

**Columbia County  
Industrial Development Agency  
2023 Investment Report**

In accordance with Section 2925 of the Public Authorities Law; Sections 10, 11 and 858-A of General Municipal Law, the Columbia County Industrial Development Agency has prepared an annual Investment Report for 2023.

The Columbia County Industrial Development Agency Investment Policy was originally approved on February 3, 2015, with the latest amendment being adopted on December 3, 2019.

The policy was reviewed and adopted with no changes on February 6, 2024.

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

The 2023 Annual Financial Audit is attached as Schedule B.

The Agency generated \$ 4.67 in interest income for the period January 1, 2023 – December 31, 2023.

Bank Name	Amount Generated	Fees Paid
Key Bank (Checking Account)	\$4.67	\$17.92

## **Schedule A**

### **COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY INVESTMENT POLICY**

#### **Scope**

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

#### **I. Objectives**

The primary objectives of the Agency's investment activities are, in priority order.

- To conform with all applicable federal, state and other legal requirements;
- To adequately safeguard principal;
- To provide sufficient liquidity to meet all operating requirements; and
- To obtain a reasonable rate of return.

#### **II. Delegation of Authority**

The responsibility for administration of the investment program is delegated to the Administrative Director who shall establish procedures, subject to Board approval, for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates, and other relevant information.

#### **III. Prudence**

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in Agency.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

Consistent with the Columbia County IDA's Conflict of Interest Policy, all participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

#### IV. Diversification

It is the policy of the Agency to diversify its deposits and investments by financial institution such that the Agency's deposits and investments do not exceed FDIC coverage and collateral pledged by such institution.

#### V. Internal Controls

It is the policy of the Agency that all moneys collected by any officer or employee of the Agency be transferred to the Administrative Director or his designee within 5 days of receipt for deposit into Agency account.

The Administrative Director is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

#### VI. Designation of Authorized Depositories

The banks and trust companies authorized for the deposit of monies, up to the amounts; which are collateralized:

- Depository
- Key Bank
- Community Bank

#### VII. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, § 10, all deposits of the Agency, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of "eligible securities" with an aggregate market value, as provided by General Municipal Law, § 10, equal to the aggregate amount of such deposits (a list of eligible collateral securities are included as Appendix A to this policy).

#### VIII. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depositories trust department and/or a third party bank or trust company subject to security and custodial agreements.

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

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

#### IX. Authorized Investments

As authorized by General Municipal Law, § 11, the Agency authorizes the Administrative Director to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York
- Money market/savings

All investment obligations shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Agency within one year of the date of purchase.

#### X. Monthly Reporting Requirements

At each regularly scheduled bimonthly meeting of the Agency's Board of Directors, the Treasurer shall prepare a report of the Agency's cash and investments balances as of the last day of the preceding month or a later date, if available. At a minimum, such report shall contain:

- The name of each financial institution
- Type of account (checking, savings, certificate of deposit, etc.)
- Current rate of interest
- Account balance as of the last day of the previous month
- Maturity date in the case where funds are not currently available

THIS POLICY SHALL BE REVIEWED AND ADOPTED ANNUALLY.

## APPENDIX A

Schedule of securities eligible for collateralization of Agency deposits:

- I. Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.
- II. Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- III. Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation that under a specific State statute may be accepted as security for deposit of public moneys.
- IV. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- V. Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- VI. Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- VII. Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally statistical rating organization.
- VIII. Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.
- IX. Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- X. Zero coupon obligations of the United States government marketed as "Treasury strips".

**Schedule B**

**2023 Audit**

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

AUDITED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION

As of and for the years ended December 31, 2023 and 2022

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

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Columbia County Industrial Development Agency (a component unit of the County of Columbia, New York) (the "Agency"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Columbia County Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Columbia County Industrial Development Agency as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbia County Industrial Development Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audits of the Financial Statements***

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

### ***Required Supplementary Information***

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

any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

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

### ***Other Information***

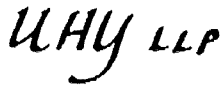
Management is responsible for the other information. The other information comprises the Schedule of Employment Data but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion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

### ***Emphasis of Matter***

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024 on our consideration of Columbia County Industrial Development Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbia County Industrial Development Agency's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "UHY LLP". The letters are stylized and cursive, with the "U" and "H" being particularly prominent.

Hudson, New York  
March 26, 2024

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(a component unit of the County of Columbia, New York)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**December 31, 2023 and 2022**

**1. Introduction:**

Within this section of the Columbia County Industrial Development Agency's (the "Agency") financial statements, the Agency's management provides narrative discussion and analysis of the financial activities of the Agency for the years ended December 31, 2023 and 2022. This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements for the years ended December 31, 2023 and 2022.

