

**COLUMBIA ECONOMIC
DEVELOPMENT CORPORATION
2025 Investment Report**

In accordance with Section 2925 of the Public Authorities Law; Sections 10, 11 and 858-a of General Municipal Law, the Columbia Economic Development Corporation has prepared an annual Investment Report for 2025.

The Columbia Economic Development Corporation Investment Policy was originally approved on February 5, 2015, with the latest revision made on April 20, 2021.

The Policy was amended on April 20, 2021. Section VII was corrected to reflect the removal of an unused Authorized Depository. No other amendments were made since the policy was reviewed and re-adopted on January 31, 2025.

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

The 2025 Annual Financial Audit is attached as Schedule B.

The Corporation generated \$20,779.11 in interest income for the period January 1, 2025 – December 31, 2025.

| Bank Name | Amount Generated | Fees |
|---------------------------|------------------|------------|
| Community Bank | \$ 14,233.52 | \$ 1297.50 |
| Key Bank | \$ 3,405.36 | \$ 399.49 |
| The Bank of Greene County | \$ 3,140.23 | \$ 331.40 |

Schedule A

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION

INVESTMENT POLICY

I. Scope

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

II. Objectives

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

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

III. Delegation of Authority

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

IV. Prudence

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

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

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

V. Diversification

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

VI. Internal Controls

It is the policy of the Corporation that all moneys collected by any officer or employee of the Corporation be transferred to the President/CEO or his designee within 5 days of receipt for deposit into the Corporation's account.

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

VII. Designation of Authorized Depositories

The banks and trust companies authorized for the deposit of monies :

Depository

Community Bank formerly Kinderhook Bank

Key Bank formerly First Niagara Bank

The Bank of Greene County

Berkshire Bank

VIII. Collateralizing of Deposits

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

IX. Safekeeping and Collateralization

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

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

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

X. Authorized Investments

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

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

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

XI. Quarterly Reporting Requirements

Each quarter, at the regularly scheduled monthly meeting of the Corporation's Board of Trustees, the Treasurer shall prepare a report of the Corporation's cash and investment balances as of the last day of the preceding month or a later date, if available. At a minimum such report shall contain:

- The name of each financial institution
- Type of account (checking, savings, certificate of deposit, etc.)
- Current rate of interest
- Account balance as of the last day of the previous month

THIS POLICY SHALL BE REVIEWED AND ADOPTED ANNUALLY.

APPENDIX A

Schedule of securities eligible for collateralization of Corporation deposits:

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

Schedule B

2025 Audit

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)

FINANCIAL STATEMENTS
(And Independent Auditor's Reports)

As of and for the year ended December 31, 2025
(with memorandum totals as of and for the year ended December 31, 2024)

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)

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UHY LLP
One Hudson City Centre
Suite 204
Hudson, NY 12534
(518) 828-1565
uhy-us.com

INDEPENDENT AUDITOR'S REPORT

To the Chairman and Board of
Columbia Economic Development Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Columbia Economic Development Corporation (a not-for-profit component unit of the County of Columbia, New York), as of and for the year ended December 31, 2025, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Columbia Economic Development Corporation as of December 31, 2025 and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Economic Development 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

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 Economic Development Corporation'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 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 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 audit.
- Identify and assess the risks of material misstatements 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 Economic Development 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 professional judgment, 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.

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 audit.

Required Supplementary Information

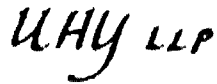
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026 on our consideration of Columbia Economic Development Corporation's internal control over financial reporting and on 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 Economic Development Corporation's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Columbia Economic Development Corporation's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 27, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

The image shows the handwritten signature of UHY LLP in a cursive, black ink style.

Hudson, New York
March 31, 2026

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2025

1. Introduction:

Within this section of the Columbia Economic Development Corporation's (the "Corporation") financial statements, the Corporation's management provides narrative discussion and analysis of the financial activities of the not-for-profit Corporation for the year ended December 31, 2025. This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements for the year ended December 31, 2025.

2. Overview of the Financial Statements:

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

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 notes to the financial statements for a summary of the Corporation's significant accounting policies.

The *Statement of Net Position* presents information on the Corporation's assets and liabilities and deferred inflows of resources, 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 *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Corporation's net position changed during the most recent year. 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 this statement for some items that will result in cash flows in future periods.

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

Notes to Financial Statements:

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

3. Financial Highlights:

During the year ended December 31, 2025, the Corporation was able to assist Columbia County businesses through its Small Business and Small Business Administration (SBA) Microloan programs, as well as with Columbia Forward Grants, Technical Assistance, and Microenterprise Grants. In addition, CEDC provided support and assistance to a large number of businesses looking to locate or expand in Columbia County.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2025

3. Financial Highlights (Continued):

Net position increased \$37,408 during the year ended December 31, 2025. Operating revenues increased by about 7% from last year. Non-operating activity in 2025 (excluding appropriations) resulted in a loss of \$7,138. Operating expenses were generally consistent with last year as the increase is less than 2%.

Total assets increased by \$222,366 or 4% and total liabilities increased \$197,959 or 8% for the year ended December 31, 2025. Cash and cash equivalents was \$1,854,483 at December 31, 2025, an increase of \$73,501 from December 31, 2024. Total loans increased by \$140,414 to \$2,978,553 presented net of an allowance for loan loss of \$433,394 at December 31, 2025.

