



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 Audit and Finance Committee held on January 12, 2022 at 8:30am, at their office located at One Hudson City Centre, Suite 301, Hudson, NY 12534 to consider all matters presented to the Board for consideration. This meeting is open to the public. Due to public health and safety concerns related to COVID-19, and in accordance with the Senate and Assembly bills ([S.50001/A.40001](#)), the meeting will be also be held **Zoom**, Join Zoom Meeting <https://us06web.zoom.us/j/87045956081?pwd=SW9vZzRSZDBrM0VlRlIBdk8zNUdUQT09> Meeting ID: 870 4595 6081, Passcode: 178434, Dial by your location+1 646 558 8656 Find your local number: <https://us06web.zoom.us/u/kidvPDrO6>

Dated: January 5, 2022

Sarah Sterling

Secretary Columbia Economic Development Corporation

CEDC Audit and Finance Committee

Agenda

Chairman:

John Lee

Members:

David Fingar

Tish Finnegan

James Lapenn

Anita Otey

1. Minutes, October 13, 2021*
2. 2021 Audit Engagement Letter*
3. 2021 Single Audit Letter*
4. Audit & Finance Committee Charter*
5. 2021 Discharged Duties*
6. Investment Policy*
7. Treasurer's Report*
8. Portfolio Report*
9. Public Comment

Attachments:

Minutes, October 13, 2021

2021 Audit Engagement Letter

2021 Single Audit Letter

Audit & Finance Committee Charter

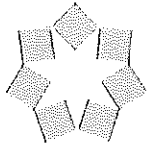
2021 Discharged Duties

Investment Policy

Treasurer's Report

Portfolio Report

* Requires action



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MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
AUDIT and FINANCE COMMITTEE
Wednesday, October 13, 2021

A regularly scheduled meeting of Columbia Economic Development Corporation’s (CEDC) Audit and Finance Committee was held at the CEDC office, located at One Hudson City Centre, Suite 301, Hudson, NY, on October 13, 2021. The meeting was called to order at 8:31am by Mr. Lee, Chair.

Attendee Name	Title	Status	Departed
David Fingar	Committee Member	Present	
Tish Finnegan	Committee Member	Excused	
James Lapenn	Committee Member	Present	
John Lee	Chair	Present	
Anita Otey	Committee Member	Excused	
F. Michael Tucker	President/CEO	Present	
Andy Howard	Counsel	Present	
Lauren Cranna	Business Development Partner	Excused	
Lisa Drahushuk	Administrative Supervisor	Present	
Martha Lane	Business Development Director	Present	
Cathy Lyden	Bookkeeper	Present	

Minutes:

Mr. Fingar made a motion, seconded by Mr. Lapenn to approve the July 21, 2021 minutes as presented. Carried.

Treasurer’s Report:

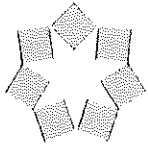
Mr. Tucker reviewed the Treasurer’s Report. Mr. Lapenn made a motion, seconded by Mr. Fingar to recommend the Treasurer’s Report to the Full Board as presented. Carried.

2022 Draft Budget:

Mr. Tucker presented the draft 2022 draft budget to the Committee. Mr. Fingar made a motion, seconded by Mr. Lapenn to recommend the budget as presented to the Full Board. Carried.

Portfolio Report:

Ms. Lane noted a few borrowers were over thirty days, but continued to make payments. Ms. Lane stated the closing on the Train Time train had been postponed for two weeks. Mr. Fingar made a motion, seconded by Mr. Lapenn to recommend the Portfolio Report to the Full Board. Carried.



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Other Business:

Mr. Tucker reviewed the earlier UHY recommendations, including the transition to QuickBooks online. He stated he was working with a consultant who has worked for CEDC in the past. He stated the consultant would additionally produce a financial procedure manual.

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

The meeting adjourned at 9:48am

Respectfully submitted by Lisa Drahushuk

December 20, 2021

Mr. F. Michael Tucker
President and CEO

Columbia Economic Development Corporation
1 Hudson City Centre, Suite 301
Hudson, NY 12534

Dear Mr. Tucker:

This engagement letter, and the related Standard Terms and Conditions contained in Appendix B attached, confirms and specifies the arrangements for UHY Advisors NY, Inc. ("UHY Advisors", "we", "us" or words of similar import) to provide tax compliance and consulting services for the entities outlined in Appendix A (the "Company" or the "Taxpayer") and to clarify the nature and extent of the services we will provide. We ask you to review the following and Appendices A and B in order to ensure an understanding of our mutual responsibilities.

Scope of Services

We will prepare the returns as outlined in Appendix A. We will not prepare any tax returns except those identified, without your written request, and our written consent to do so. Our services are not intended to determine whether you have filing requirements in taxing jurisdictions other than the one(s) you have informed us of. Our firm is available under the terms of a separate engagement letter to provide a nexus study that will enable us to determine whether any other state tax filings are required.

We will prepare the referenced tax returns solely for filing with the Internal Revenue Service ("IRS") and state and local tax authorities as identified. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

The services outlined above includes the normal preparation of the return along with any schedules to support the return. However, it does not include any return positions or calculations that rise to a level of a project, such as a cost segregation study, accounting method changes, research and development studies, etc. Should we incur a return position or calculation that is considered a project, UHY Advisors will only prepare the project with your consent to do so.

The returns will be prepared from information that you furnish to UHY Advisors. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of it.

Furthermore, our work in connection with the preparation of your income tax returns does not include any procedures designed to detect errors, fraud, theft or discover defalcations or other irregularities, should any exist.

In addition to the preparation of the subject tax returns, we also are prepared to advise the Company regarding specific tax issues and tax planning considerations. During the course of preparing the tax returns, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation

remains with you, the Taxpayer. However, unless you specifically seek our advice, we cannot assume responsibility for advising the Company with respect to the tax consequences of the transactions entered into by the Company or the impact on the Company of future developments in the tax law.

