

# north country alliance



## North Country Alliance Local Development Corporation

FY 2018  
ANNUAL REPORT

### Message from the President

On behalf of the Board of Directors for the North Country Alliance Local Development Corporation, I respectfully submit the organization's Annual Report for the Fiscal Year Ending December 31, 2018. The North Country Alliance is proud of its commitment to community and economic development across the 7-county North Country region of New York State. In 2018, we closed on 9 projects totaling \$1,308,750 in funding. These projects leveraged over \$7.7 million in investment, creating or retaining approximately 227 jobs.

In 2018, the North Country Alliance requested proposals from qualified firms for auditing services. Upon review of the proposals, Crowley & Halloran PC was selected to continue their services to the NCA. The NCA also voluntarily complied with the Authorities Budget Office's Public Authorities Accountability Act.

The NCA was the recipient of an additional \$318,661 in NYS UDC funds to provide working capital loans across the 7-county North Country region.

The Board of Directors looks forward to 2019 and to providing our members with resources to grow and expand the economy and communities of the North Country.

Very Truly Yours,

Marijean Remington, President

### At A Glance:

- ✓ Closed on 9 loans totaling \$1,308,750 leveraging \$7,776,598 and creating or retaining 227 jobs.
- ✓ Created program to provide working capital loans of up to \$75,000.



*Located in Massena, NY received funding in 2018*



*Quality Inn, Plattsburgh, NY*

# Projects Closed in 2018

The North Country Alliance closed on nine loans in 2018. These projects are as follows:

- ✓ LC Drives Corporation in the amount of \$200,000 for working capital to bridge a state grant. The company is developing next-generation electric motors and generators. It is located in Potsdam, St. Lawrence County;
- ✓ Johnson Lumber, located in Carthage, Lewis County, received \$225,000 to expand its lumber facility. The project retains 30 jobs with the potential to create 5 new jobs.
- ✓ SBSP Real Estate received \$225,000 for the purchase and renovations to a motel in Plattsburgh, Clinton County. The motel became a Quality Inn.
- ✓ L.K.R. Enterprises borrowed an additional \$75,000 for working capital to assist with the operations of their Great American store in Star Lake, St. Lawrence County.
- ✓ Amanda Derouchie and Michael Chavoustie received \$75,000 for working capital for their coffeehouse and gift boutique located in Cape Vincent, Jefferson County.
- ✓ Long Lake Hotel Corporation received \$60,000 to assist with costs associated with a new septic system required by DEC at their motel in Long Lake, Hamilton County.
- ✓ Kingston Pharma LLC received \$75,000 for working capital to start-up their pharmaceutical firm in Massena, St. Lawrence County.
- ✓ War Canoe Spirits LLC borrowed \$200,000 to help bridge a NYS grant in order to renovate a building that will house their new distillery in Crown Point, Clinton County.
- ✓ Provided \$193,750 to Demers Properties, LLC (dba Adams Glass) in Plattsburgh, Clinton County to purchase the building that they operate from at 5 Trade Road, Plattsburgh.



## Education and Outreach

The North Country Alliance is a voice for its members on issues relating to economic and community development in New York's 7-county North Country region. The 7-county North Country region includes Jefferson, Lewis, St. Lawrence, Clinton, Essex, Franklin and Hamilton Counties. In order to identify issues the Board created an Education and Outreach Committee.

This committee is comprised of members and meets at the beginning of the calendar year to review the Governor's Executive Budget. The committee seeks input from the membership to identify issues that affect development in the region like infrastructure, workforce development, education, utilities, healthcare, and funding, among others. The committee then recommends the legislative agenda to the Board of Directors for acceptance.

In 2018, representatives from the North Country Alliance met with state elected officials to educate them on the issues that most affected the region. Issues included, among others:

- Supporting continued funding for Round VII of the REDC Competition, Downtown Revitalization Program, infrastructure improvements, and the Technology Development Organizations and Manufacturing Extension Programs.
- Recommending regional disparity when setting certified MWBE goals. The goals should be weighted by availability of such certified contractors in a region.
- Supporting our local industrial development agencies and their affiliated development corporations and opposing any additional efforts by the ABO to classify all not-for-profit local development corporations as falling under the Public Authorities Accountability Act.
- Supporting investment in workforce development efforts.

## Communications

The North Country Alliance holds two face-to-face membership meetings throughout the year. The annual meeting was held June 20, 2018 at the Mirror Lake Inn, Lake Placid. This location is centrally located within the region. The guest speakers at this year's meeting were Commissioner Richard Ball, NYS Agriculture and Markets, and Sandy Stauffer, owner Stauffer Farms, LLC. Both Commissioner Ball and Mr. Stauffer spoke about agriculture not only as it relates to New York State's economy, but the North Country as well. The Fall Forum was held in October at International Paper, Ticonderoga. The program included a panel comprised of Eugene Fox, IP, David Coryer, Coryer Staffing, and Melinda Mack, NYATEP. The panel spoke about the pros and cons of doing business in New York State. It was an informative panel regarding issues impacting workforce development and what we do to work together to assist businesses. The North Country Alliance uses face-to-face meetings as an opportunity for members to network and to learn valuable insight on issues facing the region and state from subject matter experts invited to speak at the meetings.