**2. Overview of the Financial Statements:**

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

**A. Financial Statements**

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

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

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

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

**B. Notes to Financial Statements**

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

**C. Supplementary and Other Information**

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

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(a component unit of the County of Columbia, New York)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**December 31, 2023 and 2022**

**3. Financial Highlights:**

The revenue decreased by \$35,947 from 2022 to 2023 due primarily to a decrease in administrative fee income. The expenses decreased by \$13,016 from 2022 to 2023 due primarily to an decrease in administration fees to CEDC in 2023.

The revenue increased by \$2,461 from 2021 to 2022 due primarily to an increase in administrative fee income offset by a decrease in application fee income. The expenses decreased by \$5,456 from 2021 to 2022 due primarily to an decrease in professional fees in 2022.

Total revenue did not meet budget in 2023 due to lack of administration fees for projects.

Total revenue did not meet budget in 2022 due to lack of land sale income and lack of application fees for projects.

Total expenditures in 2023 were below budget due to administration fees to CEDC and professional fees being below what was budgeted for the year.

Total expenditures in 2022 were overall below budget due to professional fees being below what was budgeted for the year.

**Financial Statement Analysis:**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets	<u>\$ 36,614</u>	<u>\$ 73,826</u>	<u>\$ 72,856</u>
Liabilities	\$ 12,500	\$ 33,714	\$ 39,677
Net Position	24,114	40,112	33,179
Total Liabilities and Net Position	<u>\$ 36,614</u>	<u>\$ 73,826</u>	<u>\$ 72,856</u>

Total assets decreased by \$37,212 or 50.41% and total liabilities decreased \$21,214 or 62.92% for the year ended December 31, 2023. Total net position decreased \$15,998 for the year ended December 31, 2023. The decrease in net position was primarily the result of decreased administration fees income during 2023.

Total assets increased by \$970 or 1.33% and total liabilities decreased \$5,963 or 15.03% for the year ended December 31, 2022. The net position increased \$6,933 for the year ended December 31, 2022. The increase in net position was primarily the result of increased administration fees income and decrease in professional fees during 2022.

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
(a component unit of the County of Columbia, New York)  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
December 31, 2023 and 2022

**3. Financial Highlights (Continued):**

**Financial Statement Analysis (Continued):**

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

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Bank interest	\$ 5	\$ 11
Restricted revenue - Columbia County	6,059	-
Application fees	2,000	-
Administration fees - PILOTS	1,500	45,500
Total revenues	<u>9,564</u>	<u>45,511</u>
<b>EXPENSES</b>		
Professional fees	11,606	12,651
Insurance	1,438	1,849
Office	18	78
Administration- CEDC	12,500	24,000
Total expenses	<u>25,562</u>	<u>38,578</u>
<b>NET (DECREASE) INCREASE IN NET POSITION</b>	<b>(15,998)</b>	<b>6,933</b>
<b>NET POSITION, Beginning of year</b>	<b><u>40,112</u></b>	<b><u>33,179</u></b>
<b>NET POSITION, End of year</b>	<b><u>\$ 24,114</u></b>	<b><u>\$ 40,112</u></b>

The revenue budget for 2023 was \$52,500 with \$1,000 in projected profit. The revenue budget for 2022 was \$63,350 with \$2,050 in projected profit. There were no amendments to the budget during 2023 and 2022.

The Agency's revenues in 2023 were \$9,564 versus \$45,511 in 2022. The Agency's expenses in 2023 were \$25,562 versus \$38,578 in 2022. The Agency's net position decreased \$15,998 and increased \$6,933 as a result of operations in 2023 and 2022, respectively.

**4. Economic Factors and Next Year's Budget:**

The ability to generate future fee revenue and meet the Agency's 2024 revenue budget expectation is dependent on future project closings. The ability to predict the future success of such events is difficult. Economic conditions in Columbia County, New York as well as changes in interest rates, influence the Agency's ability to attract such project and financing activities.

**5. Additional Information:**

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

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
(a component unit of the County of Columbia, New York)  
**STATEMENTS OF NET POSITION**  
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents:		
Checking	\$ 1,187	\$ 4,247
Money market	35,311	47,808
Total cash and cash equivalents	<u>36,498</u>	<u>52,055</u>
Prepaid expenses	116	116
Total current assets	<u>36,614</u>	<u>52,171</u>
Restricted escrow accounts	<u>-</u>	<u>21,655</u>
 Total assets	 <u><u>\$ 36,614</u></u>	 <u><u>\$ 73,826</u></u>
 <b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Due to Columbia Economic Development Corporation	\$ 12,500	\$ 6,000
Due to Columbia County	-	6,059
Total current liabilities	<u>12,500</u>	<u>12,059</u>
 PILOT escrow deposits	 -	 21,655
Total liabilities	<u>12,500</u>	<u>33,714</u>
 <b>NET POSITION</b>		
Unrestricted	18,055	40,112
Restricted	6,059	-
Total net position	<u>24,114</u>	<u>40,112</u>
 Total liabilities and net position	 <u><u>\$ 36,614</u></u>	 <u><u>\$ 73,826</u></u>

