

TICONDEROGA REVITALIZATION
ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)

Independent Auditor's Report

Financial Statements
And Supplementary
Information

December 31, 2018

TICONDEROGA REVITALIZATION
ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Ticonderoga Revitalization Alliance, Inc.
Ticonderoga, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Ticonderoga Revitalization Alliance, Inc. (the Organization), a not-for-profit organization and component unit of the Town of Ticonderoga, New York, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Ticonderoga Revitalization Alliance, Inc.'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 an opinion 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 Organization'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 Organization'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Ticonderoga Revitalization Alliance, Inc. as of December 31, 2018, and the respective changes in financial position 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 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 27, 2019, on our consideration of Ticonderoga Revitalization Alliance, Inc.'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 solely 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 the effectiveness of Ticonderoga Revitalization Alliance, Inc.'s 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 Ticonderoga Revitalization Alliance, Inc.'s internal control over financial reporting and compliance.

Whittemore, Dowen & Ricciardelli, LLP

Whittemore, Dowen & Ricciardelli, LLP
Queensbury, New York

February 27, 2019

TICONDEROGA REVITALIZATION ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)
Management's Discussion and Analysis

For the Year Ended December 31, 2018

Our discussion and analysis of the Ticonderoga Revitalization Alliance, Inc.'s performance provides an overview of the Organization's financial activities for the fiscal year ended December 31, 2018. Please read it in conjunction with the Organization's financial statements.

HIGHLIGHTS

Financial Highlights:

- Total assets increased by \$28,158.
- Change in net position of \$28,075, is down \$285,933 from the prior year change in net position.

USING THIS ANNUAL REPORT

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements and Notes to the Financial Statements, which explain in more detail some of the information in the financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the organization-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Organization-wide financial statements. The organization-wide financial statements are designed to provide readers with a broad overview of the Organization's finances. They are reported on the full accrual basis of accounting.

The *Statement of Net Position* presents information on all of the Organization'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 Organization is improving or deteriorating.

The *Statement of Activities* presents information showing how the Organization'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.

Fund financial statements. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The fund statements are reported on the modified accrual basis of accounting.

The focus of the governmental fund is narrower than that of the government-wide financial statements so it is useful to compare the information presented for the governmental fund with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

TICONDEROGA REVITALIZATION ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)
Management's Discussion and Analysis

For the Year Ended December 31, 2018

FINANCIAL ANALYSIS

The following tables present a summary of the Organization's net position for the fiscal years ended December 31, 2018 and 2017.

Table 1

Net Position

	2018		2017
Current and Other Assets	\$ 509,667	Current and Other Assets	\$ 481,509
Total Assets	509,667	Total Assets	481,509
Long-Term Debt Outstanding	500	Long-Term Debt Outstanding	2,500
Other Liabilities	2,083	Other Liabilities	-
Total Liabilities	2,583	Total Liabilities	2,500
Unrestricted	507,084	Unrestricted	479,009
Total Net Position	\$ 507,084	Total Net Position	\$ 479,009

Net position may serve over time as a useful indicator of a government organization's financial position. In the case of the Organization, assets exceed liabilities by \$507,084 as of December 31, 2018 and by \$479,009 as of December 31, 2017. The Organization's financial position is the product of the net results of activities.

Current and other assets at December 31, 2018, include an investment in a joint venture of \$79,287. This represents an investment with three individuals in a paddle tennis operation in the town of Ticonderoga, New York. They also include a mortgage note receivable to one local business of \$286,050.

TICONDEROGA REVITALIZATION ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)
Management's Discussion and Analysis

For the Year Ended December 31, 2018

Table 2

Changes in Net Position – Governmental Activities

	2018		2017
Revenues:			Revenues:
Program Revenue:			Program Revenue:
Operating grants/contributions	\$ 67,540		\$ 338,400
General Revenue (Losses):			General Revenue (Losses):
Interest on cash deposits	45		32
Interest on note receivable	8,780		2,243
Loss on investment in joint venture	(12,777)		(16,168)
Total Revenues	63,588		324,507
Expenses:			Expenses:
General government	35,513		10,499
Total expenses	35,513		10,499
Change in net position	28,075	Change in net position	314,008
Net Position at Beginning of Year	479,009	Net Position at Beginning of Year	165,001
Net Position at End of Year	\$ 507,084	Net Position at End of ear	\$ 479,009

Operating grants/contributions of \$67,540 are down \$270,860 from the prior year. Operating expenses increased from \$10,499 in 2017 to \$35,513 in 2018, an increase of \$25,014.

