

**COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY**

5 Warren Street, Suite 210  
Glens Falls, New York 12801

Tel. (518) 792-1312  
website: [www.warren-washingtonida.com](http://www.warren-washingtonida.com)

TO: ALL BOARD MEMBERS  
COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

FROM: Matt Simpson, Chairman

DATE: April 16, 2018

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The Counties of Warren and Washington Industrial Development Agency will hold its regular monthly Board meeting as follows:

**Date:** Monday, April 23, 2018 at 4 pm.

**Location:** Warren County Municipal Center, Lake George, NY

The purpose of the meeting will be to discuss new and unfinished business.

Enclosed (or attached) please find:

- Meeting Agenda with supporting data
- Monthly Financial Statements

*Remember to call or email Tami at the Agency Office at least 24 hours beforehand if possible if you are unable to attend the meeting.*

cc: Robert C. Morris, Esq. with agenda and all enclosures  
Kara Lais, Esq. with agenda and all enclosures  
Amanda Allen, Warren Co. Board Clerk with agenda  
Debra Prehoda, Washington Co. Board Clerk with agenda  
Bob Condon, The Post Star, with agenda  
Michael Goot, The Post Star with agenda

**COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY**

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**REVISED -- AGENDA**

April 23, 2018

1.0 Call to Order, Roll Call and Quorum Confirmation

2.0 Approval of Minutes of the March 19, 2018 IDA Board Meeting

3.0 **Current Accounts Payable**

<b><u>FitzGerald Morris Baker Firth, P.C.</u></b>	\$	445.50
<i>M0001 - General File -March 2018</i>		
<b><u>P. Hoffman Realty</u></b>	\$	370.00
<i>Office Rent - May 2018</i>		
<b><u>Jarrett Engineers PLLC</u></b>	\$	95.00
<i>February Professional Services</i>		
<b><u>The Archives</u></b>	\$	30.00
<i>Monthly Archive Storage</i>		
<b><u>Mannix Marketing</u></b>	\$	16.25
<i>Email Support</i>		
<b><u>Town of Kingsbury</u></b>	\$	450.00
<i>Water Bill for Park Properties</i>		
<b><u>Spectrum</u></b>	\$	125.27
<i>Monthly Phone and Internet Service</i>		
* <b><u>Associates of Glens Falls</u></b>	\$	1,669.29
<i>Public Officials Bond Renewal</i>		
* <b><u>Allen Forestry</u></b>	\$	68.99
<i>Forestry Charge</i>		
<b><u>Petty Cash</u></b>	\$	131.98
<i>Postage</i>		
* <b><u>EFTPS</u></b>	\$	353.03
<i>Federal/FICA/MCR Payroll Taxes March 2018</i>		
* <b><u>Promptax</u></b>	\$	46.50
<i>NYS Payroll Taxes March 2018</i>		
* <b><u>Debbie Mineconzo</u></b>	\$	72.03
<i>Net Payroll - March 2018</i>		
* <b><u>Tami Blondo</u></b>	\$	1,369.33
<i>Net Payroll -March 2018</i>		
<b>Subtotal</b>	<b>\$</b>	<b><u>5,243.17</u></b>

3.2 **Pilot Pass-Through Payments:**

<b><u>Village of Hudson Falls</u></b>	\$170.00
<i>HF Park Properties Water Tax</i>	
<b>Subtotal</b>	<b>\$ <u>170.00</u></b>

**3.4 Reimbursed by Developer**

FitzGerald Morris Baker Firth PC - Ray Terminals \$ 725.00

Grand Total of Payables: \$ 6,138.17

**5.0 New Business**

Review of Year End Certified Financial Statement

**6.0 Unfinished Business**

a. Smart Terra Care updates

b. Altek update

Adjournment

**COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY**

5 Warren Street, Suite 210  
Glens Falls, New York 12801

Telephone: (518) 792-1312

At the Board Meeting of the Counties of Warren and Washington Industrial Development Agency held on **March 19, 2018** at the Washington County Municipal Center in Fort Edward, NY, the following members were:

