

WASHINGTON COUNTY
LOCAL DEVELOPMENT CORPORATION
2017 ANNUAL REPORT



www.wcldc.org

383 Broadway
Fort Edward, NY 12828
(518) 746-2292

The Washington County Local Development Corporation announces its Officers and Committees for 2017...

2017 OFFICERS/Executive Committee

Seth Pitts, Salem Supervisor, Chairman
Jared Humiston, representing Argyle, Vice Chairman
Dave O'Brien, Hampton Supervisor, Secretary
Rich Norman, representing Greenwich, Treasurer

The 2017 Board of Directors

Jared Humiston, representing Argyle
Cassie Fedler, Cambridge Supervisor
George Gang, Dresden Supervisor
Dan Shaw, Easton Supervisor
Richard Moore, Fort Ann Supervisor
Mitchell Suprenant, representing Fort Edward
Jay Niles, representing Granville
Rich Norman, representing Greenwich
Dana Haff, Hartford Supervisor
Dave O'Brien, Hampton Supervisor
Brian Campbell, Hebron Supervisor
Jay Skellie, Jackson Supervisor
Dana Hogan, Kingsbury Supervisor
John LaPointe, Putnam Supervisor
Seth Pitts, Salem Supervisor, Chair
Marion Watkins, representing White Creek
George Armstrong, Whitehall Supervisor

Loan Review Committee

Rich Norman, representing Greenwich, Chair
Jared Humiston, representing Argyle
Jay Niles, representing Granville
Cassie Fedler, Cambridge Supervisor
Dana Haff, Hartford Supervisor
Brian Campbell, Hebron Supervisor
Dave O'Brien, Hampton Supervisor

Audit and Finance Committee

Richard Norman, representing Greenwich, Chair
Jared Humiston, representing Argyle
Dan Shaw, Easton Supervisor
Jay Niles, representing Granville
Marion Watkins, representing White Creek

Governance Committee

George Gang, Dresden Supervisor, Chair
Jared Humiston, representing Argyle
Dave O'Brien, Hampton Supervisor
Seth Pitts, Salem Supervisor
Cassie Fedler, Cambridge Supervisor

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Mission Statement

The Mission of the Washington County Local Development Corporation, a not-for-profit entity, is to stimulate economic development activities that encourage investment in Washington County, NY. The WCLDC will serve as a resource to retain and increase employment opportunities, encourage the expansion and growth of existing businesses, and attract new businesses to Washington County, NY. Fostering employment opportunities for Washington County residents while expanding and increasing the tax base are key objectives of the WCLDC. The WCLDC will seek to further its mission through the provisions of low interest loans to businesses.

