

BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

The Agency, a public benefit corporation of the State of New York, was established pursuant to Chapter 564 of the laws of 1970 by special act of the New York State Legislature on May 8, 1970, in accordance with the General Municipal Law of New York State.

2012 AGENCY OFFICERS AND BOARD MEMBERS

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COUNSEL

Thomas, Collison, Meagher, and Seiden Esqs.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

DECEMBER 31, 2012

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Broome County Industrial Development Agency
Binghamton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the **BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a component unit of Broome County, New York, as of and for the years ended December 31, 2012 and 2011, 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.

Auditors' 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.

Board of Directors
Broome County Industrial Development Agency
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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 Broome County Industrial Development Agency as of December 31, 2012 and 2011, and the changes in net assets and cash flows, for the years then ended in conformity 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 4-8 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Broome County Industrial Development Agency's basic financial statements. The additional information in Schedules 1 - 5 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the financial statements.

Schedules 1 - 5 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 1 - 5 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors
Broome County Industrial Development Agency
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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 26, 2013 on our consideration of the Broome County 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* considering Broome County Industrial Development Agency's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Piaker & Lyons, P.C.".

PIAKER & LYONS, P.C.

Binghamton, New York
March 26, 2013

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the Broome County Industrial Development Agency (the "Agency"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended December 31, 2012 as compared to 2011 and 2010 where applicable. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in the financial statements as a whole.

All amounts are expressed in actual dollars.

Financial Highlights

Operating income for the Broome County Industrial Development Agency was \$3,944,546 for fiscal year 2012. This was a decrease of 11% over the prior year and 374% increase over 2010. Operating results for the year produced an increase in net assets of \$3,965,275. The term "net assets" refers to the difference between assets and liabilities. At the close of fiscal year 2012, the Agency had net assets of \$26,528,669, an increase of 18% over the prior year and an increase of 46% from 2010.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's financial statements, which is comprised of the basic financial statements and the notes to the financial statements. Since the Agency is comprised of a single enterprise fund, no fund level financial statements are shown. This report contains additional information outlined on schedules one through five.

The Agency is not required by law to publish budget or report budgetary control information, therefore, no budgetary information is presented in this report.

Basic financial statements. The basic financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. Net assets increase when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in an increase to net assets, which indicates an improved financial position.

The statements of revenues, expenses, and changes in net assets present information showing how the Agency's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain additional information on schedules one through five concerning the Agency's cash and cash equivalents, investments, loan receivables, bonds outstanding, and straight leases of Agency projects.

Financial Analysis

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$26,528,669 at the close of the most recent fiscal year. This represents an increase of \$3,965,275 over the previous year and a 46% over 2010.

The unrestricted net assets were \$11,195,047, which is an increase of \$174,721 or 2% over 2011. The increase in unrestricted net assets from 2010 is \$1,682,558, which represents an increase of 18%.

This trend indicates that the Agency's total net assets show steady growth over the past three years. The primary reasons for this increase is due in part of a \$2,000,000 principal payment by JMI II, Inc., for the facility that houses Rockwell Collins Simulation & Training; the other reason is the acquisition of two properties from New York State Department of Transportation located on Frederick Street and Montgomery Street as well as seven properties from Broome County located on Hawley Street, Carroll Street and Lisle Avenue. The Agency continues to benefit from significant rental income of \$500,000 from the lease of the Edwin A. Link Building in Kirkwood, New York to L-3 Communications Link Simulation & Training, Inc. In addition to the rental income, the lease calls for an additional rental payment of \$448,000 per year to be used for capital maintenance and repair projects. The lease was extended in December 2010 and will continue for three years with provisions for two one year extensions.

A large portion of the Agency's net assets reflects its investment in its revolving loan funds with a balance of \$2,834,548 as of December 31, 2012. There has been a \$3,979 increase in the loan fund balance from 2011 of \$2,830,569. The loan funds are restricted funds and dedicated to provide subordinate debt to assist small businesses with their expansion projects. There was an increase in capital assets of \$2,188,077 primarily due to the improvements made at the Charles Street Business Park and the acquisition of properties located at 79 Frederick Street, 61 Montgomery Street and parcels on Hawley Street, Carroll Street and Lisle Avenue.

Of the \$13,370,825 of capital assets of the Agency, \$7,095,400 represents the value of a building, net of depreciation, the purpose of which was to facilitate the expansion of Rockwell Collins Simulations & Training, Inc. f/k/a/ NLX Corporation, a full flight simulation and training firm located at the Airport Corporate Center.

**Broome County Industrial Development Agency
Net Assets**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current Assets	\$ 14,148,259	\$ 14,443,369	\$ 12,718,108
Capital Assets	13,370,825	11,584,250	11,904,834
Other Non-Current Assets	<u>1,664,958</u>	<u>1,422,080</u>	<u>1,650,767</u>
Total Assets	<u>29,184,042</u>	<u>27,449,699</u>	<u>26,273,709</u>
Current Liabilities	2,028,800	1,971,248	1,742,104
Other Long-Term Liabilities	<u>626,573</u>	<u>2,915,057</u>	<u>6,412,119</u>
Total Liabilities	<u>2,655,373</u>	<u>4,886,305</u>	<u>8,154,223</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	12,484,074	8,697,499	5,627,328
Restricted	2,849,548	2,845,569	2,979,669
Unrestricted	<u>11,195,047</u>	<u>11,020,326</u>	<u>9,512,489</u>
Total Net Assets	<u><u>\$ 26,528,669</u></u>	<u><u>\$ 22,563,394</u></u>	<u><u>\$ 18,119,486</u></u>

**Broome County Industrial Development Agency
Changes in Net Assets**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Operating Revenues	\$ 6,312,301	\$ 6,820,008	\$ 2,741,583
Operating Expenses	<u>(2,367,755)</u>	<u>(2,397,754)</u>	<u>(1,909,700)</u>
Income From Operations	<u>3,944,546</u>	<u>4,422,254</u>	<u>831,883</u>
Net Non-Operating Revenues:			
Investment Income	<u>20,729</u>	<u>21,654</u>	<u>48,190</u>
Net Non-Operating Revenues	<u>20,729</u>	<u>21,654</u>	<u>48,190</u>
Change in Net Assets	3,965,275	4,443,908	880,073
Net Assets, Beginning of Year	<u>22,563,394</u>	<u>18,119,486</u>	<u>17,239,413</u>
Net Assets, End of Year	<u>\$ 26,528,669</u>	<u>\$ 22,563,394</u>	<u>\$ 18,119,486</u>

Significant Events:

In April 2012, the Agency along with a coalition of regional partners including Binghamton University, Broome Community College, economic development partners and the private sector are proposing to construct a high-technology incubator within the urban center of the region in downtown Binghamton. This incubator will provide a unique entrepreneurial ecosystem for emerging high technology companies. The Binghamton University Foundation has formed a not-for-profit entity, the Southern Tier High Technology Incubator, Inc., to construct, own and manage the incubator on the Hawley Street, Carroll Street and Lisle Avenue properties in downtown Binghamton. The Agency has committed \$2,000,000 to develop the shovel ready site that includes acquisition, demolition, leveling, clean-up and site utilities including grading, storm water and paving. Pending board approval, the Agency will restrict \$2,000,000 for this project. In September 2012, the Agency acquired several parcels from Broome County that are needed for this project. The Agency has option agreements for the remaining parcels needed for this project and are expecting to close on those properties in 2013. This project has received funding approval in the amount of \$7,000,000 from the Regional Economic Development Council and is also pursuing additional funding from the US Department of Commerce, Economic Development Administration to assist with this project.

The Agency is working with Broome County on a year round Regional Farmers Market to be located in Otsiningo Park. The market will include 36 vendor slots, 400 square feet of retail space and space for a commercial kitchen. The Agency has made a commitment to invest \$250,000 for the development of the market. Broome County Planning Department has secured \$500,000 in grants to assist in the project as well.

Cash Flows: There was a net increase in cash of \$127,639 for 2012. Net cash provided by operating activities decreased by \$2,707,211 from 2011 to 2012 primarily due to the decrease in the rental income and the Agency's fee income for services provided in support of client projects. Net cash used capital and related financing activities decreased by \$1,339,237 from 2011 to 2012 primarily due to the decrease in debt payments. Net cash provided by investing activities decreased by \$925 as a result of lower interest rates on cash and cash equivalents held by the Agency.

Capital Asset and Debt Administration

Capital Assets: The Agency's net investment in capital assets is \$13,370,825, which is net of accumulated depreciation of \$3,222,686 as of December 31, 2012, an increase of \$1,786,575 or 15% from 2011. Capital assets include buildings, land, building improvements, and furniture.

Long-term Debt: The Agency has two outstanding long-term debt payables totaling \$1,385,301. The first long-term debt is with Broome County for the development of the Broome Corporate Park in the amount of \$498,550, a decrease of \$166,185 from 2011. The second long-term debt is with JMI II, Inc., for the acquisition of the JMI II building for the expansion of NLX Corporation in the amount of \$886,751, a decrease of \$2,000,000 from 2011.

Economic Factors:

Although the Agency is currently in sound financial condition, the fiscal challenges facing our federal, state and local governments could have an impact on the Agency and its ability to maintain a continued level of economic development success. In addition, there is legislation pending in Albany that would make Agency programs less attractive to businesses and less effective in helping our community retain and attract business which will present further challenges to the Agency's future. In response to these conditions, the Agency will pursue the development of a private/public partnership. The Southern Tier Economic Partnership (STEP) will recruit business leaders and community stakeholders to this sister organization in an effort to broaden its base of support in the community.