***PRESENT:***

Matt Simpson  
Dave O'Brien  
Bruce Ferguson  
Louis Tessier  
Richard Moore  
Ginny Sullivan

Chairman  
Vice Chairman

***ABSENT:***

Joe LaFiura  
Craig Leggett

Secretary/Treasurer  
At Large Member

***ALSO PRESENT:***

Kara Lais, Esq.  
Tami Blondo

FitzGerald Morris Baker Firth, PC  
Office Administrator

The minutes of the meeting were taken by Tami Blondo, Office Administrator. The Chairman called the meeting to order at 4:00 pm. Attendance was taken by roll call and the needed quorum was confirmed by the Chairman.

**Approval of minutes:**

Mr. O'Brien made a motion to approve the minutes of the February 26, 2018 Board Meeting minutes. Mr. Ferguson seconded the motion and all voted in favor of the motion by voice vote.

**Accounts Payable:**

Mr. Tessier moved to approve the accounts payables and Mr. Ferguson seconded the motion. The motion was approved by roll call vote.

**New Business:**

**Amendment to the Charter and By-Laws for the Audit & Finance Committee:** Ms. Lais explained that the amendment to the Charter and By-Laws for the Audit & Finance Committee added the provision that the Chairman may serve as an alternate member of the Committee in the event a member is unable to attend the meeting. A motion was made by Mr. O'Brien and seconded by Mr. Ferguson to approve the amendment. The motion was approved by roll call vote.

**Smart Terra Care:** Mr. Dowd contacted the Agency today to proceed with the project as previously outlined to the Board. Mrs. Blondo was instructed to have Mr. Dowd complete the application process and submit to the Agency together with the required documents and deposit. Mrs. Blondo will follow-up with Mr. Dowd on the next business day to convey this information.

**Park Business:** Mr. O'Brien asked if would be possible to schedule a site visit the Industrial Park to view the available lots. The Board felt that this would be a good idea and agreed this should be done once the weather improves.

**Adjournment:** There being no further business, the meeting was adjourned by the Chairman at 4:05 p.m.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joseph LaFiura, Secretary/Treasurer

DRAFT

# WWIDA

## Balance Sheet

As of March 31, 2018

	Mar 31, 18	Mar 31, 17
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
200 · Cash	721,879.71	627,719.94
<b>Total Checking/Savings</b>	721,879.71	627,719.94
<b>Accounts Receivable</b>		
380A · Accounts Receivable	1,709.18	37,395.00
380B · Accounts Receivable - PILOTS	0.00	145.00
<b>Total Accounts Receivable</b>	1,709.18	37,540.00
<b>Other Current Assets</b>		
210 · Petty Cash	100.00	100.60
380C · Unbilled Receivables/Fees	0.00	7,500.00
380D · Due from attorney-escrow deposi	0.00	22,485.00
380F · Installment Sale-GF Labels	8,500.00	17,000.00
480 · Prepaid Insurance	2,835.35	2,016.18
<b>Total Other Current Assets</b>	11,435.35	49,101.78
<b>Total Current Assets</b>	735,024.24	714,361.72
<b>Fixed Assets</b>		
101 · Land	519,262.59	519,262.59
104 · Machinery and Equipment	10,434.48	10,434.48
114 · Accumulated Depreciation	-10,283.51	-10,036.21
<b>Total Fixed Assets</b>	519,413.56	519,660.86
<b>TOTAL ASSETS</b>	<b>1,254,437.80</b>	<b>1,234,022.58</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
600 · Accounts Payable	-69,595.07	0.00
<b>Total Accounts Payable</b>	-69,595.07	0.00
<b>Other Current Liabilities</b>		
600.1 · Unrecorded Accounts Payable	0.00	5,000.00
602 · Payroll Liabilities	-24.13	0.00
615 · Customers' Deposit	0.00	22,485.00
631 · Due to other governments	60,270.84	0.00
690 · Deferred revenue	28,912.00	0.00
<b>Total Other Current Liabilities</b>	89,158.71	27,485.00
<b>Total Current Liabilities</b>	19,563.64	27,485.00
<b>Total Liabilities</b>	19,563.64	27,485.00
<b>Equity</b>		
924 · Net Assets - Unrestricted	1,255,374.53	1,096,649.58
Net Income	-20,500.37	109,888.00
<b>Total Equity</b>	1,234,874.16	1,206,537.58
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,254,437.80</b>	<b>1,234,022.58</b>