Introduction

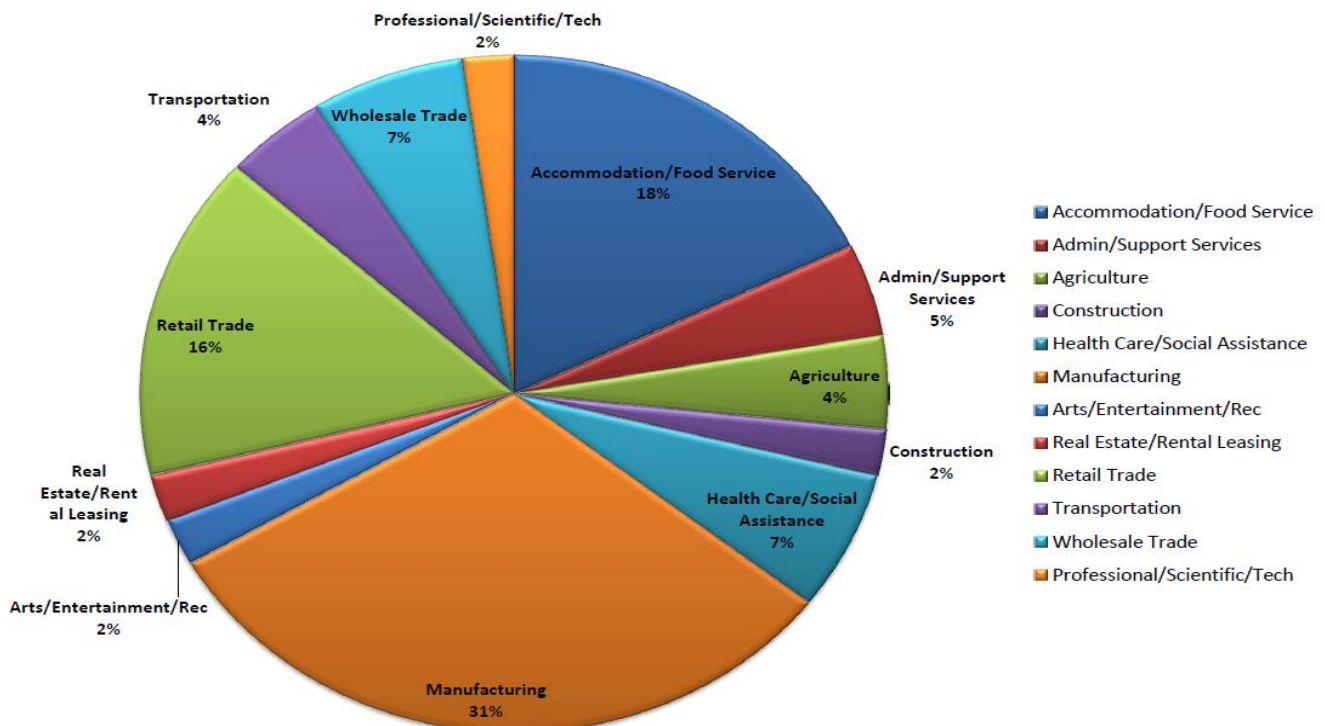
The primary service offered by the WCLDC is lending. Financing entrepreneurs, supporting company expansions, equipment purchases and real estate investments are just a few of the services available. Another priority is partnerships; we frequently work with financial institutions to assist businesses, as well as offer community development investment programs for developers. The WCLDC consistently collaborates and engages with strategic regional economic development agencies and statewide organizations to ensure resources, programs and funding streams to best serve existing businesses and start-ups are available. Whether its equipment for upgrading existing machinery, adding production lines, buying or building a facility, working capital or job creation; the WCLDC has programs with funding options to encourage growth and job creation across all sectors throughout the county.

Loan Program Overview

The WCLDC ended the year closing \$776,025 in loans to six businesses in a variety of industries (two others totaling \$300,000 were approved but, will close in 2018). The loans processed throughout the year were for a myriad of projects ranging from new start-up businesses to equipment upgrades and expansions of existing businesses. As of December 31, 2017, the total portfolio included forty-four loans representing over \$5 million, with a principal balance of approximately \$3.4 million. During 2017, four businesses paid off their loans in full and no loans were written off.

Overall, we were presented with nine loan applications for consideration. Reiterating our mission statements of past, the strategic importance of having locally controlled revolving loan funds cannot be overstated. The loans processed in 2017 created jobs in a multitude of sectors throughout Washington County.

Loans By Sector



Community Development Loan Fund

There were six loan closings in this loan program in 2017 totaling \$776,025. Two others, totaling \$300,000, were approved that are expected to close in 2018.

The portfolio, at year end, included twenty-five businesses representing approximately \$2.94 million in loans and an outstanding balance of approximately \$2.4 million.

Economic Development Loan Program

There were no loan closings in 2017 under this program.

At year end, the portfolio included eight loans representing \$1.6 million, with an outstanding principal balance of approximately \$785,000. All loans were current.