4. Financial Statement Analysis:

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

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|---------------------|
| Assets | | |
| Capital and right-of-use assets | \$ 588,188 | \$ 631,368 |
| Current assets | 2,100,794 | 1,870,773 |
| Long-term assets | 2,949,881 | 2,914,356 |
| Total assets | <u>\$ 5,638,863</u> | <u>\$ 5,416,497</u> |
| Current liabilities | \$ 380,134 | \$ 290,690 |
| Long-term liabilities | 2,366,267 | 2,257,752 |
| Deferred inflow of resources | 71,414 | 84,415 |
| Net position | | |
| Unrestricted | 1,941,056 | 2,057,127 |
| Capital | (12,342) | 1,801 |
| Restricted | 892,334 | 724,712 |
| Total liabilities, deferred inflows, and net position | <u>\$ 5,638,863</u> | <u>\$ 5,416,497</u> |

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2025

4. Financial Statement Analysis (Continued):

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

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|---------------------|
| Operating revenues | | |
| Administrative fees | \$ 120,000 | \$ 25,000 |
| Interest on loans | 134,657 | 120,431 |
| Grant revenues | 804,146 | 852,737 |
| Membership fees | 45,403 | 31,187 |
| Total operating revenues | <u>1,104,206</u> | <u>1,029,355</u> |
| Non-operating revenues | | |
| Columbia County appropriation | 460,000 | 460,000 |
| Interest earnings | 29,347 | 36,980 |
| Gain on lease modification | - | 18,195 |
| Total non-operating revenues | <u>489,347</u> | <u>515,175</u> |
| Total revenues | <u>1,593,553</u> | <u>1,544,530</u> |
| Operating expenses | | |
| Personnel and benefits | 564,549 | 540,245 |
| Professional fees | 55,502 | 55,662 |
| Grants | 294,375 | 403,038 |
| Office | 103,210 | 106,366 |
| Consulting | 167,033 | 160,699 |
| Marketing | 19,765 | 11,039 |
| New initiatives | 72,894 | 84,474 |
| Amortization on right-of-use asset | 40,728 | 37,975 |
| Loan loss reserve | 132,688 | 16,710 |
| Other operating expenses | 68,916 | 71,620 |
| Total operating expenses | <u>1,519,660</u> | <u>1,487,828</u> |
| Nonoperating expenses | | |
| Interest | 36,485 | 23,582 |
| Total nonoperating expenses | <u>36,485</u> | <u>23,582</u> |
| Total expenses | <u>1,556,145</u> | <u>1,511,410</u> |
| Total revenues in excess of expenses | 37,408 | 33,120 |
| Net position at the beginning of the year | <u>2,783,640</u> | <u>2,750,520</u> |
| Net position at the end of the year | <u>\$ 2,821,048</u> | <u>\$ 2,783,640</u> |

The 2025 budget included revenue of \$1,277,500 and expenses of \$1,272,500 with a projected gain of \$5,000. Total revenues and expenses were 24% and 22% higher than the budget, respectively, which primarily comes from increases in grant income and expenses.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
MANAGEMENT DISCUSSION AND ANALYSIS
December 31, 2025

5. Capital Assets and Long-Term Debt:

Long-term debt increased by \$106,453 due to \$350,000 from new loan borrowings from the SBA and \$243,547 of payments on its SBA microloan program loans and economic injury disaster loans. There were no capital assets acquired during 2025.

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 President/CEO, Columbia Economic Development Corporation, 1 Hudson City Centre, Suite 301, Hudson, NY 12534.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENT OF NET POSITION
December 31, 2025
(with memorandum only totals at December 31, 2024)

| | 2025 | 2024 (memorandum only) |
|--|---------------------|---------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1,048,322 | \$ 1,130,418 |
| Accounts receivable | 16,250 | 8,970 |
| Account receivable - Columbia County Industrial Development Agency (CCIDA) | 37,500 | 25,000 |
| Account receivable - Columbia County Land Bank Corporation (CCLBC) | 15,000 | - |
| Small Business Administration (SBA) technical assistance grant receivable | 145,689 | 128,838 |
| Loans receivable, current portion | 838,033 | 577,547 |
| Total current assets | <u>2,100,794</u> | <u>1,870,773</u> |
| CAPITAL AND RIGHT-OF-USE ASSETS, NET | | |
| Land | 232,900 | 232,900 |
| Furniture and equipment, net of \$48,115 of accumulated depreciation | 2,308 | 4,760 |
| Right of use asset, net of accumulated amortization of \$54,304 | 352,980 | 393,708 |
| Total capital assets, net | <u>588,188</u> | <u>631,368</u> |
| OTHER ASSETS | | |
| Restricted cash | 806,161 | 650,564 |
| Security deposit | 3,200 | 3,200 |
| Loans receivable, less current portion, net of allowance of \$433,394 | 2,140,520 | 2,260,592 |
| Total other assets | <u>2,949,881</u> | <u>2,914,356</u> |
| Total assets | <u>\$ 5,638,863</u> | <u>\$ 5,416,497</u> |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 8,388 | \$ 4,934 |
| Accrued expenses | 19,081 | 16,798 |
| Loan payable - Economic Injury Disaster Loan (EIDL), current portion | 20,042 | 19,499 |
| Loans payable - SBA microloan program, current portion | 256,329 | 220,423 |
| Lease liability, current portion | 31,294 | 29,036 |
| Unearned revenue, current portion | 45,000 | - |
| Total current liabilities | <u>380,134</u> | <u>290,690</u> |
| NON-CURRENT LIABILITIES | | |
| Loan payable-EIDL, long-term portion | 23,830 | 43,859 |
| Loans payable-SBA microloan program, long-term portion | 1,326,399 | 1,236,366 |
| Lease liability, long-term portion | 336,336 | 367,631 |
| Unearned revenue, long-term portion | 679,702 | 609,896 |
| Total non-current liabilities | <u>2,366,267</u> | <u>2,257,752</u> |
| Total liabilities | <u>2,746,401</u> | <u>2,548,442</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred grant income | 67,500 | 67,500 |
| Deferred membership income | 3,914 | 16,915 |
| Total deferred inflows of resources | <u>71,414</u> | <u>84,415</u> |
| NET POSITION | | |
| Unrestricted | 1,941,056 | 2,057,127 |
| Invested in capital assets | (12,342) | 1,801 |
| Restricted | 892,334 | 724,712 |
| Total net position | <u>2,821,048</u> | <u>2,783,640</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 5,638,863</u> | <u>\$ 5,416,497</u> |