# WWIDA

## Profit & Loss

### March 2018

04/16/18  
Accrual Basis

	Mar 18
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Nonoperating revenue</b>	
Investment Earnings	
2401 · Interest Income	61.88
<b>Total Investment Earnings</b>	61.88
<b>Total Nonoperating revenue</b>	61.88
<b>Operating Revenue</b>	
Other Operating Revenue	
2770 · Project - Legal Reimb 3.4	746.68
2770.2 · Misc Income - operating	627.19
<b>Total Other Operating Revenue</b>	1,373.87
<b>Total Operating Revenue</b>	1,373.87
<b>Total Income</b>	1,435.75
<b>Gross Profit</b>	1,435.75
<b>Expense</b>	
<b>Operating Expenses</b>	
Other operating expenses	
1910.4 · Insurance	
Employee Dishonesty Bond	1,669.29
<b>Total 1910.4 · Insurance</b>	1,669.29
6460.4 · Contractual Services	
Airport Park - Misc Services	68.99
Rent	370.00
Telephone and Internet	125.27
<b>Total 6460.4 · Contractual Services</b>	564.26
<b>Total Other operating expenses</b>	2,233.55
<b>Professional service contracts</b>	
Accounting	3,600.00
Engineering - Phase I & General	246.44
Legal	
Fees for Project 3.4 billing	8,821.68
General	2,178.57
<b>Total Legal</b>	11,000.25
<b>Total Professional service contracts</b>	14,846.69
6460.45 · Staff Payroll - WWIDA	1,590.00
6460.5 · Supplies and Materials	
File Storage	30.00
Misc Office Expenses	63.77
Postage	7.84
<b>Total 6460.5 · Supplies and Materials</b>	101.61
9000 · Employee Benefits	
Medicare - Company	48.29
Social Security - Company	206.49
Unemployment Insurance	57.08
<b>Total 9000 · Employee Benefits</b>	311.86
<b>Total Operating Expenses</b>	19,083.71

**WWIDA**  
**Profit & Loss**  
**March 2018**

04/16/18  
Accrual Basis

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	<u>Mar 18</u>
Total Expense	19,083.71
Net Ordinary Income	-17,647.96
Net Income	<u>-17,647.96</u>



# WWIDA

## Profit & Loss Budget vs. Actual

Year to Date

	Mar 18	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Nonoperating revenue			
Investment Earnings	61.88		
2401 - Interest Income	61.88		
Total Investment Earnings	61.88		
Total Nonoperating revenue	61.88		
Operating Revenue			
Other Operating Revenue	746.68		
2770 - Project - Legal Reimb 3.4	627.19		
2770.2 - Misc Income - operating	1,373.87		
Total Other Operating Revenue	1,373.87		
Total Operating Revenue	1,373.87		
Total Income	1,435.75		
Gross Profit	1,435.75		
Expense			
Operating Expenses			
Other operating expenses			
1910.4 - Insurance	1,669.29		
Employee Dishonesty Bond	1,669.29		
Total 1910.4 - Insurance	1,669.29		
6460.4 - Contractual Services			
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Fees for Project 3.4 billing	8,821.68		
General	2,178.57		
Total Legal	11,000.25		