*See notes to financial statements.*



**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
(a component unit of the County of Columbia, New York)  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>REVENUE</b>		
Bank interest	\$ 5	\$ 11
Restricted revenue - Columbia County	6,059	-
Application fees	2,000	-
Administration fees - PILOTS	1,500	45,500
Total revenues	<u>9,564</u>	<u>45,511</u>
<b>EXPENSES</b>		
Professional fees	11,606	12,651
Insurance	1,438	1,849
Office	18	78
Administration- CEDC	12,500	24,000
Total expenses	<u>25,562</u>	<u>38,578</u>
<b>NET (DECREASE) INCREASE IN NET POSITION</b>	(15,998)	6,933
<b>NET POSITION, Beginning of year</b>	<u>40,112</u>	<u>33,179</u>
<b>NET POSITION, End of year</b>	<u>\$ 24,114</u>	<u>\$ 40,112</u>

*See notes to financial statements.*

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
(a component unit of the County of Columbia, New York)  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Bank interest received	\$ 5	\$ 11
Operating expenses paid	(19,062)	(38,751)
Receipts from application fees	2,000	-
Receipt of proceeds from land sale	-	90,000
Disbursement of proceeds from land sale	-	(88,490)
Receipts from administration fees	1,500	45,500
PILOT receipts	72,447	146,024
PILOT payments	(72,447)	(146,024)
Net cash (used for) provided by operating activities	<u>(15,557)</u>	<u>8,270</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(15,557)</u>	<u>8,270</u>
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	<u>52,055</u>	<u>43,785</u>
<b>CASH AND CASH EQUIVALENTS, End of year</b>	<u><u>\$ 36,498</u></u>	<u><u>\$ 52,055</u></u>

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

Change in net position	\$ (15,998)	\$ 6,933
Change in assets and liabilities:		
(Decrease) increase in PILOT escrow deposits	(21,655)	37
Decrease (increase) in restricted escrow account	21,655	(37)
Decrease in prepaid expenses	-	1,278
Increase (decrease) in due to CEDC	6,500	(6,000)
Decrease in land sale receivables	-	6,059
Decrease in due to Columbia County	(6,059)	-
Net cash (used for) provided by operating activities	<u><u>\$ (15,557)</u></u>	<u><u>\$ 8,270</u></u>

*See notes to financial statements.*

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(a component unit of the County of Columbia, New York)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 1 – NATURE OF ORGANIZATION**

**Business Activity**

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

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

Payment in lieu of taxes (PILOT)

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

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

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

Uncertainty

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

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

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(a component unit of the County of Columbia, New York)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

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

**Deferred Outflows/Inflows of Resources**

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

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

As a result of Statement 63, financial statements will include deferred outflows of resources and deferred inflows of resources ("deferrals"), in addition to assets and liabilities, and will report net position instead of net assets. As of December 31, 2023 and 2022, there were no deferred outflows or inflows of resources.

**Budgetary Data**

The budget policies are as follows:

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

**Use of Estimates**

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

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(a component unit of the County of Columbia, New York)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition**

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

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

**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.

**Subsequent Events**

Subsequent events have been evaluated through March 26, 2024, which is the date the financial statements were available to be issued.

**NOTE 3 – CREDIT RISK**

For purposes of reporting cash flows, the Agency considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents. As of December 31, 2023 and 2022, cash, which consists of one checking and one money market account, was covered by federal depository insurance up to \$250,000. Cash equivalent balances during the year rarely exceed FDIC-insured levels and when they do, it is only for a short period of time. Therefore, management believes investment risk of loss is low regarding cash and cash equivalents.

**NOTE 4 – CONDUIT DEBT OBLIGATIONS**

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

As of December 31, 2022 and 2023, there were no Industrial Revenue Bonds outstanding.

**NOTE 5 – RESTRICTED ESCROW ACCOUNTS**

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

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**(a component unit of the County of Columbia, New York)**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

**NOTE 5 – RESTRICTED ESCROW ACCOUNTS (Continued)**

One participant had a deposit of \$20,000 plus interest held in escrow as of December 31, 2022 which was subsequently repaid during 2023 when the associated PILOT came to an end. The deposit was in the form of a 6-month certificate of deposit during the year 2022.

**NOTE 6 – COMMERCE PARK LAND**

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

In 2016, the Agency sold a piece of land in Commerce Park to an individual for \$27,750. The Agency received a five-year note at 4.5% with annual principal and interest payments of \$6,338.

