

# Choose Columbia

Columbia Economic Development Corporation

## COLUMBIA ECONOMIC DEVELOPMENT CORPORATION NOTICE OF PUBLIC MEETING

Please take notice that there will be a regular meeting of the Columbia Economic Development Corporation’s Full Board to be held in person on December 20, 2022 at 8:30am, at One Hudson City Centre, Suite 301, Hudson, NY 12534 in accordance with Public Officers Law Section 103-a. This meeting is open to the public, who will have the opportunity to attend the meeting in person at the One Hudson City Centre address or via Zoom and provide live comments. Comments can also be provided via email before and during the meeting to [mtucker@columbiaedc.com](mailto:mtucker@columbiaedc.com). Meeting packets are posted and available on CEDC’s website: <https://columbiaedc.com>. Join Zoom Meeting: <https://us06web.zoom.us/j/86562502749?pwd=UUhIWVtWZzhLYjZXRWp2T1ZlQWxYdz09> Meeting ID: 865 6250 2749, Passcode: 731714, Dial by your location: 1 646 558 8656

Dated: December 13, 2022

Sarah Sterling, Secretary Columbia Economic Development Corporation

### CEDC Board of Directors Agenda

#### Members:

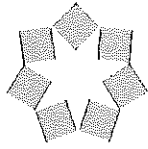
Ruth Adams	Tarah Gay	Carmine Pierro
Anand Balasar	Derek Grout	Rick Rector
Joseph Benson	Michael Johnston	Sean Sawyer
James Calvin	Kenneth Leggett	Richard Scalera
Richard Cummings	Rachel Levine	Sarah Sterling
Carlee Drummer	Michael Molinski	Brian Stickles
David Fingar	Anita Otey	

1. Chairman’s Remarks
2. Minutes, November 29, 2022\*
3. President/CEO Report
  - a. CEDC Activities Update
  - b. Treasurer’s Report\*
4. 2022 Audit Engagement Letter\*
5. 2022 Tax Engagement Letter\*
6. Audit & Finance Committee (No meeting was held)
7. Executive Committee
8. Governance & Nominating Committee (No meeting was held)
9. Loan Committee (No meeting was held)
  - a. Portfolio Report\*
10. Workforce and Education Committee
11. Strategic Planning Discussion
12. Public Comments

#### Attachments:

Draft November 29, 2022 Minutes	2022 Tax Engagement Letter
Treasurer’s Report	Portfolio Report
2022 Audit Engagement Letter	

\*Requires Approval



**DRAFT**

# Choose Columbia

Columbia Economic Development Corporation

## COLUMBIA ECONOMIC DEVELOPMENT CORPORATION

Tuesday, November 29, 2022

One Hudson City Centre, Suite 301

Hudson, NY 12534

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Board of Directors was held in person at their office located at One Hudson City Centre, Suite 301, Hudson, NY 12534 on November 29, 2022. The meeting was called to order at 8:30 a.m. by David Fingar, Chair.

Attendee Name	Title	Status	Arrived/ Departed
Ruth Adams	Board Member	Present in person	
Anand Balasar	Board Member	Absent	
Joseph Benson	Board Member	Present in person	
James Calvin	Vice-Chair	Present in person	
Richard Cummings	Board Member	Present in person	
Carlee Drummer	Board Member – Ex-Officio	Present in person	
David Fingar	Chair	Present in person	
Tarah Gay	Board Member	Present in person	Departed 8:45am
Derek Grout	Board Member	Absent	
Michael Johnston	Board Member	Present in person	
Kenneth Leggett	Board Member	Absent	
Rachel Levine	Board Member	Absent	
Michael Molinski	Board Member	Present in person	
Anita Otey	Board Member	Absent	
Carmine Pierro	Board Member – Ex Officio	Present in person	
Rick Rector	Board Member	Present in person	
Sean Sawyer	Board Member	Absent	
Richard Scalera	Board Member – Ex Officio	Absent	
Sarah Sterling	Secretary	Present in person	
Andy Howard	CEDC Attorney	Present in person	
F. Michael Tucker	President/CEO	Present in person	
Bryan Mahoney	Columbia Memorial Health	Present in person	
Lisa Drahushuk	Administrative Supervisor	Present in person	
Jessica Gabriel	Senior Economic Developer	Present in person	
Martha Lane	Business Development Director	Present in person	
Cathy Lyden	Bookkeeper	Present in person	
Riley Werner	Administrative Assistant	Present in person	