This engagement is limited to the professional services outlined above.

Our engagement hereunder concludes upon the filing of the tax returns prepared for the year as indicated on Appendix A. In the event that we perform additional services, such services will be considered a separate engagement subject to the terms of this engagement letter.

Our professional fee for the services outlined above is based upon the complexity of the work to be performed, and our professional time, as well as out-of-pocket expenses. We estimate that our fee for the preparation of the tax returns will be \$1,650. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the income tax returns.

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

Standard Terms and Conditions

Standard Terms and Conditions applicable to our engagement on your behalf (including, without limitation, arrangements regarding our fees for services) are set forth and described in the attached Appendix B. Please review such Standard Terms and Conditions carefully, and feel free to contact us with any questions that you may have relating to the same. Your acceptance of this engagement letter as described below will be deemed to include your agreement to all such Standard Terms and Conditions as elements of our engagement on your behalf.

Section 7216 Consents

UHY Advisors adheres to the standards governing the confidentiality of taxpayer information as prescribed by the Internal Revenue Service, AICPA, state boards of public accountancy and other governing agencies. Internal Revenue Code ("IRC") Section 7216 and the related Treasury Regulations require that UHY Advisors obtain your affirmative consent to disclose or use your information obtained by us in the process of preparing your tax returns. IRC Section 7216 is intended to protect taxpayers' privacy and limit the use of their information for purposes other than tax return preparation.

By signing this engagement letter, the Company agrees, for the period covered by this consent, to the disclosure and/or use by UHY Advisors of any portion or all of its tax returns and tax return information for years up to and including 2021 which has been previously provided or will be provided to UHY Advisors, for the following purposes:

- Any disclosure or use in connection with the utilization of the services or expertise of one of UHY Advisors' domestic affiliated companies, UHY LLP, any independent member firm of UHY International, or any third-party tax preparation providers or contractors in order to accurately and efficiently complete the tax return(s);

- Any disclosure or use in connection with the rendering of business, legal, accounting or other professional advice/services (including but not limited to bookkeeping assistance, the preparation or certification of financial statements, valuation services, financing and legal services) to the Taxpayer by UHY Advisors, any of UHY Advisors' domestic affiliated companies, UHY LLP, any independent member firm of UHY International, or any other professional advisor to the Taxpayer; and
- Any disclosure by UHY Advisors to any affiliated entity, UHY LLP or third party accounting services provider (including but not limited to tax return preparation and documentation software providers, document imaging and storage providers, and financial data and reporting software providers) in connection with the common use by UHY Advisors, its affiliated entities and UHY LLP of the same software programs (e.g., document management, tax return documentation and processing, and practice management programs) whereby tax return information contained in these software programs may be disclosed to other UHY Advisors affiliates, UHY LLP and the third party service providers.

The above-referenced consent shall be valid hereafter, unless the Company provides written notice to UHY Advisors of its intent to terminate the consent. The Company may terminate the above-referenced consent at any time by providing written notice to UHY Advisors.

Other Information

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

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

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

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

Acceptance of Engagement Letter

If the above, and the attached Standard Terms and Conditions, fairly sets forth your understanding, please sign and return the enclosed copy of this engagement letter to us. We will not initiate services until we receive the executed Engagement Letter. If the foregoing is not in accordance with your understanding, please contact us immediately.

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

We are pleased to have you as a client and look forward to a long and mutually beneficial association.

Very truly yours,

UHY Advisors NY, Inc.

Matthew VanDerbeck
Managing Director
UHY Advisors NY, Inc.

AGREED TO AND ACCEPTED BY:

F. Michael Tucker, President and CEO

Date

Appendix A
Returns to be Prepared

Entity Name:

Columbia Economic Development Corporation

Year End:

December 31, 2021

Returns:

Federal Form 990 and New York State CHAR500

Appendix B
UHY Advisors NY, Inc. ("UHY Advisors")
Standard Terms and Conditions

Tax Return Responsibilities

Your returns are, of course, subject to review by taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of an examination, we will be available upon request to represent you. Billing for such services is at our standard rates for the nature of services performed.

It is your responsibility to provide all information required for the preparation of a complete and accurate return. Additionally, you are responsible for the proper recording of transactions in your books of account, for the safeguarding of your assets and for the substantial accuracy of your financial records. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement. You certify that you will maintain substantiation to support all recorded expenses; and, that to the best of your knowledge, you have advised us of all of your gross income for the tax year. You agree to hold our firm harmless with respect to any additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation. You have the final responsibility for the accuracy of your income tax returns; therefore, you should review them carefully before you sign and file them or authorize the returns to be electronically filed by us on your behalf.

While UHY Advisors can provide assistance and recommendations, you are responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge and experience to oversee any services that UHY Advisors provides. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are ultimately responsible for establishing and maintaining internal controls, including monitoring ongoing activities. The services to be provided to you by UHY Advisors are those services expressly set forth and identified herein. You acknowledge and agree that no Managing Director or other employee of the firm is authorized to perform any services on behalf of the firm, or to otherwise bind the firm in any manner, not expressly set forth and identified herein.

The Internal Revenue Service and most State taxing authorities are mandating taxpayers to e-file their tax returns. Accordingly, your eligible return(s) will be e-filed unless you notify us otherwise.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature is intended to authenticate a written signature, shall be valid, and shall have the same force and effect as a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Transfer Pricing

You may have transactions with related parties that are subject to the transfer pricing rules of IRC §482, Allocation of Income and Deductions Among Taxpayers, which require that such transactions are conducted in an arm's length manner. Taxpayers who do not have the required documentation can be subject to significant penalties if transfer pricing adjustments are sustained upon examination by the IRS. Should you have transactions that are subject to IRC §482, you acknowledge and confirm that you can document your transfer pricing policies in accordance with IRC §482 and §6662, Imposition of Accuracy-Related Penalty on Underpayments, and the regulations thereunder to reduce this risk. If you ask us to conduct a transfer pricing study, we will confirm this representation in a separate engagement letter.