As a result of flooding in September 2011 from Tropical Storm Lee, BAE Systems Controls Inc., sustained significant damage well in excess of \$40,000,000 to its manufacturing facility located on 600 Main Street in Johnson City. The company relocated to the Huron Campus in Endicott and announced in March 2012 that Huron would be its permanent location. The 600 Main Street Facility is owned by the United States Air Force. The Agency is working with the United States Air Force on a plan that will result in the Air Force taking responsibility for the demolition and environmental remediation of the property. Under the terms of the lease between the Agency and BAE Systems Controls Inc., the tenant was required to make rental payments. These payments were held in escrow by the Agency and dedicated exclusively to fund capital repairs, capital maintenance and capital improvements to the property. Upon termination of the lease agreement by BAE Systems Controls, a balance of \$293,198 remains in the account. The Agency will convert this escrow balance to a restricted income account to be used to cover future expenses related to the maintenance and security of the site pending board approval.

In February 2012, the Agency acquired 61 Montgomery Street and 79 Frederick Street from New York State Department of Transportation. This property is located in the City of Binghamton along the Brandywine highway between Bevier and Robinson Street and has been considered a priority for years to redevelop. The Agency is working with the City of Binghamton and other parties on a plan for this strategic site.

For several years, the Agency has made restoration and redevelopment of Binghamton's landmark Carnegie Library a priority. In December 2011, the Agency began an eminent domain proceeding on the building. In February 2012, a public hearing was held to show the importance of the library to the region. After that public hearing, the Agency filed a petition with the New York Supreme Court to take ownership. In September 2012, the Court issued an order awarding the BCIDA the property. The Agency is working with a variety of parties on a plan for redevelopment and use for this strategic location.

As of December 31, 2009, the Agency received a \$960,000 deposit on a purchase option for land in the Broome Corporate Park. The amount received to date by the Agency will be applied to the purchase of the land. In 2008, the Purchaser exercised the purchase option and the property was expected to close in 2010. The agreement stated if the Purchaser did not commence the development of its manufacturing building project by August 2010, the Agency had the right to buy back the property for any amount received in excess of \$750,000. In 2010, the Agency initiated a series of discussions with the Purchaser regarding the specific details of their building project. The Purchaser and the Agency were not able to agree on these details and consequently the Purchaser allowed their option agreement to expire. The Agency has not exercised its right to buy back the property and continues to pursue the Purchaser in an effort to agree on a project. As of the date of this report, the development has not started and it is the Agency's position that the Purchaser did not complete the purchase of the land and as a result, did not commence the development of a manufacturing facility. Therefore, the Agency has determined that the Purchaser has no basis to request a refund of \$960,000. On November 9, 2012, the Agency was served with a summons and complaint by the attorney of the Purchaser. The Agency is consulting outside counsel to handle this matter.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Broome County Industrial Development Agency, P.O. Box 1510, Binghamton, NY 13902-1510.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF NET ASSETS
DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 11,801,335	\$ 11,920,219
Temporarily Restricted - Cash and Cash Equivalents	<u>246,523</u>	<u>-</u>
Total Cash and Cash Equivalents	12,047,858	11,920,219
Deposits Held For Others	20,611	260,372
Accounts Receivable	38,189	182,356
Prepaid Expenses	7,354	7,079
Property Held for Resale	1,379,269	1,379,269
Deposits on Properties	7,250	-
Notes Receivable - Current Portion (Net of Allowance for Doubtful Notes of \$-0- in 2012 and 2011)	103,336	119,912
Loans Receivable - Current Portion	<u>544,392</u>	<u>574,162</u>
Total Current Assets	<u>14,148,259</u>	<u>14,443,369</u>
Non-Current Assets		
Notes Receivable - Non-Current Portion	356,641	445,803
Loans Receivable - Non-Current Portion (Net of Allowance for Doubtful Loans of \$238,737 in 2012 and \$137,776 in 2011)	1,308,317	976,277
Property and Equipment, At Cost (Net of Accumulated Depreciation of \$3,222,686 in 2012 and \$2,821,184 in 2011)	<u>13,370,825</u>	<u>11,584,250</u>
Total Non-Current Assets	<u>15,035,783</u>	<u>13,006,330</u>
TOTAL ASSETS	<u>29,184,042</u>	<u>27,449,699</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	42,098	13,607
Notes Payable	758,728	636,429
Land Options Liability	960,000	960,000
Deposits Held in Custody for Others	20,611	260,372
Deferred Revenue	246,523	100,000
Security Deposits	<u>840</u>	<u>840</u>
Total Current Liabilities	2,028,800	1,971,248
Non-Current Liabilities		
Notes Payable	<u>626,573</u>	<u>2,915,057</u>
TOTAL LIABILITIES	<u>2,655,373</u>	<u>4,886,305</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	12,484,074	8,697,499
Restricted for Loans	2,834,548	2,830,569
Restricted for Marketing	15,000	15,000
Unrestricted	<u>11,195,047</u>	<u>11,020,326</u>
TOTAL NET ASSETS	<u>\$ 26,528,669</u>	<u>\$ 22,563,394</u>

See the accompanying notes to financial statements.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Operating Revenues		
Fee Income	\$ 314,612	\$ 473,125
Loan Interest Earned	70,725	92,732
Rental Income	3,220,401	4,958,686
Contributions - Non-Cash	2,096,706	-
Contributions	15,000	-
Pass-Through Revenue	319,382	64,328
Millennium Pipeline Co., LLC Grant	108,000	108,000
Refund of Excess Money Held - ARC	166,000	-
Empire State Development Corporation Grant	-	1,000,000
Economic Development Service Income	-	35,000
Refund of Prior Year Expenditures	-	37,308
Other Income	1,475	50,829
Total Operating Revenues	<u>6,312,301</u>	<u>6,820,008</u>
Operating Expenses		
Interest Expense and Other Debt Service	155,783	354,397
Administrative Fee Expense - BC Chamber	548,432	525,465
Rental Expenses	427,432	429,638
Depreciation	401,502	367,688
Marketing Initiative Expenses	174,750	166,287
Office Expense	51,417	50,795
Professional Fees	61,892	76,073
Professional Development Expense	5,663	6,420
Broome County Corporate Park Maintenance	45,941	19,623
Insurance	17,600	15,721
Utilities	1,381	3,161
Other Administrative Expenses	5,022	3,654
Grant Expense	4,431	30,569
Pass-Through Expenditures	319,382	66,186
Repairs, Maintenance and General	46,167	45,840
Bad Debt Expense	100,960	-
Repayment of Excess Money Held - ARC	-	236,237
Total Operating Expenses	<u>2,367,755</u>	<u>2,397,754</u>
Operating Income	<u>3,944,546</u>	<u>4,422,254</u>
Non-Operating Revenue		
Investment Income	<u>20,729</u>	<u>21,654</u>
Change in Net Assets	<u>3,965,275</u>	<u>4,443,908</u>
Net Assets at the Beginning of the Year	<u>22,563,394</u>	<u>18,119,486</u>
Net Assets at the End of the Year	<u>\$ 26,528,669</u>	<u>\$ 22,563,394</u>

See the accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities		
Cash Received from Providing Services	\$ 4,204,015	\$ 7,020,106
Cash Payments for Contractual Expenses	<u>(1,938,037)</u>	<u>(2,046,917)</u>
Net Cash Provided By Operating Activities	<u>2,265,978</u>	<u>4,973,189</u>
Cash Flows From Non-Capital and Financing Activities:		
Principal Payments on Notes Receivable	<u>105,738</u>	<u>153,687</u>
Net Cash Provided By Non-Capital and Financing Activities	<u>105,738</u>	<u>153,687</u>
Cash Flows From Capital and Related Financing Activities:		
Deposits on Properties	(7,250)	-
Construction in Progress	(61,860)	(41,393)
Purchase of Property and Equipment	(29,511)	(5,711)
Principal Payments on Notes Payable	<u>(2,166,185)</u>	<u>(3,556,939)</u>
Net Cash Used In Capital and Related Financing Activities	<u>(2,264,806)</u>	<u>(3,604,043)</u>
Cash Flows From Investing Activities:		
Interest Income	<u>20,729</u>	<u>21,654</u>
Net Cash Provided By Investing Activities	<u>20,729</u>	<u>21,654</u>
Increase In Cash	127,639	1,544,487
Cash at Beginning of Year	<u>11,920,219</u>	<u>10,375,732</u>
Cash at End of Year	<u>\$ 12,047,858</u>	<u>\$ 11,920,219</u>

See the accompanying notes to financial statements.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Reconciliation of Operating Income to Net Cash		
Provided By Operating Activities:		
Operating Income	\$ 3,944,546	\$ 4,422,254
Adjustments to Reconcile to Net Cash Provided By Operating Activities:		
Depreciation and Amortization	401,502	367,688
Allowance for Doubtful Loans	100,961	(37,213)
Donation of Capital Assets	(2,096,706)	-
Changes in Assets and Liabilities:		
Accounts Receivable	144,167	(153,370)
Loans Receivable	(403,231)	290,681
Deferred Revenue	146,523	100,000
Prepaid Expenses	(275)	522
Accounts Payables, Security Deposits, and Other Payables and Escrow Deposits	<u>28,491</u>	<u>(17,373)</u>
Net Cash Provided By Operating Activities	<u>\$ 2,265,978</u>	<u>\$ 4,973,189</u>
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year For:		
Interest	\$ 155,783	\$ 354,397
Non-Cash Activities Related to Acquisition of Capital Assets		
During the year ended December 31, 2012, the Agency received as a donation:		
(1) Land from Broome County	\$ 181,647	\$ -
(2) Land and Buildings from New York State Department of Transportation	\$ 1,915,059	\$ -

See the accompanying notes to financial statements.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Operations** - The Agency was established in May 1970, under General Municipal Law Article 18-A, to aid Broome County in promoting the economic welfare of its inhabitants and to actively promote, attract, encourage and develop economically sound commerce and industry. The Agency advances job opportunities through assistance in constructing, maintaining and equipping industrial, commercial, manufacturing and research facilities. The Agency assists in the financing of projects through the sale of industrial revenue bonds. The Agency is designed to function as a prime community resource. The Agency is a component unit of Broome County based on the criteria set forth in GASB (Governmental Accounting Standards Board) Statement 39, an amendment of GASB Statement 14.