Mr. Fingar called the meeting to order at 8:30am with a quorum present

### Minutes October 25, 2022:

*Mr. Calvin made a motion, seconded by Ms. Sterling to approve the October 25, 2022 minutes as presented. Carried.*

**President/CEO Report:**

Mr. Tucker gave an update on the progress of the broadband project and noted that the interviews for the Housing Coordinator position had begun. Mrs. Gabriel gave an overview of meetings with the town officials to date. Mr. Tucker stated Jeff Boice from the Syracuse SBA office had visited and announced that Ms. Lane had made the largest number of SBA loans in the Syracuse territory as well as loaned the second largest dollar amount in the same territory.

**Treasurer's Report:**

Mr. Tucker reviewed the report with the Board. *Mr. Cummings made a motion, seconded by Ms. Sterling to approve the Treasurer's Report as presented. Carried.*

**Governance & Nominating Committee**

Ms. Sterling informed the Board, the Committee had reviewed a couple of potential Board candidates, including Bryan Mahoney from Columbia Memorial Health. She asked Mr. Mahoney to give the Board a brief overview of his background. Mr. Fingar stated the Committee wanted to bring on a person with a strength in finances to the Board and the Committee recommended Mr. Mahoney. *Ms. Sterling made a motion, seconded by Mr. Rector to approve Mr. Mahoney to the CEDC Board. Carried.*

**Board Meeting Structure:**

Mr. Tucker stated that beginning in January the staff would begin working on a report outlining information and committee recommendations to be submitted to the board for their approval as a consent agenda.

**2023 Meeting Schedule:**

Mr. Rector made a motion, seconded by Mr. Cummings to approve the 2023 Meeting Schedule as presented. Carried.

**Loan Committee:****Portfolio Review:**

Ms. Lane reviewed the portfolio report for the board. She noted as of today only one business was more than 30 days behind. *Mr. Molinski made a motion, seconded by Mr. Benson to approve the report as presented.*

**Nick Kools Mobile Tires Loan Request:**

Ms. Lane stated the Loan Committee had approved a SBA loan to Nick Kools Mobile Tires in the amount of \$12,000 with a \$1,200 Columbia Forward Grant.

**Workforce and Education Committee:**

Mr. Fingar stated the Workforce and Education Committee had met and had elected Ms. Adams as their temporary Chair. Ms. Adams stated the Committee had discussed their pillar under the strategic plan and had concluded that further discussions and perhaps focus groups would be needed including inviting people outside the CEDC board to participate. She noted she was currently researching what others have done and were doing.

**Strategic Plan:**

Mrs. Gabriel reviewed the progress made by the board to date and noted she would have an outline ready a month or two in advance of the annual meeting in April. *With no other business to be conducted, and no public comment, Mr. Cummings made a motion, seconded by Ms. Sterling to adjourn the meeting. Carried. The meeting adjourned at 9:26am.*

