
County directed		48,889
Columbia County Student Connects Program		8,000
Columbia County Business Continuity Fund Program		414
SBA microloan program		299,122
Total Restricted Net Position	\$	<u>428,242</u>

In 2008, the Corporation did not remit the principal back to Columbia County, New York for Commerce Park loans. The principal is to be retained by the Organization to aide in the construction of the water tower within Commerce Park. Refer to Note 9 for more information on the restrictions. See note 9 for more information on the County directed restricted net position balance.

The SBA microloan program restricted net position balance above represents the balance of the Corporation's SBA microloan program that has been borrowed from the SBA but has not been lent to qualified businesses as of December 31, 2020.

The "Columbia County Student Connects Program" balance of \$8,000 and the "Columbia County Business Continuity Fund Program" balance of \$414 represents grant funds received and restricted for specific purposes.

NOTE 8 – SBA MICROLOAN PROGRAM

Since 2003, the Corporation took the steps toward acquiring the Hudson Development Corporation's SBA loan portfolio by establishing a small business loan program. The Corporation acquired the SBA loan program in 2008. Total loans outstanding, net of an allowance under this program of \$83,920, totaled \$516,549 at December 31, 2020.

The Corporation borrows money from SBA loan awards in order to fund loans given to businesses participating in the SBA program. The following illustrates the amounts payable to the SBA:

Balance at December 31, 2019	Drawdowns	Payments	Balance at December 31, 2020
\$ 457,202	\$ 250,000	\$ 110,125	\$ 597,077

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8 – SBA MICROLOAN PROGRAM (Continued)

Once draws have been made from the SBA, the Corporation pays the SBA back based on an amortization schedule for each specific drawdown. The following shows the combined expected payout of the SBA drawdowns—Draw Four, Draw Five, Draw Six, and Draw Seven:

<u>December 31,</u>	<u>Balance</u>
2021	\$ 135,572
2022	107,500
2023	89,561
2024	64,445
2025	64,445
Thereafter	135,555
Total	<u>\$ 597,077</u>

Each drawdown has repayments of principal and interest, with each drawdown having a separate interest rate based on the agreement—1.625% (Draw Four), 0.75% (Draw Five), 1.25% (Draw Six), and 1.75% (Draw Seven), per annum.

During the year ended December 31, 2020, the Corporation borrowed \$250,000 from an additional SBA drawdown (Draw Seven). In December 2020, the Corporation was approved for an additional \$300,000 borrowing and in January 2021, the Corporation drew \$125,000 of this additional loan award.

NOTE 9 – COMMERCE PARK LAND

Beginning in 2005, Columbia County initiated a program to sell undeveloped land it owns in Commerce Park through a component unit, the Columbia County IDA. CEDC works directly with the buyer on the County's behalf. CEDC receives a deposit from the buyer and in turn uses this money to pay for surveying and legal fees associated with the transfer of the land.

CEDC recognizes a receivable for the sales price due from the buyer and a liability to the County for the same amount. The CCIDA plays an administrative role in the transfer of the land and receives a stipend from the first payment made. The CEDC retains the interest portion earned on land sale receivables as payment for servicing the loans and the remaining principal portion is forwarded to the County. In 2008 and only for 2008, the CEDC retained the principal and interest payments, as agreed upon with the County, to assist the County with the possible future construction of a water tower in Commerce Park. The principal forgiven during 2008 was recognized as revenue.

In June 2016, the Corporation sold land in the Commerce Park to a local individual for \$50,000, with \$4,500 being paid to the Corporation as a deposit in 2015. The Corporation received a \$45,500 five-year note at 4.5% per annum with payments commencing on June 8, 2017. The note provides for an annual payment of \$10,365 of principal and interest, with a final payment due to the Corporation on June 8, 2021. The principal portion, \$48,889, of the note, net of legal fees of \$1,111, normally remitted to the County was recognized as revenue during the year ended December 31, 2016. The County asked CEDC to retain the principal portion as restricted net position to be used as directed by the County in the future.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 10 – PENSION PLAN

The Corporation has a SARSEP pension plan. The Corporation pays 5% of eligible employee's gross wages each year. For the year ended December 31, 2020, the Corporation recorded \$11,956 in pension expense.

NOTE 11 – UNEARNED REVENUE

As of December 31, 2020, unearned revenue (note 1) is comprised of:

CDBG Small Cities:	
Angello's Distributing, Inc.	\$ 27,052
Total unearned revenue	<u>\$ 27,052</u>

NOTE 12 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2020, the Corporation received \$24,000 in administrative fees from Columbia County Industrial Development Agency (CCIDA). During 2020, the Corporation paid \$5,000 to Columbia County Capital Resource Corporation (CCCRC) in the form of a grant. As of December 31, 2020, \$6,000 was due from CCIDA.

NOTE 13 – RENT EXPENSE

The Corporation rents office space under the terms of a lease commencing September 1, 2019 and terminating August 31, 2024. The lease includes an option to renew for an additional five-year term. The lease calls for monthly payments ranging from \$3,200 to \$3,532 over the term of the lease. During the year ended December 31, 2020, the Corporation paid \$38,720 of rent expense. Future minimum lease commitments are as follows:

2021	\$ 39,688
2022	40,680
2023	41,696
2024	28,256
	<u>\$ 150,320</u>

NOTE 14 – FISCAL AGENT / SPONSORSHIP ARRANGEMENTS

During the year ended December 31, 2020, the Corporation acted as a fiscal agent for two organizations. As of December 31, 2020, the Corporation held \$25,344 of cash shown as "Restricted cash – fiscal agency" on the statement of net position. As of December 31, 2020, \$25,344 is presented as a liability shown as "Due to fiscal agency" on the statement of net position. The Corporation earned administrative fees of \$3,440 on one agreement. As an agent, the Corporation does not record any revenues or expenses received/paid on behalf of the entity.

During the year ended December 31, 2020, the Corporation acted as a fiscal sponsor for two organizations. Fiscal sponsorship revenue and expenses are recorded on behalf of the entity in these financial statements. Included in grant revenue is \$239,284 and grant expense is \$238,870 for the year ended December 31, 2020, related to these agreements. As of December 31, 2020, \$414 is restricted for the Columbia County Business Continuity Fund Program related to one of these arrangements. No administrative fees were received from these agreements.

**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 AUDITOR'S REPORT

To the Chairman and Board of
Columbia Economic Development 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 Economic Development Corporation as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Columbia Economic Development Corporation's basic financial statements, and have issued our report thereon dated March __, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbia Economic Development 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 Economic Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Columbia Economic Development 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 Economic Development Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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 __, 2021

DRAFT