The Agency exercises its mandated power and lawful authority to cause bonds to be issued, to have the proceeds used to construct and equip facilities, to mortgage such facilities as security, and to lease such facility for rentals sufficient to repay the bond proceeds and related interest. The bonds are special obligations of the Agency payable solely from the revenues and receipts derived from the leasing or sale of the underlying facility, or from enforcement of any security provided by the mortgage and assignment. In effect, while the Agency serves as a vital conduit in arranging for the financing of construction, and is the apparent owner of record, as a practical matter, bondholders look to the facility and to the owners of the beneficial interests therein for ultimate satisfaction of their debt. The agreements recite that neither the members of the Agency nor any person executing the bonds is liable personally thereon by reason of the issuance thereof. It is contemplated that the beneficial owners of the facility will acquire such facility for a nominal consideration upon the termination of the lease term and the repayment of the bond issued. On a de facto, substantive basis, the lessees of the facilities may be viewed as the owners, in an economic, if not a formal, sense. See Schedule 4 for information on outstanding bonds.

In January 2008, the law that allowed Industrial Development Agencies to issue civic facility bonds for non-profit sponsored projects sunset. In November 2010, the Agency received sponsorship and approval from the County to set up a county-wide Local Development Corporation (LDC). In June 2011, the Broome County Local Development Corporation (BCLDC) was formed in order to issue tax exempt bonds for civic facility non-profit projects. To date, the BCLDC has had no activity.

Because of the economic interest described above, the bond liabilities and the related assets consisting of underlying properties are not reflected in the financial statements of the Agency.

Effective January 1997, the Agency entered into an agreement with the Broome County Chamber of Commerce to share certain administrative costs, including all payroll and related fringe benefits. The Agency paid \$548,432 and \$525,465 to the Chamber for such fees during 2012 and 2011, respectively.

B. **Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The Agency's financial statements 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The following is a summary of the significant accounting policies followed in the preparation of the Agency's financial statements. The accounting policies of the Agency conform to generally accepted accounting principles in the United States of America. The Agency reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In December 1998, GASB released Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," which revised reporting of property tax and grant revenue. In June 1999, GASB approved Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments". The change in financial statement presentation requires capitalization of assets, recording of depreciation and eliminates fund reporting. The Agency has historically recorded assets and depreciation; therefore, the significant change was the elimination of fund reporting.

C. Fee Income, Grant and Contract Support - The Agency charges a service fee for each project, the proceeds of which is intended to be used for Agency expenses and to fund continuing operations.

D. Property and Equipment Accounting - All property and equipment acquired with grant funds are owned by the Agency and are used in the programs for which they were purchased. There are no reversionary interests by grantor agencies in the assets. Capital assets as defined by the Agency are assets with an initial unit cost of \$1,500 or more and an estimated life in excess of two years. Donated capital assets are recorded at estimated fair market value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated when placed in service.

Depreciation of property and equipment is provided on a straight-line basis over the following estimated useful lives (see Note 7 for further detail).

<u>Assets</u>	<u>Years</u>
Buildings	30 - 39
Buildings Improvements	10 - 20
Equipment	3 - 7

E. Operating Revenues and Expenses - The statement of revenues, expenses, and changes in net assets distinguishes between operating and non-operating revenues. For this purpose, operating revenues, such as fee and rental income, result from exchange transactions associated with the principal activities of the Agency. Exchange transactions are those in which each party to the transaction receives or gives up essentially equal values. Non-operating revenues arise from exchange transactions not associated with the Agency's principal activities (such as investment income) and from all non-exchange transactions (such as applicable grants).

F. Net Assets - The Agency reports its net assets in three components. Net assets invested in capital assets are equal to amounts reported for capital assets, net of related debt and accumulated depreciation. Restricted net assets are reported when assets (net of related debt) can only be used for a specified purpose that is established by grantors, contributors, or laws or regulations governing the Agency. None of the Agency's restricted net assets arise from endowments. For this reason, all restricted net assets are considered expendable. Unrestricted net assets are all other Agency net assets that do not meet the definitions of invested in capital assets or restricted.

G. Cash Equivalents and Investments - Cash equivalents consist of highly liquid investments with a maturity of three months or less. Cash equivalents do not consist of Deposits Held for Others since the Agency does not have unrestricted access to the funds, which consist of amounts held in escrow.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Uncollectible Accounts - The Agency follows the policy of evaluating receivables to adequately reserve for anticipated losses. Management believes all accounts receivable and notes are deemed collectible. Management has established a reserve for the loans in the amount of \$238,737 at December 31, 2012 and \$137,776 at December 31, 2011 for any losses that might be realized.

I. Concentration of Credit Risk - The Agency grants loans to commercial enterprises located exclusively in the Southern Tier of New York State. The Agency conducts ongoing credit evaluations and generally requires collateral; however, the collateral is normally subordinate to bank debt.

J. 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.

K. Elimination of Internal Activity - The Agency administers a loan program under the Appalachian Regional Commission. The loan program allows for the reimbursement of administrative and overhead costs incurred for the program. For the year ended December 31, 2012, the program reimbursed operating expenses of \$40,306 and; therefore, these costs have been shown as net in the statement of revenues, expenses and changes in net assets.

L. Prepaid Expenses - Prepaid items represent payments made by the Agency for which benefits extend beyond year-end. These items reflect costs applicable to future accounting periods and are recorded as prepaid at the time of purchase and as an expense in the year the goods or services are consumed.

M. Subsequent Events - The Agency has evaluated events and transactions that occurred between December 31, 2012 and March 26, 2013 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 2 - FEDERAL AND STATE AID CONTINGENCIES

The Agency has received Federal and State Aid and Grants that are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The Agency believes disallowances, if any, will be immaterial.

NOTE 3 - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

State statutes govern the Agency's investment policies. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury, obligations of New York State or its localities, demand accounts and certificates of deposit.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 3 - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS (Continued)

Custodial risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. Collateral is required for demand deposits and certificate of deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. GASB Statement No. 40 directs that deposits be disclosed as exposed to credit risk if they are not covered by depository insurance, and the deposits are either:

- A) Uncollateralized,
- B) Collateralized with securities held by the pledging financial institution, or
- C) Collateralized with the securities held by the pledging financial institution's trust department or agent but not in the Agency's name.

As of December 31, 2012, the Agency was fully collateralized.

The Agency's investment policy for investments is governed by New York State statutes. As of December 31, 2012, there were no investments held by the Agency. The Agency does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The Agency does not typically purchase investments in a foreign currency and is not exposed to foreign currency risk.

NOTE 4 - LOANS RECEIVABLE

Loan transactions, as detailed in Schedule 3, are summarized as follows:

	<u>2012</u>			
	Business Development Revolving			2011
	<u>Loan</u>	<u>STEED</u>	<u>Total</u>	<u>Total</u>
Principal Balance at January 1	\$ 271,521	\$ 1,416,694	\$ 1,688,215	\$ 1,978,896
Loan Advances	-	1,087,000	1,087,000	260,000
Principal Repayments	<u>(70,716)</u>	<u>(613,053)</u>	<u>(683,769)</u>	<u>(550,681)</u>
Balance at December 31	<u>200,805</u>	<u>1,890,641</u>	<u>2,091,446</u>	<u>1,688,215</u>
Less: Allowance for				
Doubtful Loans	(29,444)	(209,293)	(238,737)	(137,776)
Current Portion	<u>(31,445)</u>	<u>(512,947)</u>	<u>(544,392)</u>	<u>(574,162)</u>
Noncurrent Portion	<u>\$ 139,916</u>	<u>\$ 1,168,401</u>	<u>\$ 1,308,317</u>	<u>\$ 976,277</u>

The allowance for uncollectible loans set forth above has been provided to cover loans, which are in arrears or are considered doubtful of collection by management.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 5 - PROPERTY HELD FOR RESALE

The following land and development costs are being held for development and resale in accordance with program purposes:

Broome Corporate Park - Conklin	\$1,379,269
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NOTE 6 - NOTES RECEIVABLE

Notes receivable are summarized below:

	<u>Interest Rate</u>	<u>Payment</u>	<u>Maturity</u>	<u>Principal</u>
JHR Realty, Inc.	7%	\$3,595 monthly	Apr. 2013	\$ 14,175
Maple Lane LLC	4%	\$89,161 annual	Jan. 2017	<u>445,802</u>
				459,977
Less: Allowance for Doubtful Notes				-
Current Portion				<u>(103,336)</u>
Non-Current Portion				<u>\$ 356,641</u>

The above notes receivable with imputed interest rates were discounted at the time of the transaction due to each note having no stated interest rate.