**WWIDA**  
**Profit & Loss Budget vs. Actual**  
 Year to Date

	Mar 18	Budget	\$ Over Budget
Total Professional service contracts	14,846.69		
6460.45 · Staff Payroll - WWIDA	1,590.00		
6460.5 · Supplies and Materials			
File Storage	30.00		
Misc Office Expenses	63.77		
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<b>Total 6460.5 · Supplies and Materials</b>	<b>101.61</b>		
9000 · Employee Benefits			
Medicare - Company	48.29		
Social Security - Company	206.49		
Unemployment Insurance	57.08		
<b>Total 9000 · Employee Benefits</b>	<b>311.86</b>		
<b>Total Operating Expenses</b>	<b>19,083.71</b>		
<b>Total Expense</b>	<b>19,083.71</b>		
<b>Net Ordinary Income</b>	<b>(17,647.96)</b>		
<b>Net Income</b>	<b>(17,647.96)</b>	<b>0.00</b>	<b>(17,647.96)</b>

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Independent Auditor's Report

Financial Statements  
And Supplementary  
Information

Year Ended December 31, 2017

**WDR**  
CPAs & Business Advisors

WHITTEMORE, DOWEN  
& RICCIARDELLI, LLP

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

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WHITTEMORE, DOWEN  
& RICCIARDELLI, LLP

333 Aviation Road, Bldg B  
Queensbury, NY 12804  
Ph: (518)792-0918  
Fax: (518)743-0882  
www.wdr CPA.com

## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
Counties of Warren and Washington  
Industrial Development Agency

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Counties of Warren and Washington Industrial Development Agency, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Agency'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 business-type activities and the discretely presented component unit of the Counties of Warren and Washington Industrial Development Agency, as of December 31, 2017, and the respective changes in financial position and cash flows thereof for the year 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 pages 3-6 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 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 February 26, 2018 on our consideration of the Counties of Warren and Washington Industrial Development Agency's internal control over financial reporting and on 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 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 Counties of Warren and Washington Industrial Development Agency's internal control over financial reporting and compliance.

*Whittemore, Dowen & Ricciardelli, LLP*

Whittemore, Dowen & Ricciardelli, LLP  
Queensbury, New York

February 26, 2018

# COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

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

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Our discussion and analysis of the Counties of Warren and Washington Industrial Development Agency's financial performance provide an overview of the Agency's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the Agency's financial statements.

### HIGHLIGHTS

#### Financial Highlights:

- Total current IDA assets were increased by \$182,396 and other assets decreased by \$8,747 from 2016.
- PILOT Project Revenues in the amount of \$1,218,973.02 were disbursed to taxing jurisdictions throughout the Counties of Warren and Washington.

#### Agency Highlights:

- The Agency added RAN Entertainment LLC/Sky Zone LLC, Aviation Hospitality LLC, and Mohawk Industrial Werks LLC. The Agency assisted with sales and mortgage tax exemptions as well as PILOTs for all three projects.
- The Agency is working with Greenwich Preservation Group LLC and Ray Terminals LLC with projected project openings in 2018. The Agency also assisted with an extension with Kenny & Dittrich LLC.
- The Civic Development Corporation had one new project for 2017, Silver Bay Association.

### USING THIS ANNUAL REPORT

This annual report consists of three parts: Management's Discussion and Analysis and Financial Statements. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

This annual report also includes information for our Component Unit, the Civic Development Corporation.

# COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

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

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## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's agency-wide financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Agency-wide financial statements.** The *agency-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances.

The *Statement of Net Position* presents information on all of 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 whether the financial position of the Agency is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Agency's net position changed during the most recent fiscal year. 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*.

*Notes to Financial Statements.* The Notes provide additional information that is essential to a full understanding of the data provided in the *financial statements*.

## FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government agency's financial position. In the case of the Agency, assets exceeded liabilities by \$1,242,682 as of December 31, 2017.

The Agency's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.



# COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

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

The following tables present a summary of the Agency's and Corporation's derivation of net position for the fiscal years ended December 31, 2017 and 2016.