Intermediary Re-lending Program

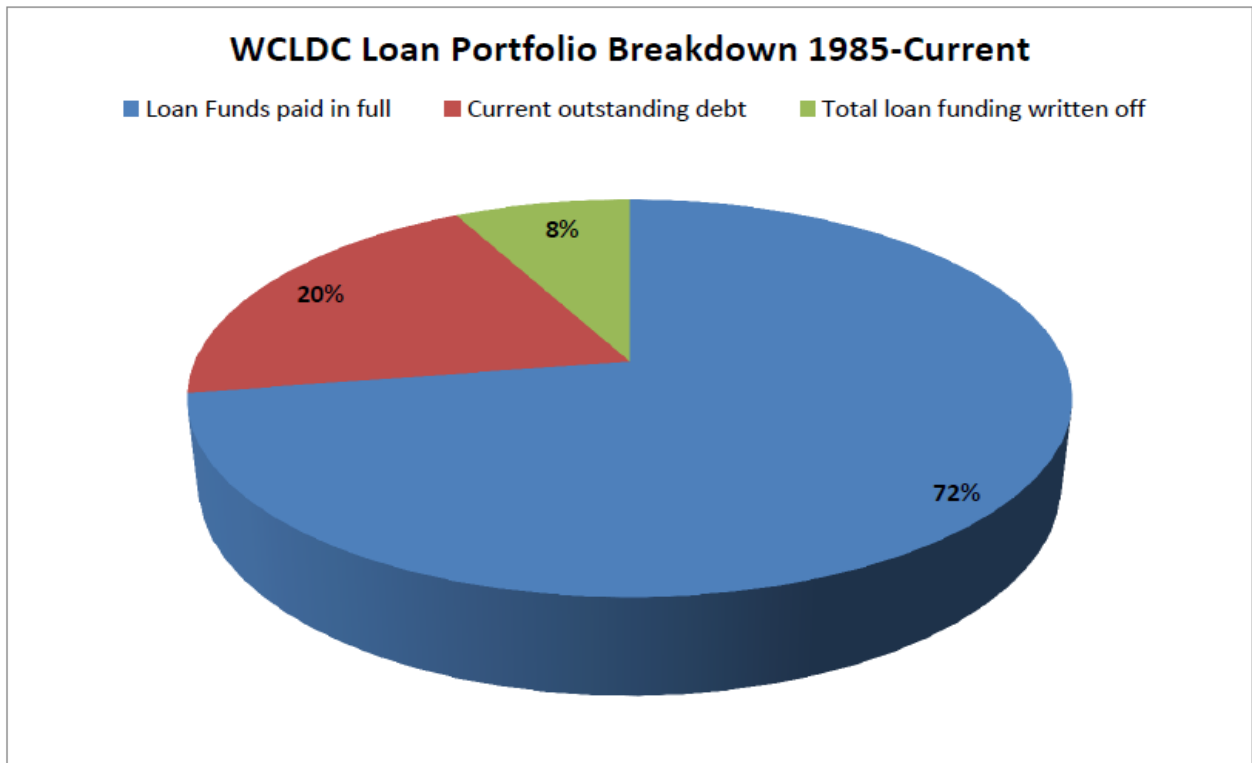
There were no loan closings in 2017 under this loan program.

At year end, the portfolio included three businesses representing \$290,000 in loans, with an outstanding principal balance of approximately \$226,000. All loans were current.

Microenterprise Loan Fund

There were no loan closings in 2017 under this program.

At year end, the portfolio included three businesses representing \$60,000 in loans with an outstanding principal balance of approximately \$26,000.



Total Loan Funds Expended Since Inception = \$16,783,838
Overall Total # of Loans = 173
Overall Success Rate of Loan Portfolio = 91.67%
Overall Rate of Loans Written Off = 8.33%

Microenterprise Assistance Program

Together with Warren County LDC and SUNY Adirondack Continuing Education we hosted two 10-week session of the Microenterprise Assistance Program. 45 individuals enrolled in the course in 2017, including new and expanding businesses. We welcomed Warren, Washington and Saratoga County participants in both sessions.

Our Presenters were generous in sharing both their time and professional insight with our participants. The course qualifies individuals interested in going into business, or expanding operations for a Micro loan up to \$25,000. We work with professionals in a variety of fields that volunteer their time to share their expertise, experiences and advice with the individuals interested in learning about what it truly means to go into business, or in some cases, if they're really ready to go into business or take on an expansion project.

