

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

As of and for the years ended December 31, 2021 and 2020

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)

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INDEPENDENT AUDITOR'S REPORT

To the Chairman and Board of Columbia County
Industrial Development Agency:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Columbia County Industrial Development Agency (a component unit of the County of Columbia, New York) (the "Agency"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Columbia County Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Columbia County Industrial Development Agency as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Columbia County Industrial Development Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Columbia County Industrial Development Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbia County Industrial Development Agency's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives 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
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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 GAAS will always detect a material misstatement when it exists. 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. Misstatements 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Columbia County Industrial Development Agency's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbia County Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Columbia County Industrial Development Agency's basic financial statements. The Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions, and Schedule of PILOTs are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions and Schedule of PILOTs are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions, and Schedule of PILOTs is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the Schedule of Employment Data but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Agency has operated with expenditures in excess of revenues in recent years. If the Agency continues to experience similar results, a reduction of operating expenses, seeking additional sources of cash flow, or funding from a related party may be required in the future. Management's evaluation of the events and conditions and management's plan to mitigate these matters are also described in Note 1. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2022 on our consideration of Columbia County Industrial Development Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbia County Industrial Development Agency's internal control over financial reporting and compliance.

UHY LLP

Hudson, New York
March 17, 2022

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2021 and 2020

1. Introduction:

Within this section of the Columbia County Industrial Development Agency's (the "Agency") financial statements, the Agency's management provides narrative discussion and analysis of the financial activities of the Agency for the years ended December 31, 2021 and 2020. This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements for the years ended December 31, 2021 and 2020.

2. Overview of the Financial Statements:

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

A. Financial Statements

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

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

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

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

B. Notes to Financial Statements

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

C. Supplementary and Other Information

The schedules of Conduit Debt Obligations, Projects and Exemptions, Payment in Lieu of Taxes (PILOTS) and Employment Data are required by the Office of the State Comptroller for Industrial Development Agencies. Supplementary and other information begins immediately following the notes to the financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2021 and 2020

3. Financial Highlights:

The revenue increased by \$35,282 from 2020 to 2021 due primarily to an increase in application and administration fee income. The expenses increased by \$5,174 from 2020 to 2021 due primarily to an increase in professional fees in 2021.

The revenue decreased by \$1,870 from 2019 to 2020 due primarily to a decrease in application and administration fee income. The expenses increased by \$1,258 from 2019 to 2020 due primarily to an increase in professional fees in 2020.

Total revenue did not meet budget in 2021 or 2020. In 2021 and 2020, revenue did not meet budget due to lack of administration fees for projects.

Total expenditures in 2021 were overall below the budget due to professional fees being below what was budgeted for the year.

Total expenditures in 2020 were overall below budget due to professional fees being below what was budgeted for the year.

Financial Statement Analysis:

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|------------------------------------|------------------|-------------------|-------------------|
| Assets | <u>\$ 72,856</u> | <u>\$ 110,385</u> | <u>\$ 145,938</u> |
| Liabilities | \$ 39,677 | \$ 76,222 | \$ 80,683 |
| Net Position | 33,179 | 34,163 | 65,255 |
| Total Liabilities and Net Position | <u>\$ 72,856</u> | <u>\$ 110,385</u> | <u>\$ 145,938</u> |

Total assets decreased by \$37,529 or 34.00% and total liabilities decreased \$36,545 or 47.95% for the year ended December 31, 2021. Total net position decreased \$984 for the year ended December 31, 2021. The decrease in net position was primarily the result of relatively similar revenue and expenses during 2021.

Total assets decreased by \$35,553 or 24.36% and total liabilities decreased \$4,461 or 5.53% for the year ended December 31, 2020. The net position decreased \$31,092 for the year ended December 31, 2020. The decrease in net position was primarily the result of less revenue and a similar level of expenses in 2020 in comparison to 2019.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2021 and 2020

3. Financial Highlights (Continued):

Financial Statement Analysis (Continued):

