

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

FINANCIAL STATEMENTS
(and Reports of Independent Auditors)

December 31, 2013 and 2012

COLUMBIA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Columbia County Industrial Development Agency (a component unit of the County of Columbia, New York) ("The Agency"), as of December 31, 2013 and 2012 and for the years then ended, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

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internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Columbia County Industrial Development Agency, as of December 31, 2013 and 2012, and the changes in financial position, and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Other Matters

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

Other 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 Statement of Revenues and Expenditures – Budget to Actual is presented on page 16 for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates 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 Statement of Revenues and Expenditures – Budget to Actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Conduit Debt Obligations, Schedule of Projects and Exemptions, and Schedule of PILOTs and Full-Time Equivalent Jobs have not been subjected to the auditing procedures applied in the

audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2014 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 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.

Pattison, Koskey, Howe & Bucci, CPAs, P.C.

Valatie, New York
March 20, 2014

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS

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 year ended December 31, 2013. This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements for the year ended December 31, 2013.

2. Overview of the Financial Statements:

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

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

2. Overview of the Financial Statements (continued):

C. Supplementary and Other Information

The Statement of Revenues and Expenditures - Budget and Actual provides a comparison of budget and actual information for the Agency's operating accounts. The schedules of Conduit Debt Obligations, Projects and Exemptions, and Payment in Lieu of Taxes (PILOTS) and Full Time Equivalent Jobs 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.

3. Financial Highlights:

The revenue budget for 2013 was \$8,050 with a projected loss of \$21,450. There were no amendments to the budget during 2013.

Total revenues were significantly more than budget, primarily due to administrative fees earned on the Premier Riverview LLC project and new PILOT. Total expenditures were in line with the budget, off by 2.7%.

4. Financial Statement Analysis:

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

	2013	2012
Assets	\$ 117,836	\$ 136,618
Liabilities	56,344	\$ 69,258
Net Position	61,492	67,360
Total Liabilities and Net Position	\$ 117,836	\$ 136,618

The Agency's assets primarily consist of cash in banks, money market funds and two restricted escrow accounts. Funds received from various participants in the Agency's PILOT projects are deposited until they are subsequently disbursed to the appropriate taxing jurisdictions.

The Agency's liabilities at December 31, 2013, and 2012 consisted of trade payables and escrow deposits held for two of the PILOT agreements.

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

4. Financial Statement Analysis (continued):

	<u>2013</u>	<u>2012</u>
Revenues		
Interest	\$ 86	\$ 43
Interest/late fees	-	3,580
Application fees	500	500
Administration fees-Projects	14,250	-
Administration fees-PILOTS	<u>8,000</u>	<u>6,500</u>
Total revenues	22,836	10,623
Expenditures	<u>(28,704)</u>	<u>(40,807)</u>
Total expenditures in excess of revenues	(5,868)	(30,184)
Net position at the beginning of the year	<u>67,360</u>	<u>97,544</u>
Net position at the end of the year	<u><u>\$ 61,492</u></u>	<u><u>\$ 67,360</u></u>

Revenues are derived primarily from administrative fee income. In 2013, the Agency realized income of \$8,000 from administration fees attributable to the PILOTS. In addition, the Agency realized income of \$14,250 in administration fees and \$500 in application fees for a new project PILOT with Premier Riverview LLC during 2013. During 2012, the Agency realized income of \$6,500 from administration fees attributable to the PILOTS. Expenditures decreased by 30% in 2013 compared to 2012 primarily due to a decrease in Administration Fees paid to Columbia Economic Development Corporation, which decreased from \$20,000 in 2012 to \$10,000 in 2013 and lower legal fees incurred in 2012 related to the Widewater's project.

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 Executive Director, Columbia County Industrial Development Agency, 4303 Route 9, Hudson, NY 12534.

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 STATEMENTS OF NET POSITION
 December 31, 2013 and 2012

ASSETS

	2013	2012
Assets:		
Cash and cash equivalents:		
Unrestricted		
Checking	\$ 46,665	\$ 48,790
Money market	14,914	14,910
Total cash and cash equivalents	61,579	63,700
Prepaid expenses	-	400
PILOT receivable	-	16,311
Total current assets	61,579	80,411
Restricted escrow account	56,257	56,207
Total assets	\$ 117,836	\$ 136,618

LIABILITIES AND NET POSITION

Liabilities:		
Accounts payable, trade	\$ 87	\$ 320
PILOT payable	-	12,731
Total current liabilities	87	13,051
PILOT escrow deposits	56,257	56,207
Total liabilities	56,344	69,258
Net position:		
Unrestricted	61,492	67,360
Total liabilities and net position	\$ 117,836	\$ 136,618

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
 For the years ended December 31, 2013 and 2012

