

north country alliance



North Country Alliance Local Development Corporation

FY 2017
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, 2017. 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 2017, we committed to 10 projects totaling \$1,218,000 in funding. These projects leveraged over \$6.4 million in investment, creating or retaining approximately 100 jobs.

In 2017, the North Country Alliance also voluntarily complied with the Authorities Budget Office's Public Authorities Accountability Act. While the North Country Alliance was not created by a public entity nor does it have any appointed representatives to its Board of Directors, the Authorities Budget Office decided that the North Country Alliance must comply with the Act. While the North Country Alliance does not agree with the Authorities Budget Office in their opinion, we have voluntarily agreed to comply with the Act and all required reporting.

The Board of Directors looks forward to 2018 and to providing our members with resources to grow and expand the economy and communities of the North Country.

Very Truly Yours,

At A Glance:

- ✓ Closed on 2 loans totaling \$268,000 leveraging \$479,841 and creating or retaining 16 jobs.
- ✓ Committed \$950,000 to projects totaling over \$6.9 million in 2017.
- ✓ Created program to provide working capital loans of up to \$75,000.



Johnson Lumber received funding in 2017

Projects Closed in 2017

The North Country Alliance closed on its loan to Swift Labs, LLC, located in Massena, New York. Swift Labs, LLC operates as Swift Eyewear. The Company received \$43,000 from the North Country Alliance in addition to funding from the St. Lawrence County Chamber of Commerce to

build out their space for Swift Labs and Swift Eyewear.

In December the North Country Alliance closed on a loan to Jai Gulab, Inc. in the amount of

\$225,000. This \$667,841 project proposes the renovation of an existing motel in the town of LeRay, Jefferson County with the goal to convert it to a Motel 6.



Projects Committed in 2017



In 2017 the North Country Alliance committed to the following projects:

- ✓ Small Town Supply, Inc. in the amount of \$225,000 to open a general hardware store in Gouverneur, St. Lawrence County;
- ✓ 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.
- ✓ Amanda Derouchie and Michael Chavoustie received \$75,000 for working capital for their coffeehouse and gift boutique located in Cape Vincent, Jefferson County.
- ✓ SBSP Real Estate received \$225,000 for the purchase and renovations to a motel in Plattsburgh, Clinton County.

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 group also references other agenda's like the New York State Economic Development Council. The committee then recommends the legislative agenda to the Board of Directors for acceptance.

In 2017, representatives from the North Country Alliance met with state elected officials to educate them on the issues that most affected the region. Issues included:

- ✓ **Funding for a Round VI of the Regional Economic Development Councils and the Downtown Revitalization Program;**
- ✓ **Continued funding for a Round V of the RESTORE NY Program which advances municipal projects that would not otherwise be completed;**
- ✓ **Financial support for flexible workforce development training programs and the promotion of trade and technical careers;**
- ✓ **Expiration of the 18-a energy surcharge which negatively impacts NNY manufacturers;**
- ✓ **Maintaining funding levels for the Environmental Protection Fund.**

Communications

The North Country Alliance holds two face-to-face membership meetings throughout the year. The annual meeting was held June 27, 2017 at the Mirror Lake Inn, Lake Placid. This location is centrally located within the region. The guest speaker at this year's meeting was Brian McMahon. Mr. McMahon is the former director of the NYS Economic Development Council. At our Fall Forum held in September in Potsdam a panel comprised of regional business owners spoke about the pros and cons of doing business in New York State. It was an informative panel regarding issues impacting businesses and how we can work together to assist businesses. Ryan Silva, the current director of the NYS Economic Development Council, was the panel moderator. 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. Our independent auditor is Crowley & Halloran PC.

BALANCE SHEET

	2017	2016
Total Assets	\$4,661,555	\$5,198,438
Total Liabilities	\$3,585,823	\$3,721,879
Total Net Assets	\$1,075,732	\$1,476,559
Total Liabilities and Net Assets	\$4,661,555	\$5,198,438

- ✓ 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 St. Lawrence Brewing Company, \$91,936, Carthage Specialty Paperboard, \$220,634.95, and BICC Brothers, \$20,420.01.

INCOME STATEMENT FYE 2017

	ESD SBRLF	UDC	USDA IRP	USDA RBEG	Unclassified	Total
Income	\$68,702	\$9,157	\$59,344	\$3,291	\$29,403	\$169,897
Expense	\$263,986	\$3,413	\$284,760	\$0	\$18,565	\$570,724
<i>Net Income</i>	<i>(\$195,284)</i>	<i>\$5,744</i>	<i>(\$225,416)</i>	<i>\$3,291</i>	<i>\$10,838</i>	<i>(\$400,827)</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.
- ✓ Both ESD SBRLF and USDA IRP reflect bad debt expenses of \$220,886 respectively.

Membership

Community Bank	Watertown Savings Bank	Plattsburgh-North Country Chamber of Commerce	Adirondack Economic Development Corporation
CITEC Business Solutions	Clinton County	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	Ogdensburg Bridge and Port Authority	Village of Potsdam
St. Lawrence Healthcare Systems	Atlantic Testing Laboratories	Potsdam Specialty Papers	Slic Network Solutions
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
St. Lawrence County Chamber of Commerce	Business Development Corp for a Greater Massena	SBDC at SUNY Canton	M&T Bank
Hamilton County	Clarkson University/Shipleigh Center for Innovation	Lewis County Hospital	Alcoa-Massena Operations
Golden Technologies	International Paper	Lakeside Container	ReEnergy Holdings LLC
Twinstare	Wladis Law Firm	Aubertine & Currier	Lake Placid Pub and Brewery
Save-A-Lot	Hi-Lite Airfield Services, LLC	Croniser, Lawrence, & Philippe CPAs, LLC	Bowers & Company
Curran Renewable Energy LLC	Kinney Drugs		

Board of Directors

Officers

Marijean Remington	President
Ronald Charette	Vice President
Joseph Russo	Secretary
David Zembiec	Treasurer
James Wright	Closing Agent

Directors

Patrick Kelly	Franz Philippe
Carol Calabrese	Duane Pelkey
Benjamin Dixon	Donna Wadsworth
Eric Virkler	Brian Gladwin
Jeremy Evans	Christy Wilt
Vacant	Kate Fish

For more information on the North Country Alliance go to
www.northcountryalliance.org.