Virtual currency

The IRS considers virtual currency (e.g., Bitcoin) as property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions.

If you had virtual currency activity during the tax year, you may be subject to tax consequences associated with such transactions and may have additional reporting obligations. You agree to provide us with complete and accurate information regarding any transactions in, or transactions that have used, virtual currency during the applicable tax year.

Fee Matters

Our fees for services will generally be based on time expended, plus out-of-pocket costs. They might also include other factors deemed relevant, including the difficulty of the engagement and the skill required to perform the accounting, tax or business consulting services properly; time limitations imposed either by you or the circumstances; and the experience, reputation and ability of the individual or individuals assigned to the engagement. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. Our fees are not contingent on any outcome achieved as a result of our services.

Your account is due and payable to UHY Advisors when you receive the invoice. Services we provide are performed at your instance and request and, therefore, you agree to guarantee payment of all fees charged for such services. You have thirty (30) days from the invoice date to review the invoice and to communicate to us in writing any disagreement with the charges, after which you waive the right to contest the invoice. In the event your account is outstanding for more than 30 days, UHY Advisors reserves the right to suspend work on this engagement until either the account has been paid or other payment arrangements have been made. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not issued a tax return or other final work product. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. In the event that work is discontinued, either temporarily or permanently, as a result of delinquent payment, we shall not be liable for any damages you may incur as a result of the work stoppage, including without limitation, the timely filing of a return or an extension of time to file a return.

Appendix B
UHY Advisors NY, Inc. ("UHY Advisors")
Standard Terms and Conditions

You may terminate this agreement at any time. Upon written notice of termination, we will stop all work immediately. You will be responsible for all fees and expenses incurred prior to our stopping work.

If payments are not received timely, our collection policy does require follow-up reminders and phone calls regarding payment status. Our Finance and Collections Department will review all past due client accounts. This department may contact significantly past due accounts for payment follow-up.

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

Conflicts of Interest

If we, in our sole discretion, believe a conflict has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to suspend or terminate our services without issuing our work product.

Section 7216 Consents

UHY Advisors adheres to the standards governing the confidentiality of taxpayer information as prescribed by the Internal Revenue Service, AICPA, state boards of public accountancy and other governing agencies. Internal Revenue Code ("IRC") Section 7216 and the related Treasury Regulations require that UHY Advisors obtain your affirmative consent to disclose or use your information obtained by us in the process of preparing your tax returns. IRC Section 7216 is intended to protect taxpayers' privacy and limit the use of their information for purposes other than tax return preparation.

Standards of Conduct for Preparing Tax Returns

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants ("AICPA") and U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement.

UHY Advisors is subject to certain standards of conduct for preparing tax returns and potential penalties for not meeting those standards of conduct. In certain cases, we may be required to do additional work to determine if one or more of the tax positions in your return meets the reporting standards under the law. If we determine, in our sole discretion, that we may be subject to a preparer penalty due to a tax position in your return should it be filed with the Internal Revenue Service, you agree to either adequately disclose that position on your return or change the position to one that we confirm would not subject us to penalty. If you do not choose to change your position or adequately disclose the tax position so as to eliminate, in our sole opinion, our exposure to the preparer penalty, we, in our sole discretion and at any time, may withdraw from the engagement without completing or delivering tax returns to you. Such withdrawal will complete our engagement, and you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of our withdrawal. If you agree to adequately disclose the return position within the return, you also agree to hold our firm harmless from any and all actual and consequential damages (including but not limited to tax, penalties, interest, and professional fees) you incur as a result of including such disclosures with your filed tax return regardless of the nature of the claim, including the negligence of any party.

We will use our judgment to resolve questions in your favor where a tax law is unclear, provided there is sufficient support for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, private letter rulings and court decisions. If the IRS, state or local tax authorities later contest the position taken, additional tax, penalties, and interest may be assessed. We assume no liability, and you hereby release us from any liability for such additional tax, penalties, interest, and related professional fees.

If you wish to take a tax position based upon the advice of another tax advisor, you agree to obtain a written statement from the advisor confirming that the position should meet the "realistic possibility," "substantial authority," or "more likely than not" standard, as applicable. In preparing your federal tax return, we are subject to a diligence as to accuracy regarding reliance on others standard, as defined in revisions to Circular 230, §10.37(b). To the maximum extent allowed by law or regulations, UHY may rely upon a position which is based upon the advice of another tax advisor. Prior to preparing or signing the tax return, AICPA SSTS No. 1 also requires our firm to have a good faith belief that the position has, at a minimum, a "realistic possibility" of being sustained administratively or judicially on its merits, if challenged. Additional charges will apply to such research.

Accountant – Client Privilege

Internal Revenue Code §7525, *Confidentiality Privileges Related to Taxpayer Communication*, provides a limited confidentiality privilege applying to tax advice embodied in taxpayer communications with federally authorized tax practitioners in certain limited situations.

This privilege is limited in several important respects. For example, this privilege does not apply to your records, which you are required to retain in support of your tax return. In addition, the privilege does not apply to state tax issues, state tax proceedings, private civil litigation proceedings, or criminal proceedings.

While we will cooperate with you with respect to the privilege, asserting the privilege is your responsibility. Inadvertent disclosure of otherwise privileged information may result in a waiver of the privilege. Please contact us immediately if you have any questions or need further information about this CPA-client privilege.

Reportable Transactions

The IRS and some states have promulgated rules that require taxpayers to disclose their participation in reportable transactions by attaching a disclosure form to their federal and/or state income tax returns and, when necessary, by filing a copy of that disclosure form with the IRS and/or the applicable state agency. These rules impose significant requirements to disclose certain transactions and such disclosures may encompass transactions entered into in the normal course of business.

