

**COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY  
AND  
CLINTON INDUSTRIAL DEVELOPMENT ACQUISITION, LLC**

**COMBINED FINANCIAL STATEMENTS**

**December 31, 2017 and 2016**

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## INDEPENDENT AUDITOR'S REPORT

Trent Trahan, Chairperson  
County of Clinton Industrial Development Agency  
& Clinton Industrial Development Acquisition, LLC  
Plattsburgh, New York

### **Report on the Financial Statements**

We have audited the accompanying combined statement of net position of the County of Clinton Industrial Development Agency (CCIDA) and Clinton Industrial Development Acquisition, LLC (CIDA, LLC) as of December 31, 2017 and December 31, 2016, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the CCIDA and CIDA, LLC'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.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the CCIDA and CIDA, LLC as of December 31, 2017 and December 31, 2016, 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018 on our consideration of the CCIDA and CIDA, LLC'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 CCIDA and CIDA, LLC's internal controls over financial reporting and compliance.

  
MARTINDALE KEYSOR & CO., PLLC

Plattsburgh, New York  
March 26, 2018

County of Clinton Industrial Development Agency  
137 Margaret Street, Suite 209  
Plattsburgh, NY 12901

Management's Discussion and Analysis  
For the Year Ended December 31, 2017

The following Management's Discussion and Analysis of the financial position of the County of Clinton Industrial Development Agency (the "Agency") provides an overview of the Agency's financial activities for the year ended December 31, 2017. The MD&A should be read in conjunction with the Agency'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 Agency 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**

In 2017, the CCIDA authorized projects that will contribute to the financial health of the organization:

- Mortgage Recording Tax, Sales Tax Exemption and PILOT deviation on the Delaware River Solar Mooers I-IV projects, with combined total project cost of \$17 million.
- Sales Tax Exemption and PILOT on The Development Corporation's Airport Building project, with a total project cost of \$9 million.

In addition, CCIDA:

- Executed an administrative services agreement with the Clinton County Capital Resource Corporation, yielding \$40,000 per year in annual revenue.
- Accepted a project application and from Monaghan Medical, a \$10 million manufacturing project. An application from the project is anticipated in 2018.
- Received fee income for issuance of an amendment to the Saranac Power Partners PILOT.

### **Overview of Financial Statements**

The statements of net assets and the statements of activities report information about the Agency 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 Agency's net assets and changes in assets from one year to the next. The Agency's net assets, the difference between assets and liabilities, are one way to measure the Agency's financial health, or financial position. Over time, increases or decreases in the Agency'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 Agency's fee income and fluctuation of the Agency's expenses, to assess the overall health of the Agency.

## **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 Agency by \$44,999 for a 60% decrease from the prior year, primarily due to the write off of the \$65,000 receivable from The Development Corporation.

The Agency's fiscal year 2017 revenues totaled \$91,000. Administrative income was the primary source of revenue and was generated as a result of the Administrative Services Contract with the Clinton County Capital Resource Corporation signed in 2017. Fees from seven project applications resulted in application income of \$10,500 in 2017. Fees from two project applications resulted in application income of \$3,000 in 2016.

The Agency fiscal year 2017 expenses totaled \$158,903. This amount reflects an increase of \$58,118 from the previous year. Most of the increase resulted from the \$65,000 write off of a bad debt from The Development Corporation.

### **Contacting the Agency's Administration**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Agency'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, Chairman, County of Clinton IDA, 137 Margaret Street, Suite 209, Plattsburgh, NY 12901.

**COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY &  
 CLINTON INDUSTRIAL DEVELOPMENT ACQUISITION, LLC  
 COMBINED STATEMENT OF NET POSITION  
 December 31, 2017 And 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 89,872	\$ 67,423
Due From TDC	-	65,000
Due From CCCRC	10,000	-
Accounts Receivable	<u>500</u>	<u>617</u>
 Total Assets	 <u>\$ 100,372</u>	 <u>\$ 133,040</u>
 <b>LIABILITIES</b>		
Accounts Payable	\$ 28,223	\$ 9,471
Due To Clinton County	20,000	10,667
Deposit	<u>7,150</u>	<u>-</u>
 Total Liabilities	 <u>55,373</u>	 <u>20,138</u>
 <b>NET POSITION</b>		
Unrestricted	<u>44,999</u>	<u>112,902</u>
 Total Liabilities And Net Position	 <u>\$ 100,372</u>	 <u>\$ 122,373</u>

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

**COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY &  
 CLINTON INDUSTRIAL DEVELOPMENT ACQUISITION, LLC  
 COMBINED STATEMENT OF ACTIVITIES  
 For The Years Ended December 31, 2017 And 2016**