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2025
(with memorandum only totals for the year ended December 31, 2024)

| | <u>2025</u> | <u>2024</u> (memorandum only) |
|---|---------------------|----------------------------------|
| OPERATING REVENUE | | |
| Administrative fees - CCIDA | \$ 12,500 | \$ 12,500 |
| Administrative fees - Hudson IDA | 32,500 | 12,500 |
| Administrative fees - Village of Kinderhook | 15,000 | - |
| Administrative fees - CCLBC | 60,000 | - |
| Grant revenue | 304,683 | 274,525 |
| Grant revenue - Columbia County | 499,463 | 578,212 |
| Interest on loans | 134,657 | 120,431 |
| Membership fees | 45,403 | 31,187 |
| Total operating revenue | <u>1,104,206</u> | <u>1,029,355</u> |
| OPERATING EXPENSES | | |
| Personnel and benefits | 564,549 | 540,245 |
| Grants | 294,375 | 403,038 |
| Office | 103,210 | 106,366 |
| Program delivery fees | 52,926 | 50,831 |
| Professional fees | 55,502 | 55,662 |
| Consulting | 167,033 | 160,699 |
| Meetings and events | 7,643 | 9,980 |
| Insurance | 3,867 | 3,827 |
| Marketing | 19,765 | 11,039 |
| New initiatives | 72,894 | 84,474 |
| Depreciation | 2,452 | 4,469 |
| Amortization on right-of-use asset | 40,728 | 37,975 |
| Loan loss reserve | 132,688 | 16,710 |
| Miscellaneous | 2,028 | 2,513 |
| Total operating expenses | <u>1,519,660</u> | <u>1,487,828</u> |
| OPERATING LOSS | <u>(415,454)</u> | <u>(458,473)</u> |
| NON-OPERATING REVENUE (EXPENSES) | | |
| Bank interest | 29,347 | 36,980 |
| Gain on lease modification | - | 18,195 |
| Interest expense and fees | (36,485) | (23,582) |
| Total non-operating revenue (expenses) | <u>(7,138)</u> | <u>31,593</u> |
| Appropriation from the County of Columbia, NY | <u>460,000</u> | <u>460,000</u> |
| CHANGE IN NET POSITION | <u>37,408</u> | <u>33,120</u> |
| NET POSITION, Beginning of year | <u>2,783,640</u> | <u>2,750,520</u> |
| NET POSITION, End of year | <u>\$ 2,821,048</u> | <u>\$ 2,783,640</u> |

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENT OF CASH FLOWS
For the year ended December 31, 2025
(with memorandum only totals for the year ended December 31, 2024)

| | <u>2025</u> | <u>2024</u> <u>(memorandum only)</u> |
|--|------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Administrative and project fees - Hudson IDA | \$ 32,500 | \$ 12,500 |
| Administrative fees - Village of Kinderhook | 15,000 | - |
| Administrative fees - CCLDC | 45,000 | - |
| Principal disbursed on loans receivable | (1,038,599) | (925,525) |
| Principal received on loans receivable | 765,497 | 643,521 |
| Membership contributions | 32,402 | 36,880 |
| Grant revenue | 894,821 | 954,166 |
| Interest on loans | 134,657 | 120,431 |
| Payments to employees | (564,549) | (540,245) |
| Payments to vendors | (773,506) | (909,976) |
| Net cash used for operating activities | <u>(456,777)</u> | <u>(608,248)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Appropriation from the County of Columbia, NY | 460,000 | 460,000 |
| Payments on SBA microloan program | (224,061) | (185,502) |
| Proceeds from SBA microloan program | 350,000 | 500,000 |
| Payments on EIDL loan | (19,486) | (18,962) |
| Net cash provided by noncapital financing activities | <u>566,453</u> | <u>755,536</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | |
| Principal paid on leases | (29,037) | (31,768) |
| Interest paid | (36,485) | (23,582) |
| Net cash used for capital financing activities | <u>(65,522)</u> | <u>(55,350)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from certificate of deposit | - | 410,802 |
| Interest received | 29,347 | 36,980 |
| Net cash provided by investing activities | <u>29,347</u> | <u>447,782</u> |