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You are responsible for ensuring that you have properly disclosed all reportable transactions and failure to make the required disclosure will result in substantial penalties. UHY Advisors will not be liable for any penalties resulting from your failure to accurately and timely file any required reportable transaction disclosure.

The tax compliance services that are the subject of this engagement letter do not include any obligation of UHY Advisors to identify any reportable transactions that have not been the subject of a prior consultation between you and UHY Advisors.

At the present time, UHY Advisors is not aware of any reportable transactions for you that require disclosure, and UHY Advisors has not been informed about any such transactions that should be disclosed. If you are aware of a transaction that may constitute a reportable transaction, you must inform us accordingly.

Report of Foreign Bank and Financial Accounts and Foreign Account Tax Compliance Act

The IRS has increased its enforcement of the filing requirements for FinCEN Form 114 (formerly Form TD F 90-22.1), *Report of Foreign Bank and Financial Accounts* ("FBAR"), a U.S. Treasury Department form that must be e-filed on or before October 15th following the end of the calendar year. Although the FBAR is not an income tax return, a taxpayer's obligation to file an FBAR is specifically addressed in the informational reporting sections of most U.S. federal income tax returns. A taxpayer's requirement to file an FBAR may arise because of being a U.S. person having an interest, directly or indirectly, in a foreign financial account or because of signature or other authority over such an account. For these purposes, the instructions to the FBAR provide that a foreign financial account may include, but is not limited to, bank accounts, brokerage, savings, checking accounts as well as pooled funds such as a mutual fund available to the general public. The threshold for FBAR filing is an aggregate value exceeding \$10,000 at any time during the calendar year, whether resulting from a financial interest or signature authority over foreign financial accounts. The penalties for failure to file an FBAR can be significant.

The tax compliance services that are the subject of this engagement letter do not include the obligation of UHY Advisors to identify any FBAR reporting obligations. The information provided in the previous paragraph is general and is not intended as a substitute for your review of the reporting obligations. We will be pleased to assist you with performing such a review and making any required filings, if and as directed by you.

U.S. citizens and certain aliens, corporations, partnerships and trusts holding any interest in specified foreign financial assets, exceeding certain thresholds, must report those assets on IRS Form 8938, *Statement of Foreign Financial Assets*, as part of their income tax return. Specified foreign financial assets include such items as accounts maintained by a foreign financial institution as well as stock, securities, financial instruments, and contracts held for investment and issued by a non-U.S. person. The filing thresholds for reporting range from assets totaling in excess of \$50,000 for the taxable year, but may be higher depending on such factors as whether the taxpayer is married or is living outside the U.S. It is your responsibility to provide us with information relating to any specified foreign financial assets. Failure to make the required disclosure to the IRS will result in substantial penalties. UHY Advisors will not be liable for any penalties resulting from your failure to accurately and timely file any required reporting about specified foreign financial assets that were not disclosed to us.

The tax compliance services that are the subject of this engagement letter do not include any obligation of UHY Advisors to identify and report to any governmental agency any foreign financial assets that have not been reported to us in the tax documents that you provided for the preparation of the return that is the subject of this engagement letter.

Dispute Resolution and Choice of Law

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

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. The firm is not responsible for any transmission problems or the failure of you or any authorized recipient of the information to receive the file containing the information or maintaining the confidentiality of any information transmitted via e-mail or in the possession of you or any authorized recipient. You are solely responsible for (i) notifying the firm of the failure to receive your file containing the information so that a copy can be provided in an alternate form; (ii) the security of your e-mail server and for restricting access to your e-mail in order to maintain confidentiality of the information transmitted; (iii) storing the electronic file containing the information; and (iv) acquiring and maintaining the software needed to open and access the files containing the information.

You consent to our use of these electronic devices and applications during this engagement.

As an alternative, UHY Advisors provides a Secure File Transfer Portal ("UHY Advisors SFTP") for transferring sensitive information and files to and from UHY Advisors. If you choose this alternative, you ("User") agree to be legally bound and to abide by the UHY Advisors SFTP Terms of Use Agreement.

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Standard Terms and Conditions

Record Ownership

We will return all of your original records and documents provided to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your work product. Our copies of your records and documents are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations. If we provide deliverables or other records to you via an information portal, you must download this information. Professional standards restrict us from being the sole repository of your original data, records, or information.

Workpapers and other documents created by us are our property and will remain in our control and will be owned by us to the extent permitted by law. Copies are not to be distributed without your written request and our prior written consent which, unless otherwise required, may be withheld in our sole discretion. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements.

Our workpapers are prepared based upon tax reference materials, facts, assumptions, and representations subject to change. Tax reference materials include, but are not limited to the Internal Revenue Code ("IRC"), regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings and court decisions. We will not update our workpapers after the conclusion of the engagement for subsequent legislative or administrative changes or future judicial interpretations.

You agree to indemnify and hold us harmless with respect to any and all claims from your use of any UHY prepared electronic workpaper, such as a spreadsheet, which you change or modify any assumption, inputs or formulas, subsequent to your receipt of the respective electronic workpaper, unless otherwise provided within the scope of the engagement.

File Retention and Privacy Policies

UHY Advisors has a file retention policy. We, as a firm, make no representation of retention of files after this date, set forth in our retention policy nor assume any liability for the retention of any tax return information, data, or otherwise in which the client has such legal liability. Please be advised that there may be important tax or financial information in the files that will be destroyed. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy. This notice represents any and all notice of our retention policy. By accepting the terms of this engagement, you acknowledge understanding of the UHY Advisors retention policy. In addition, attached is a copy of UHY Advisors' Privacy Notice to you pursuant to the Gramm-Leach-Bliley Act (Public Law 106-102) and the General Data Protection Regulation (Regulation (EU) 2016/679).