	2017	2016
<b>REVENUES</b>		
Administrative Income	\$ 80,000	\$ -
Fee Income	500	1,537
Application Income	10,500	3,000
Total Revenues	91,000	4,537
<b>EXPENSES</b>		
Administrative Fees	80,000	86,046
Bad Debt Expense	65,000	-
Office	8,403	7,989
Legal and Professional	5,500	6,750
Total Expenses	158,903	100,785
<b>CHANGE IN NET POSITION</b>	(67,903)	(96,248)
<b>NET POSITION, Beginning Of Year</b>	112,902	209,150
<b>NET POSITION, End Of Year</b>	\$ 44,999	\$ 112,902

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



**COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY &  
CLINTON INDUSTRIAL DEVELOPMENT ACQUISITION, LLC  
COMBINED STATEMENT OF CASH FLOWS  
For The Years Ended December 31, 2017 And 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received For Administrative Services	\$ 70,617	\$ 2,215
Cash Received For Application Fees	10,500	3,000
Cash Received For SPP Study	34,000	-
Cash Payments For Administrative Services	(73,883)	(79,238)
Cash Payments For General Expenses	(18,785)	(8,483)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>22,449</b>	<b>(82,506)</b>
<b>NET CHANGE IN CASH</b>	<b>22,449</b>	<b>(82,506)</b>
<b>CASH, Beginning</b>	<b>67,423</b>	<b>149,929</b>
<b>CASH, Ending</b>	<b>\$ 89,872</b>	<b>\$ 67,423</b>
 <b>Reconciliation of Change in Net Position to Net Cash Used by Operating Activities:</b>		
Change In Net Position	\$ (67,903)	\$ (96,248)
Adjustments To Reconcile Change In Net Position To Net Cash Used By Operating Activities:		
(Increase) Decrease In:		
Due From TDC	65,000	-
Due From CCCRC	(10,000)	-
Accounts Receivable	117	679
Increase (Decrease) In:		
Accounts Payable	18,752	13,063
Due To Clinton County	9,333	-
Deposit	7,150	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 22,449</b>	<b>\$ (82,506)</b>

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

**COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY AND  
CLINTON INDUSTRIAL DEVELOPMENT ACQUISITION, LLC  
NOTES TO FINANCIAL STATEMENTS**

**1. NATURE OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature Of Activities**

The accounting policies of the County of Clinton Industrial Development Agency (CCIDA) and Clinton Industrial Development Acquisition, LLC (CIDA, LLC) conform to generally accepted accounting principles, with the exception noted in Note 3. Policies outlined here, and in other notes, include all policies considered significant.

County of Clinton Industrial Development Agency 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.

During 2012 the County of Clinton Industrial Development Agency formed a new Limited Liability Company (Clinton Industrial Development Acquisition, LLC) to acquire and market the former Wyeth/Pfizer research facility in Chazy, NY. In conjunction with this a reimbursable grant for \$1,200,000 was obtained from the state of New York.

Effective December 2016, in an agreement with Clinton County, for an established annual fee, the County of Clinton provides all necessary administrative services to the Agency. Prior to December 2016, all necessary administrative services to the Agency were provided by The Development Corporation (TDC).

**Taxes On Income**

As a municipal entity, the CCIDA and CIDA, LLC are exempt organizations for income tax purposes.

**Donated Services**

The value of donated services (Agency members) is not reflected in the accompanying financial statements, because no objective basis is available to measure the value of such services.

**Events Occurring After Reporting Date**

The Companies have evaluated events and transactions that occurred between December 31, 2017 and March 26, 2018, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**Cash**

Cash consists of two checking accounts held at one financial institution.

**Accounts Receivable**

Accounts receivable are valued at estimated realizable value. Uncollectible accounts are charged directly to expense based upon management's analysis. No provisions have been made for uncollectible accounts as management believes they will ultimately be collected.

**COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY AND  
CLINTON INDUSTRIAL DEVELOPMENT ACQUISITION, LLC  
NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**Related Party**

The Clinton County Capital Resource Corporation (CCCRC) 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.

The CCCRC is a not-for-profit local development corporation of which Clinton County is the sole member. The County's Board appoints the CCCRC's governing board of directors. The CCCRC is exempt from federal, state, and local income taxes.

The respective Boards of the CCIDA and the CCCRC are substantially the same and activities are closely related.

**2. DUE FROM TDC**

Due from TDC represents cash advanced to The Development Corporation in conjunction with a further advance to a developer. The advance was written off for the year ending December 31, 2017 as the developer is currently in default.