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
STATEMENT OF CASH FLOWS
For the year ended December 31, 2025
(with memorandum only totals for the year ended December 31, 2024)

| | <u>2025</u> | <u>2024</u> (memorandum only) |
|---|----------------------------|----------------------------------|
| NET INCREASE IN CASH AND CASH EQUIVALENTS | \$ 73,501 | \$ 539,720 |
| CASH AND CASH EQUIVALENTS, Beginning of year | 1,780,982 | 1,241,262 |
| CASH AND CASH EQUIVALENTS, End of year | <u>\$ 1,854,483</u> | <u>\$ 1,780,982</u> |
| RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents | \$ 1,048,322 | \$ 1,130,418 |
| Restricted cash | 806,161 | 650,564 |
| | <u>\$ 1,854,483</u> | <u>\$ 1,780,982</u> |
| Reconciliation of operating loss to net cash used for operating activities: | | |
| Operating loss | \$ (415,454) | \$ (458,473) |
| Loan loss reserve | 132,688 | 16,710 |
| Amortization on right-of-use asset | 40,728 | 37,975 |
| Depreciation expense | 2,452 | 4,469 |
| Changes in assets, liabilities, and deferred inflows: | | |
| Loans receivable | (273,102) | (282,004) |
| SBA technical assistance grant receivable | (16,851) | (59,347) |
| Accounts receivable | (7,280) | 56,663 |
| Account receivable - IDA | (12,500) | (12,500) |
| Account receivable - CCLBC | (15,000) | - |
| Accounts payable | 3,454 | (21,770) |
| Unearned revenue | 114,806 | 135,200 |
| Accrued expenses | 2,283 | 223 |
| Deferred grant income | - | (31,087) |
| Deferred membership income | (13,001) | 5,693 |
| | <u>\$ (456,777)</u> | <u>\$ (608,248)</u> |
| Net cash used for operating activities | | |

See notes to financial statements.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF ORGANIZATION

Financial Reporting Entity

The Columbia Economic Development Corporation (“CEDC” or the “Corporation”) was organized as a not-for-profit entity for the purpose of promoting and developing industry and job development in Columbia County, New York (the “County”). The Corporation is a component unit of the County, is a separate entity, and operates independently of the County.

Programs of the Corporation

General Operating

The Corporation derives its revenues primarily from the County appropriations and from administrative fees from related parties such as Columbia County Industrial Development Agency (“CCIDA”). The Corporation also derives revenue from interest on loans receivable and various state and local grants.

Loan Program

The loan program offers loans to local businesses, often at a discounted interest rate, to attract business to the County as well as expand business growth from existing businesses already located in the County. The program funds are also used to continue offering the Microbusiness seminar series and is used to fund expenses as it applies to the administration and delivery of programs.

The loan program receives grant money from time to time from the Community Development Block Grant (CDBG) Program through New York State (NYS). As a requirement of the grant, the loan program awards a contingent grant (usually based on employment goals) to local organizations after meeting certain NYS grant requirements. If requirements of the grant are not met by the local organization, the grant converts to a loan. The Corporation treats these arrangements as loans until the contingencies are met. As of December 31, 2025, the Corporation’s loans receivables include \$724,702 of these loan types comprised of:

| | Original Loan Balance | Loan Balance at December 31, 2025 | Expected Forgiveness Date |
|--------------------------------|--------------------------|--------------------------------------|---------------------------------|
| Return Brewery (CDBG) | \$ 156,502 | \$ 156,502 | 2028 |
| Klein's Kill Fruit Farm (CDBG) | 238,000 | 238,000 | 2028 |
| Klocke Estates (CDBG) | 285,200 | 285,200 | 2027 |
| Hudson Valley Creamery (CDBG) | 45,000 | 45,000 | 2026 |
| Total CDBG loans receivable | <u>\$ 724,702</u> | <u>\$ 724,702</u> | |

During the year ended December 31, 2025, the Corporation received \$114,806 which was recorded as unearned revenue due to conditions the grantee must meet related to employment goals before the grant revenue can be recognized by the Corporation (see Note 10). The \$114,806 in grant money was distributed in 2025 and is therefore reflected in the original loan balance in the table above. Total unearned revenue as of December 31, 2025, was \$724,702. If the job requirements are not met by the grantee, they are obligated to repay the grant received. Should the employment goals not be met, the Corporation would either have to repay the CDBG grant or request permission to re-grant the funds to another eligible participant.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 – NATURE OF ORGANIZATION (Continued)

Programs of the Corporation (Continued)

CDBG

Grant funds received with performance requirements are recorded as unearned revenue in the period granted. The Corporation records a receivable for the amount of the loan lent out or grant made to the third-party business. As obligations are met, the loan is paid off or written down and the loan balance is earned or forfeited. Unearned revenue is recognized in income as performance obligations are met and contingent grants made are recognized in expense as earned by the grantee.

Microbusiness Program

The microbusiness program is funded by the loan program. The program offers technical assistance to local businesses. The program also offers seminars taught by local business owners and professionals.

SBA-Microloan Program

Loans are provided to small businesses in Columbia and Greene Counties funded by the Small Business Administration (SBA). Loans over 120 days past due are required to be charged off. The loan maturity date should not exceed six years on Microloans. The Corporation may charge up to 7.75% interest over the Corporation's cost of funds on a microloan of more than \$10,000 and up to 8.5% interest over the Intermediary's cost of funds on a microloan of \$10,000 or less. Amounts loaned to the Corporation are maintained in a restricted revolving loan fund. The Corporation is also required to maintain a separate loan loss reserve fund with its own funds representing at least 15% of SBA funds received.

