

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

FINANCIAL STATEMENTS
(and Reports of Independent Auditors)

December 31, 2014 and 2013

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

TABLE OF CONTENTS

	<u>Pages(s)</u>
Independent Auditors' Report	1-3
Management Discussion and Analysis	4-6
Statements of Net Position	7
Statements of Revenues, Expenses and Change in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10-13
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14-15
Supplementary Information-	
Statement of Revenues and Expenditures - Budget and Actual	16
Other Information:	
Schedule of Conduit Debt Obligations	17
Schedule of Projects and Exemptions	18
Schedule of PILOTS and Full Time Equivalent Jobs	19



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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, 2014 and 2013 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 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

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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, 2014 and 2013, 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 11, 2015 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Agency currently operates in such a way that expenditures are in excess of total revenue. If the Agency continues to experience similar results, losses incurred in future years will substantially reduce net assets. Our opinion is not modified with respect to this matter.

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

Valatie, New York
March 11, 2015

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
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, 2014. This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements for the year ended December 31, 2014.

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
(a component unit of Columbia County, New York)
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 2014 was \$8,035 with a projected loss of \$23,965. There were no amendments to the budget during 2014.

Total revenues were less than the budget, primarily due to the budgeted amount for the land sale, which did not occur in 2014. Total expenditures were significantly higher than the budget, due to the unexpected legal and other fees associated with the Ginsberg's expansion project.

4. Financial Statement Analysis:

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

	2014	2013
Assets	\$ 67,096	\$ 117,836
Liabilities	56,305	\$ 56,344
Net Position	10,791	61,492
Total Liabilities and Net Position	\$ 67,096	\$ 117,836

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, 2014 and 2013 consisted of trade payables and escrow deposits held for two of the PILOT agreements.

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

4. Financial Statement Analysis (continued):

	2014	2013
Revenues		
Interest	\$ 47	\$ 86
Application fees	500	500
Administration fees-Projects	-	14,250
Administration fees-PILOTS	5,500	8,000
Total revenues	6,047	22,836
Expenditures	(56,748)	(28,704)
Total expenditures in excess of revenues	(50,701)	(5,868)
Net position at the beginning of the year	61,492	67,360
Net position at the end of the year	\$ 10,791	\$ 61,492

Revenues are derived primarily from administrative fee income. In 2014, the Agency realized income of \$5,500 from administration fees attributable to the PILOTS. In addition, the Agency realized income of \$500 in application fees for the project with Ginsberg's. During 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. Expenditures increased by 98% in 2014 compared to 2013 primarily due to an increase in legal fees for the Ginsberg's expansion project, which were \$19,925 higher than 2013.

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
(a component unit of Columbia County, New York)
STATEMENTS OF NET POSITION
December 31, 2014 and 2013

ASSETS

	2014	2013
Assets:		
Cash and cash equivalents:		
Unrestricted		
Checking	\$ 5,875	\$ 46,665
Money market	4,916	14,914
Total cash and cash equivalents	10,791	61,579
Restricted escrow account	56,305	56,257
Total assets	\$ 67,096	\$ 117,836

LIABILITIES AND NET POSITION

Liabilities:		
Accounts payable, trade	\$ -	\$ 87
Total current liabilities	-	87
PILOT escrow deposits	56,305	56,257
Total liabilities	56,305	56,344
Net position:		
Unrestricted	10,791	61,492
Total liabilities and net position	\$ 67,096	\$ 117,836

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the years ended December 31, 2014 and 2013

	2014	2013
Revenues:		
Bank Interest	\$ 47	\$ 86
Application fees	500	500
Administration fees - Projects	-	14,250
Administration fees - PILOTS	5,500	8,000
Total revenues	6,047	22,836
Expenses:		
Professional Fees	36,766	14,817
Insurance	2,664	2,585
Office	4,818	1,302
Administration	12,500	10,000
Total expenses	56,748	28,704
Change in net position	(50,701)	(5,868)
Net position, beginning	61,492	67,360
Net position, ending	\$ 10,791	\$ 61,492

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(a component unit of Columbia County, New York)

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Bank interest received	\$ 47	\$ 86
Operating expenses paid	(56,835)	(28,537)
Receipt of PILOT receivable	-	16,311
Payment of PILOT payable	-	(12,731)
Receipts from administration and application fees	6,000	22,750
PILOT receipts	207,377	221,506
PILOT payments	(207,377)	(221,506)
Net cash used for operating activities	<u>(50,788)</u>	<u>(2,121)</u>
Net decrease in cash and cash equivalents	(50,788)	(2,121)
Cash and cash equivalents at beginning of year	61,579	63,700
Cash and cash equivalents at end of year	<u>\$ 10,791</u>	<u>\$ 61,579</u>
Reconciliation of change in net position to net cash used for operating activities:		
Change in net position	\$ (50,701)	\$ (5,868)
Change in assets and liabilities:		
Increase in PILOT escrow deposits	48	50
Increase in restricted escrow account	(48)	(50)
Decrease in prepaids	-	400
Decrease in accounts payable	(87)	(233)
Decrease in PILOT receivable	-	16,311
Increase in PILOT payable	-	(12,731)
Net cash used for operating activities	<u>\$ (50,788)</u>	<u>\$ (2,121)</u>

See accompanying notes and independent auditors' report.

