

**CLINTON COUNTY
CAPITAL RESOURCE CORPORATION**

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

Trent Trahan, Chairperson
Clinton County Capital Resource Corporation
Plattsburgh, New York

Report on the Financial Statements

We have audited the accompanying statements of net position of the Clinton County Capital Resource Corporation (CRC) as of December 31, 2020 and 2019 and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the CRC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 opinions 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 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the CRC as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 3 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 the 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 Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clinton County Resource Corporation's basic financial statements. The Schedule of Conduit Debt Obligations is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021 on our consideration of the CRC's internal controls over financial reporting and our tests of their 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 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 the CRC's internal controls over financial reporting and compliance.

Martindale Keyser & Co., PLLC

MARTINDALE KEYSOR & CO., PLLC

Plattsburgh, New York
March 25, 2021

Clinton County Capital Resource Corporation
137 Margaret Street, Suite 209
Plattsburgh, NY 12901

Management's Discussion and Analysis

For the Year Ended December 31, 2020

The following Management's Discussion and Analysis of the financial position of Clinton County Capital Resource Corporation (the "Corporation") provides an overview of the Corporation's financial activities for the year ended December 31, 2020. The MD&A should be read in conjunction with the Corporation's financial statements and related notes.

The Mission of the Agency is to improve economic prosperity by undertaking and supporting projects that foster investment, job creation or job preservation in Clinton County, enhance workforce development and training opportunities for its residents, and provide for the general health and well-being of the people of Clinton County (the "County"). The Corporation seeks projects that not only elevate the overall standard of living for County residents but also meet full regulatory requirements and investment criteria.

Financial Highlights

At the close of the most recent fiscal year, assets exceeded liabilities for the Corporation by \$84,668 for a 1.8% decrease from the prior year, primarily due to \$2,400 in revenue in 2020 and expenses of \$3,927.

The Corporation's fiscal year 2020 expenses totaled \$3,927. This amount reflects an increase of \$477 from the previous year.

Overview of Financial Statements

The statements of net position and the statements of revenues, expenses, and changes in net position report information about the Corporation as a whole and about its activities. These statements include assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Corporation's net assets and changes in assets from one year to the next. The Corporation's net assets, the difference between assets and liabilities, are one way to measure the Corporation's financial health, or financial position. Over time, increases or decreases in the Corporation's net assets are one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other factors, such as changes in the Corporation's fee income and fluctuation of the Corporation's expenses, to assess the overall health of the Corporation.

Notes to Financial Statements

The financial statements also include notes that explain the information in the financial statements. They are essential to a full understanding of the data provided in the financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets exceeded liabilities for the Corporation by \$84,668 for a 1.8% decrease from the prior year, primarily due to revenue of \$2,400 from foreign trade zone fees in 2020 and expenses of \$3,927.

The Corporation's fiscal year 2020 revenues totaled \$2,400 compared to \$3,000 in 2019. In 2020, the Corporation earned revenue from foreign trade zone fees in the amount of \$2,400 from the two operators in the zone. In 2019, the Corporation earned revenue from foreign trade zone fees in the amount of \$3,000 from the two operators in the zone covering the period October 2018 through December 2019.

The Corporation's fiscal year 2020 expenses totaled \$3,927. This amount reflects an increase of \$477 from the previous year. Most of the increase resulted from legal consultation regarding foreign trade zone matters.

Contacting the Corporation's Administration

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Corporation's finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact Trent Trahan, Chairperson, Clinton County Capital Resource Corporation, 137 Margaret Street, Suite 209, Plattsburgh, NY 12901.

CLINTON COUNTY CAPITAL RESOURCE CORPORATION
STATEMENTS OF NET POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 82,668	\$ 83,195
Accounts Receivable	2,000	3,000
Loan Receivable - Strand	100,000	100,000
Total Assets	\$ 184,668	\$ 186,195
 LIABILITIES		
Loan Payable - Clinton County	\$ 100,000	\$ 100,000
 NET POSITION		
Unrestricted	84,668	86,195
Total Liabilities and Net Position	\$ 184,668	\$ 186,195

The accompanying notes should be read in conjunction with these financial statements.