NOTE 7 - PROPERTY AND EQUIPMENT

The detail of property and equipment in the accompanying statement of net assets is as follows:

<u>Capital Assets</u>	<u>Balance</u> <u>12/31/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2012</u>
Land	\$ 1,951,791	\$ 687,059	\$ -	\$ 2,638,850
Buildings and Improvements	12,408,016	1,427,225		13,835,241
Equipment	45,627	11,933	-	57,560
Construction in Progress	-	61,860	-	61,860
	<u>\$ 14,405,434</u>	<u>\$ 2,188,077</u>	<u>\$ -</u>	<u>\$ 16,593,511</u>

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 7 - PROPERTY AND EQUIPMENT (Continued)

The detail of accumulated depreciation in the accompanying statement of net assets is as follows:

<u>Accumulated Depreciation</u>	<u>Balance</u> <u>12/31/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2012</u>
Buildings and Improvements	\$ 2,785,448	\$ 394,641	\$ -	\$ 3,180,089
Equipment	<u>35,736</u>	<u>6,861</u>	<u>-</u>	<u>42,597</u>
	<u>2,821,184</u>	<u>\$ 401,502</u>	<u>\$ -</u>	<u>3,222,686</u>
 Net Capital Assets	 <u>\$ 11,584,250</u>			 <u>\$ 13,370,825</u>

During 1997, the Agency acquired approximately 41.3 acres, including a building, modular offices and a parking lot, located in the Town of Kirkwood (Link Building). The Link Building was purchased subject to an existing lease between CAE Link Corporation and Hughes Aircraft. Under the terms of the purchase of the property, the Agency assumed all the rights and responsibilities of this lease with the exception of any rental payment paid under the lease. Therefore, the seller of the property, CAE, continued to receive the rent under the lease for the original term of the lease, as well as, the two-year renewal term (expiring February 2000). In February 2000, the Agency entered into a lease agreement with L-3 Communications Corporation. The lease called for \$500,000 annual lease payments for years one through five, with additional payment for space used above and beyond the minimum. For years six through ten, the annual lease payments were \$856,000. In December 2010, a three year lease extension agreement was signed with an option to renew for (2) additional one year terms. The lease extension agreement calls for annual lease payments for \$500,000 for years one through three. L-3 Communication Corporation is responsible for all maintenance, repairs and capital improvements. The total annual lease payments for all tenants for the years ended December 31, 2012 and 2011, was \$500,000.

In March of 1997, the Agency entered into a Contract for Deed with the United States Government for a parcel commonly known as Air Force Plant #59. This property consists of approximately 30 acres of land on which buildings of approximately 612,000 square feet are situated. The Contract for Deed transferred all beneficial ownership interest of the property to the Agency for the sum of \$10. The U.S. Government agreed to transfer the deed to the property at no cost to the Agency once certain environmental matters were remediated on the property. Pursuant to this transfer, the Agency entered into a lease agreement with the tenant of the property, Lockheed Martin Corporation. Effective September 2000, Lockheed Martin Corporation assigned the lease to BAE SYSTEMS Controls, Inc. The term of the amended lease was for 27 years. The amended lease required annual rental payments of \$250,000 during the first seven years, \$350,000 during the second ten years and \$500,000 during the third ten years. The annual rental was held in escrow by the Agency and dedicated exclusively to fund capital repairs, capital maintenance and capital improvements. If the tenant was to give notice of termination, which could not be less than five years prior to the effective date, these funds become sole and exclusive property of the Agency. The tenant also was to pay the Agency a termination fee of \$2,000,000 within 30 days of the termination of the lease. In addition to the rental payments, the tenant agreed to pay directly to the Agency as additional rent, \$25,000 per year during the first 10 years and \$175,000 per year during the remaining term of the lease as an administrative and management fee. The unexpended balance of the base rent is approximately \$293,000 at December 31, 2012.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 7 - PROPERTY AND EQUIPMENT (Continued)

As a result of a major flood in the fall of 2011, BAE Systems Controls, Inc. sustained significant damage well in excess of \$40,000,000 to its manufacturing facility. As a result, BAE notified the Agency on November 1, 2011 their election to terminate the lease in accordance with Section 4.1.B of the Original Lease (as modified by Paragraph 6 of the Assignment Agreement), and (ii) notice of Tenant's election to terminate the lease in accordance with Section 227 of Article 7, Chapter 50 of the Real Property Law of the State of New York ("Section 227"). The termination fee of \$2,000,000 was waived. The Agency is working with the United States Air Force on a plan that will result in the Air Force taking responsibility for the demolition and environment remediation of the property. During the interim period prior to the demolition, the Agency will use the \$500,000 insurance proceeds received in 2012 to moth ball and maintain security of the site. Due to the termination of the lease, the unexpended balance of \$293,000 that has been previously held in trust for BAE, now belongs to the Agency. The Agency intends to utilize these funds to cover future expenses related to the maintenance and security of the site.

During 2002, the Agency acquired a building and all improvements on a site owned by JMI II, Inc. The value of the building and improvements as of December 31, 2012 was \$7,095,400, net of accumulated depreciation. The building is subject to a liability to M&T Real Estate Trust. See Note 8(b).

During 2003, the Agency sold its Deposit Incubator building to the Deposit Community Center, Inc. for \$130,000. The Agency was holding a note receivable with an interest rate of 4%. Interest only payments were made from April 2003 to June 2004. Beginning July 2004, principal and interest payments of \$788 were made through December 2004. Deposit Community Center has since defaulted on the note and on June 22, 2010 conveyed the property back to Broome County Industrial Development Agency. The value of the building and land included as of December 31, 2012 was \$121,164, net of accumulated depreciation.

During 2005, the Agency received land, the former Anitec property, as a donation, with an appraised value of \$2,000,000. The property is located within the City of Binghamton, New York and is approximately 33 acres in size. During 2008, the Agency sold 5.13 acres to Emerson Network Power for \$250,000. In addition, during 2008 the Agency received a \$1,000,000 Capital Grant from New York State Urban Development Corporation d/b/a/ Empire State Development Corporation (ESDC) for the redevelopment of twenty-six acres for a business park to accommodate new businesses. The Grant was used for a portion of infrastructure development costs at the Charles Street Business Park. The project was completed in 2011 and the Agency received the \$1,000,000 reimbursement upon providing documentation of eligible costs which were approximately \$1.76 million. The related costs are included in Buildings and Improvements on the Statement of Net Assets.

During 2012, the Agency acquired several parcels from Broome County as well as properties from the New York State Department of Transportation. The properties are recorded at Fair Market Value and are included on the Statements of Net Assets under Capital Assets, and are recognized as non-cash contributions on the Statements of Revenues, Expenses and Changes in Net Assets. The parcels from the County will be developed to help construct a high-technology incubator and additional parcels needed for this project will be acquired during 2013.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 8 - NOTES PAYABLE

The Agency has the following notes payable as of December 31, 2012 and 2011:

	<u>Balance</u> <u>1/01/2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2012</u>
(a) Note Payable - Broome County	\$ 664,735	\$ -	\$ (166,185)	\$ 498,550
(b) Note Payable - M & T	2,886,751	-	(2,000,000)	886,751
	<u>\$ 3,551,486</u>	<u>\$ -</u>	<u>\$ (2,166,185)</u>	<u>\$ 1,385,301</u>

Annual debt service requirements to maturity of the notes payable are as follows:

<u>Fiscal Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 758,728	\$ 36,776
2014	460,390	4,753
2015	166,183	-
	<u>\$ 1,385,301</u>	<u>\$ 41,529</u>

(a) **Note - Broome County, New York** - As of December 31, 2008, the Agency had borrowed a cumulative total of \$1,332,910 interest free from the County of Broome for the purpose of funding payments on bonds and mortgages related to Broome Corporate Park land acquisition and development costs. The loan agreement did not require repayments unless cumulative revenues from the sale of Broome Corporate Park land exceeded cumulative Park expenses, including debt service, mortgage payments, payments for infrastructure improvements, marketing expenses, and general operating expenses directly related to Broome Corporate Park. As of December 31, 2008, revenues exceeded expenses, causing the terms of the agreement to be modified. During 2009, the Agency made a payment of \$101,992 before the new agreement was settled. The new note calls for repayment of the loan interest free over a five year period in equal payments of \$166,184. As of December 31, 2012 and 2011 the balance on this note was \$498,550 and \$664,735, respectively.

(b) **Note Payable - M&T Real Estate Trust** - During 2001, the Agency entered into an assignment of lease agreement with JMI II, Inc. (JMI II). The agreement called for the Agency to become the legal titleholder of a building and all improvements on a site owned by JMI II. JMI II assigned a lease that it has with Rockwell Collins Simulation & Training Solutions, LLC, f/k/a NLX, LLC for the building and improvements to the Agency in connection with the Agency taking title to the building. The Agency has assumed the ownership of the building. The terms of the assignment call for the mortgage to be serviced in full from the proceeds of the rental payments from Rockwell Collins Simulation & Training Solutions, LLC. At the end of the fifteen-year term, JMI II has an option to purchase the building back from the Agency for \$30,000 plus any remaining debt. Permanent financing was obtained in 2004 and the note payable to JMI II was replaced with a note payable to M&T Real Estate Trust. The note payable was for \$8,600,000 at 5.95% for fourteen years, with a monthly payment of \$64,960, until May 2009 when the monthly payment changed to \$74,111. After a significant payment was made on the note in 2011, the monthly payments were reduced to \$52,443. As of December 31, 2012 and 2011 the balance on this note was \$886,751 and \$2,886,751, respectively.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 9 - DEFERRED REVENUE

Deferred revenue for the year ended December 31, 2012 represents the unexpended portion of the \$500,000 insurance proceeds related to the flood damage sustained by BAE Systems Controls, Inc. referred to in Note 7. Deferred revenue related to year ended December 31, 2011 represented a deposit on a sale of land which was applicable to the following year.

