

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

For the years ended December 31, 2022 and 2021

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)

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INDEPENDENT AUDITOR'S REPORT

To the Chairman and Board of
Columbia County Capital Resource Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Columbia County Capital Resource Corporation, a component unit of the County of Columbia, New York (the "Corporation"), as of December 31, 2022 and 2021, and for the years then ended, and the related notes to the financial statements which collectively comprise Columbia County Capital Resource Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Columbia County Capital Resource Corporation, as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Columbia County Capital Resource Corporation's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Columbia County Capital Resource Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbia County Capital Resource Corporation's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

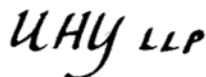
As discussed in Note 1 to the financial statements, the Corporation relies on funding from a related party when revenue is not sufficient to cover annual operating expenses. If the Corporation continues to experience similar results, additional funding may be required in the future. Management's evaluation of the events and conditions and management's plan to mitigate these matters are also described in Note 1. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles general accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023, on our consideration of Columbia County Capital Resource Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbia County Capital Resource Corporation's internal control over financial reporting and compliance.

The logo for UHY LLP, featuring the letters "UHY" in a large, stylized, cursive font, with "LLP" in a smaller, sans-serif font to the right.

Hudson, New York
March 16, 2023

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2022 and 2021

1. Introduction:

Within this section of the Columbia County Capital Resource Corporation's (the Corporation) financial statements, the Corporation's management provides narrative discussion and analysis of the financial activities of the Corporation for the years ended December 31, 2022 and 2021. This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements for the years ended December 31, 2022 and 2021.

2. Overview of the Financial Statements:

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

A. Financial Statements

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

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

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

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

B. Notes to Financial Statements

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

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2022 and 2021

3. Financial Highlights:

The revenue budget for 2022 was \$5,005 with a projected gain of \$5. The revenue budget for 2021 was \$5,005 with a projected gain of \$5. There were no amendments to the budget during 2022 or 2021.

Total revenue did not meet budget in 2022 and 2021. In 2022 and 2021, revenue did not meet budget due to less grant income and bank interest earned than was budgeted for. Total expenditures in 2022 and 2021 were overall below budget due to insurance and office expenses being below what was budgeted for the year.

4. Financial Statement Analysis:

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

	2022	2021	2020
Assets	<u>\$ 591</u>	<u>\$ 1,726</u>	<u>\$ 2,506</u>
Net Position	<u>\$ 591</u>	<u>\$ 1,726</u>	<u>\$ 2,506</u>

The Corporation's assets consisted of cash in banks and prepaid expense as of December 31, 2021 and 2022.

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

	2022	2021	2020
Revenues			
Contribution-CEDC	<u>\$ 3,571</u>	<u>\$ 3,774</u>	<u>\$ 5,000</u>
Total revenues	<u>3,571</u>	<u>3,774</u>	<u>5,000</u>
Expenditures	<u>4,706</u>	<u>4,554</u>	<u>4,611</u>
Total revenues in (deficiency) excess of expenditures	<u>(1,135)</u>	<u>(780)</u>	<u>389</u>
Net position, beginning of the year	<u>1,726</u>	<u>2,506</u>	<u>2,117</u>
Net position, end of the year	<u>\$ 591</u>	<u>\$ 1,726</u>	<u>\$ 2,506</u>

The Corporation's revenues in 2022 were \$3,571 compared to \$3,774 in 2021. The \$3,571 of revenue in 2022 and \$3,774 in 2021 was the result of a contribution received from Columbia Economic Development Corporation.

The Corporation's expenses in 2022 were \$4,706 versus \$4,554 in 2021. The expenses increased in 2022 over 2021 by \$152.

The Corporation's net position decreased by \$1,135 in 2022 following a \$780 decrease in 2021.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
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MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2022 and 2021

5. Economic Factors and Next Year's Budget:

The ability to generate future fee revenue and meet the Corporation's 2023 revenue budget expectation is dependent on future project closings. The ability to predict the future success of such events is difficult. Economic conditions in Columbia County, New York as well as changes in interest rates influence the Corporation's ability to attract such project and financing activities. If the Corporation is unable to attract new project and financing activities it will be required to seek other options to generate revenue to cover future expenses.

The Corporation has contracted with Columbia Economic Development Corporation (CEDC) to provide administrative services and CEDC's President and CEO currently serves as the Corporation's Administrative Director. The Corporation continues marketing efforts targeted towards Columbia County not-for-profit organizations to educate them on the benefits of financing capital projects through the Corporation. If this marketing effort is successful, the ability to attract new projects and financing activities will help the Corporation generate revenue to cover future expenses.