# Audit and Finance

The Audit and Finance Committee met throughout the year to review the North Country Alliance's financial statements. This committee also oversaw the organization's implementation of new policies and procedures to meet the requirements of the Public Authorities Accountability Act. A request for proposals was issued in 2018 for the NCA's audit services. Upon review of the proposals, the committee chose Crowley & Halloran PC to remain as our audit firm. The senior partner in charge of the audit will change in 2019.

## BALANCE SHEET

	2018	2017
Total Assets	\$4,336,829	\$4,661,555
Total Liabilities	\$3,429,949	\$3,585,823
Total Net Assets	\$906,880	\$1,075,732
Total Liabilities and Net Assets	\$4,336,829	\$4,661,555

- ✓ Primary assets are comprised of restricted cash and loans receivable.
- ✓ Primary liabilities are loans owing to the U.S. Department of Agriculture and Empire State Development.
- ✓ Net assets are primarily restricted to funding sources.
- ✓ Decrease due to write-off of bad debt for Adirondack Meat Company in the amount of \$221,137.

## INCOME STATEMENT FYE 2018

	ESD SBRLF	UDC	USDA IRP	USDA RBEG	Unclassified	Total
Income	\$58,473	\$10,644	\$66,749	\$3,697	\$24,404	\$163,967
Expense	\$125,643	\$17,560	\$174,959	\$0	\$14,656	\$332,818
<i>Net Income</i>	<i>(\$67,170)</i>	<i>(\$6,916)</i>	<i>(\$108,210)</i>	<i>\$3,697</i>	<i>\$9,748</i>	<i>(\$168,851)</i>

ESD SBRLF – Empire State Development Small Business Revolving Loan Fund

UDC – NYS Urban Development Corporation Funding

USDA IRP – U. S. Department of Agriculture Intermediary Relending Program

USDA RBEG – U.S. Department of Agriculture Rural Business Enterprise Grant

- ✓ Income and expenses are charged to funding sources and restricted, unless otherwise unrestricted by the regulatory agency for administrative expenses associated with the specific fund.
- ✓ Primary income is interest income from the repayment on loans.
- ✓ Primary expenses are the portfolio management fees, interest paid on loans to USDA and ESD, and insurances.
- ✓ ESD SBRLF, UDC and USDA IRP reflect bad debt expenses of \$78,797, \$9,264, and \$111,072 respectively to capitalize the allowance for bad debt in 2019.

# Membership

Community Bank	Watertown Savings Bank	Plattsburgh-North Country Chamber of Commerce	Adirondack Economic Development Corporation
CITEC Business Solutions	Kinney Drugs	Development Authority of the North Country	Essex County IDA
Franklin County IDA	Jefferson County Economic Development	Village of Canton	Watertown Local Development Corporation
Workforce Development Institute	New York Power Authority	SLIC Network Solutions	Village of Potsdam
St. Lawrence Healthcare Systems	Atlantic Testing Laboratories	Potsdam Specialty Papers	Curran Renewable Energy, LLC
Adirondack North Country Association	Lewis County IDA	St. Lawrence County IDA	St. Lawrence University
National Grid	New York Business Development Corporation	NBT Bank	Greater Watertown North Country Chamber of Commerce/PTAC
St. Lawrence County Chamber of Commerce	Business Development Corp for a Greater Massena	SBDC at SUNY Canton	Bowers and Company
Hamilton County	Clarkson University/Shipley Center for Innovation	Clinton County	Alcoa-Massena Operations
Golden Technologies	International Paper	Lakeside Container	ReEnergy Holdings LLC
Twinstare	Wladis Law Firm	Aubertine & Currier	Lake Placid Pub and Brewery
Corning Incorporated	Hi-Lite Airfield Services, LLC	Croniser, Lawrence, & Philippe CPAs, LLC	Bowers & Company
Glens Falls National Bank	Save-A-Lot	Hi-Lite Airfield Services, LLC	Croniser, Lawrence, & Philippe CPAs, LLC



# Board of Directors

## Officers

Marijean Remington	President
Eric Virkler	Vice President
Joseph Russo	Secretary
David Zembiec	Treasurer
James Wright	Closing Agent

## Directors

Patrick Kelly	Franz Philippe
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Renee McFarlin	Kate Fish
Vacant	

For more information on the North Country Alliance go to  
[www.northcountryalliance.org](http://www.northcountryalliance.org).