Newsletters and Similar Communications

We may send newsletters, emails, explanations of technical developments or similar communications to you. These communications are of a general nature and should not be construed as professional advice. We may not send all such communications to you. These communications do not, by themselves, constitute a client relationship with you, nor do they constitute advice or an undertaking on our part to monitor issues for you.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a final memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may or may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility, except to the extent caused by our gross negligence or willful misconduct, for any liability including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate engagement letter.

Proprietary Information

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, "hard copy" format or other medium.

Hiring UHY Advisors Employees

If you hire an employee of UHY Advisors (or UHY LLP), at any time during our relationship, or within one year of the end of our relationship, you will be billed a normal placement fee of 30% of that employee's first year salary with you or with your company. This placement fee will be paid to UHY Advisors (or UHY LLP).

Publicity

Our engagement as described herein does not include the granting to you of any rights to use our name or logo, or to refer to our work on your behalf, in any publicly released statements or communications. Accordingly, you agree to not make any such use or references without first securing our prior written consent thereto.

Appendix B
UHY Advisors NY, Inc. ("UHY Advisors")
Standard Terms and Conditions

Internal Use and Third Parties

All services provided by us as part of this engagement shall be solely for your informational purposes and internal use, and no element of this engagement shall create privity between UHY Advisors and any person or party other than you ("third party"). None of our services are intended for the express or implied benefit of any third party, and no third party is entitled to rely on the services we provide you, including, without limitation, any advice, opinions, or reports. In the event of any such reliance or claim thereof, you agree to indemnify and hold harmless UHY Advisors and its personnel from all resulting damages, obligations, liabilities, costs, and expenses.

INDEMNIFICATION PROVISIONS

BY ACCEPTING THE TERMS OF THE ENGAGEMENT, YOU AGREE TO THE FULLEST EXTENT PERMITTED BY LAW TO INDEMNIFY, HOLD HARMLESS AND RELEASE US FROM ANY AND ALL LIABILITIES AND (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEE), EXPENSES AND FEES, THAT ARISE PURSUANT TO THIS ENGAGEMENT INCLUDING WITHOUT LIMITATION, ANY LIABILITY RESULTING FROM MISREPRESENTATION OF ANY ITEM OF INCOME OR EXPENSE, OR ANY OTHER INFORMATION SUPPLIED TO US, TO PREPARE YOUR TAX RETURN.

LIMITATION ON LIABILITY

IN NO EVENT WILL OUR TOTAL LIABILITY TO YOU FOR ANY AND ALL DAMAGES WHATSOEVER ARISING OUT OF OR IN ANY WAY RELATED TO THIS ENGAGEMENT LETTER (INCLUDING BUT NOT LIMITED TO CONTRACT LIABILITY, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER MATTER) EXCEED A SUM EQUAL TO THE AGGREGATE AMOUNT OF FEES PAID TO US BY YOU UNDER THIS ENGAGEMENT LETTER. IN NO EVENT WILL WE BE LIABLE TO YOU FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE LOST PROFIT OR OTHER NON-DIRECT DAMAGES OF ANY NATURE IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS ENGAGEMENT LETTER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

LIMITATION OF TIME FOR CLAIMS

ANY CLAIM ARISING OUT OF OR IN CONNECTION WITH THIS ENGAGEMENT LETTER SHALL BE COMMENCED WITHIN TWO YEARS OF THE DELIVERY TO YOU, OR TO A THIRD-PARTY UPON YOUR INSTRUCTIONS, OF THE WORK PRODUCT TO WHICH THE CLAIM RELATES, REGARDLESS OF ANY LONGER PERIOD OF TIME FOR COMMENCING SUCH CLAIMS AS MIGHT OTHERWISE BE PRESCRIBED BY APPLICABLE LAW.

Severability

You agree that if any part of the agreement is found to be non-binding or illegal, all other parts of this agreement shall remain binding and in full force and effect.

Assignment

All parties acknowledge and agree that the terms and conditions of this Agreement shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

UHY Advisors Relationships

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

Appendix B
UHY Advisors NY, Inc. ("UHY Advisors")
Standard Terms and Conditions



Privacy Notice

PROTECTING THE PRIVACY OF INFORMATION

November, 2020

The UHY Advisors Companies include:

UHY Advisors, Inc.
UHY Consulting, Inc.
UHY Advisors MI, Inc.
UHY Advisors MO, Inc.
UHY Advisors N.E., LLC
UHY Advisors NY, Inc.
UHY Advisors TX, LLC
UHY Capital Advisors, LLC
UHY Capital Agency, Inc.
UHY Advisors Corporate Finance, LLC
UHY Advisors CF, LLC
UHY Advisors Mid-Atlantic, Inc.
UHY Advisors Mid-Atlantic MD, Inc.
UHY Advisors FLVS, Inc.
UHY Advisors SALT, LLC
UHY Management Company
UHY Employee Benefits Consulting Services, Inc.
Legal and Scientific Analysis Group, Inc.
UKW Advisors China Co., Ltd.
UHY Advisors TAP, Inc.
UHY Advisors Indemnity Corp
UHY Advisors Alliance, LLC
UHY Advisors CA, Inc.
UHY Advisors National Tax Services, Inc

At UHY Advisors, we are proud of the relationships we have developed with our clients. In serving as your trusted advisor, we are committed to providing you with the highest quality professional and business services while protecting your personal information. This privacy notice contains information about the policies and practices we employ to fulfill this commitment.

This policy applies to both current and former clients.