GOVERNMENTAL FUND

At December 31, 2018, the governmental fund reported a fund balance of \$507,584, an increase of \$26,075 from 2017. The Organization's fund balance is classified into two classifications: nonspendable and unassigned. The nonspendable fund balance of \$274,508 represents the long-term portion of the note receivable. The remaining \$233,076 of the governmental fund balance is unassigned.

CAPITAL ASSETS

Capital assets at December 31, 2018 were fully depreciated and consisted solely of computer equipment.

OUTSTANDING DEBT

Outstanding debt at December 31, 2018, in the amount of \$500, consisted of an amount owed to a law firm in a settlement agreement regarding unpaid legal fees. The current portion of the debt is \$500. The debt is expected to be paid off in 2019.

TICONDEROGA REVITALIZATION ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)
Management's Discussion and Analysis

For the Year Ended December 31, 2018

ECONOMIC FACTORS

2019 Plans & Goals:

- I. Economic Development:
 - A. Assist in the development of new businesses and the strengthening of existing ones through technical assistance, mentoring and financial assistance. Particular focus will be placed on businesses that provide year-round employment and expanded tourism that draws economic development dollars from outside the region.
 - B. Establish and fund an Entrepreneur's Fund for the purpose of revolving investments in new businesses.
 - C. Test solutions and strengthen tools to tackle the problem of derelict properties in Ticonderoga through the provision of technical support to the Town of Ticonderoga.
 - D. Continue to support the development of employment related certificate training and education programs in the trades.
 - E. Support economic revitalization endeavors of other community organizations.
 - F. Support activities related to the arts as they contribute toward economic revitalization and improved quality of life for the residents in the Ticonderoga area.

- II. TRA Organizational Development:
 - A. Executive: Promote the long-term vision for the work of Ti-Alliance focused on larger projects to build sustainable economic development in the Ticonderoga area with the participation of a variety of public and private stakeholders in the region.
 - B. Governance: Increase the operational engagement of the 10 current board members. Additional board members in a position to help Ti-Alliance advance their goals may be added in the future, but are not being solicited at this time.
 - C. Development: Implement the long-term, multi-pronged development program developed in 2018 to include the following elements:
 - 1. Build stronger relationships with key individuals able to provide larger donations to Ti-Alliance for operational funds and key projects.
 - 2. Increase the size of the overall donor base through expanded communication and well-targeted campaigns.
 - 3. Identify grants and funding from federal, state, county, and individual sources for specific projects determined to be consistent with the long-term economic development vision of Ti-Alliance.
 - 4. Establish a strategy for revenue streams that can provide ongoing operational income on an annual basis to cover the cost of full time staff and the administrative needs of Ti-Alliance.
 - D. Finance: Facilitate continued good stewardship of funds donated to Ti-Alliance and their use toward achievement of our mission.

CONTACTING THE ORGANIZATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Organization's finances and to demonstrate the Organization's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Organization at (518) 585-6530, PO Box 247, Ticonderoga, New York 12883.

TICONDEROGA REVITALIZATION
ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)

Statement of Net Position

December 31, 2018

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 144,330
Note receivable, current portion	<u>11,542</u>
Total Current Assets	<u>155,872</u>
Noncurrent Assets:	
Investment in joint venture	79,287
Note receivable, net of current portion	<u>274,508</u>
Total Noncurrent Assets	<u>353,795</u>
Total Assets	<u>509,667</u>

LIABILITIES

Current Liabilities:	
Accounts payable	2,083
Note payable	<u>500</u>
Total Current Liabilities	<u>2,583</u>
Total Liabilities	<u>2,583</u>

NET POSITION

Unrestricted	<u>507,084</u>
Total Net Position	<u>\$ 507,084</u>

See Independent Auditor's Report and Notes

TICONDEROGA REVITALIZATION
 ALLIANCE, INC.
 (A Component Unit of the Town of Ticonderoga, New York)