6. Additional Information:

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

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENTS OF NET POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 485	\$ 452
Prepaid expenses	106	1,274
	\$ 591	\$ 1,726
Total assets		
	\$ 591	\$ 1,726
 LIABILITIES AND NET POSITION		
NET POSITION		
Unrestricted	\$ 591	\$ 1,726
	\$ 591	\$ 1,726
Total liabilities and net position		
	\$ 591	\$ 1,726

See notes to financial statements.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE		
Contribution- CEDC	\$ 3,571	\$ 3,774
Total revenues	<u>3,571</u>	<u>3,774</u>
 EXPENSES		
Professional fees	2,860	2,600
Insurance	1,739	1,800
Office	107	154
Total expenses	<u>4,706</u>	<u>4,554</u>
 DECREASE IN NET POSITION	(1,135)	(780)
 NET POSITION BEGINNING OF YEAR	<u>1,726</u>	<u>2,506</u>
 NET POSITION END OF YEAR	<u>\$ 591</u>	<u>\$ 1,726</u>

See notes to financial statements.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Contribution-CEDC	\$ 3,000	\$ 2,500
Operating expenses paid	(2,967)	(4,554)
Net cash provided by (used for) operating activities	<u>33</u>	<u>(2,054)</u>
Net increase (decrease) in cash and cash equivalents	33	(2,054)
CASH AND CASH EQUIVALENTS, Beginning of year	452	2,506
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 485</u>	<u>\$ 452</u>
Reconciliation of change in net position to net cash provided by (used for) operating activities:		
Change in net position	\$ (1,135)	\$ (780)
Decrease (increase) in prepaid expense	1,168	(1,274)
Net cash provided by (used for) operating activities	<u>\$ 33</u>	<u>\$ (2,054)</u>
Supplemental Information:		
Insurance paid by CEDC on behalf of the Corporation	<u>\$ 571</u>	<u>\$ 1,274</u>

See notes to financial statements.

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – NATURE OF ORGANIZATION

Business Activity

The Columbia County Capital Resource Corporation was established in October 2009 by the Columbia County Board of Supervisors under the Laws of New York State to promote economic growth in the County of Columbia, New York. The Corporation is exempt from federal, state and local income taxes. The Corporation is a component unit of the County of Columbia, New York.

The Corporation was formed under section 1411 of the New York State Not for Profit Corporation Law (the “NFPCL”). The purpose of the Corporation is to assist not for profit entities that are undertaking projects that further the following purposes: reducing unemployment; promoting an increase in employment and job opportunities; improving, training, and instructing individuals of their capabilities for such jobs; and lessening the burdens of government and acting in the public interest. The Corporation may carry on research for the purpose of aiding a community or geographical area by attracting new industry to the community or area by encouraging development. This is done primarily through administering tax-exempt bonds.

Uncertainty

The Corporation was able to obtain a \$3,571 and \$3,774 contribution in 2022 and 2021, respectively from a related party to cover the Corporation’s current year expenditures. In recent years, the Corporation has operated with expenditures in excess of revenues. If the Corporation fails to generate revenue in the future in part by the support of related parties, it will either need to curtail operations and/or seek additional sources of cash flow, the outcome of which is currently uncertain. These factors raise a question as to the Organization’s ability to continue as a going concern.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

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

Budgetary Data

The budget policies are as follows:

In October of each year the Administrative Director submits a tentative budget to the Board of Directors for the next fiscal year which begins on January 1. The tentative budget includes proposed expenditures and the proposed means of financing.

Use of Estimates

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

Revenue Recognition

Revenue is recognized for administrative services performed related to bond issuances in the period the services are performed generally when the related bond issuances are finalized.

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

Net Position

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

COLUMBIA COUNTY CAPITAL RESOURCE CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through March 16, 2023, which is the date the financial statements were available to be issued.

NOTE 3 – CREDIT RISK

For purposes of reporting cash flows, the Corporation considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents. As of December 31, 2022 and 2021, cash, which consists of one checking and one savings account, was covered by federal depository insurance up to \$250,000. Management believes the risk of loss is low.

NOTE 4 – CONDUIT DEBT OBLIGATIONS

From time to time, the Columbia County Capital Resource Corporation issues negotiable bonds to provide financial assistance to not for profit entities for the acquisition and construction of facilities deemed to be in the interest of the public. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the not for profit entity served by the bond issuance.

Neither the County of Columbia, Columbia County Capital Resource Corporation, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2022 and 2021, there were no conduit debt obligations outstanding.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Corporation receives administrative services from Columbia Economic Development Corporation (CEDC)'s staff. During 2022 and 2021, the fee for these services were waived by CEDC and no amount was paid.

During the years ended December 31, 2022 and 2021, the CEDC contributed \$3,571 and \$3,774, respectively to the Corporation.

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

INDEPENDENT AUDITOR'S REPORT

To the Chairman and the Board of
Columbia County Capital Resource Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Columbia County Capital Resource Corporation as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Columbia County Capital Resource Corporation's basic financial statements, and have issued our report thereon dated March 16, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbia County Capital Resource Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances

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of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

UHY LLP

Hudson, New York
March 16, 2023