NOTE 10 - LAND OPTIONS LIABILITY

In 2008, the Purchaser exercised a purchase option for land in Broome Corporate Park. The amount received to date by the Agency would be applied to the purchase of the land. As of December 31, 2009, the Agency accumulated a \$960,000 deposit and the property was expected to close in 2010. The agreement stated if the Purchaser did not commence the development of its manufacturing building project by August 2010, the Agency had the right to buy back the property for any amount received in excess of \$750,000. As of the date of this report the development has not started, and the purchaser has requested full refund of the deposit money. It is the Agency's position that the Purchaser did not complete the purchase of the land and as a result, did not commence the development of a manufacturing facility. Therefore, the Agency has determined that the Purchaser has no basis to request a refund of \$960,000. On November 9, 2012, the Agency was served with a summons and complaint by the Attorney of the purchaser. The Agency is consulting outside counsel to handle this matter.

NOTE 11 - CONTINGENCIES AND COMMITMENTS

The Agency is exposed to various risks of loss related to theft of, damage to, and destruction of assets, injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

NOTE 12 - LEASE

In October 2006, the Agency moved into premises owned by Broome County (the primary government) and is leasing on a month-to-month agreement. Rent expense for the years ended December 31, 2012 and 2011 was \$15,840 and is included in office expense.

SCHEDULE 1

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULES OF CASH AND CASH EQUIVALENTS
 DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
SCHEDULE 1 - SCHEDULES OF CASH AND CASH EQUIVALENTS		
M & T Bank	\$ 927,418	\$ 835,899
Community Bank	4,631	11,039,112
JP Morgan Chase	11,060,040	41,882
Petty Cash	100	100
Citizens Bank	<u>55,669</u>	<u>3,226</u>
Total	<u>\$ 12,047,858</u>	<u>\$ 11,920,219</u>

SCHEDULE 2

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULES OF INVESTMENTS
 DECEMBER 31, 2012 AND 2011

SCHEDULE 2 - SCHEDULES OF INVESTMENTS

There were no investments as of December 31, 2012 and 2011.

See the accompanying notes to financial statements.

SCHEDULE 3

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULES OF LOANS RECEIVABLE
 DECEMBER 31, 2012

SCHEDULE 3 - SCHEDULES OF LOANS RECEIVABLE

	Year Ended December 31, 2012			
	January 1, 2012			December 31, 2012
	<u>Principal</u>	<u>Advances</u>	<u>Repayments</u>	<u>Principal</u>
<u>Business Development Revolving Loan</u>				
Gearcor, Inc.	\$ 50,040	\$ -	\$ 8,195	\$ 41,845
Samscreen (631 Field Street LP)	32,640	-	7,069	25,571
Sonostics, Inc.	61,679	-	46,066	15,613
VMR Electronics, LLC	48,276	-	4,834	43,442
VMR Electronics, LLC	78,886	-	4,552	74,334
Total Business Development Revolving Loan	\$ 271,521	\$ -	\$ 70,716	\$ 200,805

See the accompanying notes to financial statements.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULES OF LOANS RECEIVABLE
DECEMBER 31, 2012

SCHEDULE 3 - SCHEDULES OF LOANS RECEIVABLE (Continued)

<u>STEED</u>	Year Ended December 31, 2012			
	January 1, 2012			December 31, 2012
	<u>Principal</u>	<u>Advances</u>	<u>Repayments</u>	<u>Principal</u>
AMT, Inc.	\$ -	\$ 166,000	\$ 18,274	\$ 147,726
Blenheim Pharmacal, Inc.	40,574	-	6,857	33,717
Chambers Street Developments, LLC	58,774	-	10,264	48,510
Concept Systems, Inc.	56,783	-	17,933	38,850
Continental Storage	11,202	-	3,993	7,209
Cortland Plastics International, LLC	42,063	-	14,157	27,906
DNB Holdings, LLC	194,470	-	10,320	184,150
Devonian Stone of New York, Inc.	55,106	-	23,368	31,738
Digi Con Inc.	103,990	-	-	103,990
ECM (Westcode)	13,916	-	9,694	4,222
F & T Distributing, Inc.	7,162	-	7,162	-
F.A.. Guernsey, Inc.	-	221,000	2,410	218,590
Harva Company, Inc.	-	400,000	400,000	-
Innovation Associates, Inc.	-	200,000	5,356	194,644
Ioxus, Inc.	62,201	-	10,110	52,091
Ithaca Produce	137,932	-	-	137,932
Marathon Boat Group, Inc.	124,530	-	16,000	108,530
Renewable Energy Development	105,343	-	23,558	81,785
Side Hill Acres	5,536	-	1,100	4,436
Sonostics, Inc.	-	100,000	-	100,000
T Mitchell Holdings	15,626	-	4,339	11,287
VMR Electronics, LLC	144,829	-	14,501	130,328
VMR Electronics, LLC	236,657	-	13,657	223,000
Total STEED	\$ 1,416,694	\$ 1,087,000	\$ 613,053	\$ 1,890,641
Total All Funds		\$ 1,087,000	\$ 683,769	2,091,446
Less: Allowance for Doubtful Loans				(238,737)
Loans Receivable				\$ 1,852,709

See the accompanying notes to financial statements.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULE OF BONDS OUTSTANDING
 DECEMBER 31, 2012

SCHEDULE 4 - SCHEDULE OF BONDS OUTSTANDING

	Month/ Year	Current Interest Rate (%)	Outstanding 1/1/2012	Additional Draw Downs	Paid 2012	Outstanding 12/31/12**	Final Maturity Date
UMH/Elizabeth Church Manor	9/2003	variable	\$ 3,635,000	\$ -	(480,000)	\$ 3,155,000	9/2029
UMH/Hilltop Retirement Campus	9/2003	variable	2,000,000	-	(620,000)	1,380,000	9/2029
Binghamton University - Student Housing Phase I	8/2004	variable	17,705,000	-	(295,000)	17,410,000	8/2036
Binghamton University - Student Housing Phase II	9/2004	variable	13,970,000	-	(400,000)	13,570,000	8/2036
Binghamton University - Student Housing Phase III	10/2004	variable	9,660,000	-	(495,000)	9,165,000	8/2036
Parlor City Paper Box Co., Inc.	10/2006	variable	2,165,000	-	(390,000)	1,775,000	10/2016
Good Shepherd A	8/2008	variable	23,160,000	-	-	23,160,000	7/2040
Good Shepherd C	8/2008	variable	23,180,000	-	-	23,180,000	7/2040
Impress USA A	8/2009	variable	6,633,279	-	(178,526)	6,454,753	9/2021
Impress USA B	8/2009	variable	15,505,088	-	(2,302,006)	13,203,082	9/2017
Totals			\$ 117,613,367	\$ -	\$ (5,160,532)	\$ 112,452,835	

**These bonds are the responsibility of the company to which they were issued and are not an indebtedness of the Broome County Industrial Development Agency (See Note 1).

See the accompanying notes to financial statements.

Project Code: 1997 Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Columbia/Celestica
530 Columbia Drive
 Project Contact & Address:
Robert Harkness
Bob Harkness Realty
520 Columbia Drive
Johnson City, NY 13790

Project Purpose: Services

Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 3,810,000 Straight Lease End Date: 12/31/2013

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 56,950

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Non-profit? Y N X New tax revenues if no exemptions granted \$ 13,342.07

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ 8,430.44	\$	-	\$ 56,360.68	\$ -
Local: Local (sum of city/town/village): \$ 18,579.67	\$			
	\$ 29,350.57			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 6,322.83	\$ 14,682.85	\$ 22,012.93	\$ 43,018.61

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
79	14	79	102	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	8/17/2004				
Interest Rate:	Variable				
<ul style="list-style-type: none"> ▪ At issuance ▪ If variable, applicable range 					
Outstanding Beginning of Fiscal Year: 01/01/2012	\$ 17,705,000				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	295,000				
Outstanding End of Fiscal Year: 12/31/2012	\$ 17,410,000				
Final Maturity Date:	8/1/2036				Final maturity date of last outstanding bond:

Bonds and notes reported above do not need to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	9/14/2004				
Interest Rate:	Variable				
<ul style="list-style-type: none"> ▪ At issuance ▪ If variable, applicable range 					
Outstanding Beginning of Fiscal Year: 01/01/2012	\$ 13,970,000				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	400,000				
Outstanding End of Fiscal Year: 12/31/2012	\$ 13,570,000				
Final Maturity Date:	8/1/2036				Final maturity date of last outstanding bond:

Bonds and notes reported above do not needed to be reported in the Statement of Indebtedness

Project Code: 03010403C Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Binghamton University Student Housing Phase 3

Project Owner & Address:
 Ms. Shiela Doyle
 Binghamton University Foundation
 PO Box 6005
 Binghamton, NY 13902

Project Purpose: Civic Facility

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 11,555,000 Straight Lease End Date: 8/1/2036

Benefited Project Amount \$ 11,555,000 Bond/Note Amount \$ 11,555,000

Non-profit? Y N New tax revenues if no exemptions granted \$ 56,351.01 Please check box if applicable: Not all data is reported. Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	62,891.23 \$	-	\$ 287,087.88	\$ -
Local: Local (sum of city/town/village): \$ -	35,402.83 \$			
School: \$ -	188,793.82 \$			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 47,732.01	\$ 39,717.86	\$ 143,287.00	\$ 230,736.87

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	3	0	1.67	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	9/29/2004				
Interest Rate:	Variable				
<ul style="list-style-type: none"> ▪ At issuance ▪ If variable, applicable range 					
Outstanding Beginning of Fiscal Year: 01/01/2012	\$ 9,660,000				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	495,000				
Outstanding End of Fiscal Year: 12/31/2012	\$ 9,165,000				
Final Maturity Date:	8/1/2036				Final maturity date of last outstanding bond:

Bonds and notes reported above do not need to be reported in the Statement of Indebtedness