Statement of Activities

December 31, 2018

	Expenses	Program Revenue Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
Governmental Activities:			
Operating Expenses:			
General government	\$ 35,513	\$ 67,540	\$ 32,027
General Revenues (Losses):			
Interest revenue on cash deposits			45
Interest revenue on note receivable			8,780
Loss from investment in joint venture			(12,777)
Total General Revenues (Losses)			(3,952)
Change in Net Position			28,075
Net Position at Beginning of Year			479,009
Net Position at End of Year			\$ 507,084

See Independent Auditor's Report and Notes

TICONDEROGA REVITALIZATION
 ALLIANCE, INC.
 (A Component Unit of the Town of Ticonderoga, New York)

Balance Sheet
 Governmental Fund

December 31, 2018

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 144,330
Note receivable	286,050
Investment in joint venture	<u>79,287</u>
Total Assets	<u><u>\$ 509,667</u></u>

LIABILITIES

Current Liabilities:	
Accounts payable	<u>\$ 2,083</u>
Total Liabilities	<u>2,083</u>

FUND BALANCES

Nonspendable	274,508
Unassigned	<u>233,076</u>
Total Fund Balances	<u>507,584</u>
Total Liabilities and Fund Balances	<u><u>\$ 509,667</u></u>

Amounts reported for governmental activities in the balance sheet are different from the statement of net position because:

Total Fund Balances of Governmental Funds	\$ 507,584
Note payable is recorded as a current liability in the statement of net position.	<u>(500)</u>
Net Position of Governmental Activities	<u><u>\$ 507,084</u></u>

See Independent Auditor's Report and Notes

TICONDEROGA REVITALIZATION
 ALLIANCE, INC.
 (A Component Unit of the Town of Ticonderoga, New York)

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Fund

December 31, 2018

Revenues (Losses):	
Contributions	\$ 61,040
Grants	6,500
Interest revenue on cash deposits	45
Interest revenue on note receivable	8,780
Loss from investment in joint venture	<u>(12,777)</u>
Total Revenues (Losses)	<u>63,588</u>
Expenditures:	
General Government Support:	
Administrative fees	125
Advertising	1,145
Conferences	105
Fundraising	1,512
Grant research	1,515
Insurance	1,903
Meals and entertainment	143
Office expense	977
Professional fees	27,588
Subscriptions	168
Travel	332
Debt Service: Principal	<u>2,000</u>
Total Expenditures	<u>37,513</u>
Excess of Revenues Over Expenditures	26,075
Fund Balance at Beginning of Year	<u>481,509</u>
Fund Balance at End of Year	<u><u>\$ 507,584</u></u>

Amounts reported for governmental activities in the statement of revenues, expenditures and changes in fund balance are different from the statement of activities because:

Net Change in Fund Balance	\$ 26,075
To record payment of note payable recorded as a reduction of liabilities in the government-wide statements.	<u>2,000</u>
Net Change in Net Position	<u><u>\$ 28,075</u></u>

See Independent Auditor's Report and Notes

TICONDEROGA REVITALIZATION
ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)

Notes to Financial Statements

December 31, 2018

Summary of Significant Accounting Policies

The summary of significant accounting policies of Ticonderoga Revitalization Alliance, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity.

Nature of Operations

Ticonderoga Revitalization Alliance, Inc. is a not-for-profit, local development corporation whose mission is to restore economic prosperity in the Ticonderoga, New York region by serving as a clearinghouse for innovative ideas and a catalyst for public-private partnerships and investment opportunities. The Organization is a component unit of the Town of Ticonderoga. Due to this relationship and because the Organization's sole member is the Town of Ticonderoga, these financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Ticonderoga Revitalization Alliance, Inc. are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the Organization are described below.

Government-Wide

The government-wide financial statements (statement of net position and statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The government-wide financial statements report information on all activities of Ticonderoga Revitalization Alliance, Inc. which consist of governmental-type activities only.

In the government-wide statement of net position, all long-term assets and long-term liability obligations of the Organization are recognized. At December 31, 2018, the Organization's net position is unrestricted.

In the government-wide statement of activities, all gross expenses of the one functional category of the Organization are recognized and supported by operating grants, contributions and general revenues.