*Respectfully submitted by Lisa Drafinshuk*

**Columbia Economic Development Corporation (CEDC)**  
**Balance Sheet Comparison**  
As of November 30, 2022

	Total			
	As of Nov 30, 2022	As of Nov 30, 2021 (PY)	Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Bank Accounts</b>				
Checking (2615)RLF5 (deleted)	0.00	47,127.13	-47,127.13	-100.00%
Checking and Savings	1,627,344.88	1,703,083.29	-75,738.41	-4.45%
Loan Kinderhook Ckg 648 (deleted)	0.00	-1,451.04	1,451.04	100.00%
Loan SBA Cash Account (Header)	468,052.40	351,090.21	116,962.19	33.31%
SBA Bank of Greene Cnty RLF #6 (deleted)	0.00	-700.00	700.00	100.00%
<b>Total Bank Accounts</b>	<b>\$ 2,095,397.28</b>	<b>\$ 2,099,149.59</b>	<b>-\$ 3,752.31</b>	<b>-0.18%</b>
<b>Other Current Assets</b>				
1210 Inventory Asset	22,400.00		22,400.00	
1211-08 Loan Receivable HV Creamery	45,000.00		45,000.00	
1211-09 Loan Receivable Klocke Estates	150,000.00		150,000.00	
Accounts Receivable (Header)	182,212.52	163,670.88	18,541.64	11.33%
CEDC - Loan Funds	1,061,918.20	940,816.87	121,101.33	12.87%
Loans Receivable (Header)	813,168.75	647,518.22	165,650.53	25.58%
<b>Total Other Current Assets</b>	<b>\$ 2,274,699.47</b>	<b>\$ 1,752,005.97</b>	<b>\$ 522,693.50</b>	<b>29.83%</b>
<b>Total Current Assets</b>	<b>\$ 4,370,096.75</b>	<b>\$ 3,851,155.56</b>	<b>\$ 518,941.19</b>	<b>13.47%</b>
<b>Fixed Assets</b>				
Commerce Park Land (HEADER)	18,033.20	18,033.20	0.00	0.00%
<b>Total Fixed Assets</b>	<b>\$ 18,033.20</b>	<b>\$ 18,033.20</b>	<b>\$ 0.00</b>	<b>0.00%</b>
<b>Other Assets</b>				
2300-01 Security Deposit	3,200.00	3,200.00	0.00	0.00%
Allowance for Bad Debt Loans	-278,233.32	-232,715.32	-45,518.00	-19.56%
Comm. Pk Land Sale Recv.	0.20	9,918.20	-9,918.00	-100.00%
Grants Receivable	211,391.41	219,804.26	-8,412.85	-3.83%
<b>Total Other Assets</b>	<b>-\$ 63,641.71</b>	<b>\$ 207.14</b>	<b>-\$ 63,848.85</b>	<b>-30824.01%</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,324,488.24</b>	<b>\$ 3,869,395.90</b>	<b>\$ 455,092.34</b>	<b>11.76%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
2000-01 Accounts Payable	10,242.70	12,359.90	-2,117.20	-17.13%
<b>Total Accounts Payable</b>	<b>\$ 10,242.70</b>	<b>\$ 12,359.90</b>	<b>-\$ 2,117.20</b>	<b>-17.13%</b>
<b>Other Current Liabilities</b>				
2008-01 Loan Payable - PPP #2	0.00	64,114.00	-64,114.00	-100.00%
2050-01 Payroll Liabilities	-1,756.58	0.00	-1,756.58	
2050-02 Hudson Bond Awards Liability	524.95	14,670.10	-14,145.15	-96.42%
Accrued Expenses	20,634.00	15,658.04	4,975.96	31.78%
Deferred Revenue (Header)	276,070.34	66,570.34	209,500.00	314.70%
<b>Total Other Current Liabilities</b>	<b>\$ 295,472.71</b>	<b>\$ 161,012.48</b>	<b>\$ 134,460.23</b>	<b>83.51%</b>
<b>Total Current Liabilities</b>	<b>\$ 305,715.41</b>	<b>\$ 173,372.38</b>	<b>\$ 132,343.03</b>	<b>76.33%</b>
<b>Long-Term Liabilities</b>				
2010-01 Loan payable - EIDL	100,000.00	100,000.00	0.00	0.00%
Debt Reserve	0.00	10,000.00	-10,000.00	-100.00%
Loans Payable to SBA	1,038,716.55	773,634.25	265,082.30	34.26%
Long term Deferrd Revenue	11,391.41	19,804.26	-8,412.85	-42.48%
<b>Total Long-Term Liabilities</b>	<b>\$ 1,150,107.96</b>	<b>\$ 903,438.51</b>	<b>\$ 246,669.45</b>	<b>27.30%</b>
<b>Total Liabilities</b>	<b>\$ 1,455,823.37</b>	<b>\$ 1,076,810.89</b>	<b>\$ 379,012.48</b>	<b>35.20%</b>
<b>Equity</b>				
3200-01 Invested in Capital Assets	12,739.70	65,160.83	-52,421.13	-80.45%

<b>Net assets Restricted</b>	407,764.51	397,708.51	10,056.00	2.53%
<b>Unrestricted Net Position</b>	2,331,879.21	2,291,397.21	40,482.00	1.77%
<b>Net income</b>	116,281.45	38,318.46	77,962.99	203.46%
<b>Total Equity</b>	<u>\$ 2,868,664.87</u>	<u>\$ 2,792,585.01</u>	<u>\$ 76,079.86</u>	<u>2.72%</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 4,324,488.24</u>	<u>\$ 3,869,395.90</u>	<u>\$ 455,092.34</u>	<u>11.76%</u>