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

Uncertainty:

The Agency currently operates with expenditures in excess of revenues. If the Agency fails to generate revenue in the future it will either need to curtail operations and/or seek additional sources of cash flow, the outcome of which is currently uncertain.

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

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Principles (Continued):

Basis of Accounting (continued):

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).

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. 63 and 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.

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Principles (Continued):

Revenue Recognition (continued):

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.

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 11, 2015, 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, 2014 and 2013, 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.

	2014		2013	
	Bank Balance	Book Balance	Bank Balance	Book Balance
First Niagara	\$ 2,176	\$ 2,176	\$ 2,176	\$ 2,176
Key Bank	11,021	8,615	59,403	59,403
	\$ 13,197	\$ 10,791	\$ 61,579	\$ 61,579

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, 2014 and 2013 there were four (4) series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$12,892,540 and \$13,801,115, respectively.

See independent auditors' report

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
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 2014 and 2013. Another participant has a deposit of \$35,000 plus interest held in escrow. For 2013 and 2014, 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 2014 or 2013.

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, 2014 or 2013. The Agency paid \$12,500 to the CEDC during 2014 and \$10,000 during 2013.

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



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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, 2014, 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 11, 2015.

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 11, 2015

SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL
Year ended December 31, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest and late fees	\$ 35	\$ 47	\$ 12
Fees from sale of land	1,000	-	(1,000)
Application and administration fees	7,000	6,000	(1,000)
Total revenue	8,035	6,047	(1,988)
Expenditures:			
Professional fees	14,000	36,766	(22,766)
Insurance	4,000	2,664	1,336
Office expense	1,500	4,818	(3,318)
Administration expense	12,500	12,500	-
Total expenditures	32,000	56,748	(24,748)
 Total expenditures in excess of revenues and revenues in excess of expenditures	 \$ (23,965)	 \$ (50,701)	 \$ (26,736)

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
SCHEDULE OF CONDUIT DEBT OBLIGATIONS
Year ended December 31, 2014

<u>Bonds Listing</u>	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 Original Estimate		# of Current FTE Employees
							Original Estimate	of Jobs to be Retained	
Berkshire Farm Center	\$ 255,000	-	\$ 255,000	\$ -	2014	438	-	438	575
Columbia Memorial Hospital	9,150,000	-	445,000	8,705,000	2033	1,109	-	-	1,271
Columbia Memorial Hospital	2,155,000	-	115,000	2,040,000	2027	1,109	-	-	1,271
BAC Sales	2,241,115	-	93,575	2,147,540	2021	2	18	18	55
	<u>\$ 13,801,115</u>	<u>-</u>	<u>\$ 908,575</u>	<u>\$ 12,892,540</u>					

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
SCHEDULE OF PROJECTS AND EXEMPTIONS
Year ended December 31, 2014

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	\$ 1,866	\$ 522	\$ 4,119	\$ -	\$ -	\$ -	\$ 6,507
10010302A	American Bio Medical 122 Smith Rd Kinderhook, NY 12106	2,749	988	7,962	-	-	-	11,699
10019803A	G's Best Realty Box 17 Route 66 Hudson, NY 12534	-	-	-	-	-	-	-
10010900A	Valatie Land Development Route 9 Valatie, NY 12184	1,406	913	4,326	-	-	-	6,645
10011001A	BAC Sales 1871 Route 9 Hudson, NY 12534	513	-	6,004	-	-	-	6,517
10011301A	Premier Riverfront LLC 353 Fairview Avenue Hudson, NY 12534	-	-	-	-	-	-	-
		<u>\$ 6,534</u>	<u>\$ 2,423</u>	<u>\$ 22,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,368</u>

See accompanying notes and independent auditors' report.

COLUMBIA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of Columbia County, New York)
SCHEDULE OF PILOTS AND FULL TIME EQUIVALENT JOBS
Year ended December 31, 2014

Project Code	County PILOT		Local PILOT		School PILOT		Total PILOTS	# of FTE Employees at Project Location		Original Estimate of Jobs to be		# of FTE Construction Jobs Created During Fiscal Year
	PILOT	\$	PILOT	PILOT	PILOT	PILOT		Before IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# of Current FTE Employees	
10010801A	\$ 5,089	\$ 1,424	\$ 14,644	\$ 21,157	-	18	-	-	1	N/A		
10010302A	6,414	2,305	18,578	27,297	-	10	-	-	38	N/A		
10019803A	23,009	4,491	64,563	92,063	135	38	135	135	280	N/A		
10010900A	4,782	3,107	14,715	22,604	32	36	36	36	28	N/A		
10011001A	6,660	2,220	14,160	23,040	2	16	18	18	55	N/A		
10011301A	-	-	21,216	21,216	-	-	-	-	21	N/A		
Total	\$ 45,954	\$ 13,547	\$ 147,876	\$ 207,377								

See accompanying notes and independent auditors' report.