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 (U.S. GAAP), the Corporation applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as the Corporation is a component unit of the County, a governmental entity. The Corporation does not apply any Financial Accounting Standards Board (FASB) or AICPA pronouncements post November 30, 1989, as clarified by GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-1989 FASB and AICPA Pronouncements.*" In accordance with GASB standards, balances and activity for the Corporation are presented as an enterprise fund.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

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.

GASB Statement No. 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 GASB Statement No. 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.

Membership fees collected in the current year that will be recognized as revenue next year and grant payments received in advance of the grant term are classified as a deferred inflow.

Prior Year Amounts

The financial statements do not include prior year comparative disclosures. Accordingly, the prior year amounts are not intended to present all information necessary for a fair presentation in accordance with U.S. GAAP. Such information should be read in conjunction with the Organization's prior year financial statements from which the summarized information was derived.

Budgetary Data

The budget policies are as follows:

In October of each year, the President/Chief Executive Officer (CEO) afterward 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.

Income Taxes

A provision for income tax has not been provided for in these financial statements, as the Corporation is a not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The Corporation has evaluated any uncertain tax positions and related income tax contingencies and determined uncertain positions, if any, are not material to the financial statements. Penalties and interest assessed by income taxing authorities are included in operating expenses, if incurred. None of the Corporation's returns are currently under examination. The Corporation is no longer subject to examination by federal and state taxing authorities for the years prior to the year ended December 31, 2022.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 amounts.

The determination of the adequacy of the allowance for loan losses is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. In connection with the determination of the estimated losses on loans, management obtains independent appraisals for significant collateral.

The Corporation's loans are generally secured by specific items of collateral including real property, consumer assets, and business assets, along with personal guarantees. Although the Corporation has a diversified loan portfolio, a substantial portion of its debtors' ability to honor their contracts is dependent on local economic conditions in the County.

While management uses available information to recognize losses on loans, further reductions in the carrying amounts of loans may be necessary based on changes in local economic conditions. Because of these factors, it is reasonably possible that the estimated losses on loans may change materially in the near term.

Revenue Recognition

Contribution revenue is recognized in the period when all applicable eligibility requirements have been met, the revenue is measurable, and future installments are considered probable of collection. Contribution revenue that is restricted as a result of a purpose or time restriction is included as a component of "restricted net position", when applicable.

Administrative revenue is recognized in the period services are provided. Payments are generally received from related parties on a quarterly basis. Grant revenue is recognized on cost reimbursable contracts in the period the allowable costs are incurred. Advances on grants prior to costs being incurred in accordance with the terms of the grant agreement are deferred until the allowable period costs are incurred. Membership revenue is recognized as revenue over the period of membership.

Interest on loans is recognized in the period earned over the life of the related loans receivable.

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

Columbia County Appropriation

For the year ended December 31, 2025, the County appropriated \$460,000 for unrestricted use by the Corporation. The Corporation recognizes appropriated income in the period appropriated.

Cash and Cash Equivalents

The Corporation considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are recorded at cost and fair market value for donated items. Maintenance and repairs are expensed as incurred whereas major repairs and betterments are capitalized. Property and equipment comprise office equipment, furniture and software. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets, which are:

| | |
|-------------------------|----------------|
| Land | Not applicable |
| Computer/Software | 3 – 5 years |
| Furniture and Equipment | 5 – 10 years |

Right-of-Use Lease Assets

The Corporation's right-of-use (ROU) assets are reported within the major class of the underlying asset and initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or before the commencement of the lease term, less any lease incentives, plus ancillary charges necessary to place the lease asset into service. The ROU lease assets are amortized on a straight-line basis over the life of the related lease.

Loans and Allowance for Loan Losses

Loans are stated at their recorded investment, which is the amount of unpaid principal, reduced by an allowance for loan losses. Interest is calculated by using the simple interest method.

The allowance for loan losses reflects management's judgment of probable loan losses inherent in the portfolio at the balance sheet date. The Corporation uses a disciplined process and methodology to establish the allowance for loan losses. To determine the total allowance for loan losses, management estimates the reserves needed for each loan outstanding.

To determine the balance of the allowance account, loans are evaluated on a case by case basis and future losses are projected using historical experience adjusted for current economic and industry conditions. Management exercises significant judgment in determining the estimation method that fits the credit risk characteristics of each case. Management must use judgment in establishing additional input factors for estimating purposes. The assumptions used to determine the allowance are periodically reviewed by management to ensure that their theoretical foundation, assumptions, data integrity, computational processes, and reporting practices are appropriate and properly documented.

The establishment of the allowance for loan losses relies on a consistent process that requires multiple layers of management review and judgment and responds to changes in economic conditions, customer behavior, and collateral value, among other influences. From time to time, events or economic factors may affect the loan portfolio, causing management to provide additional amounts to, or release balances from, the allowance for loan losses.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and Allowance for Loan Losses (Continued)

Management monitors differences between estimated and actual incurred loan losses. This monitoring process includes periodic assessments by senior management of loan portfolios and the assumptions used to estimate incurred losses in those portfolios. Additions to the allowance for loan losses are made by charges to the provision for loan losses. Credit exposures deemed to be uncollectible are charged against the allowance for loan losses. Recoveries of previously charged off amounts are credited to the allowance for loan losses.

Concentration of Credit and Market Risk

Financial instruments that potentially expose the Corporation to concentrations of credit and market risk consist primarily of cash and cash equivalents and loans receivable. Cash and cash equivalents are maintained at Federal Deposit Insurance Corporation (FDIC) insured financial institutions and credit exposure is limited to any one institution. As of December 31, 2025, the Corporation was in excess of FDIC limits of approximately \$1,113,100, which is not collateralized.