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|------------------|
| Revenues | | | |
| Interest | \$ 4 | \$ 17 | \$ 38 |
| Land sale income | 546 | 1,251 | 1,600 |
| Application and administration fees | 42,500 | 6,500 | 8,000 |
| Total revenues | <u>43,050</u> | <u>7,768</u> | <u>9,638</u> |
| Expenditures | | | |
| Administrative - CEDC | 24,000 | 24,000 | 24,000 |
| Insurance | 1,917 | 1,813 | 1,973 |
| Legal fees | 4,841 | 3,123 | 3,178 |
| Consultants | 5,250 | 1,533 | - |
| Accounting and audit | 7,950 | 7,950 | 8,002 |
| Other miscellaneous | 76 | 441 | 449 |
| Total expenditures | <u>44,034</u> | <u>38,860</u> | <u>37,602</u> |
| Change in net position | (984) | (31,092) | (27,964) |
| Net position at the beginning of the year | <u>34,163</u> | <u>65,255</u> | <u>93,219</u> |
| Net position at the end of the year | <u>\$ 33,179</u> | <u>\$ 34,163</u> | <u>\$ 65,255</u> |

The revenue budget for 2021 was \$68,350 with \$7,050 in projected profit. The revenue budget for 2020 was \$51,210 with \$390 in projected deficit. There were no amendments to the budget during 2021 and 2020.

The Agency's revenues in 2021 were \$43,050 versus \$7,768 in 2020. The Agency's expenses in 2021 were \$44,034 versus \$38,860 in 2020. The Agency's net position decreased \$984 and decreased \$31,092 as a result of operations in 2021 and 2020, respectively.

4. Economic Factors and Next Year's Budget:

The ability to generate future fee revenue and meet the Agency's 2022 revenue budget expectation is dependent on future project closings. The ability to predict the future success of such events is difficult. Economic conditions in Columbia County, New York as well as changes in interest rates, influence the Agency's ability to attract such project and financing activities.

5. Additional Information:

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

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
STATEMENTS OF NET POSITION
December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents: | | |
| Checking | \$ 37,980 | \$ 5,891 |
| Money market | 5,805 | 35,804 |
| Total cash and cash equivalents | <u>43,785</u> | <u>41,695</u> |
| Prepaid expenses | 1,394 | - |
| Land sale receivables, current | 6,059 | 9,603 |
| Total current assets | <u>51,238</u> | <u>51,298</u> |
| Land sale receivables, long term | - | 2,250 |
| Restricted escrow accounts | <u>21,618</u> | <u>56,837</u> |
| Total assets | <u>\$ 72,856</u> | <u>\$ 110,385</u> |
| LIABILITIES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ - | \$ 1,532 |
| Due to Columbia Economic Development Corporation | 12,000 | 6,000 |
| Due to Columbia County, current | 6,059 | 9,603 |
| Total current liabilities | <u>18,059</u> | <u>17,135</u> |
| PILOT escrow deposits | 21,618 | 56,837 |
| Due to Columbia County, long term | - | 2,250 |
| Total liabilities | <u>39,677</u> | <u>76,222</u> |
| NET POSITION | | |
| Unrestricted | <u>33,179</u> | <u>34,163</u> |
| Total liabilities and net position | <u>\$ 72,856</u> | <u>\$ 110,385</u> |

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the years ended December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| REVENUE | | |
| Bank interest | \$ 4 | \$ 17 |
| Land sale income | 546 | 1,251 |
| Application fees | 7,500 | 1,000 |
| Administration fees - PILOTS | 35,000 | 5,500 |
| Total revenues | <u>43,050</u> | <u>7,768</u> |
| EXPENSES | | |
| Professional fees | 18,041 | 12,606 |
| Insurance | 1,917 | 1,813 |
| Office | 76 | 441 |
| Administration- CEDC | 24,000 | 24,000 |
| Total expenses | <u>44,034</u> | <u>38,860</u> |
| NET DECREASE IN NET POSITION | (984) | (31,092) |
| NET POSITION, Beginning of year | <u>34,163</u> | <u>65,255</u> |
| NET POSITION, End of year | <u>\$ 33,179</u> | <u>\$ 34,163</u> |