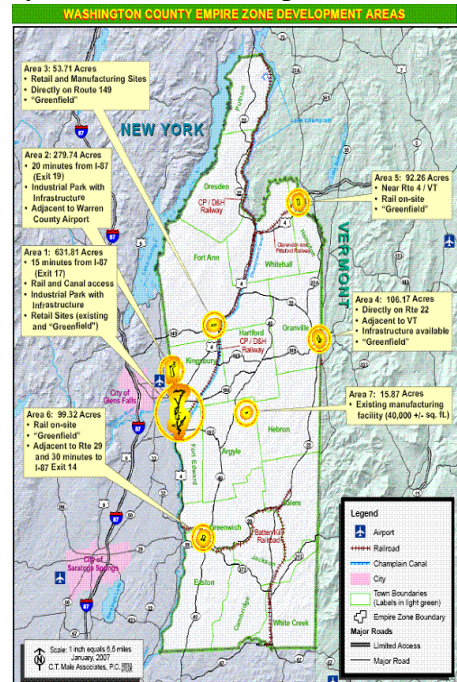
Business Activity

The WCLDC provided assistance to numerous businesses with information on issues such as tax incentives, Broadband expansion, financing programs, labor force training, site selection, utility incentives, Empire Zone program, permit requirements and socio-economic data. Our organizations effect was felt throughout the county as we met with over 100 businesses in the county and handled numerous re-location inquiries as we strive to strengthen the business climate within the county. Serving the needs of private sector employers throughout the county remains a top priority of the WCLDC. We also assisted with a multitude of support mechanisms to help sustain and grow business operations encouraging additional investment and potential expansions here. Small businesses are the engine driving job growth in our local economy and our organization is here to support the needs of companies doing business here and to ensure that they have the resources necessary to start-up remain successful, expand current capabilities or maximize additional opportunities.

Empire Zone Program

Zone certified businesses continued to invest, despite of the global economy and the climate experienced locally.

<u>Year</u>	<u>#Certified Bus.</u>	<u># Full-Time Employees</u> (quarterly average)	<u>\$Capital Investment</u> (millions)
2003	32	2,256	\$29.0
2004	49	2,313	\$24.2
2005	78	2,454	\$18.5
2006	81	2,644	\$22.6
2007	84	2,474	\$21.0
2008	71	2,417	\$54.4
2009	67	2,170	\$87.3
2010	64	2,085	\$86.6
2011	56	2,100	\$18.3
2012	55	2,068	\$19.5
2013	50	2,027	\$19.0
2014	49	2,140	\$19.1
2015	47	1,884	\$19.15



In order to retain certification for the businesses already certified in our zone, WCLDC continues to provide administrative services and required documentation for the program.

When the funding from the State for the program was eliminated, the Washington County Board of Supervisors passed Resolution number 214 in order to reduce the responsibilities of the Empire Zone Administrative Board to local advocacy only. The accounting and operational responsibilities went to the Washington County Local

Development Corporation committee's to oversee and audit as there is no funding moving forward. The remaining balance in the accounts will be used to continue the administrative and operational responsibilities of continuing the administration of the program for the existing businesses able to continue to take their tax credits.

Warren-Washington Airport Industrial Park

Located on the border of Warren and Washington Counties in Northeastern New York, the Warren-Washington County IDA (WWIDA) is proud to announce that Phase II in Kingsbury, Washington County has been designated as “shovel ready” through New York State’s Shovel Ready Certification Program. The 66-acre site on County Line Road is now pre-qualified for future development as a multi-tenant business and technology park. By accomplishing Shovel Ready Certification for this site in Washington County, the potential to attract developers and/or business interest is increased substantially, and the time to complete any project is significantly reduced.