**Table 1**

	2017			2016	
	Industrial Development Agency	Civic Development Corp. (Component Unit)		Industrial Development Agency	Civic Development Corp. (Component Unit)
Total Current Assets	\$ 791,232	\$ 67,488	Total Current Assets	\$ 608,836	\$ 16,636
Total Capital Assets (net)	519,415	4,655	Total Capital Assets (net)	519,662	5,172
Total Other Assets	4,850	-	Total Other Assets	13,350	-
<b>Total Assets</b>	<b>1,315,497</b>	<b>72,143</b>	<b>Total Assets</b>	<b>1,141,848</b>	<b>21,808</b>
<b>Total Liabilities</b>	<b>72,815</b>	<b>-</b>	<b>Total Liabilities</b>	<b>45,197</b>	<b>-</b>
Net Investment in Capital Assets Unrestricted	519,415 723,267	4,655 67,488	Net Investment in Capital Assets Unrestricted	519,662 576,989	5,172 16,636
<b>Total Net Position</b>	<b>\$ 1,242,682</b>	<b>\$ 72,143</b>	<b>Total Net Position</b>	<b>\$ 1,096,651</b>	<b>\$ 21,808</b>

Changes in the Agency's and Corporation's net position can be determined by reviewing the following condensed Statement of Revenues, Expenses and Changes in Net Position at the end of the year.

**Table 2**

	2017			2016	
	Industrial Development Agency	Civic Development Corp. (Component Unit)		Industrial Development Agency	Civic Development Corp. (Component Unit)
Total Operating Revenues	\$ 296,332	\$ 70,665	Total Operating Revenues	\$ 185,008	\$ -
Total Operating Expenses	138,596	20,330	Total Operating Expenses	138,295	2,819
Net Operating Revenue (Expenses)	157,736	50,335	Net Operating Revenue (Expenses)	46,713	(2,819)
Net Non-Operating Revenue (Expenses)	(11,705)	-	Net Non-Operating Revenue (Expenses)	(11,750)	-
Increase (Decrease) in Net Position	146,031	50,335	Increase (Decrease) in Net Position	34,963	(2,819)
Net Position at Beginning of Year	1,096,651	21,808	Net Position at Beginning of Year	1,061,688	24,627
<b>Net Position at End of Year</b>	<b>\$ 1,242,682</b>	<b>\$ 72,143</b>	<b>Net Position at End of Year</b>	<b>\$ 1,096,651</b>	<b>\$ 21,808</b>

# COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

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

## CAPITAL ASSETS

The Agency's capital assets are recorded at cost and consist mainly of land and related development costs.

Land is recorded at cost when acquired and consists of approximately 79 acres. The Agency is developing sections of the land for sale to prospective businesses. Various legal, surveying, engineering, and other development costs are capitalized as incurred.

Capital assets at December 31 are comprised as follows:

	<u>2017</u>	<u>2016</u>
Land	\$ 519,263	\$ 519,263
Office equipment, signs, mailboxes less accumulated depreciation	<u>152</u>	<u>399</u>
Capital Assets (net)	<u>\$ 519,415</u>	<u>\$ 519,662</u>

The Civic Development Corporation's capital assets consist of unamortized organization costs.

## CASH AND INVESTMENT POLICY

The Counties of Warren and Washington Industrial Development Agency finds it necessary to place funds in various deposit accounts. Article 18A, Section 858(14) of the State General Municipal Law authorizes the Agency to designate depositories. In accordance with this Article, one (1) bank is designated as a depository for the Agency's funds. Rates are competitively procured for deposits.

## CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Agency at (518) 792-1312 or by mail: Counties of Warren and Washington Industrial Development Agency, 5 Warren Street, Suite 210, Glens Falls, New York 12801.

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Statement of Net Position

December 31, 2017

ASSETS	<u>Industrial Development Agency</u>	<u>Civic Development Corp. (Component Unit)</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 713,753	\$ 67,488
Accounts receivable	24,331	-
Accounts receivable - restricted	41,813	-
Note receivable, current portion	8,500	-
Prepaid expenses	2,835	-
	<hr/>	<hr/>
Total Current Assets	791,232	67,488
<b>Noncurrent Assets:</b>		
Escrow cash	600	-
Note receivable, net of current portion	4,250	-
Organization cost, net of amortization	-	4,655
Capital assets, net	519,415	-
	<hr/>	<hr/>
Total Noncurrent Assets	524,265	4,655
	<hr/>	<hr/>
Total Assets	1,315,497	72,143
 <b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	1,160	-
Accrued liabilities	708	-
Other liabilities	222	-
Due to other governments-to be paid from restricted assets	41,813	-
Deferred revenue	28,912	-
	<hr/>	<hr/>
Total Current Liabilities	72,815	-
	<hr/>	<hr/>
Total Liabilities	72,815	-
 <b>NET POSITION</b>		
Net investment in capital assets	519,415	4,655
Unrestricted	723,267	67,488
	<hr/>	<hr/>
Total Net Position	<u>\$ 1,242,682</u>	<u>\$ 72,143</u>