Concentrations of credit risk with respect to loans receivables are limited due to the diverse industry backgrounds of its borrowers. Furthermore, management feels its borrower approval processes and regular review of provisions for loan losses, adequately provides for any material credit risks. Generally, sufficient collateral or a personal guarantee is obtained for all loans at the time of disbursement. Collateral is generally in the form of a mortgage on real property or a chattel lien on equipment title.

The Corporation received \$959,463 from the County representing 60% of its total revenue for the year ended December 31, 2025.

Investment Policy

The Corporation has an investment policy that includes authorized investments of the following types: 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 and money market/savings accounts.

Interest Income on Loans

Interest on loans is accrued and credited to income based on the principal amount outstanding. The accrual of interest on loans is discontinued when, in accordance with adopted policies, there is an indication that the borrower may be unable to meet payments as they become due. Upon such discontinuance, all unpaid accrued interest is reversed.

Risks and Uncertainties

In May 2020, the Corporation applied for and received a loan in the amount of \$68,700 from its bank through the SBA's Paycheck Protection Program ("PPP"). In February 2021, the loan, including principal and interest, was fully forgiven, and considered repaid in full. In February 2021, the Corporation applied for and received a second PPP loan in the amount of \$64,114. In December 2021, the loan, including principal and interest was fully forgiven and considered repaid in full.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties (Continued)

According to the rules of the SBA, the Corporation is required to retain PPP loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Corporation's judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Corporation may be required to adjust previously reported amounts and disclosures in the financial statements.

Adoption of GASB Statement No. 102

During the year ended December 31, 2025, the Corporation adopted the provisions of GASB Statement No. 102, "*Certain Risk Disclosures*" (GASB 102). This statement establishes requirements for the disclosure of risks related to concentrations and constraints that could expose the Corporation to a substantial impact.

The adoption of GASB Statement No. 102 did not result in a change to the Corporation's financial position, results of operations, or disclosures.

Subsequent Events

Subsequent events have been evaluated through March 31, 2026, which is the date the financial statements were available to be issued.

NOTE 3 – LOANS RECEIVABLE

During the year ended December 31, 2025, the Corporation loaned \$1,038,514 to 37 local businesses.

A summary of loan activity is as follows:

| | Balance at January 1, 2025 | New Loans | Payments | (Write-offs), Reclasses, and Recoveries | Balance at December 31, 2025 | Current Portion |
|------------------------------------|----------------------------------|---------------------|-------------------|---|------------------------------------|--------------------|
| Loan Fund | \$ 1,216,153 | \$ 428,293 | \$ 359,841 | \$ - | \$ 1,284,605 | \$ 371,066 |
| CDBG | 609,896 | 114,806 | - | - | 724,702 | 45,000 |
| SBA Microloan | 1,312,796 | 495,500 | 405,656 | - | 1,402,640 | 421,967 |
| | <u>3,138,845</u> | <u>\$ 1,038,599</u> | <u>\$ 765,497</u> | <u>\$ -</u> | <u>3,411,947</u> | <u>\$ 838,033</u> |
| Less: Allowance for loan losses | (300,706) | | | | (433,394) | |
| Total Loans | <u>\$ 2,838,139</u> | | | | <u>\$ 2,978,553</u> | |

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 4 – CAPITAL AND RIGHT-OF-USE ASSETS

A summary of changes in capital assets is as follows:

| | Balance at January 1, 2025 | Additions | Disposals | Balance at December 31, 2025 |
|--------------------------|-------------------------------|-------------------|-------------|---------------------------------|
| Land | \$ 232,900 | \$ - | \$ - | \$ 232,900 |
| Furniture and equipment | 50,423 | - | - | 50,423 |
| Accumulated depreciation | (45,663) | (2,452) | - | (48,115) |
| Total capital assets | <u>\$ 237,660</u> | <u>\$ (2,452)</u> | <u>\$ -</u> | <u>\$ 235,208</u> |

Depreciation expense was \$2,452 for the year ended December 31, 2025.

A summary of changes in ROU lease assets is as follows:

| | Balance as of January 1, 2025 | Additions | Subtractions | Balance at December 31, 2025 |
|----------------------------|----------------------------------|--------------------|--------------|---------------------------------|
| ROU lease asset - building | \$ 407,284 | \$ - | \$ - | \$ 407,284 |
| Accumulated amortization | (13,576) | (40,728) | - | (54,304) |
| Total ROU lease asset, net | <u>\$ 393,708</u> | <u>\$ (40,728)</u> | <u>\$ -</u> | <u>\$ 352,980</u> |

NOTE 5 – LOAN PAYABLE – EIDL

In July 2020, the Corporation applied for and received a loan in the amount of \$100,000 from the SBA's Emergency Injury Disaster Loan (EIDL) Program. Interest accrues on the EIDL loan payable at a fixed rate of 2.75% per annum. The EIDL loan payable had a deferral period of 30 months.

Beginning January 2023, the loan payable agreement requires the Corporation to make 330 monthly payments of \$463, with the first payments received by the SBA going first towards the accrued interest to date until the accrued interest is paid off in full. Once the accrued interest is paid in full, these monthly payments will then go towards principal and interest. The Corporation's board of directors approved a plan to expediate full repayment of the loan payable over five years beginning January 2023. Payments of \$1,750 were made beginning January 2023 and will continue to be made for the remaining four years that it will take to repay the loan payable based on this monthly payment amount. Full repayment should be completed in January 2028.