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Bank interest received | \$ 4 | \$ 17 |
| Operating expenses paid | (40,960) | (31,328) |
| Receipts from application fees | 7,500 | 1,000 |
| Receipt of fees from land sale | 546 | 1,251 |
| Receipts from administration fees | 35,000 | 5,500 |
| PILOT receipts | 162,245 | 134,667 |
| PILOT payments | (162,245) | (134,667) |
| Net cash provided by (used for) operating activities | <u>2,090</u> | <u>(23,560)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 2,090 | (23,560) |
| CASH AND CASH EQUIVALENTS, Beginning of year | 41,695 | 65,255 |
| CASH AND CASH EQUIVALENTS, End of year | <u>\$ 43,785</u> | <u>\$ 41,695</u> |

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

| | | |
|--|-----------------|--------------------|
| Change in net position | \$ (984) | \$ (31,092) |
| Change in assets and liabilities: | | |
| (Decrease) increase in PILOT escrow deposits | (35,219) | 32 |
| Decrease (increase) in restricted escrow account | 35,219 | (32) |
| Increase in prepaid expenses | (1,394) | - |
| (Decrease) increase in accounts payable | (1,532) | 1,532 |
| Increase in due to Columbia Economic Development Corporation | 6,000 | 6,000 |
| Decrease in land sale receivables | 5,794 | 12,025 |
| Decrease in due to Columbia County | (5,794) | (12,025) |
| Net cash provided by (used for) operating activities | <u>\$ 2,090</u> | <u>\$ (23,560)</u> |

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – NATURE OF ORGANIZATION

Business Activity

The Columbia County Industrial Development Agency was established in 1976 by the Columbia County Board of Supervisors under the Laws of New York State to promote economic growth in the County of Columbia, New York. The Agency is exempt from federal, state and local income taxes. The Agency is a component unit of the County of Columbia, New York.

The Agency's present function is to promote, develop and encourage reconstructing, improving and maintaining manufacturing, warehousing, and commercial facilities to promote job opportunities and economic welfare for the people of New York State. This is done through administering PILOTS, land sales, and bond agreements.

Payment in lieu of taxes (PILOT)

The Agency enters into and administers PILOT agreements for various companies in the surrounding area. The PILOT agreements are entered into between the Agency and a third-party business. Title to property owned by the third-party business is transferred to the Agency for a period of time. During the term of the agreement (when the Agency holds the title to the property), the third-party business pays the Agency an annual PILOT amount based on a calculation derived by a formula in the agreement. The PILOTS allow the participants to make payments at a lower rate than if the company paid the property's assessed value at the current tax rates for county, town and school taxes. Certain requirements are to be met by the company to be able to maintain their PILOT. These requirements, stated in the PILOT agreement, can be comprised of reaching and maintaining certain employment goals and paying their PILOT in a timely fashion. This promotes employment and economic development. The Agency will in turn pay the respective tax authorities. At the completion of the PILOT program, title to the property is transferred back to the third-party business owner and the property goes back on the respective tax rolls.

The Agency generates fees from PILOT agreements called "Administration and Application Fees." The Agency receives an annual administrative fee from each PILOT per the agreement. The Agency also administers bonds for several projects and receives an administrative fee upon issuance of the bond.

In addition, the Agency generates revenue from land sale transactions with a related party, Columbia Economic Development Corporation (CEDC). The Agency receives a stipend called "Fees from Land Sales" upon the first payment from the participating purchaser of the property.

Uncertainty

In recent years, the Agency has operated with expenditures in excess of revenues. If the Agency fails to generate revenue in the future in part by the support of related parties, it will either need to curtail operations and/or seek additional sources of cash flow, the outcome of which is currently uncertain. These factors raise a question as to the Organization's ability to continue as a going concern.

Management plans to alleviate these adverse conditions through a reduction to operating expenses, grant funding from a related party, as necessary, and seeking additional sources of cash flow.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Deferred Outflows/Inflows of Resources

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

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

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

Budgetary Data

The budget policies are as follows:

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

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Income is generated from three (3) major sources: (1) land sales, (2) project application and closing fees for projects, and (3) administrative income from Board-approved projects. All revenue is recognized when services are performed.

The Agency is responsible for collecting and remitting the PILOT payments received for state, county, and town/village jurisdictions, and only acts as a pass-through entity. No activity for the PILOT payments is reported in the financial statements. The jurisdictions have the ultimate risk of loss if PILOT payments are not paid to the Agency by the respective companies.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

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

Risks and Uncertainties

In March 2020, the World Health Organization declared COVID-19 a pandemic.