Project Code: 03010501A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Central New York Railroad Corporation
 Project Owner & Address:
 Nathan Fenno
 1 Railroad Avenue
 Cooperstown, NY 13326
Note: This is a lease-leaseback transaction

Project Purpose: Transportation Services
 Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ _____
 Lease End Date: 2/15/2015

Benefited Project Amount \$ _____ Bond/Note Amount \$ _____
 Assessment \$ _____
 Non-profit? Y N New tax revenues if no exemptions granted \$ _____
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ 11,350.99	\$ 11,350.99	-	\$ 65,904.76	\$ -
Local: Local (sum of city/town/village): \$ 20,264.29	\$ 20,264.29			
School: School: \$ 34,289.48	\$ 34,289.48			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 11,350.99	\$ 20,264.29	\$ 34,289.48	\$ 65,904.76

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	0	0	0	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010102A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: CLMM Development Corp.
CCX Trucking

Project Owner & Address:
MaryAnne Burke - CLMM Development Corp.
101 Castle Creek Road
Binghamton, NY 13901

Project Purpose: Transportation Services

Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 710,000 Straight Lease End Date: 2/14/2016

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 250,000

Non-profit? Y N New tax revenues if no exemptions granted \$ 7,633.51

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:			
\$ -	\$ 2,228.27	\$ -	\$ 8,856.03	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 763.34			
	School:			
	\$ 5,864.42			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 342.86	\$ -	\$ 879.66	\$ 1,222.52

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	20	20	35	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03019902A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Frito Lay
Kirkwood Facility
Kirkwood NY 13795

Project Owner & Address:
Kathy Alfano
Senior Manager, Global Real Estate
Frito Lay
7701 Legacy Drive 3A-306
Plano, Texas 75024-4099

Project Purpose: Manufacturing

Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 2,500,000 Straight Lease End Date: 10/28/2014

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 140,000

Non-profit? Y N X New tax revenues if no exemptions granted \$

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	1,247.83 \$	-	4,959.38 \$	-
Local: \$ -	Local (sum of city/town/village): 427.47 \$			
School: \$ -	School: 3,284.08 \$			

Payments in Lieu of Taxes (PILOTS)

	Local (sum of city/town/village)	School	Total PILOTS
County	427.47 \$		4,959.38 \$
\$	1,247.83 \$	3,284.08 \$	

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
684	10	684	512	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010402A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Gannett Satellite Information Network
 Project Owner & Address:
 Sherman Bodner
 PO Box 1270
 Binghamton, NY 13902-1279

Project Purpose: Services Straight Lease End Date: 8/12/2019
 Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 16,580,967

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 712,800
 Non-profit? Y N X New tax revenues if no exemptions granted \$ 338,475.81

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ <u> </u>	County: \$ <u>105,532.30</u>	-	\$ <u>705,523.13</u>	\$ <u> </u>
Local: \$ <u> </u>	Local (sum of city/town/village): \$ <u>232,580.36</u>			
School: \$ <u> </u>	School: \$ <u>367,410.47</u>			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ <u>53,756.24</u>	\$ <u>125,911.74</u>	\$ <u>187,379.34</u>	\$ <u>367,047.32</u>

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	Fulltime: 46 Parttime: 22	0	Fulltime: 57 Parttime: 73	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010801A Please Specify: Bond Project X Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Good Shepherd Village at Endwell, Inc. Project Owner & Address:
Michael J. Keenan, President & CEO
Good Shepherd Village at Endwell, Inc.
32 Village Drive
Endwell, NY 13760

Project Purpose: Continuing Care Retirement Community Straight Lease
 Federal Tax Status: Taxable Tax Exempt X Total Project/Lease Amount \$ 66,132,073 End Date: 7/1/2040

Benefited Project Amount \$ Bond/Note Amount 23,160,000

Assessment \$ 11,527,865
 Non-profit? Y X N New tax revenues if no exemptions granted \$ (5,918.85)
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

		Exemptions			Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
Sales Tax	Real Property Tax	Mortgage Recording				
State:	County:					
\$ -	\$ -			\$ -	\$ -	
Local:	Local (sum of city/town/village):					
\$ -	\$ -					
	School:					
	\$ -					

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 1,144.20	\$ 379.63	\$ 4,395.02	\$ 5,918.85

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	36.34	0	36.25	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	8/1/2008				
Interest Rate: as of					
▪ At issuance	6.875%				
▪ If variable, applicable range					
Outstanding Beginning of Fiscal Year: 1/01/2012	23,160,000				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	-				
Outstanding End of Fiscal Year: 12/31/2012	23,160,000				
Final Maturity Date:	7/1/2040				Final maturity date of last outstanding bond:

Project Code: 03010801B Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Good Shepherd Village at Endwell, Inc.

Project Owner & Address:
 Michael J. Keenan, President & CEO
 Good Shepherd Village at Endwell, Inc.
 32 Village Drive
 Endwell, NY 13760

Project Purpose: Continuing Care Retirement Community

Straight Lease
 End Date: 7/1/2040

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 66,132,073

Benefited Project Amount \$ 18,310,000 Bond/Note Amount 18,310,000

Assessment \$ 11,527,865

Non-profit? Y X N New tax revenues if no exemptions granted \$ (5,918.85)

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	\$ -	\$ -	\$ -	\$ -
Local: \$ -	Local (sum of city/town/village): \$ -			
School: \$ -	School: \$ -			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 1,144.20	\$ 379.63	\$ 4,395.02	\$ 5,918.85

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	36.33	0	36.25	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total			
Date of Issue:	8/1/2008					
Interest Rate: as of						
▪ At issuance	1.85%					
▪ If variable, applicable range						
Outstanding Beginning of Fiscal Year: 1/01/2012	-					
Issued During Fiscal Year:	-					
Paid During Fiscal Year:	-					
Outstanding End of Fiscal Year: 12/31/2012	-					
Final Maturity Date:	7/1/2023					Final maturity date of last outstanding bond:

Project Code: 03010801C Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Good Shepherd Village at Endwell, Inc.

Project Owner & Address:
 Michael J. Keenan, President & CEO
 Good Shepherd Village at Endwell, Inc.
 32 Village Drive
 Endwell, NY 13760

Project Purpose: Continuing Care Retirement Community

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 66,132,073 Straight Lease End Date: 7/1/2040

Benefited Project Amount \$ 23,180,000 Bond/Note Amount 23,180,000

Assessment \$ 11,527,865

Non-profit? Y X N New tax revenues if no exemptions granted \$ (5,918.85)

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	\$ -	-	\$ -	\$ -
Local: \$ -	Local (sum of city/town/village): -			
School: \$ -	School: -			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 1,144.20	\$ 379.63	\$ 4,395.02	\$ 5,918.85

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	36.33	0	36.25	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	8/1/2008				
Interest Rate: as of					
▪ At issuance	1.85%				
▪ If variable, applicable range	.11% - .31%				
Outstanding Beginning of Fiscal Year: 1/01/2012	23,180,000				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	-				
Outstanding End of Fiscal Year: 12/31/2012	23,180,000				
Final Maturity Date:	7/1/2040				Final maturity date of last outstanding bond:

Project Code: 03011103 Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Hawley Street Members, LLC
 Project Owner & Address:
 Hawley Street Members, LLC
 120 Old Post Road
 Rye, NY 10580

Project Purpose: Construction

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 10,637,000 Lease End Date: 12/31/2022

Benefited Project Amount \$ - Bond/Note Amount \$ -

Assessment \$1,000,000 while under construction

Non-profit? Y N New tax revenues if no exemptions granted \$ 212,450.62

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ 106,225.31	County: \$ 8,747.92	-	\$ 299,694.69	\$ -
Local: \$ 106,225.31	Local (sum of city/town/village): \$ 40,423.75			
	\$ 38,072.40			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 49,171.67	\$ -	\$ 38,072.40	\$ 87,244.07

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
2	9	2	12	42

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Project Code: 03010901A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Impress USA, Inc.

Project Owner & Address:

John Boyas
Impress USA, Inc.
600 North Bell Avenue
Building One, Suite 200
Carnegie, PA 15106

Project Purpose: Manufacturing

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ - Lease End Date: 7/1/2040

Benefited Project Amount \$ - Bond/Note Amount \$ 6,970,000

Assessment \$ 2,533,000

Non-profit? Y N X New tax revenues if no exemptions granted \$ (335.71) Not all data is reported. Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	12,262.32		\$ 68,645.31	\$ -
Local: Local (sum of city/town/village): \$ -	5,317.33			
School: \$ -	51,065.66			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 12,262.32	\$ 5,653.03	\$ 51,065.66	\$ 68,981.01

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	44.5	0	22.5	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	8/1/2009				
Interest Rate: as of 9/1/2012	5.37%	Fixed rate renegotiated			
▪ At issuance	8.50%				
▪ If variable, applicable range					
Outstanding Beginning of Fiscal Year: 1/01/2012	6,633,279				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	178,526				
Outstanding End of Fiscal Year: 12/31/2012	6,454,753				
Final Maturity Date:	9/1/2021				Final maturity date of last outstanding bond:

Project Code: 03010901B Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Impress USA, Inc.