CLINTON COUNTY CAPITAL RESOURCE CORPORATION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>
REVENUES			
Foreign Trade Zone Fees	<u>\$ 2,400</u>	<u>\$ 3,000</u>	<u>\$ (600)</u>
EXPENSES			
Other Operating Expense	<u>1,250</u>	<u>1,250</u>	<u>-</u>
Legal and Professional	<u>2,677</u>	<u>2,200</u>	<u>477</u>
Total Expenses	<u>3,927</u>	<u>3,450</u>	<u>477</u>
CHANGE IN NET POSITION	<u>(1,527)</u>	<u>(450)</u>	<u>\$ (1,077)</u>
NET POSITION, Beginning of Year	<u>86,195</u>	<u>86,645</u>	
NET POSITION, End of Year	<u>\$ 84,668</u>	<u>\$ 86,195</u>	

The accompanying notes should be read in conjunction with these financial statements.

CLINTON COUNTY CAPITAL RESOURCE CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Foreign Trade Zone Receipts	\$ 3,400	\$ -
Cash Payments for General Expenses	<u>(3,927)</u>	<u>(3,450)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(527)</u>	<u>(3,450)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loans Issued	<u>-</u>	<u>(17,550)</u>
NET DECREASE IN CASH	(527)	(21,000)
CASH, Beginning	<u>83,195</u>	<u>104,195</u>
CASH, Ending	<u><u>\$ 82,668</u></u>	<u><u>\$ 83,195</u></u>
Reconciliation of Change in Net Position to Net Cash Used by Operating Activities:		
Change in Net Position	\$ (1,527)	\$ (450)
Adjustments to Reconcile Change in Net Position to Net Cash Provided by Operating Activities:		
(Increase) Decrease in Accounts Receivable	<u>1,000</u>	<u>(3,000)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (527)</u></u>	<u><u>\$ (3,450)</u></u>

The accompanying notes should be read in conjunction with these financial statements.

**CLINTON COUNTY CAPITAL RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Clinton County Capital Resource Corporation conform to generally accepted accounting principles. Policies outlined here, and in other notes, include all policies considered significant.

Business Organization

The Clinton County Capital Resource Corporation (Corporation) was formed in 2010 by the County of Clinton under Section 1411 of the Not-for-Profit Corporation Law of New York State for the purpose of promoting the sale and development of land and buildings for nonprofit entity development purposes jointly with The Development Corporation. The Organization is authorized to issue both tax-exempt and taxable industrial development revenue bonds pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York. Four bonds has been issued to date – see Note 3 for further details.

The Corporation is a not-for-profit local development corporation organized to assist Clinton County with carrying out the public purpose of relieving and reducing unemployment; promoting and providing for additional and maximum employment; bettering and maintaining job opportunities; instructing or training individuals to improve or develop their capabilities for such jobs; carrying out scientific research for the purpose of aiding the County by attracting new industry to the County, by encouraging the development of, or retention of, an industry in the County, and by lessening the burdens of government; and acting in the public interest.

Clinton County is the sole member of the Corporation. The County’s Board appoints the Corporation’s governing board of directors. The Corporation is exempt from federal, state, and local income taxes.

On February 14, 1980, the County of Clinton was named grantee of foreign trade zone number 54 by the Foreign Trade Zones Board. In March 2019, the Corporation entered into an agreement with the County of Clinton to act as the Zone Administrator for the Foreign Trade Zone.

Basis of Accounting and Financial Statement Presentation

The accounts of the Corporation are maintained in a single proprietary fund on the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for government entities. The Government Auditing Standards Board (GASB) is the primary standard-setting body for establishing governmental accounting and financial reporting principles. With this measurement focus, all assets and liabilities associated with operations are included on the statement of net position.

Financial Reporting Entity

Governmental Accounting Standards Board (“GASB”) Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*, is effective for periods beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended.

CLINTON COUNTY CAPITAL RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
(continued)

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

As a result of the implementation of GASB 80, the Corporation is a blended component unit of the County of Clinton, State of New York.

Related Party

The County of Clinton Industrial Development Agency (CCIDA) was formed in 1971 as a public benefit corporation by action of the New York State Legislature. The purpose is to promote the sale and development of land and buildings for industrial development purposes jointly with The Development Corporation. The Agency has issued both tax-exempt and taxable industrial development revenue bonds pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York. The respective Boards of the CCIDA and the Clinton County Capital Resource Corporation are substantially the same and activities are closely related.

Accounts Receivable

Accounts receivable are reported at net realizable value and represent foreign trade zone fees due at year end. The Corporation considers accounts receivable to be fully collectible.