Thursday, Dec 15, 2022 07:12:00 AM GMT-8 - Accrual Basis

**Columbia Economic Development Corporation (CEDC)**  
**Budget vs. Actuals: FY\_2022 - FY22 P&L**  
 January - November, 2022

	Total			
	Actual	Budget	over Budget	% of Budget
<b>Income</b>				
Administrative Revenue	45,966.66	31,166.66	14,800.00	147.49%
Columbia County	553,833.32	421,666.67	132,166.65	131.34%
Grant Income	13,282.46	13,933.37	-650.91	95.33%
Loan Interest Income	65,751.76	60,500.00	5,251.76	108.68%
Membership/Sponsorship	31,896.07	55,000.00	-23,103.93	57.99%
Other Income	5,530.20	35,000.00	-29,469.80	15.80%
SBA Microloan T/A	190,776.01	140,384.00	50,392.01	135.90%
<b>Total Income</b>	<b>\$ 907,036.48</b>	<b>\$ 757,650.70</b>	<b>\$ 149,385.78</b>	<b>119.72%</b>
<b>Gross Profit</b>	<b>\$ 907,036.48</b>	<b>\$ 757,650.70</b>	<b>\$ 149,385.78</b>	<b>119.72%</b>
<b>Expenses</b>				
Conferences and Training	1,857.58	2,750.00	-892.42	67.55%
Consulting Fees	173,794.33	176,000.00	-2,205.67	98.75%
Direct Program Expenses	2,654.60	6,875.00	-4,220.40	38.61%
Employer Expenses	299,652.28	352,914.86	-53,262.58	84.91%
Facility	37,234.00	37,234.00	0.00	100.00%
Grants Expense*	20,790.05	14,166.67	6,623.38	146.75%
Insurance	2,902.95	4,000.00	-1,097.05	72.57%
MicroBiz Expenses	41,158.22	38,958.34	2,199.88	105.65%
New Initiatives	41,585.00	45,833.33	-4,248.33	90.73%
Office Expense	96,819.30	45,292.00	51,527.30	213.77%
Other Expenses	5,750.00	11,000.00	-5,250.00	52.27%
Professional Fees	53,047.62	34,250.01	18,797.61	154.88%
Public Relations/Marketing	13,509.10	16,500.00	-2,990.90	81.87%
SBA Interest Expense		916.67	-916.67	0.00%
<b>Total Expenses</b>	<b>\$ 790,755.03</b>	<b>\$ 786,690.88</b>	<b>\$ 4,064.15</b>	<b>100.52%</b>
<b>Net Operating Income</b>	<b>\$ 116,281.45</b>	<b>-\$ 29,040.18</b>	<b>\$ 145,321.63</b>	<b>-400.42%</b>
<b>Net Income</b>	<b>\$ 116,281.45</b>	<b>-\$ 29,040.18</b>	<b>\$ 145,321.63</b>	<b>-400.42%</b>