	2013	2012
Revenues:		
Bank Interest	\$ 86	\$ 43
Interest/Late Fees	-	3,580
Application fees	500	500
Administration fees - Projects	14,250	-
Administration fees - PILOTS	8,000	6,500
Total revenues	22,836	10,623
Expenses:		
Professional Fees	14,817	16,439
Insurance	2,585	2,364
Office	1,302	2,004
Administration	10,000	20,000
Total expenses	28,704	40,807
Change in net position	(5,868)	(30,184)
Net position, beginning	67,360	97,544
Net position, ending	\$ 61,492	\$ 67,360

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Bank interest received	\$ 86	\$ 43
Operating expenses paid	(28,537)	(40,462)
Receipt of PILOT receivable	16,311	-
Payment of PILOT payable	(12,731)	-
Receipts from administration and application fees	22,750	7,000
PILOT receipts	221,506	241,074
PILOT payments	<u>(221,506)</u>	<u>(241,074)</u>
Net cash used for operating activities	<u>(2,121)</u>	<u>(33,419)</u>
Net decrease in cash and cash equivalents	(2,121)	(33,419)
Cash and cash equivalents at beginning of year	63,700	97,119
Cash and cash equivalents at end of year	<u>\$ 61,579</u>	<u>\$ 63,700</u>

Reconciliation of change in net position to net cash used for operating activities:

Change in net position	\$ (5,868)	\$ (30,184)
Change in assets and liabilities:		
Increase in PILOT escrow deposits	50	67
Increase in restricted escrow account	(50)	(67)
Decrease in prepaids	400	25
Increase (decrease) in accounts payable	(233)	320
Decrease (Increase) in PILOT receivable	16,311	(16,311)
(Decrease) Increase in PILOT payable	<u>(12,731)</u>	<u>12,731</u>
Net cash used for operating activities	<u>\$ (2,121)</u>	<u>\$ (33,419)</u>

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Nature of Organization:

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 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 a land sale transaction 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.

2. Summary of Significant Accounting Principles:

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 governmental fund (single enterprise fund).

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Principles (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. 65 was effective for the first time in 2013.

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.

The Agency's implementation of GASB Statement No. 65 had no material impact on the Agency's 2013 financial statements.

Budgetary Data:

The budget policies are as follows:

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

Use of Estimates:

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

Revenue Recognition:

Income generated from land sales are recognized in the period the services are performed and the related land sale takes place generally when the first payment is made by the land owner to the CEDC. The Agency also recognizes revenue annually in the period services are performed once the PILOT payment is annually made to the Agency. Revenue is recognized for administrative services performed related to bond issuances in the period the services are performed generally when the related bond issuances are finalized.

PILOT receipts and PILOT payments related to the property not owned by the Agency to the respective taxing authorities are accounted for as pass through transactions and are not included in revenues or expenses of the Agency. The Agency has the responsibility for collections and remitting the funds but the jurisdictions ultimately bears the risk of loss if PILOT payments are not paid to the Agency by the respective companies.

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Principles (Continued):

Net position:

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

Subsequent Events:

Subsequent events have been evaluated through March 20, 2014, which is the date the financial statements were available to be issued.

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, 2013 and 2012, cash, which consists of one checking and two money market accounts, 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.

	2013		2012	
	Bank Balance	Book Balance	Bank Balance	Book Balance
First Niagara	\$ 2,176	\$ 2,176	\$ 2,175	\$ 2,175
Key Bank	59,403	59,403	50,156	61,525
	\$ 61,579	\$ 61,579	\$ 52,331	\$ 63,700

4. Conduit Debt Obligations:

From time to time, the Columbia County Industrial Development 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 County of Columbia Industrial Development 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, 2013 and 2012 there were four (4) series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$13,801,115 and \$14,700,997, respectively.

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Restricted Escrow Account:

Restricted escrow accounts relate to the PILOT program. From time to time the Agency requires companies to provide a deposit upon commencing the PILOT in case the PILOT is not paid in any one year. The amount is determined on a participant basis depending on the annual PILOT and is invested in the form of a certificate of deposit or a money market account. The Agency does not access the account and it will remain in escrow until the PILOT is over, or if the PILOT cannot be paid by the recipient. One participant has a deposit of \$20,000 plus interest held in escrow. The deposit is in the form of a 270 day certificate of deposit and was renewed in 2012 and 2013. Another participant has a deposit of \$35,000 plus interest held in escrow. For 2012 and 2013, this deposit is held in a money market account.

6. Related Party Transactions:

The Agency participates in Commerce Center Land Sales with the Columbia Economic Development Corporation (CEDC). The Agency plays an administrative role in the transfer of the land and per agreements with the CEDC receives a stipend, called Land Sale Income. The Agency recorded no income related to this arrangement in 2013 or 2012.

The Agency pays an administrative fee to the CEDC quarterly to pay for expenses that CEDC staff incurs for the Agency. There are no outstanding fees to be paid at December 31, 2013 or 2012. The Agency paid \$10,000 to the CEDC during 2013 and \$20,000 during 2012.