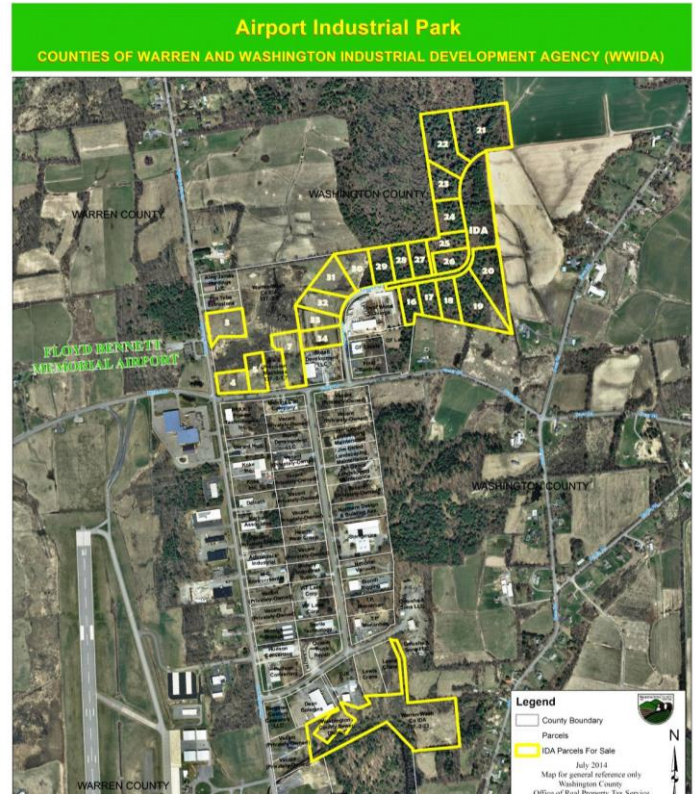
Obtaining this Shovel Ready certification for the sites in Washington County couldn't come at a better time. With the increased volume of investment interests our County is receiving, having this valuable inventory with the process streamlined is certainly an advantage when competing to secure business expansions and/or a potential business re-location. We look forward to utilizing this certification to the fullest extent. If you're looking for a world-class setting within four hours of the Canadian, Boston and New York City Markets, the Airport Industrial Park is the place to be.

An hour north of Albany NY, the Industrial Park is adjacent to Floyd Bennett Memorial Airport; offering business customers a 5000' Primary and 4000' Secondary ILS runway, shuttle and limo services, hangar space that accommodate up to a Gulfstream IV; as well as concierge services. Nestled between the Adirondack and Green Mountains of New York and Vermont, the Airport Industrial Park is centrally located to serve and distribute throughout the Northeast. The park offers shovel ready sites served by municipal water and sewer, natural gas, fiber optic infrastructure and 3-Phase power. Current tenant operations include high-tech, medical device manufacturing, and custom trade operations.

Add your business to the mix of successful and thriving enterprises at the Airport Industrial Park and watch growth happen.

ECONOMIC DEVELOPMENT INCENTIVES

- 485-b Property Tax Incentive program
- Excelsior Program
- Foreign Trade Zone
- PILOT opportunities
- Sales Tax Exemptions on new buildings and expansions
- Personalized assistance from bi-county economic development professionals
- Private/Public financing information, lending and incentive packages available.