See Independent Auditor's Report and Notes

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2017

	<u>Industrial Development Agency</u>	<u>Civic Development Corp. (Component Unit)</u>
Operating Revenues:		
Charges for services	\$ 216,257	\$ 52,999
Reimbursements	68,158	17,666
Other income	11,917	-
	<hr/>	<hr/>
Total Operating Revenues	296,332	70,665
	<hr/>	<hr/>
Operating Expenses:		
Personal services	22,051	-
Contractual expenses	114,324	19,813
Payroll taxes	1,974	-
Amortization	-	517
Depreciation	247	-
	<hr/>	<hr/>
Total Operating Expenses	138,596	20,330
	<hr/>	<hr/>
Operating Income	157,736	50,335
	<hr/>	<hr/>
Non-Operating Revenues (Expenses):		
Use of money and property	641	-
Real property tax expense	(12,346)	-
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	(11,705)	-
	<hr/>	<hr/>
Increase in Net Position	146,031	50,335
	<hr/>	<hr/>
Net Position - Beginning of Year	1,096,651	21,808
	<hr/>	<hr/>
Net Position - End of Year	<u>\$ 1,242,682</u>	<u>\$ 72,143</u>

See Independent Auditor's Report and Notes

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Statement of Cash Flows

Year Ended December 31, 2017

	<u>Industrial Development Agency</u>	<u>Civic Development Corp. (Component Unit)</u>
Cash Flows From Operating Activities:		
Cash received from providing services	\$ 239,917	\$ 52,999
Cash payments contractual expenses	(123,250)	(2,147)
Cash payments personal services and payroll taxes	(24,025)	-
Other operating revenue	80,075	-
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	172,717	50,852
	<hr/>	<hr/>
Cash Flows From Investing Activities:		
Interest income	641	-
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	641	-
	<hr/>	<hr/>
Cash Flows From Non-Capital and Financing Activities:		
Real property taxes	(12,346)	-
	<hr/>	<hr/>
Net Cash Provided (Used) by Non-Capital and Financing Activities	(12,346)	-
	<hr/>	<hr/>
Cash Flows From Capital and Related Financing Activities:		
Collections on note receivable	8,500	-
	<hr/>	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	8,500	-
	<hr/>	<hr/>
Net Increase in Cash and Cash Equivalents	169,512	50,852
	<hr/>	<hr/>
Cash and Cash Equivalents - Beginning of Year	544,841	16,636
	<hr/>	<hr/>
Cash and Cash Equivalents - End of Year	<u>\$ 714,353</u>	<u>\$ 67,488</u>

See Independent Auditor's Report and Notes

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Statement of Cash Flows

Year Ended December 31, 2017

	<u>Industrial Development Agency</u>	<u>Civic Development Corp. (Component Unit)</u>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided (Used) by Operating Activities:</b>		
Operating Income	\$ 157,736	\$ 50,335
<b>Adjustments to Reconcile Operating Income to Net Cash Provided</b>		
<b>(Used) by Operating Activities:</b>		
Amortization	-	517
Depreciation	247	-
<b>(Increase) Decrease in:</b>		
Accounts receivable	(17,308)	-
Accounts receivable - restricted	(41,813)	-
Other receivables	47,056	-
Prepaid expenses	(819)	-
<b>Decrease (Increase) in:</b>		
Accounts payable	(9,037)	-
Accrued liabilities	708	-
Other liabilities	222	-
Due to other governments - to be paid from restricted assets	41,813	-
Deposits held	(6,088)	-
	<u>\$ 172,717</u>	<u>\$ 50,852</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 172,717</u>	<u>\$ 50,852</u>

See Independent Auditor's Report and Notes

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2017

**Summary of Significant Accounting Policies**

The financial statements of the Counties of Warren and Washington Industrial Development Agency (the "Agency") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the Agency are described below.