**3. NYS GRANT AND FORMATION OF RELATED LLC**

In March of 2012, the County of Clinton Industrial Development Agency (the "Agency") created the Clinton Industrial Development Acquisition, LLC (the "LLC") for the express purpose of (1) temporarily holding the former Pfizer Research facility located at 641 Ridge Road in Chazy, New York (the "Facility"), and (2) insulating the Agency from the environmental and other liabilities that might have jeopardized the existence of the Agency were the Agency to own the Facility in its own name, rather than in the name of a captive LLC. The Agency is the sole member and is the manager of the LLC. The Agency determined that the proposed disposition is within the purpose, mission and governing statutes of the Agency, and thus is exempted from public advertising for bids pursuant to PAL Section 2897(6)(c)(v) and from obtaining fair market value pursuant to PAL Section 2897(7)(a)(ii).

It was, however, the decision of the board of directors to not retain this property as a long term asset. The facility was accepted only in conjunction with a NYS Grant which allowed the Agency to finance the annual maintenance of the property. In 2013 the property was transferred to an independent purchaser and the grant terminated.

**COUNTY OF CLINTON INDUSTRIAL DEVELOPMENT AGENCY AND  
CLINTON INDUSTRIAL DEVELOPMENT ACQUISITION, LLC  
NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**4. ADMINISTRATIVE SERVICES AGREEMENT**

In April 2017, the Agency entered into an administrative services agreement with the CCCRC under which the CCIDA will perform administrative services for the CCCRC and, in consideration of such services, will receive from the CCCRC the sum of \$80,000 for the initial term of the Agreement (January 1, 2016 through December 31, 2017). The Agreement shall be renewed automatically for an additional term of twelve months commencing on January 1, 2018 and each January 1<sup>st</sup> thereafter unless otherwise terminated. The income generated from this agreement for the year ending December 31, 2017 totaled \$80,000 and is reported on the Combined Statement of Activities as administrative income. The amount due from the CCCRC for administrative services provided for the fourth quarter of 2017 totaled \$10,000 and is reported on the Combined Statement of Net Position as Due From CCCRC. This amount was collected in February 2018.

**5. CONTINGENT LIABILITIES**

The CCIDA is contingently liable for legal fees related to a proposed major project at the Plattsburgh Airbase Redevelopment Corporation. Should the project not happen, the CCIDA could owe \$150,000 in legal fees. The completion status of this project is unknown at the date of these financial statements.

**6. CONCENTRATION OF CREDIT RISK**

The Agency's investment policies are governed by New York State statutes. There were no investments at December 31, 2017. All deposits are carried at fair value.

CCIDA and CIDA, LLC maintain all cash balances in one financial institution in Plattsburgh, NY. All accounts are insured by the FDIC up to \$250,000. During 2017, the Organization did not have account balances greater than the \$250,000 coverage limitation.

**7. DEPOSIT**

In 2017, the CCIDA entered into an agreement with Saranac Power Partner, L.P. (SPP) where SPP agreed to pay the fees and other costs incurred by the CCIDA in connection with services relative to an economic analysis of a requested PILOT amendment for an existing 240 Megawatt Gas Fired Cogeneration Plant located in the Town of Plattsburgh, New York. In October 2017, SPP advanced the CCIDA \$34,000 to be used towards the aforementioned costs. As of December 31, 2017, costs in the amounts of \$26,850 were incurred by the CCIDA, reducing the balance of the advance to \$7,150.

**8. DUE TO CLINTON COUNTY**

Due to Clinton County represents the amount due for administrative services provided by the County and totaled \$20,000 and \$10,667 at December 31, 2017 and 2016, respectively.

**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  
County of Clinton Industrial Development Agency  
& Clinton Industrial Development Acquisition, LLC  
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 County of Clinton Industrial Development Agency (CCIDA) and Clinton Industrial Development Acquisition, LLC (CIDA, LLC) as of December 31, 2017, and the related notes to the financial statements, which collectively comprise the CCIDA and CIDA, LLC’s basic financial statements, and have issued our report thereon dated March 26, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CCIDA and CIDA, LLC’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 CCIDA and CIDA, LLC’s internal control. Accordingly, we do not express an opinion on the effectiveness of the CCIDA and CIDA, LLC’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 CCIDA and CIDA, LLC'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 KEYSOR & CO., PLLC

Plattsburgh, New York  
March 26, 2018

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Trent Trahan, Chairperson  
County of Clinton Industrial Development Agency  
& Clinton Industrial Development Acquisition, LLC  
Plattsburgh, New York

We have audited the combined financial statements of the County of Clinton Industrial Development Agency (CCIDA) and Clinton Industrial Development Acquisition, LLC (CIDA, LLC) as of December 31, 2017, and our report thereon dated March 26, 2018, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Indebtedness-Bonds, Straight Lease Project Maturities-2017 Report, and Schedules of Supplemental Information (Bonds/Notes or Straight Lease) are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

  
MARTINDALE KEYSOR & CO., PLLC

Plattsburgh, New York  
March 26, 2018