Financial Situation

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2017

ASSETS	Restricted					Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	RBEG Grant	Empire Zone	CDBG Grant		
Current Assets:							
Cash- Checking	\$ -	\$ 70,561	\$ 12,891	\$ 510	\$ 35,372	\$ 678,909	\$ 798,243
Cash - Time Deposit	-	22,000	-	-	-	402,419	424,419
Accounts Receivable	-	-	-	-	-	759	759
Current Portion, Loans Receivable	13,094	38,137	-	-	13,360	470,312	534,903
Current Portion, Lease Payments Receivable	-	-	5,155	-	-	-	5,155
USDA Receivable	-	-	-	-	-	-	-
Interest Receivable	275	832	-	-	1,103	35,713	37,923
Total Current Assets	13,369	131,530	18,046	510	49,835	1,588,112	1,801,402
Other Assets:							
Loans receivable, net of current portion	193,915	188,384	-	-	129,634	2,563,109	3,075,042
Allowance for Doubtful Accounts	(1,462)	(22,000)	-	-	-	(303,342)	(326,804)
Lease Payments Receivable, net of current portion	-	-	18,042	-	-	-	18,042
Total Assets	192,453	166,384	18,042	510	129,634	2,259,767	2,766,280
	<u>205,822</u>	<u>297,914</u>	<u>36,088</u>	<u>510</u>	<u>179,469</u>	<u>3,847,879</u>	<u>4,567,682</u>
LIABILITIES AND FUND EQUITY							
Current Liabilities:							
Accounts Payable	-	-	-	-	-	1,587	1,587
Current Portion of Loan Payable	-	10,951	-	-	-	-	10,951
Total Current Liabilities	-	10,951	-	-	-	1,587	12,538
Long-Term Liabilities:							
Long Term Loan Payable, net of current portion	-	116,452	-	-	-	-	116,452
Total Long term Liabilities	-	116,452	-	-	-	-	116,452
Total Liabilities	-	127,403	-	-	-	1,587	128,990
Fund Equity	205,822	170,511	36,088	510	179,469	3,846,292	4,438,692
Total Liabilities and Fund Equity	\$ 205,822	\$ 297,914	\$ 36,088	\$ 510	\$ 179,469	\$ 3,847,879	\$ 4,567,682

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

REVENUES	Restricted					Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	RBEG Grant	Empire Zone	CDBG Grant		
Interest on Loans	\$ 8,681.00	\$ 14,780.00	\$ -	\$ -	\$ 9,267.00	\$ 140,824.00	\$ 173,552.00
Interest on Time Deposits	-	83	-	-	10	2,930	3,023
Contributions/Grants	-	-	-	-	-	145,000	145,000
Origination & Late Fees	-	200	-	-	865	20,846	21,911
Events	-	-	-	-	-	1,404	1,404
RBEG Grant Reimbursement	-	-	-	-	-	-	-
Net assets released from Unrestricted Income	(23,350)	-	-	-	-	23,350	-
Total Revenues	(14,669)	15,063	-	-	10,142	334,354	344,890
EXPENDITURES							
Salaries & Wages	-	-	-	-	-	60,000	60,000
Payroll Taxes	-	-	-	-	-	4,752	4,752
Fringe Benefits	-	-	-	-	-	20,383	20,383
Professional Fees	-	-	-	-	-	20,589	20,589
Interest Expense	-	1,370	-	-	-	-	1,370
Insurance	-	-	-	-	-	3,413	3,413
Office Expense	-	-	-	-	-	1,643	1,643
Marketing and Advertising	-	-	-	-	-	5,987	5,987
Meeting Expense	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	874	874
Grant Expenses	-	-	-	-	-	65,000	65,000
Bad Debt Expense (Recovery)	(600)	-	-	-	-	292,791	292,191
Total Expenditures	(600)	1,370	-	-	-	475,432	476,202
Excess (Deficit) of Revenue Over Expenditures	(14,069)	13,693	-	-	10,142	(141,078)	(131,312)
Fund Equity - Beginning of Year	\$ 219,891	\$ 156,818	\$ 36,088	\$ 510	\$ 169,327	\$ 3,987,370	\$ 4,570,004
Fund Equity - End of Year	\$ 205,822	\$ 170,511	\$ 36,088	\$ 510	\$ 179,469	\$ 3,846,292	\$ 4,438,692

What to expect in 2018?

It is anticipated that the following goals for 2018 will be met:

- Continue identifying opportunities to provide services, information and resources to Washington County businesses.
- Continue to collaborate and build relationships with other County agencies and departments to strategize, plan, and work together to utilize the diverse talents and capabilities of individuals between agencies.
- WCLDC will work towards identifying Grant opportunities available to expand lending power.
- Finance at least \$700,000 in loans to prospective business start up's and expansion projects.
- Work with the committees at the WWIDA to encourage applicable businesses for the existing lots available in the Industrial Park.
- Administration will continue to comply with the "Public Authority Accountability Act".
- WCLDC will host the MicroEnterprise Assistance programs twice annually and continue to develop the curriculum presented.
- Provide networking events such as the Small Business Awards for Washington County businesses.