**Organization and Purpose**

The Agency was created in 1971 by the Warren and Washington County Boards of Supervisors under the provisions of Chapter 862 of the 1971 Laws of New York State. The purposes of the Agency are to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreational facilities including industrial pollution control facilities, educational or cultural facilities, railroad facilities and horse racing facilities and thereby advance the job opportunities, health, general prosperity and economic welfare of the Counties of Warren and Washington and the residents thereof; and to improve their recreational opportunities, prosperity and standards of living.

The Agency accomplishes its purposes through arranging for issuance of taxable and tax-exempt Industrial Development Revenue Bonds, granting of sales and mortgage tax exemptions and the arranging and administration of payment-in-lieu-of-taxes agreements, to prospective businesses upon an application and approval process. The Agency considers these activities to be operating revenues. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, including the sale of land. The Agency also owns approximately 79 acres of land located in Warren and Washington counties of which its primary purpose is to add business properties to an existing industrial park in order to attract prospective businesses.

The Agency is exempt from federal, state and local income taxes. The members of the Board of the Agency are appointed by the Warren and Washington County Boards of Supervisors.

**Component Unit of the Agency**

The Counties of Warren and Washington Civic Development Corporation (the "CDC"), an exempt organization under Sec. (501)(c)(3) of the Internal Revenue Code was created in 2011 for the purpose of promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the Counties by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access low interest tax-exempt and non-tax-exempt financing for their eligible projects; and undertaking projects and activities within the Counties for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the Counties by attracting new industry to the Counties or by encouraging the development of, or retention of, an industry in the Counties, and lessening the burdens of government and acting in the public interest. The CDC governing body is substantively the same as the Agency's, and therefore the CDC is considered a component unit of the Agency and is discretely presented.

**Enterprise Fund**

The Agency records its transactions in this proprietary-type fund, which is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.



COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2017

**Summary of Significant Accounting Policies – Continued**

**Basis of Accounting**

The financial statements of the Agency are prepared using the accrual basis of accounting. Sales of real estate lots owned by the Agency are reported using the accrual method, which requires that the entire profit on the sale be recognized when the sale occurs.

**Capital Assets, Net**

The Agency's capital assets are recorded at cost, and consist mainly of land and related development costs.

Land is recorded at cost when acquired, and consists of approximately 79 acres. The Agency is developing sections of the land for sale to prospective businesses. Various legal, surveying, engineering and other development costs are capitalized as incurred. At December 31, 2017, the accumulated costs recorded on the Agency's books associated with the land total \$519,263.

Depreciation of office equipment and signs and mailboxes is recognized on a straight-line basis over the estimated useful lives of the assets, five and ten years, respectively.

**Accounts Receivable**

The Agency considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when the determination is made. The Agency has no stated policy for deeming receivables to be delinquent and no interest is charged to receivables.

**Cash and Cash Equivalents**

The Agency considers all checking, savings and certificate of deposit accounts with a maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

Cash and cash equivalents at December 31, 2017, are as follows:

	Industrial Development Agency	Civic Development Corp (Component Unit)
Operating cash	\$ 713,753	\$ 67,488
Escrow cash	600	-
Total cash and cash equivalents	\$ 714,353	\$ 67,488

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

**Restricted Resources**

It is the Agency's policy to first use restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.



COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2017

**Industrial Revenue Bond and Note Transactions**

Industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the State of New York. The Agency does not record the assets or liabilities resulting from completed bonds and notes issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents.

The Agency receives an administration fee calculated as a percentage of the amount of bonds issued or cost of the project in the case of a straight lease transaction, in addition to reimbursements for any legal costs incurred by the Agency. Such administrative fee income is recognized immediately upon the closing of the project.