Thursday, Dec 15, 2022 07:14:14 AM GMT-8 - Accrual Basis

# Columbia Economic Development Corporation (CEDC)

## Profit and Loss by Class

January - November, 2022

	2 Loan		Total		SBA RLF -	SBA RLF -	SBA RLF -	SBA RLF -	SBA RLF -	SBA RLF -	SBA RLF -	TOTAL
	1 Operating	Fund	Fund	CDBG	SBA LLR	08	03	04	05	06	07	
<b>Income</b>				Total 3								
Administrative Revenue	45,966.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Columbia County	553,833.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fee Income	-91.31	50.89	0.00	0.00	0.00	0.00	21.01	19.41	0.00	0.00	0.00	0.00
Grant Income	4,000.00	1,687.72	7,594.74	0.00	0.00	0.00	1,259.28	2,996.45	5,884.20	5,877.53	3,591.16	13,282.46
Loan Interest Income	0.00	35,950.68	0.00	0.00	10,192.46	0.00	0.00	0.00	0.00	0.00	0.00	65,751.76
Membership/Sponsorship	31,896.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31,896.07
Other Income	5,105.48	171.51	0.00	75.50	0.00	1.09	24.11	60.03	78.41	14.07	0.00	5,530.20
SBA Microloan T/A	190,776.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	190,776.01
<b>Total Income</b>	<b>\$ 831,486.23</b>	<b>\$ 37,860.80</b>	<b>\$ 7,594.74</b>	<b>\$ 75.50</b>	<b>\$ 10,192.46</b>	<b>\$ 1.09</b>	<b>\$ 1,304.40</b>	<b>\$ 3,075.89</b>	<b>\$ 5,962.61</b>	<b>\$ 5,891.60</b>	<b>\$ 3,591.16</b>	<b>\$ 907,036.48</b>
<b>Gross Profit</b>	<b>\$ 831,486.23</b>	<b>\$ 37,860.80</b>	<b>\$ 7,594.74</b>	<b>\$ 75.50</b>	<b>\$ 10,192.46</b>	<b>\$ 1.09</b>	<b>\$ 1,304.40</b>	<b>\$ 3,075.89</b>	<b>\$ 5,962.61</b>	<b>\$ 5,891.60</b>	<b>\$ 3,591.16</b>	<b>\$ 907,036.48</b>
<b>Expenses</b>												
Bad Debt Writeoff	-15.05	15.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conferences and Training	1,857.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,857.58
Consulting Fees	173,794.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	173,794.33
Direct Program Expenses	2,654.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,654.60
Employer Expenses	299,652.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	299,652.28
Facility	37,234.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,234.00
Grants Expense*	20,790.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,790.05
Insurance	2,902.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,902.95
MicroBiz Expenses	41,158.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,158.22
New Initiatives	41,585.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41,585.00
Office Expense	95,574.10	835.00	0.00	-25.00	47.00	0.00	0.00	263.20	0.00	20.00	105.00	96,819.30
Other Expenses	5,750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,750.00
Professional Fees	53,047.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53,047.62
Public Relations/Marketing	13,509.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13,509.10
<b>Total Expenses</b>	<b>\$ 789,494.78</b>	<b>\$ 850.05</b>	<b>\$ 0.00</b>	<b>\$ 25.00</b>	<b>\$ 47.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 263.20</b>	<b>\$ 0.00</b>	<b>\$ 20.00</b>	<b>\$ 105.00</b>	<b>\$ 790,755.03</b>
<b>Net Operating Income</b>	<b>\$ 41,991.45</b>	<b>\$ 37,010.75</b>	<b>\$ 7,594.74</b>	<b>\$ 100.50</b>	<b>\$ 10,145.46</b>	<b>\$ 1.09</b>	<b>\$ 1,304.40</b>	<b>\$ 2,812.69</b>	<b>\$ 5,962.61</b>	<b>\$ 5,871.60</b>	<b>\$ 3,486.16</b>	<b>\$ 116,281.45</b>
<b>Net Income</b>	<b>\$ 41,991.45</b>	<b>\$ 37,010.75</b>	<b>\$ 7,594.74</b>	<b>\$ 100.50</b>	<b>\$ 10,145.46</b>	<b>\$ 1.09</b>	<b>\$ 1,304.40</b>	<b>\$ 2,812.69</b>	<b>\$ 5,962.61</b>	<b>\$ 5,871.60</b>	<b>\$ 3,486.16</b>	<b>\$ 116,281.45</b>





One Hudson City Centre, Suite 204  
Hudson, NY 12534

Phone 518-828-1565  
Fax 518-828-2672  
Web [www.uhy-us.com](http://www.uhy-us.com)

December 13, 2022

Mr. F. Michael Tucker  
President and CEO  
and  
Ms. Tarah Gay  
Chairman of the Audit Committee

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

Dear Mr. Tucker and Ms. Gay:

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, 2022, 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, 2022. 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.

We have not completed our planning as of the date of this letter. If we identify additional significant risks during the audit process, we will communicate such additional risks to you at that time.

### **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 consider 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 non-attest services, including identifying the proper party to oversee non-attest 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 non-attest services we perform, including preparation of the financial statements, preparation of the tax returns, employee retention credit (ERC) consultation and QuickBooks consultation (if any), 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, employee retention credit (ERC) consultation, 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 employee 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	January 23, 2023	March 10, 2023
Mail confirmations	n/a	January 2023
Perform year-end audit procedures	January 23, 2023	March 10, 2023
Audit committee meeting	n/a	TBD – March 2023
Board meeting	n/a	TBD – March 2023

Issue audit reports	n/a	By March 31, 2023
Issue 990 and CHAR 500	n/a	By May 15, 2023

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 be \$28,350. 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**

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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 black ink, appearing to read "Michael Fawley". The signature is written in a cursive, flowing style.