The Executive Director of the Agency is an employee of Columbia County.

PILOT Receivable/Payable:

During 2012 the Agency did not receive a PILOT payment from one participant in the amount of \$12,731. In February 2013, the PILOT payment was subsequently collected and remitted to the appropriate taxing authorities.



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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 AUDITORS' 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, 2013, 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 20, 2014.

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) to determine the audit 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.

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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 over financial reporting that might be material weaknesses or significant deficiencies. 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 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 determination of financial statement amounts. 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.

Pattison, Koskey, Howe & Bucci, CPAs, P.C.

Valatie, New York
March 20, 2014

SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL
 Year ended December 31, 2013

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest and late fees	\$ 50	\$ 86	\$ 36
Fees from sale of land	1,000	-	(1,000)
Application and administration fees	7,000	22,750	15,750
Total revenue	8,050	22,836	14,786
Expenditures:			
Professional fees	13,000	14,817	(1,817)
Insurance	5,000	2,585	2,415
Office expense	1,500	1,302	198
Administration expense	10,000	10,000	-
Total expenditures	29,500	28,704	796
Total expenditures in excess of revenues and revenues in excess of expenditures	\$ (21,450)	\$ (5,868)	\$ 15,582

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULE OF CONDUIT DEBT OBLIGATIONS
 Year ended December 31, 2013

Bonds Listing	Outstanding Beginning of the Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity Date	# of FTE Employees at Project Location Before IDA Status	# of FTE		# of Current FTE
							Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	
Berkshire Farm Center	\$ 490,000	\$ -	\$ 235,000	\$ 255,000	2014	438	-	438	229
Columbia Memorial Hospital	9,615,000	-	465,000	9,150,000	2033	1,109	-	-	1,169
Columbia Memorial Hospital	2,265,000	-	110,000	2,155,000	2027	1,109	-	-	1,169
BAC Sales	2,330,997	-	89,882	2,241,115	2021	2	18	18	49
	<u>\$ 14,700,997</u>	<u>\$ -</u>	<u>\$ 899,882</u>	<u>\$ 13,801,115</u>					

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULE OF PROJECTS AND EXEMPTIONS
 Year ended December 31, 2013

Project Code	Project Owner	Real Property Tax Exemptions		Real Property Tax Exemptions		Sales Tax	Mortgage Recording	Total Exemptions
		County	Local	School	Exemptions			
10010801A	2990 Realty Corporation 2990 Route 9 Hudson, NY 12534	\$ 2,204	\$ 612	\$ 5,068	\$ -	\$ -	\$ -	\$ 7,884
10010302A	American Bio Medical 122 Smith Rd Kinderhook, NY 12106	3,000	1,037	8,895	-	-	-	12,932
10010700A	Hudson Park State Route 9 and 23 Livingston, NY 12541	-	-	-	-	-	-	-
10019803A	G's Best Realty Box 17 Route 66 Hudson, NY 12534	-	-	-	-	-	-	-
10010900A	Valatie Land Development Route 9 Valatie, NY 12184	1,648	1,121	5,149	-	-	-	7,918
10011002A	Empire Property Group LTD 502 Union Street Hudson, NY 12534	2,735	573	7,910	-	-	-	11,218
10011001A	BAC Sales 1871 Route 9 Hudson, NY 12534	-	-	6,844	-	-	-	6,844
10011301A	Premier Riverfront LLC 353 Fairview Avenue Hudson, NY 12534	-	-	-	-	-	-	-
		<u>\$ 9,587</u>	<u>\$ 3,343</u>	<u>\$ 33,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,796</u>

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULE OF PILOTS AND FULL TIME EQUIVALENT JOBS
 Year ended December 31, 2013

Project Code	County PILOT		Local PILOT		School PILOT		Total PILOTS		# of FTE Employees at Project Location Before IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# of FTE Employees	# of FTE Construction Jobs Created During Fiscal Year
	PILOT	PILOT	PILOT	PILOT	PILOT	PILOT	PILOT	PILOT					
10010801A	\$ 4,747	\$ 1,318	\$ 13,822	\$ 19,887	-	18	-	18	6	-	6	N/A	
10010302A	5,572	1,926	16,520	24,018	-	10	-	10	41	-	41	N/A	
10019803A	22,057	4,317	61,085	87,459	135	38	135	38	259	135	259	N/A	
10010700A	6,588	2,196	13,177	21,961	-	-	-	-	2	-	2	N/A	
10010900A	4,188	2,849	13,085	20,122	32	36	36	36	26	36	26	N/A	
10011002A	6,303	1,322	18,234	25,859	-	-	-	-	-	-	-	N/A	
10011001A	6,660	2,220	13,320	22,200	2	16	2	16	49	18	49	N/A	
Total	\$ 56,115	\$ 16,148	\$ 149,243	\$ 221,506									

See accompanying notes and independent auditors' report.