Fund Financial Statements

The governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available. Ticonderoga Revitalization Alliance, Inc. considers all revenues reported in the governmental fund to be available if the revenues are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in the governmental fund financial statements. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financial sources. The Organization's primary sources of revenue are contributions from local individuals, businesses and grants. Contribution and grant income is recognized as revenue when such amounts are received or accruable.

TICONDEROGA REVITALIZATION
ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)

Notes to Financial Statements

December 31, 2018

Summary of Significant Accounting Policies – Continued

Fund Balance Classifications

Fund balance is divided into five classifications based primarily on the extent to which Ticonderoga Revitalization Alliance, Inc. is bound to observe constraints imposed upon the use of the resources in the governmental fund financial statements. The classifications are as follows:

Nonspendable fund balance – Amounts that are not in a spendable form such as inventory, prepaid expenses or long-term portions of loans receivable. The nonspendable fund balance at December 31, 2018 represents the long-term portion of the note receivable.

Restricted fund balance – Amounts subject to a constraint imposed by providers such as creditors, grantors, contributors or higher levels of government or through constitutional provisions or enabling legislation.

Committed fund balance – Amounts subject to a purpose imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year and that require the same level of formal action to remove the constraint.

Assigned fund balance – Amounts subject to a constraint that represents an intended use established by the government's highest level of decision-making authority or by their designated body or official, which is the Board of Directors.

Unassigned fund balance – Amounts available for any purpose, which are only found in the general fund or as a deficit balance in any other fund. At December 31, 2018, the Organization's unassigned fund balance was \$233,076.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Capital Assets

Capital assets are stated at cost. The policy of the Organization is to capitalize the costs of capital assets that are significant and have an expected useful life of more than one year.

Depreciation of capital assets is provided using the straight line method for financial and tax reporting purposes at rates based on the estimated useful life of 5 years for computer equipment.

The cost of major renewals or betterments that extend the useful lives of capital assets are capitalized. The cost of maintenance and repairs are charged to expense when incurred.

There was no depreciation expense for the year ended December 31, 2018.

Restricted Resources

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

TICONDEROGA REVITALIZATION
ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)

Notes to Financial Statements

December 31, 2018

Summary of Significant Accounting Policies – Continued

Income Taxes

Ticonderoga Revitalization Alliance, Inc. is a not-for-profit, local development corporation organized under Not-For-Profit Corporation Law of New York State. The Organization is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Uncertain Tax Positions

In accordance with generally accepted accounting principles, the Organization accounts for uncertainty in income taxes by recognizing tax positions in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by tax authorities. As of December 31, 2018, the Organization believes that it has appropriate support for the income tax positions taken on its tax returns and, therefore, believes that it has no uncertain tax positions that would have a material impact on the financial statements. As of December 31, 2018, the tax years that remain subject to examination by taxing authorities begin with 2015.

Cash Equivalents

Ticonderoga Revitalization Alliance, Inc. considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Factors that potentially subject the Organization to concentrations of credit risk are as follows:

Financial instruments that potentially subject the Organization to credit risk include cash on deposit with financial institutions, which are insured for up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The risk is managed by maintaining deposits in high quality financial institutions. The Organization had no cash in excess of the FDIC limits for the year ended December 31, 2018.

Future Impacts of Accounting Pronouncements

The Organization has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective after the year ended December 31, 2018. The Organization is, therefore, unable to disclose the impact that adopting this pronouncement will have on the financial position and results of operations in the future.

Note Receivable

Note receivable consisted of the following as of December 31, 2018:

On September 1, 2017, the Organization entered into an agreement on a mortgage note in the amount of \$300,000, with 3% interest, commencing on October 1, 2017, monthly payments of \$1,664 through September 1, 2037. The note is secured by real property.	\$ 286,050
Less: current portion	<u>(11,542)</u>
Long-term receivable, net of current portion	<u>\$ 274,508</u>

TICONDEROGA REVITALIZATION
ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)

Notes to Financial Statements

December 31, 2018

Note Receivable – Continued

Maturities of the note receivable are as follows:

Years ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 11,542	\$ 8,423	\$ 19,965
2020	11,893	8,072	19,965
2021	12,254	7,711	19,965
2022	12,627	7,338	19,965
2023	13,011	6,954	19,965
2024-2028	71,240	28,587	99,827
2029-2033	82,753	17,074	99,827
2033-2038	70,730	4,128	74,858
	<u>\$ 286,050</u>	<u>\$ 88,287</u>	<u>\$ 374,337</u>

Total interest revenue recognized for the year ended December 31, 2018 was \$8,780.