As the pandemic continues to endure, the disease could have an adverse material effect on the Agency's activities, results of operations, financial condition, and cash flow.

Subsequent Events

Subsequent events have been evaluated through March 17, 2022, which is the date the financial statements were available to be issued.

NOTE 3 – CREDIT RISK

For purposes of reporting cash flows, the Agency considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents. As of December 31, 2021, cash, which consists of one checking and one money market account, was covered by federal depository insurance up to \$250,000. As of December 31, 2020, cash, which consists of one checking and two money market accounts, was covered by FDIC insurance up to \$250,000. Cash equivalent balances during the year rarely exceed FDIC-insured levels and when they do, it is only for a short period of time. Therefore, management believes investment risk of loss is low regarding cash and cash equivalents.

Concentrations of credit risk with respect to notes receivables relates to two third party loans for land sales (note 6). Generally, sufficient collateral or a personal guarantee is obtained for all loans at the time of disbursement. Collateral is generally in the form of a mortgage on real property. Management monitors collectability of each note on an individual loan basis based on the underlying financial position of the borrower.

NOTE 4 – CONDUIT DEBT OBLIGATIONS

From time to time, the Agency issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Agency, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020, there was one (1) series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$1,672,650. This series was paid in full during the year ended December 31, 2021.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 5 – RESTRICTED ESCROW ACCOUNTS

Restricted escrow accounts relate to the PILOT program. From time to time the Agency requires companies to provide a deposit upon commencing the PILOT in case the PILOT is not paid in any one year. The amount is determined on a participant basis depending on the annual PILOT and is invested in the form of a certificate of deposit or a money market account. The Agency does not access the account and it will remain in escrow until the PILOT is over, or if the PILOT cannot be paid by the recipient.

One participant has a deposit of \$20,000 plus interest held in escrow. The deposit was in the form of 12-month certificate of deposit as of December 31, 2021. The deposit was in the form of a 180-day certificate of deposit as of December 31, 2020.

Another participant had a deposit of \$35,000 plus interest held in escrow. This deposit was held in a money market account as of December 31, 2020. The escrow account balance was returned to the participant company and the account was closed during the year ended December 31, 2021.

NOTE 6 – LAND SALE RECEIVABLES

The Agency participates in a program to sell undeveloped land owned by Columbia County. The Agency works directly with the buyer on the County's behalf. The Agency recognizes a receivable for the sales price due from the buyer and a liability to the County for the same amount. The Agency plays an administrative role in the transfer of the land and retains the interest portion earned on land sale receivables as payment for servicing the loans and the remaining principal portion is forwarded to the County.

In 2015, the Agency sold a piece of land in Commerce Park to an individual for \$25,500. The Agency received a seven-year note at 5% with annual principal and interest payments of \$4,425. During the year ended December 31, 2020, the remaining balance of \$12,025 was paid early.

In 2016, the Agency sold an additional piece of land in Commerce Park to an individual for \$27,750. The Agency received a five-year note at 4.5% with annual principal and interest payments of \$6,338. At December 31, 2021 and 2020, the balance of the land sale receivable and due to Columbia County was \$6,059 and \$11,853, respectively. During the year ended December 31, 2020, the Agency approved deferral of the 2020 loan payment due to COVID. The deferral allows the maturity date of the original agreement to be extended one year. No payments were received in 2020 as a result of the deferral.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Agency has participated in Commerce Center Land Sales with the Columbia Economic Development Corporation (CEDC). The Agency performed an administrative role in the transfer of the land and in accordance with agreements with the CEDC, received a stipend, called Fees from Sale of Land.

During the years ended December 31, 2021 and 2020, the Agency recorded \$546 and \$1,251, respectively, of land sale income related to the sale of Commerce Park land (see note 6).