UHY Advisors' obligation and commitment to safeguard confidentiality

UHY Advisors has always recognized the importance of holding your personal information in the strictest confidence. While UHY Advisors and its affiliated companies are not licensed to practice public accountancy, many of our employees are members of the American Institute of Certified Public Accountants and are bound by professional standards of confidentiality that are even more stringent than those required by law. Similarly, employees who are Certified Financial Planners are bound by the rigorous confidentiality standards of their profession. With respect to those clients for whom we prepare tax returns, the Internal Revenue Code prohibits us from disclosing tax return information without client consent, other than for the specific purpose of providing services.

We hold our employees to strict standards of conduct to ensure the confidentiality of client information. We also require companies with which we do business to use appropriate measures to safeguard the confidentiality of such information.

UHY Advisors uses and shares information to better serve you.

We use and share information to provide high-quality services and to offer services that we believe will be of value and interest to our clients. For example, your non-public personal information enables us to:

- Provide you with comprehensive, high-quality services to meet your present and future needs.
- Navigate you to other companies within the UHY Advisors' family that offer other high-quality business and professional services.

Appendix B UHY Advisors NY, Inc. ("UHY Advisors") Standard Terms and Conditions

UHY Advisors collects non-public personal information that may include:

- Information that we collect from you personally in the course of providing services, such as your name, address, phone number, assets, income and investment objectives.
- Information that we collect, with your consent, from your attorneys and other advisors.
- Information about the services and products provided to you by the UHY Advisors' family of companies, such as the nature of the engagement, investment decisions made, assets placed under management and payment history.
- Information that we receive from others in order to establish your relationship with us, such as credit reports and income verification.

UHY Advisors carefully limits information sharing.

If permitted by applicable laws and standards related to the professions in which our employees engage, we may share the information described above within the UHY Advisors' family of companies and with selected non-affiliated third parties. This sharing is carefully limited.

Information sharing within the UHY Advisors' family.

Within UHY Advisors, we restrict employees' access to non-public personal information based on their need to know information in order to provide you services or offer you additional services or products that may be of value to you.

Other information sharing.

We may also share non-public personal information about you with non-affiliated companies or other organizations as required or permitted by law and our professional standards. For example, we may share this information:

- With selected professional and financial services providers with whom we have joint marketing agreements to offer you services and products offered by the UHY Advisors' family of companies or jointly with such other providers.
- With companies who help us to provide services to you (for example, the brokerage firm that executes securities transactions on your behalf or the company that processes and/or inputs data for your tax return).
- With companies that support UHY Advisors' accounting, billing and other systems.

For clients of UHY Capital Advisors, LLC:

- We do not share your information unless required to provide a direct service that has been requested by you.
- Form ADV Part II shall be made available upon written request.

In all of these circumstances, our agreements with the non-affiliated third parties require that they keep your non-public personal information strictly private.

We may also share non-public personal information:

- As part of our peer review process.
- With federal and state regulators.
- In response to subpoenas and as otherwise required by law.
- To collect or report debts owed to us.
- In conjunction with a prospective purchase, sale or merger of a professional practice.

If we retain records relating to the services that we provide, they are protected. In order to guard your non-public personal information, we maintain physical, electronic and procedural safeguards that comply with our professional standards.

For clients in the European Union:

UHY Advisors processes your personal data in order to provide you with services related to the preparation and filing of your tax return(s). We also use your personal data to market products and services that we believe may be of interest to you. The provision of your personal data is required for us to be able to provide services to you. You do, however, have the option of asking us not to use your personal data for marketing purposes.

We share your personal data with our representatives and affiliates to provide you with comprehensive high-quality services and navigate you to other companies within the UHY Advisors' family that offer other high-quality business and professional services.

You have the right to access the personal data that we maintain on you, and to remove it from our systems and take it with you. You also have the right to lodge a complaint against UHY Advisors' with your local supervisory authority.

For California Residents:

We provide a privacy statement at the time we collect information outlining the sources and categories of data we collect. The statement describes your rights to access, deletion, and certain other rights. It is available at: www.uhy-us.com/privacy

One Hudson City Centre, Suite 204
Hudson, NY 12534

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

December 20, 2021

Mr. F. Michael Tucker
President and CEO
and
Mr. John Lee
Chairman of the Audit Committee

Columbia Economic Development Corporation
1 Hudson City Centre, Suite 301
Hudson, New York 12534

Dear Mr. Tucker and Mr. Lee:

You have requested that we audit the financial statements of Columbia Economic Development Corporation (a component unit of Columbia County, New York), which are comprised of the statement of net position as of December 31, 2021, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ending, 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.

In addition, we will audit the entity's compliance over major federal award programs for the period ending December 31, 2021. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on the financial statements and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

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

- Management's Discussion and Analysis

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of an audit of financial statements in accordance with GAAS and *Governmental Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbia Economic Development Corporation's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of Columbia Economic Development Corporation's basic financial statements. Our report will be addressed to the Board of Directors of Columbia Economic Development Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

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

We have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls, and
- Improper revenue recognition.

Audit of Major Program Compliance

Our audit of Columbia Economic Development Corporation's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and

timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

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

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For 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;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;

- b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
 17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
 20. For the accuracy and completeness of all information provided;
 21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
 22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

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

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

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

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

Non-attest Services

With respect to any nonattest services we perform, including preparation of the financial statements, preparation of the tax returns, and PPP consultation, we will not assume management responsibilities on behalf of Columbia Economic Development Corporation. However, we will provide advice and recommendations to assist management of Columbia Economic Development Corporation in performing its responsibilities.

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

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards, including the *Statements on Standards for Tax Services* issued by the AICPA.
- The non-attest services are limited to the preparation of the financial statements, preparation of the tax returns and QuickBooks consultation (if any), as previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise Columbia Economic Development Corporation with regard to tax positions taken in the preparation of the tax return, but Columbia Economic Development Corporation must make all decisions with regard to those matters.