At December 31, 2022, the balance of due to Columbia County was \$6,059 related to the land sale described above. A payment of \$6,059 was received in 2022 on the outstanding receivable which represented the outstanding principal balance due. The Agency waived the interest due in 2022.

During 2023, the Agency was directed by Columbia County to retain the balance due to Columbia County of \$6,059. Columbia County will instruct the Agency to use the funds for economic development purposes in the future. The Agency has recognized the \$6,059 as revenue in 2023 and restricted it for this purpose.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

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

During the year ended December 31, 2023, the Agency recognized \$6,059 of revenue restricted by Columbia County, related to the sale of Commerce Park land (see note 6).

The Agency pays an administrative fee to the CEDC for expenses that CEDC staff incurs on behalf of the Agency. There were \$12,500 of outstanding fees to be paid as of December 31, 2023 and outstanding fees of \$6,000 to be paid as of December 31, 2022. The Agency incurred \$12,500 and \$24,000 in fees during 2023 and 2022, respectively.

**NOTE 8 – CONCENTRATIONS**

During the year ended December 31, 2023, total revenue was comprised of 63% and 21%, respectively, of revenue from Columbia County and application fees, each from one source. During the year ended December 31, 2022, total revenue was comprised 92% of application fees from one source.

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Columbia County Industrial Development Agency as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Columbia County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 26, 2024.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

### **Purpose of this Report**

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

*UHY LLP*

Hudson, New York  
March 26, 2024



## **SUPPLEMENTARY INFORMATION**

**COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
(a component unit of the County of Columbia, New York)  
**SCHEDULE OF PROJECTS AND EXEMPTIONS**  
Year ended December 31, 2023

Project Code	Project Owner	Real Property Tax Exemptions County	Real Property Tax Exemptions Local	Real Property Tax Exemptions School	Sales Tax	Mortgage Recording	Total Exemptions
	2990 Realty Corporation						
	2990 Route 9						
10010801A	Hudson, NY 12534	\$ (2,920)	\$ 5,386	\$ -	\$ -	\$ -	\$ 2,466
	41 Cross Street Hospitality, LLC						
	41 Cross Street						
10011701A	Hudson, NY 12534	11,388	18,013	31,984	-	-	61,385
	Klocke Estate Holdings, LLC						
	2678 County Route 27						
1001-21-01	Claverack, NY 12534	-	-	-	206,288	-	206,288
		<u>\$ 8,468</u>	<u>\$ 23,399</u>	<u>\$ 31,984</u>	<u>\$ 206,288</u>	<u>\$ -</u>	<u>\$ 270,139</u>

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(a component unit of the County of Columbia, New York)  
SCHEDULE OF PILOTS  
Year ended December 31, 2023

Project Code	County PILOT	Local PILOT	School PILOT	Sales Tax PILOT	Total PILOTS
10010801A	\$ 7,728	\$ 2,219	\$ -	\$ -	\$ 9,947
10011701A	11,595	18,340	32,565	-	62,500
1001-21-01	-	-	-	-	-
Total	<u>\$ 19,323</u>	<u>\$ 20,559</u>	<u>\$ 32,565</u>	<u>\$ -</u>	<u>\$ 72,447</u>

## OTHER INFORMATION

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(a component unit of the County of Columbia, New York)  
SCHEDULE OF EMPLOYMENT DATA  
Year ended December 31, 2023

	Number of FTE Employees at Project Location Before IDA Status	Original Estimate of		Number of Current FTE Employees
		Original Estimate of Jobs to be Created	Jobs to be Retained	
2990 Realty Corporation	-	18	-	12
41 Cross Street Hospitality, LLC	-	12	-	23
Klocke Estate Holdings, LLC	-	8	-	13

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March 26, 2024

To the Board of Directors of the  
Columbia County Industrial Development Agency

We have audited the financial statements of Columbia County Industrial Development Agency as of and for the year ended December 31, 2023 and have issued our report thereon dated March 26, 2024. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated November 29, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Columbia County Industrial Development Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

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

#### **Planned Scope and Timing of the Audit**

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

#### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team and others in our firm, as appropriate have complied with all relevant ethical requirements regarding independence.

### **Disagreements with Management**

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

### **Representations Requested from Management**

We have requested certain written representations from management in a separate letter dated March 26, 2024.

### **Management's Consultations with Other Accountants**

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

### **Other Significant Matters, Findings or Issues**

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

### **Going Concern Considerations**

We believe that the following events or conditions identified during the course of the audit raise a question as to the Organization's ability to continue as a going concern:

- As discussed in Note 1 to the financial statements, the Agency has operated with expenditures in excess of revenues. If the Agency fails to generate revenue in the future in part by the support of related parties, it will either need to curtail operations and/or seek additional sources of cash flow, the outcome of which is currently uncertain. We did not modify our opinion with respect to this matter.

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

Very truly yours,

*UHY LLP*