Income Taxes

The Corporation is a not-for-profit corporation incorporated under Section 1411 of the Not-for-Profit Corporation Law but is treated for tax reporting purposes as an entity exempt from tax under Section 115 of the Internal Revenue Code as an instrumentality of government. Accordingly, the Corporation is not required to file tax returns.

Events Occurring After Reporting Date

The Company has evaluated events and transactions that occurred between December 31, 2020 and March 25, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

2. CASH

The Corporation's investment policies are governed by State statutes. In addition, the Corporation has its own written investment policy. Corporation monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, obligations of New York State or its localities, and certificates of deposit.

In accordance with the provisions of Section 10 of the General Municipal Law of New York State, all Corporation deposits, 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 collateralized by a pledge of eligible securities, letters of credit, or surety bonds. As of December 31, 2020, the FDIC insurance was sufficient to secure the Corporation's deposits.

CLINTON COUNTY CAPITAL RESOURCE CORPORATION
NOTES TO FINANCIAL STATEMENTS
(continued)

The Corporation maintains one checking account in a financial institution in Plattsburgh, NY. The Corporation did not have any investments for the period ended December 31, 2020.

3. INDUSTRIAL DEVELOPMENT REVENUE BOND TRANSACTIONS

Certain revenue bonds issued by the Corporation are secured by property which is leased to companies and is retired by these payments. The bonds are not obligations of the Corporation or the County. The Corporation does not record the assets or liabilities resulting from completed bonds issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Corporation receives administration fees from the borrowing companies. Such administrative fee income is recognized upon issuance of bonds. At December 31, 2020 and 2019, the number of outstanding industrial development revenue bonds totaled 3 and 4, respectively, with an aggregate principal amount payable of \$30,081,226 and \$36,504,924, respectively.

4. LOAN RECEIVABLE/PAYABLE

On May 10, 2017, the Clinton County Legislature authorized the County to enter into an agreement with the Corporation whereby the Corporation would agree to enter into a loan agreement with the Strand Performing Arts Center, Inc., pursuant to which the Corporation would agree to provide a loan of up to \$100,000 to the Strand, and that the loan shall not be provided in its entirety at one time, but shall instead be disbursed from time to time by the Corporation over a period not to exceed three years. The Strand would agree to use the proceeds of the loan solely for the purpose of advance booking of acts to be held at the Strand Center, to book a diversity of performances appealing to a broad spectrum of the region's tastes, and to repay 20 percent of the loan amount in each of the years four, five, six, seven, and eight. The County would provide to the Corporation \$100,000 to fully fund the loan. If the Strand fails to repay the loan, there will be no obligation on the part of the Corporation to either repay the funds or attempt to obtain payment from the Strand. As of December 31, 2019, a total of \$100,000 was received from Clinton County and paid to the Strand Performing Arts Center, Inc.

**INDEPENDENT AUDITOR'S 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**

Trent Trahan, Chairperson
Clinton County Capital Resource Corporation
Plattsburgh, New York

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 the Clinton County Capital Resource Corporation (CRC) as of December 31, 2019, and the related notes to the financial statements, which collectively comprise the CRC's basic financial statements, and have issued our report thereon dated March 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRC'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 the CRC's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRC'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 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITOR'S 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**

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRC'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 result 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.

Martindale Keyser & Co., PLLC

MARTINDALE KEYSOR & CO., PLLC

Plattsburgh, New York
March 25, 2021

SUPPLEMENTARY INFORMATION

CLINTON COUNTY CAPITAL RESOURCE CORPORATION
SCHEDULE OF CONDUIT DEBT OBLIGATIONS
For the Year Ending December 31, 2020

Bond Listing	Outstanding Beginning of the Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of the Fiscal Year	Final Maturity Date
Behavioral Health Services North	\$ 3,059,468	\$ -	\$ 103,242	\$ 2,956,226	2039
CVPH Medical Center- Series 2016 A	12,750,000	-	540,000	12,210,000	2042
CVPH Medical Center- Series 2016 B	15,580,000	-	665,000	14,915,000	2042
Hudson Headwaters Health Network	5,115,456	-	5,115,456	-	N/A
	<u>\$ 36,504,924</u>	<u>\$ -</u>	<u>\$ 6,423,698</u>	<u>\$ 30,081,226</u>	