The EIDL loan payable matures on July 24, 2050 and is collateralized by all tangible and intangible property of the Corporation, including equipment, accounts receivable, and deposit accounts.

Maturities of the loan payable are as follows based on the board approved repayment plan:

| | |
|-------------------------|------------------|
| 2026 | \$ 20,042 |
| 2027 | 20,601 |
| 2028 | 3,229 |
| Total EIDL loan payable | <u>\$ 43,872</u> |

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 6 – SBA MICROLOAN PROGRAM

The Corporation has a small business loan program funded through the SBA. Total loans outstanding, net of an allowance under this program of \$165,217, totaled \$1,270,428 at December 31, 2025.

The Corporation borrows money from SBA loan awards in order to fund loans given to businesses participating in the SBA program. The following illustrates the amounts payable to the SBA:

| Balance at January 1, 2025 | Drawdowns | Payments | Balance at December 31, 2025 |
|-------------------------------|------------|------------|---------------------------------|
| \$ 1,456,789 | \$ 350,000 | \$ 224,061 | \$ 1,582,728 |

Once draws have been made from the SBA, the Corporation pays the SBA back based on an amortization schedule for each specific drawdown. The following shows the combined expected payout of the SBA drawdowns— Draw Six, Draw Seven, Draw Eight, Draw Nine, Draw Ten, and Draw Eleven:

| December 31, | Balance |
|--------------|--------------|
| 2026 | \$ 256,329 |
| 2027 | 302,917 |
| 2028 | 308,464 |
| 2029 | 250,605 |
| 2030 | 165,035 |
| Thereafter | 299,378 |
| Total | \$ 1,582,728 |

Draw Ten has an interest rate of 2.75% per annum and repayments of principal and interest are made over the life of the loan. Draw Eleven has an interest rate of 2.875% per annum and repayments of principal and interest are made over the life of the loan. The other drawdowns are zero interest and repayments are applied entirely to principal.

NOTE 7 – RESTRICTED NET POSITION

Restricted net position at December 31, 2025, consists of the following:

| | |
|-------------------------------|------------|
| SBA microloan program | \$ 611,314 |
| County restricted land | 232,900 |
| County directed | 48,120 |
| Total Restricted Net Position | \$ 892,334 |

In 2008, the Corporation did not remit the principal back to the County for Commerce Park loans. The principal was to be retained by the Corporation to aide in the construction of the water tower within Commerce Park. Refer to Note 8 for more information on the Commerce Park water tower restrictions and on the County directed restricted net position balance which were released during 2022 to purchase a piece of land. The land purchased is now restricted by the County.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 7 – RESTRICTED NET POSITION (Continued)

During 2025, the County contributed a piece of land in Commerce Park to CCIDA with a fair value at the time of transfer of \$50,000. The County's intention was for CCIDA to sell the land to an unrelated third party and directed CCIDA to transfer the proceeds, net of closing costs, to the Corporation as additional restricted funds. During the year ended December 31, 2025, CCIDA sold the land for \$50,000 with closing costs of \$1,880. The net proceeds from the sale of \$48,120 were transferred to the Corporation during 2025.

The SBA microloan program restricted net position balance above represents the balance of the Corporation's SBA microloan program that has been borrowed from the SBA but has not been lent to qualified businesses as of December 31, 2025.

NOTE 8 – COMMERCE PARK LAND

Beginning in 2005, the County initiated a program to sell undeveloped land it owns in Commerce Park through a component unit, the CCIDA. CEDC works directly with the buyer on the County's behalf. CEDC receives a deposit from the buyer and in turn uses this money to pay for surveying and legal fees associated with the transfer of the land.

CEDC recognizes a receivable for the sales price due from the buyer and a liability to the County for the same amount. The CCIDA plays an administrative role in the transfer of the land. CEDC 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 2008 and only for 2008, the CEDC retained the principal and interest payments, as agreed upon with the County, to assist the County with the possible future construction of a water tower in Commerce Park. The principal retained during 2008 was recognized as revenue.

In June 2016, the Corporation sold land in the Commerce Park to a local individual for \$50,000, with \$4,500 being paid to the Corporation as a deposit in 2015. The Corporation received a \$45,500 five-year note at 4.5% per annum with payments commencing on June 8, 2017. The note provided for an annual payment of \$10,365 of principal and interest, with a final payment due to the Corporation on June 8, 2021. During the year ended December 31, 2020, the Corporation approved a deferral of loan payments extending the maturity date to June 8, 2022. During the year ended December 31, 2022, the loan was repaid in full. The principal portion, \$48,889, of the note, net of legal fees of \$1,111, normally remitted to the County was recognized as revenue during the year ended December 31, 2016. The County asked CEDC to retain the principal portion as restricted net position to be used as directed by the County in the future.

During the year ended December 31, 2022, Lot 8 in Commerce Park was sold by CCIDA. The sale resulted in net proceeds of \$88,400 which the County then granted to CEDC. In December 2022, the County requested CEDC purchase property located on Route 9H in the Town of Ghent. The County approved the use of the "county directed" and "commerce part water tower" restricted funds which totaled \$120,706 plus the net proceeds of \$88,400 from the sale of Lot 8 by IDA be used to finance the property purchase. The property was purchased by CEDC for \$232,990.