Industrial Development revenue bonds and notes outstanding as of December 31, 2017, total \$9,746,622. Civic Development bonds and notes outstanding as of December 31, 2017, total \$29,817,606.

**Cash and Investments**

The Agency's investment policies are governed by State statutes. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. At December 31, 2017, the Agency had no investments.

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. While the Agency does not have a specific policy for custodial credit risk, New York State statutes govern the Agency's investment policies, as described above.

The Agency's insured and collateral status of the year-end bank balances were as follows:

	Industrial Development Agency	Civic Development Corp (Component Unit)
Covered by Federal Deposit Insurance	\$ 250,000	\$ 67,488
Collateralized with securities held by third-party custodian for the benefit of the Agency, pursuant to a three-party custody agreement	465,587	-
	\$ 715,587	\$ 67,488

The Agency does not typically purchase investments of a duration long enough to cause it to believe that it is exposed to any material interest rate risk. The Agency does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2017

**Note Receivable**

Note receivable consisted of the following as of December 31, 2017:

On April 1, 2014, entered into an agreement on an installment sale of land in the amount of \$42,500, with 0% interest, commencing on October 1, 2014, semi-annual payments of \$4,250 through April 1, 2019.

	\$ 12,750
Less: current portion	<u>(8,500)</u>
Long-term receivable, net of current portion	<u>\$ 4,250</u>

**Capital Assets and Organization Costs**

Capital assets at December 31 are comprised as follows:

	Balance January 1, 2017	Additions	Retirements/ Disposition	Balance December 31, 2017
Land	\$ 519,263	\$ -	\$ -	\$ 519,263
Office equipment	2,851	-	-	2,851
Sign and mailboxes	<u>7,584</u>	<u>-</u>	<u>-</u>	<u>7,584</u>
	529,698	-	-	529,698
Less: accumulated depreciation	<u>(10,036)</u>	<u>(247)</u>	<u>-</u>	<u>(10,283)</u>
Capital assets, net	<u>\$ 519,662</u>	<u>\$ (247)</u>	<u>\$ -</u>	<u>\$ 519,415</u>

Depreciation expense for 2017 was \$247.

The CDC recorded \$7,756 for organizational costs upon its creation. As of December 31, 2017, the organizational cost recorded on the books of the CDC was \$4,655, net of accumulated amortization of \$3,101. Amortized organization expense for 2017 was \$517.

**Restricted Assets**

At December 31, 2017, restricted assets consisted of the following:

Accounts receivable for PILOT payments owed to other governments	<u>\$ 41,813</u>
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COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

December 31, 2017

**Contingencies and Commitments**

The Agency has a sewer facility ownership and services agreement with Washington County and the Town of Kingsbury for the establishment and maintenance of the Kingsbury Sewer District Number One (District). Based on the agreement, the Agency will be responsible for reimbursing the Town of Kingsbury for capital costs incurred in the construction of the District. These payments will be based on the payment schedule associated with the debt incurred by the Town of Queensbury in financing the capital costs. During 2017, the Agency was billed and paid \$10,547.

**Subsequent Events**

The Agency has evaluated all events through February 26, 2018, the date which these financial statements were available to be issued, and determined that there are no subsequent events which required disclosure.

**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**

To The Board of Directors  
Counties of Warren and Washington  
Industrial Development Agency

We have audited, in accordance with the 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 business-type activities and the aggregate discretely presented component unit of the Counties of Warren and Washington Industrial Development Agency, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Counties of Warren and Washington Industrial Development Agency's basic financial statements, and have issued our report thereon dated February 26, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Counties of Warren and Washington 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Counties of Warren and Washington Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Counties of Warren and Washington 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 a 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.

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. 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Counties of Warren and Washington Industrial Development Agency's financial statements are free from 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.

*Whittemore, Downen & Ricciardelli, LLP*

Whittemore, Downen & Ricciardelli, LLP  
Queensbury, New York

February 26, 2018