Other

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

	Begin	Complete
Document internal control and preliminary tests	n/a	December 6, 2021
Mail confirmations	n/a	January 2022
Perform year-end audit procedures	January 18, 2022	March 5, 2022
Audit committee meeting	n/a	March 22, 2022
Board meeting	n/a	March 29, 2022
Issue audit reports	n/a	By March 31, 2022
Issue 990 and CHAR 500	n/a	By May 15, 2022

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

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered as work progresses and are payable upon presentation. We estimate that our fee for the audit will range from \$22,000 and \$27,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use Columbia Economic Development Corporation's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

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

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

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of UHY LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to Columbia County, state and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of UHY LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

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

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

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

At the conclusion of our audit engagement, we will communicate to the board of directors the following significant findings from the audit:

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

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

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

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

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

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

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

Respectfully,

UHY, LLP

Matthew VanDerbeck, CPA
Partner
UHY LLP

RESPONSE:

This letter correctly sets forth our understanding.

Columbia Economic Development Corporation

Acknowledged and agreed on behalf of Columbia Economic Development Corporation by:

Name: _____

Title: Chairman of the Audit Committee

Date: _____

Name: _____

Title: President and CEO

Date: _____

OFFICE LOCATIONS

California
Orange County

Connecticut
Farmington

Florida
Miami

Georgia
Atlanta

Maryland
Columbia

Michigan
Ann Arbor
Detroit
Farmington Hills
Port Huron
Sterling Heights

Missouri
Kansas City
St. Louis

New York
Albany
Catskill
Hudson
Kingston
Long Island
New York
Rye Brook
Saratoga Springs

Texas
Houston

Report On Peer Review

We are pleased to provide a copy of UHY LLP's most recent peer review report dated January 31, 2021 as well as the related letter from the Chair of the American Institute of Certified Public Accountants' National Peer Review Committee notifying us that the Committee accepted our peer review report on April 21, 2021. Firms can receive a rating of pass, pass with deficiency(ies), or fail. UHY LLP received a peer review report rating of pass – the best possible outcome.

Peer reviews are conducted on a triennial basis and are performed on the system of quality control for the accounting and auditing practice applicable to non-SEC issuers. Our next peer review will be due on January 31, 2024.

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

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

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

UHY LLP



National Peer
Review Committee

April 22, 2021

Cynthia Scheuer
UHY LLP
4 Tower Place, Executive Park, 7th Floor
ALBANY, NY 12203

Dear Cynthia Scheuer:

It is my pleasure to notify you that on April 21, 2021, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is January 31, 2024. This is the date by which all review documents should be completed and submitted to the administering entity. Since your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

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

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Michael Fawley".

Michael Fawley
Chair, National PRC
+1.919.402.4502

cc: Candace Wright, Betina Dufault

Firm Number: 900003882951

Review Number: 579417



8550 United Plaza Blvd., Ste. 1001 — Baton Rouge, LA 70809
225-922-4600 Phone — 225-922-4611 Fax — pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

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

We have reviewed the system of quality control for the accounting and auditing practice of UHY LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of UHY LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. UHY LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
January 11, 2021



UHY LLP is a licensed independent CPA firm that performs attest services in an alternative practice structure with UHY Advisors, Inc. and its subsidiary entities. UHY Advisors, Inc. provides tax and business consulting services through wholly owned subsidiary entities that operate under the name of "UHY Advisors." UHY Advisors, Inc. and its subsidiary entities are not licensed CPA firms. UHY LLP and UHY Advisors, Inc. are U.S. members of Urbach Hacker Young International Limited, a UK company, and form part of the international UHY network of legally independent accounting and consulting firms. "UHY" is the brand name for the UHY international network. Any services described herein are provided by UHY LLP and/or UHY Advisors (as the case may be) and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.

AUDIT AND FINANCE COMMITTEE CHARTER

Columbia Economic Development Corporation

Purpose

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

- Assure that the corporation's board fulfills its responsibilities for the corporation's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting;
- Provide an avenue of communication between management, the independent auditors and the Board of Directors;
- Oversee the corporation's debt and debt practices and to recommend policies concerning the corporation's issuance and management of debt.
- Review and monitor operating budget.

Powers and Duties of the Audit and Finance Committee

It shall be the responsibility of the Audit and Finance Committee to:

- Oversee the work of any public accounting firm employed by the corporation.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from corporation employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with corporation staff, independent auditors or outside counsel, as necessary.
- Retain, at the corporation's expense, such outside counsel, experts and other advisors as the audit and finance committee may deem appropriate.
- Review proposals for the issuance of debt by the corporation and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the corporation.
- Make recommendations concerning the appointment and compensation of investment advisors and underwriting firms used by the corporation, and to oversee the work performed by these individuals and firms on behalf of the corporation.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the corporation and its subsidiaries.
- Report annually to the corporation's board how it has discharged its duties and met its responsibilities as outlined in the charter.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.
- Annually Review both the CEDC and SBA loan funds, including loan policies, lending limits and reserves.

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

Composition of Committee and Selection of Members

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

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

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

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

Meetings

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

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

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

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

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

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

Responsibilities

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

A. Independent Auditors and Financial Statements

The Audit and Finance Committee shall:

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

B. Internal Controls, Compliance and Risk Assessment

The Audit and Finance Committee shall:

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

C. Special Investigations

The Audit and Finance Committee shall:

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

D. Review the Corporation's Annual Budget

The Audit and Finance Committee shall:

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

E. Oversee the Corporation's Investments

The Audit and Finance Committee shall:

- Annually review and recommend to the board approval of the corporation's annual investment report, investment policy and evaluate allocation of assets.
- Annually review the audit of investments as provided by independent auditors.
- Recommend to the board the selection of investment advisors.