Project Owner & Address:

John Boyas
Impress USA, Inc.
600 North Bell Avenue
Building One, Suite 200
Carnegie, PA 15106

Project Purpose: Manufacturing

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 20,000,000 Lease End Date: 7/1/2040

Benefited Project Amount \$ 20,000,000 Bond/Note Amount \$ 20,000,000

Assessment \$ 2,533,000

Non-profit? Y N New tax revenues if no exemptions granted \$ (335.71)

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ 12,262.32	\$	-	\$ 68,645.31	\$ -
Local: Local (sum of city/town/village): \$ 5,317.33	\$			
School: \$ 51,065.66	\$			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 12,262.32	\$ 5,653.03	\$ 51,065.66	\$ 68,981.01

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	44.5	0	22.5	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	8/1/2009				
Interest Rate: as of 9/1/2012	4.57%	Fixed rate renegotiated			
▪ At issuance	8.50%				
▪ If variable, applicable range					
Outstanding Beginning of Fiscal Year: 1/01/2012	15,505,088				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	2,302,006				
Outstanding End of Fiscal Year: 12/31/2012	13,203,082				
Final Maturity Date:	9/1/2017				Final maturity date of last outstanding bond:

Project Code: 03010101A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: JMI II/NLX Corporation
 Project Owner & Address: Jeffrey Feinberg
 201 Robinson Street
 Binghamton, NY 13904

Project Purpose: Manufacturing

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 11,700,000
 Straight Lease End Date: 7/31/2015

Benefited Project Amount \$ _____ Bond/Note Amount \$ _____

Assessment \$ 236,600

Non-profit? Y N New tax revenues if no exemptions granted \$ 173,184.87
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ 35,024.46	\$ -	\$ -	\$ 173,184.87	\$ -
Local: Local (sum of city/town/village): \$ 16,222.81				
School: \$ 121,937.60				

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ -	\$ -	\$ -	\$ -

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	70	0	189	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03019704A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Maines Paper and Food Service Inc.
1999 Project - 101 Broome Corporate Pkwy
 Project Owner & Address:
William Maines
101 Broome Corporate Parkway, PO Box 450
Conklin, NY 13748

Project Purpose: Wholesale Trade

Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 24,600,000 Straight Lease End Date: 2/1/2017

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 12,686,000

Non-profit? Y N X New tax revenues if no exemptions granted \$ 166,002.31

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:			
\$ -	\$ 61,413.24	\$ -	\$ 343,795.62	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 26,630.72			
	School:			
	\$ 255,751.66			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 32,679.73	\$ 17,237.74	\$ 127,875.83	\$ 177,793.30

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
312.5	62	312.5	458.5	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010401A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Maines Paper & Food Service, Inc.
2004 Addition to project located at 101 Broome Corporate Parkway

Project Owner & Address:
William Maines
Maines Paper & Food Service, Inc.
101 Broome Corporate Parkway
Conklin NY 13748-0450

Project Purpose: Wholesale Trade

Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 11,000,000 Straight Lease
Benefited Project Amount \$ 12,686,000 Bond/Note Amount \$ 166,002.31 End Date: 2/1/2019

Addition to existing Building

Assessment \$ 12,686,000 New tax revenues if no exemptions granted \$ 166,002.31
 Non-profit? Y N X Letter of explanation attached.

Please check box if applicable:
 Not all data is reported.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	61,413.24 \$	-	343,795.62 \$	-
Local: \$ -	Local (sum of city/town/village): 26,630.72 \$			
School: \$ -	School: 255,751.66 \$			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 32,679.73	\$ 17,237.74	\$ 127,875.83	\$ 177,793.30

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
312.5	62	312.5	458.5	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010603A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Maines Paper and Food Service Inc.
2006 Maple Drive Facility
2011 Expansion

Project Owner & Address:
William Maines
101 Broome Corporate Parkway, PO Box 450
Conklin, NY 13748

Project Purpose: Wholesale Trade

Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 9,980,000 Straight Lease End Date: 8/30/2022

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 1,960,000

Non-profit? Y N X New tax revenues if no exemptions granted \$ 29,636.71

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County: \$ 18,976.81	-	\$ 106,233.53	\$ -
Local:	Local (sum of city/town/village): \$ 8,228.94			
	School: \$ 79,027.78			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 4,744.20	\$ 3,711.31	\$ 68,141.31	\$ 76,596.82

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
51	22	51	119	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010204A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Matco Group Court Street Development
 Project Owner & Address: James Matthews Douglas Matthews 7 Dellwood Place Binghamton, NY 13903
 Mailing Address: Larry Davis, CFO Matco Group 320 North Jensen Road Vestal, NY 13850

Project Purpose: Services
 Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 5,600,000
 Benefited Project Amount \$ Bond/Note Amount \$
 Assessment \$ 1,537,300
 Straight Lease End Date: 9/6/2015

Non-profit? Y N X New tax revenues if no exemptions granted \$ 134,122.41
 Please check box if applicable: Not all data is reported. Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	13,450.22 \$	-	\$ 134,122.41	\$ -
Local: \$ -	62,143.46 \$			
	58,528.73 \$			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ -	\$ -	\$ -	\$ -

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
597	21	597	92	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010602A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Millennium Pipeline, LLC
 Project Owner & Address:
 Richard Leehr
 Millennium Pipeline, LLC
 One Blue Hill Plaza, 7th Floor, PO Box 1565
 Pearl River, NY 10965

Project Purpose: Transportation Services Straight Lease End Date: 11/5/2024
 Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 72,500,000
 Benefited Project Amount \$ _____ Bond/Note Amount \$ _____

Assessment \$ 56,076,140
 Non-profit? Y N X New tax revenues if no exemptions granted \$ 1,297,561.83
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:	-	\$ 1,730,069.04	\$ -
\$ -	\$ 385,722.69			
Local:	Local (sum of city/town/village):			
\$ -	\$ 166,709.83			
School:	School:			
\$ -	\$ 1,177,636.52			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 96,430.67	\$ 41,667.46	\$ 294,409.08	\$ 432,507.21

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	6	0	0	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010202A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: National Pipe & Plastics
 Project Owner & Address: David J. Culbertson - President
 3421 Old Vestal Road
 Vestal, NY 13850

Project Purpose: Manufacturing

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 3,650,000 Straight Lease End Date: 5/16/2012

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 276,591

Non-profit? Y N New tax revenues if no exemptions granted \$ 65,847.38
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ 40,945.79	\$ 40,945.79	-	\$ 212,950.84	\$ -
Local: Local (sum of city/town/village): \$ 18,255.14	\$ 18,255.14			
School: \$ 153,749.91	\$ 153,749.91			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 25,007.58	\$ 14,710.35	\$ 107,385.53	\$ 147,103.46

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
180	2	180	0	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010601A Please Specify: Bond Project X Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Parlor City Paper Box Co., Inc.
 Project Owner & Address:
 David Culver
 2 Eldridge Street, PO Box 756
 Binghamton, NY 13902

Project Purpose: Wholesale Trade

Federal Tax Status: Taxable Tax Exempt X Total Project/Lease Amount \$ Lease End Date: 10/16/2016

Benefited Project Amount \$ Bond/Note Amount \$ 3,810,000

Assessment \$ 792,100

Non-profit? Y N X New tax revenues if no exemptions granted \$

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ <u> </u>	County: \$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Local: \$ <u> </u>	Local (sum of city/town/village): \$ <u> </u>			
	School: \$ <u> </u>			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	No Pilot Agreement

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
39	3	39	48	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	10/1/2006				
Interest Rate:					
▪ At issuance	2.80%				
▪ If variable, applicable range					
Outstanding Beginning of Fiscal Year: 1/01/2012	\$ 2,165,000.00				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	390,000.00				
Outstanding End of Fiscal Year: 12/31/2012	1,775,000.00				
Final Maturity Date:	10/1/2016				Final maturity date of last outstanding bond:

Bonds and notes reported above do not needed to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Project Code: 03019804A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Penguin Group (USA) Inc. - Grossett Dunlap
63 Grossett Drive
Kirkwood, NY 13748

Project Owner & Address:
Thomas Magaldi
Penguin Group (USA) Inc. - Grossett Dunlap
c/o Pearson Education - Tax Dept
1 Lake Street
Upper Saddle River, NJ 07458

Project Purpose: Wholesale Trade

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 2,645,000 Straight Lease End Date: 4/7/2019

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 5,000,000

Non-profit? Y N New tax revenues if no exemptions granted \$ 81,703.20
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:	-	\$ 177,120.98	\$ -
\$ -	\$ 44,565.52			
Local:	Local (sum of city/town/village):			
\$ -	\$ 15,266.96			
	School:			
	\$ 117,288.50			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 22,282.76	\$ 14,490.77	\$ 58,644.25	\$ 95,417.78

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
183	200	183	280	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010701A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: 299 Broome Corporate Parkway/FedEx Ground Package System, Inc.
 Project Owner & Address: Samson Management LLC A/A/F 299 Broome Corp. Pkwy LLC
Attn: America Chang
97-99 Queens Blvd., Suite 710
Rego Park, NY 11374

Project Purpose: Transportation Services

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 7,960,000 Lease End Date: 2/12/2019

Benefited Project Amount \$ _____ Bond/Note Amount \$ _____

Assessment \$ 1,610,000.00

Non-profit? Y N X New tax revenues if no exemptions granted \$ 63,049.95

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

		Exemptions			Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
Sales Tax		Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:	\$ 15,588.10	\$ -	\$ 87,263.29	\$ -	
Local:	Local (sum of city/town/village):	\$ 6,759.50				
	School:	\$ 64,915.69				

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 3,897.03	\$ 4,087.39	\$ 16,228.92	\$ 24,213.34

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
20.5	15	20.5	31	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03011001A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Stellar 83 Court LLC
 Project Owner & Address: Larry Gladstone
 60-01 31st Avenue
 Woodside, NY 11377
 Pilot will begin in 2013

Project Purpose: Construction
 Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 10,134,396
 Straight Lease End Date: 7/1/2022

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 535,000
 Non-profit? Y N X New tax revenues if no exemptions granted \$ 10,905.50
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ 1,093.49			\$ 10,905.50	\$ -
Local: Local (sum of city/town/village): \$ 5,052.96				
	\$ 4,759.05			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ -	\$ -	\$ -	\$ -

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	20	0	0	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03010302A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: United Methodist Homes Hilltop Retirement Campus