CEDC at the County's direction plans to hold the land for future County facility development. If the County decides not to build on the land, CEDC would market the property to a third-party. The County has directed the land be restricted until it determines what it will be used for in the future.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 9 – PENSION PLAN

The Corporation has a salary reduction simplified employee pension plan (SARSEP). The Corporation pays 5% of eligible employee gross wages each year. For the year ended December 31, 2025, the Corporation recorded \$21,151 in pension expense.

NOTE 10 – UNEARNED REVENUE

As of December 31, 2025, unearned revenue (Note 1) is comprised of:

| | |
|-------------------------|-------------------|
| Return Brewery | \$ 156,502 |
| Klein's Kill Fruit Farm | 238,000 |
| Klocke Estates | 285,200 |
| Hudson Valley Creamery | 45,000 |
| Total unearned revenue | <u>\$ 724,702</u> |

NOTE 11 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025, the Corporation recognized \$12,500 in administrative fees from CCIDA and \$60,000 in administrative fees from the Columbia County Land Bank Corporation (“CCLBC”). During 2025, the Corporation paid a grant of \$5,000 to Columbia County Capital Resource Corporation (CCCRC) included in grants on the statement of revenues, expenses, and changes in net position. As of December 31, 2025, \$37,500 was due from CCIDA and \$15,000 was due from CCLBC.

During the year ended December 31, 2022, the Corporation entered into an agreement with the County to administer an initiative referred to as “Columbia Forward.” The purpose of this initiative is to assist small businesses throughout the County and was funded by the American Rescue Plan (ARP) grant money from the County. The contract with the County calls for the Corporation to receive \$200,000 in year one and \$150,000 in years two and three, subject to annual review and approval. \$50,000 of the year one payment is to be used to provide grants to the Corporation’s loan clients during the three-year period. The program is being administered through partnership with the Columbia County Chamber of Commerce (the “Chamber”). The Corporation will share with the Chamber, \$65,000 per year for the three-year contract. The contract was extended for another year with a new expiration date of December 31, 2025 and another \$150,000 contributed to the corporation. During the year ended December 31, 2025, the Corporation paid \$65,000 to the Chamber recorded as a grant expense on the statement of revenues, expenses and changes in net position. During the year ended December 31, 2025, the Corporation recognized revenue of \$150,000 and has recorded \$42,500 as deferred inflow of resources as of December 31, 2025 related to this contract.

During the year ended December 31, 2023, the Corporation entered into an agreement with the County to administer an initiative referred to as “Affordable Housing.” The purpose of this initiative is to provide the resources for the Corporation to organize and coordinate the activities of the County Housing Task Force and assist in furthering affordable housing plans and initiatives across the County. The initiative was funded by the American Rescue Plan (ARP) grant money from the County.

COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
(a component unit of the County of Columbia, New York)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 11 – RELATED PARTY TRANSACTIONS (Continued)

The contract with the County calls for the Corporation to receive and recognize \$90,000 of revenue in years one and two and \$70,000 of revenue in year three, subject to annual review and approval. The contract was extended for another six months with a new expiration date of December 31, 2025 with another \$45,000 contributed to the corporation. During the year ended December 31, 2025, \$90,000 was recognized as revenue and \$25,000 was recorded as deferred grant income as of December 31, 2025 to be recognized in a future year.

During the year ended December 31, 2025, the Corporation received a grant from the County for \$48,120 to be used for restricted purposes directed by the County at a future date (see Note 7).

NOTE 12 – LEASE LIABILITY

The following is a summary of the Corporation's lease liability:

| | Balance at January 1, 2025 | New Obligations | Current Payments | Balance at December 31, 2025 |
|-----------------------|-------------------------------|--------------------|---------------------|---------------------------------|
| Lease liability | <u>\$ 396,667</u> | <u>\$ -</u> | <u>\$ (29,037)</u> | \$ 367,630 |
| Less: current portion | | | | <u>31,294</u> |
| Long-term portion | | | | <u>\$ 336,336</u> |

As of December 31, 2025, future maturities relating to the lease liability is as follows:

| Year Ending December 31, | Total Payments | Interest Portion | Principal Portion |
|-----------------------------|-------------------|---------------------|----------------------|
| 2026 | \$ 44,904 | \$ 13,610 | \$ 31,294 |
| 2027 | 46,028 | 12,364 | 33,664 |
| 2028 | 47,176 | 11,024 | 36,152 |
| 2029 | 48,512 | 9,586 | 38,926 |
| 2030 | 50,212 | 8,031 | 42,181 |
| Thereafter | 199,392 | 13,979 | 185,413 |
| Total | <u>\$ 436,224</u> | <u>\$ 68,594</u> | <u>\$ 367,630</u> |

The Corporation rented office space under the terms of a lease which commenced September 1, 2019 and terminated August 31, 2024. During 2024, the Corporation entered into a new lease for the same space that commenced on September 1, 2024 and terminates on August 31, 2029. The lease includes an option to renew for an additional five-year term which has been included in the lease liability. Interest expense on the Corporation's lease liabilities was \$14,769 for the year ended December 31, 2025. The lease liability was measured at a rate of 3.85%.



UHY LLP
One Hudson City Centre
Suite 204
Hudson, NY 12534
(518) 828-1565
uhy-us.com

**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 Board of
Columbia Economic Development 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 Economic Development Corporation as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Columbia Economic Development Corporation's basic financial statements, and have issued our report thereon dated March 31, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbia Economic Development 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbia Economic Development Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Columbia Economic Development 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbia Economic Development 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 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 Columbia Economic Development Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbia Economic Development Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

UHY LLP

Hudson, New York
March 31, 2026