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](http://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](http://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*.

*Poslethwaite & 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.

December 13, 2022

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 \$1,750. 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 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, 2022

**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 as a separate engagement. Billing for such services will be commensurate with 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. You will be required to verify and sign a completed Form 8879, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

**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.

**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.

**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 in writing to conduct a transfer pricing study, we will confirm this representation in a separate engagement letter.

**Fee Matters**

Our fees for services will generally be based on time expended, plus out-of-pocket costs, including without limitation, the payment of an administrative and/or a technology fee. 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.

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

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.

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

If payments are not received in a timely manner, our collection policy does not require follow-up reminders and phone calls regarding payment status. However, you may be contacted about any past due accounts.

**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 Advisors 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.

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

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.

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.

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 15<sup>th</sup> 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.

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

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.

**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 applicable law or regulation. 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 Advisors 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.

**Working Paper Access Requests by Regulators and Others**

State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, the sale of your organization, or the sale of our accounting practice. If requested, access to such workpapers will be provided to such regulators. Regulators may request copies of workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided and we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such request as soon as practicable. You may initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. However, we reserve the right to take any action that we deem reasonable to comply with applicable laws or regulations. If you take no timely action or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not expressly set forth as a party to the proceeding in which the information is sought as a result of our actions when providing services, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

**Summons or Subpoenas**

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. However, we reserve the right to take any action that we deem reasonable to comply with applicable law or regulation. If you take no timely action or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not expressly set forth as a party to the proceeding in which the information is sought as a result of our actions when providing services, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

**Appendix B**  
**UHY Advisors NY, Inc. ("UHY Advisors")**  
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**File Retention and Privacy Policies**

UHY Advisors has a file retention policy. We, as a firm, make no representation of retention of files after the 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 is not appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility 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. Such written advice shall be subject to the terms of the applicable engagement letter. 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 Organization. This placement fee will be paid to UHY Advisors (or UHY LLP). Such placement fee shall be deemed a reasonable estimate of the cost to UHY Advisors (or UHY LLP) to replace such individual and shall not be deemed to be a penalty for you taking such action.

**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.

**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.



**Appendix B**  
**UHY Advisors NY, Inc. ("UHY Advisors")**  
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**Referrals**

In the course of providing services to you, you may request, or we may provide referrals to products or professionals such as attorneys, brokers, or investment advisors. We may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or the suitability of any product we refer to you or that you separately retain.

Further, we are not responsible for any services we perform that fail to meet the intended outcomes as a result of relying on the services of other professionals or products you may retain.

Should you engage one of the providers or purchase a product that UHY Advisors identified, UHY Advisors may receive a referral fee or commission from that provider.

**Third-Party Service Providers or Subcontractors**

To enhance our availability to meet your professional service needs while maintaining service quality and timeliness, we may use a third-party service provider to assist us. This may include provision of your confidential information to the third-party service provider. We require our third-party service providers to have established procedures and controls designed to protect client confidentiality and maintain data security. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures.

By accepting the terms and conditions of our engagement, you are providing your consent and authorization to disclose your confidential information to a third-party service provider, if such disclosure is necessary to deliver professional services or provide support services to our firm.

**Force Majeure**

Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse you of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

**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 OR DAMAGES THAT ARE NOT STRICTLY OF A COMPENSATORY NATURE, 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, unenforceable or illegal for any reason. Such provision(s) of this agreement shall be modified or deleted to the minimum extent required by applicable law or regulation to make such provision enforceable, and the revised agreement shall form the terms by made a part of this agreement. In such case all other parts of this agreement shall remain binding and in full force and effect.

**Third Party Beneficiaries**

This agreement shall not be deemed to create any third-party beneficiaries. No third party shall be deemed to have any rights or benefits of any kind with respect to this agreement.

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

**Assignment**

You agree that you will not assign this agreement to any party without our prior written consent which may be withheld in our sole discretion. To the extent this agreement is assigned 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 2021

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 Advisors Texas Region, LLC  
UHY Wealth Management, LLC  
UHY Wealth Management RIA, 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 for business purposes. This sharing is carefully limited and we do not share your information for marketing purposes.

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](http://www.uhy-us.com/privacy).