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

The Audit and Finance Committee shall:

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

G. Review Financial and Procurement Thresholds

The Audit and Finance Committee shall:

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

H. Other Responsibilities of the Audit and Finance Committee

The Audit and Finance Committee shall:

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

2021 Audit and Finance Committee Report of Discharged Duties

During 2021 the CEDC Audit and Finance Committee:

- The Committee reviewed and amended the charter.
- Reviewed and recommended the audit engagement letter and the 2019 audited financials, for approval to the CEDC Board.
- Reviewed and recommended Board approval of financial statements.
- Reviewed and recommended Board approval of the portfolio report and the vendor expense summary.
- Reviewed and recommended Board approval of the proposed and subsequent revised 2021 budget.
- Reviewed, and recommended the 2020 Internal Controls Statement to the CEDC Board.
- Reviewed and recommended the Form 990 and the CHAR 500 to the full Board.
- Reviewed and updated the Investment Policy and the 2020 Investment Report.
- Reviewed and recommended the 2022 budget to the full board.

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 depositories trust department and/or a third party bank or trust company subject to security and custodial agreements.

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

The custodial agreement shall provide securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

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 April 14, 2021

~~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".

Trial Balance Report for All Funds for the Period 01/01/2021 - 12/31/2021

01/03/2022 11 02 AM

By Funding Source
(All transactions)

LoanID	Borrower	Close Date	Loan Amount	Principal Balance	Cumulative Pmts		Latest Pmts	Periods Past Due						Total Past	Days Past	
					Principal	Interest		Amount	Date	ONE	TWO+	THREE+	FOUR+			FIVE+
1250-12a	Verdigris Tea, LLC	09/09/2015	30,000.00	4,538.58	120.09	479.95	08/04/2021									< 30
SBA Loan Fund - SBA RLF-05: 10 loans																
Fund: SBA Loan Fund, Subfund: SBA RLF-06																
1250-17a	2 Dukas & a Princess	03/28/2018	25,000.00	11,585.62	363.08	4,465.09	07/06/2021									< 30
1250-99a	711 CR3 LLC	03/05/2020	30,000.00	23,493.40	3,854.66	1,771.51	511.47	11/15/2021	511.47							511.47 < 30
1250-38a	Albert Schulze, d...	05/23/2019	17,000.00	9,327.56	3,259.72	811.04	339.23	12/08/2021								< 30
1250-19a	Alula Woodworks	05/24/2018	13,350.00	4,681.05	2,293.59	322.45	262.00	11/08/2021	261.21							261.21 < 30
1250-18a	Behida Dollie	04/23/2018	15,000.00	4,677.83	2,904.10	215.50	263.60	11/19/2021								< 30
1250-16a	Fahari Bazaar	02/07/2018	15,000.00	775.20	4,104.69	211.61	360.00	12/20/2021								< 30
1250-98a	Georgia Ray's Kil...	09/22/2020	15,000.00	11,454.46	2,848.05	451.95	275.00	11/19/2021								< 30
1250-37a	Germantown Beer F...	06/07/2019	30,000.00	18,836.59	5,333.30	1,346.35	513.82	12/06/2021								< 30
1250-80a	Little Rico	04/13/2021	23,000.00	20,669.15	2,330.85	526.99	357.23	12/03/2021								< 30
1250-30	Minna Goods, LLC	02/15/2019	25,000.00	12,239.55	6,203.34	1,093.57	429.23	12/20/2021								< 30
1250-13a	SJH6 Enterprises,...	10/13/2017	25,000.00	8,297.18	4,366.62	748.14	426.23	12/05/2021								< 30
1250-20a	Wandering Fool, LLC	06/28/2018	25,000.00	11,934.06	3,785.03	903.50	426.23	10/13/2021								< 30
1250-31a	Willie's Bakery Ca...	04/17/2019	30,000.00	17,938.26	5,393.44	820.04	477.96	12/30/2021								< 30
SBA Loan Fund - SBA RLF-06: 13 loans																
Fund: SBA Loan Fund, Subfund: SBA RLF-07																
1230-61	Buttercup Treats	09/17/2020	15,000.00	11,506.51	2,803.75	496.25	275.00	12/20/2021								< 30
1260-62a	Cafe Mutton	04/14/2021	20,000.00	18,278.19	1,721.81	452.60	310.63	11/29/2021								< 30
1260-58a	Countryside Cleanup	09/15/2020	25,300.00	20,497.72	3,860.01	855.39	392.95	12/20/2021								< 30
1260-59	Heavenly Essentials	09/15/2020	15,000.00	12,502.24	1,813.99	382.49	274.65	09/20/2021								< 30
1260-52	IMBY, Inc.	06/26/2020	15,000.00	10,774.30	2,831.89	488.11	275.00	12/20/2021								< 30
1260-56a	KT Hair Studio LL...	07/13/2020	14,000.00	9,474.60	3,659.89	408.11	217.00	12/03/2021								< 30
1260-50	Micosta Enterpris...	06/04/2020	15,000.00	10,787.47	2,856.45	437.07	274.46	12/01/2021								< 30
1260-56	Poured Candle Bar...	08/11/2020	20,000.00	15,047.10	3,744.94	647.06	366.00	12/20/2021								< 30
1260-57	Quality Q Holding...	09/05/2020	35,000.00	28,375.83	5,362.63	1,165.17	544.00	12/13/2021								< 30
1260-54	Red Mannequin	07/13/2020	15,000.00	11,092.45	2,826.47	473.53	275.00	12/20/2021								< 30
1260-53	Romber Works, LLC	06/19/2020	15,000.00	10,790.37	2,826.79	473.21	550.00	12/20/2021								< 30
1260-50a	Talbott & Arding #2	09/25/2020	33,500.00	26,618.49	5,599.22	1,164.81	520.31	12/30/2021								< 30
1260-51a	Tivoli Farm #2	06/11/2020	15,000.00	10,785.24	2,847.72	445.80	274.46	12/03/2021								< 30
SBA Loan Fund - SBA RLF-07: 13 loans																
Total: 252,800.00 196,470.51 42,755.76 7,869.60 4,549.37																