The Agency pays an administrative fee to the CEDC quarterly for expenses that CEDC staff incurs on behalf of the Agency. There were \$12,000 of outstanding fees to be paid as of December 31, 2021 and outstanding fees of \$6,000 to be paid as of December 31, 2020. The Agency incurred \$24,000 in fees during 2021 and 2020.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Chairman and the Board
of Columbia County Industrial Development Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Columbia County Industrial Development Agency as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Columbia County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 17, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbia County Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbia County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Columbia County Industrial Development Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbia County Industrial Development Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

UHY LLP

Hudson, New York
March 17, 2022

SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
SCHEDULE OF CONDUIT DEBT OBLIGATIONS
Year ended December 31, 2021

| Bonds Listing | Outstanding Beginning of the Year | Issued During Fiscal Year | Paid During Fiscal Year | Outstanding End of the Year | Final Maturity Date |
|---------------|---|------------------------------|----------------------------|--------------------------------|---------------------------|
| BAC Sales | \$ 1,672,650 | \$ - | \$ 1,672,650 | \$ - | 2021* |

*Paid in full during the year ended December 31, 2021.

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
SCHEDULE OF PROJECTS AND EXEMPTIONS
Year ended December 31, 2021

| Project Code | Project Owner | Real Property Tax Exemptions County | Real Property Tax Exemptions Local | Real Property Tax Exemptions School | Sales Tax | Mortgage Recording | Total Exemptions |
|--------------|--|-------------------------------------|------------------------------------|-------------------------------------|------------------|--------------------|-------------------|
| | 2990 Realty Corporation 2990 Route 9 Hudson, NY 12534 | \$ (533) | \$ (140) | \$ (2,137) | \$ - | \$ - | \$ (2,810) |
| 10011001A | BAC Sales 1871 Route 9 Hudson, NY 12534 | (2,021) | (2,014) | 24,535 | - | - | 20,500 |
| 10011301A | Premier Riverfront LLC 353 Fairview Avenue Hudson, NY 12534 | (5,633) | (3,162) | 9,138 | - | - | 343 |
| 10011701A | 41 Cross Street Hospitality, LLC 41 Cross Street Hudson, NY 12534 | 16,362 | 24,629 | 42,559 | - | - | 83,550 |
| 1001-21-01 | Klocke Estate Holdings, LLC 2678 County Route 27 Claverack, NY 12534 | - | - | - | 25,080 | - | 25,080 |
| | | <u>\$ 8,175</u> | <u>\$ 19,313</u> | <u>\$ 74,095</u> | <u>\$ 25,080</u> | <u>\$ -</u> | <u>\$ 126,663</u> |

See notes to financial statements.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
SCHEDULE OF PILOTS
Year ended December 31, 2021

| <u>Project Code</u> | <u>County PILOT</u> | <u>Local PILOT</u> | <u>School PILOT</u> | <u>Sales Tax PILOT</u> | <u>Total PILOTS</u> |
|---------------------|-------------------------|------------------------|-------------------------|----------------------------|---------------------|
| 10010801A | \$ 7,818 | \$ 2,056 | \$ 19,664 | \$ - | \$ 29,538 |
| 10011001A | 9,600 | 3,200 | - | - | 12,800 |
| 10011301A | 23,367 | 13,167 | 34,923 | - | 71,457 |
| 10011701A | 8,568 | 12,897 | 22,286 | - | 43,751 |
| 1001-21-01 | - | - | - | - | - |
| Total | <u>\$ 49,353</u> | <u>\$ 31,320</u> | <u>\$ 76,873</u> | <u>\$ -</u> | <u>\$ 157,546</u> |

See notes to financial statements.

OTHER INFORMATION

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the County of Columbia, New York)
SCHEDULE OF EMPLOYMENT DATA
Year ended December 31, 2021

| | Number of FTE Employees at Project Location <u>Before IDA Status</u> | Original Estimate of Jobs to be Created | Original Estimate of Jobs to be Retained | Number of Current FTE Employees |
|----------------------------------|---|--|--|------------------------------------|
| BAC Sales | 2 | 18 | 2 | 27 |
| 2990 Realty Corporation | - | 18 | - | 8 |
| Premier Riverfront LLC | - | - | - | 56 |
| 41 Cross Street Hospitality, LLC | - | 12 | - | 13 |
| Klocke Estate Holdings, LLC | - | - | - | 7 |

See notes to financial statements.