Investment in Joint Venture

On April 18, 2014, the Organization entered into an agreement with three individuals to operate Northern Lake George Paddle, LLC, a paddle tennis operation in Ticonderoga, New York, that is taxed as a partnership. The agreement provides that voting control rests with the individuals in that each individual has two votes and the Organization has one vote on any operating matters. Profits and losses are allocated based upon the percentage of ownership. The percentage of ownership is based upon capital contributions made by each member, net of any profit or loss to date. During 2018, the Organization did not receive contributions specifically earmarked for the paddle tennis program.

At December 31, 2018, the Organization had a 99.8086% share of the total loss for the joint venture's year ended December 31, 2018. The total loss for the LLC was \$12,801, of which \$12,777 is the Organization's share. The loss is reported on the statement of activities as loss from investment in joint venture. The investment in joint venture at December 31, 2018, was \$79,287.

The following is a summary of financial information included in the partnership tax filings of the joint venture:

Northern Lake George Paddle, LLC

Total assets	\$ 79,431
Total liabilities	-
Joint equity	79,431
Total revenue	4,346
Total expenses	17,147
Net loss	(12,801)

Of the \$17,147 in total expenses, \$10,599 represents depreciation expense.

TICONDEROGA REVITALIZATION
ALLIANCE, INC.
(A Component Unit of the Town of Ticonderoga, New York)

Notes to Financial Statements

December 31, 2018

Capital Assets

Capital assets at December 31, 2018 were fully depreciated and consisted of the following:

	January 1, 2018	Additions	Reclassifications And Retirements	December 31, 2018
Computer equipment	\$ 7,597	\$ -	\$ -	\$ 7,597
Less: Accumulated depreciation	(7,597)	-	-	(7,597)
Capital assets, net	\$ -	\$ -	\$ -	\$ -

Note Payable

The note payable represents amounts owed to a law firm in a settlement agreement regarding unpaid fees. The firm agreed to settle the note for a total of \$7,500 in installments to be paid over a period of 5 years at no interest with \$1,000 paid in 2015, \$2,000 paid in 2016, \$2,000 paid in 2017, and \$2,000 paid in 2018. The final payment of \$500 is due in 2019.

The following is a summary of changes in the note payable for the year ended December 31, 2018:

	Payable at January 1, 2018	Reductions	Additions	Payable at December 31, 2018	Due Within One Year
Note Payable	\$ 2,500	\$ (2,000)	\$ -	\$ 500	\$ 500

Related Party

The Organization's sole member is the Town of Ticonderoga. The Town Supervisor functions as an ex-officio member of the Board of Directors and has the right to appoint a majority (67%) of board members. As such, it has been determined that Ticonderoga Revitalization Alliance, Inc. is a component unit of the Town of Ticonderoga. However, pursuant to the bylaws of the Organization, the Town has no rights or interest in the property or assets of the Organization. During 2018, the Town of Ticonderoga paid grants totaling \$6,500 to the Organization.

In addition, the Organization loaned money to a local business for the purchase of a building for their operations during 2017. Two of the Organization's board members had a 3.95% total interest in the limited liability company that sold the building to the business. See pages 13 and 14 for disclosures related to the note receivable.

Subsequent Events

The Organization has evaluated all events through February 27, 2019, the date which these financial statements were available to be issued, and determined that there are no subsequent events which require disclosure.



WHITTEMORE, DOWEN
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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
Ticonderoga Revitalization Alliance, Inc.

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 governmental activities of Ticonderoga Revitalization Alliance, Inc. (the Organization), a not-for-profit organization and component unit of the Town of Ticonderoga, New York, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Ticonderoga Revitalization Alliance, Inc.'s basic financial statements, and have issued our report thereon dated February 27, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ticonderoga Revitalization Alliance, Inc.'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 Ticonderoga Revitalization Alliance, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ticonderoga Revitalization Alliance, Inc.'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 Organization'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 Ticonderoga Revitalization Alliance, Inc.'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 Organization'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 Organization'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 27, 2019