Project Owner & Address:
 286 Deyo Hill Road
 Johnson City, NY 13760
 Mr. Gary Gardner

Note: Pilot for services only

Project Purpose: Continuing Care Retirement Community

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 6,070,000 Straight Lease End Date: 9/1/2029

Benefited Project Amount \$ 914,300 Bond/Note Amount \$ 6,070,000

Assessment \$ 914,300

Non-profit? Y X N New tax revenues if no exemptions granted \$ (127,603.00)

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	\$ -	\$ -	\$ -	\$ -
Local: \$ -	Local (sum of city/town/village): \$ -			
School: \$ -				

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ -	\$ 127,603.00	\$ -	\$ 127,603.00

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
92	0	92	127	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	9/2003				
Interest Rate:					
▪ At issuance	1.05%				
▪ If variable, applicable range	.65% - 1.75%				
Outstanding Beginning of Fiscal Year: 1/01/2012	\$ 2,000,000				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	620,000				
Outstanding End of Fiscal Year: 12/31/2012	\$ 1,380,000				
Final Maturity Date:	9/2029				Final maturity date of last outstanding bond:

Bonds and notes reported above do not needed to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Project Code: 03010301A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Note: Pilot for services only

Project Owner & Address:
 863 Front Street
 Binghamton, NY 13905
 Mr. Gary Gardner

Name of Project:
 United Methodist Homes
 Elizabeth Church Manor

Project Purpose: Continuing Care Retirement Community

Straight Lease
 End Date: 9/1/2029

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 6,475,000

Benefited Project Amount \$ 6,475,000 Bond/Note Amount \$ 6,475,000

Assessment 5,241,200

Non-profit? Y N New tax revenues if no exemptions granted \$ (13,502.00)
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: County: \$ -	- \$	- \$	- \$	- \$
Local: \$ -	Local (sum of city/town/village): -			
School: \$ -	School: -			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ -	\$ 13,502.00	\$ -	\$ 13,502.00

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
78	0	78	87	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	9/2003				
Interest Rate:					
<ul style="list-style-type: none"> ▪ At issuance ▪ If variable, applicable range 	1.05%				
Outstanding Beginning of Fiscal Year: 01/01/2012	.65% - 1.75% \$ 3,635,000				
Issued During Fiscal Year:					
Paid During Fiscal Year:	480,000				
Outstanding End of Fiscal Year: 12/31/2012	\$ 3,155,000				
Final Maturity Date:	9/2029				Final maturity date of last outstanding bond:

Bonds and notes reported above do not need to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Project Code: 03010303A Please Specify: Bond Project Lease Project

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Note: Pilot for Services only

Name of Project: United Methodist Homes
James E. Johnson Nursing Home

Project Owner & Address:
286 Deyo Hill Road
Johnson City, NY 13760
Mr. Gary Gardner

Project Purpose: Continuing Care Retirement Community

Straight Lease
 End Date: 9/1/2029

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$

Benefited Project Amount \$ Bond/Note Amount \$ 2,850,000

Assessment 110,800

Non-profit? Y X N New tax revenues if no exemptions granted \$ (6,000.00) Letter of explanation attached.

Exemptions

	Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:					
\$	County: \$ -	\$ -	\$ -	\$ -	\$ -
Local:					
\$	Local (sum of city/town/village): \$ -				
	School: \$ -				

Payments in Lieu of Taxes (PILOTS)

	Local (sum of city/town/village)	School	Total PILOTS
County			
\$	\$ -	\$ 6,000.00	\$ 6,000.00

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
88	0	88	80	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Please complete bond and note information on reverse

Bonds and Notes Related to Project

Type of Debt:	Bond(s) <input checked="" type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Bond(s) <input type="checkbox"/> Note(s) <input type="checkbox"/>	Total
Date of Issue:	9/2003				
Interest Rate:	1.05%				
<ul style="list-style-type: none"> ▪ At issuance ▪ If variable, applicable range 	N/A				
Outstanding Beginning of Fiscal Year: 1/1/2012	-				
Issued During Fiscal Year:	-				
Paid During Fiscal Year:	-				
Outstanding End of Fiscal Year: 12/31/2012	-				
Final Maturity Date:	9/2029				Final maturity date of last outstanding bond:

Bonds and notes reported above do not need to be reported in the Statement of Indebtedness (Page 6 of the Annual Financial Report)

Project Code: 03010004A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Nationwide Credit (NCI)
Vestal Park LLC
 Project Owner & Address:
Barry Newman
PO BOX 678
Vestal, NY 13851

Project Purpose: Finance, Insurance & Real Estate

Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 750,000 Straight Lease End Date: 2/14/2018

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 4,400,000

Non-profit? Y N X New tax revenues if no exemptions granted \$ 99,015.24

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:	-	\$ 142,658.76	\$ -
\$ -	\$ 31,161.20	\$ -	\$ 142,658.76	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 17,954.44			
	School:			
	\$ 93,543.12			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 18,638.08	\$ -	\$ 25,005.44	\$ 43,643.52

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	190	0	512	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03011002A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Washington Development Associates LLC
 Project Owner & Address:
Marc Newman
Washington Development Associates LLC
3101 Shippers Road
Vestal, NY 13850

Project Purpose: Construction
 Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 24,000,000
 Bond/Note Amount \$ Straight Lease End Date: 8/31/2032

Assessment \$ 8,200,000
 Benefited Project Amount \$
 Non-profit? Y N X New tax revenues if no exemptions granted \$ 1,360,838.62
 Please check box if applicable: Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ 712,404.98	County: \$ 5,468.84	-	\$ 1,477,828.62	\$ -
Local: \$ 712,404.98	Local (sum of city/town/village): \$ 24,679.59			
	School: \$ 22,870.23			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 65,604.00	\$ -	\$ 51,386.00	\$ 116,990.00

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
0	5	0	5	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

Project Code: 03019806A Please Specify: Bond Project Lease Project X

Schedule of Supplemental Information (Bonds/Notes or Straight Lease)

Name of Project: Willow Run Foods
 Project Owner & Address:
 James Donovan
 Willow Run Foods
 PO Box 1350
 Binghamton, NY 13902

Project Purpose: Wholesale Trade

Federal Tax Status: Taxable X Tax Exempt Total Project/Lease Amount \$ 12,000,000 Straight Lease End Date: 12/16/2018

Benefited Project Amount \$ Bond/Note Amount \$

Assessment \$ 8,500,000

Non-profit? Y N X New tax revenues if no exemptions granted \$ 96,031.90

Please check box if applicable:
 Not all data is reported.
 Letter of explanation attached.

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ -	County: \$ 75,761.39	-	\$ 306,614.13	\$ -
Local: \$ -	Local (sum of city/town/village): \$ 25,223.29			
	School: \$ 205,629.45			

Payments in Lieu of Taxes (PILOTS)

County	Local (sum of city/town/village)	School	Total PILOTS
\$ 90,893.07	\$ 19,993.94	\$ 99,695.22	\$ 210,582.23

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	# Current FTE	# FTE Construction Jobs Created during Fiscal Year
167	44	167	353	0

Straight Lease: Identify method of financial assistance utilized by project, other than tax exemptions claimed by project. Identify by amount and type:

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Janeen F. Sutryk, CPA*



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(1921-2003)
Abraham L. Piaker, CPA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Broome County Industrial Development Agency
Binghamton, New York

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 **BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a component unit of Broome County, New York, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise Broome County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Board of Directors
Broome County Industrial Development Agency

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Broome County Industrial Development Agency's financial statements are free of 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 result of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



PIAKER & LYONS, P.C.

Binghamton, New York
March 26, 2013

Officers:

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Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS
Established in 1955

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS

Board of Directors
Broome County Industrial Development Agency
Binghamton, New York

We have audited management's assertion that Broome County Industrial Development Agency maintained effective internal control over financial reporting as of December 31, 2012. The Agency's management is responsible for maintaining effective internal control over financial reporting, and for its assertion of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assertion based on our examination.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in a reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorization of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Piaker & Lyons

To the Board of Directors
Broome County Industrial Development Agency

In our opinion, management's assertions that Broome County Industrial Development Agency maintained effective internal control over financial reporting as of December 31, 2012 is fairly stated, in all material respects.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the authority and our report dated March 26, 2013 expressed an unqualified opinion.

This report is intended solely for the information and use of the Board of Directors, management, Broome County and New York State and is not intended to be and should not be used by anyone other than these specified parties.



PIAKER & LYONS, P.C.

Binghamton, New York
March 26, 2013

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditors' Report

Board of Directors
Broome County Industrial Development Agency
Binghamton, New York

Report on Compliance for Each Major Federal Program

We have audited BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY'S compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2012. Broome County Industrial Development Agency's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Broome County Industrial Development Agency's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Broome County Industrial Development Agency's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Broome County Industrial Development Agency's compliance.

Board of Directors
Broome County Industrial Development Agency

Opinion on Each Major Federal Program

In our opinion, Broome County Industrial Development Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Broome County Industrial Development Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Broome County Industrial Development Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Broome County Industrial Development Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Board of Directors
Broome County Industrial Development Agency

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Broome County Industrial Development Agency as of and for the year ended December 31, 2012, and have issued our report thereon dated March 26, 2013 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



PIAKER & LYONS, P. C.

Binghamton, New York
March 26, 2013

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>
Appalachian Regional Commission			
Direct Program:			
STEED Revolving Loan Fund	23.011		\$ <u>2,548,510</u>
Total Expenditures of Federal Awards			\$ <u>2,548,510</u>

See the accompanying notes to financial statements.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 NOTES
 FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICY

The accompanying schedule of expenditures of federal awards is a summary of the reporting entity's federal award programs. All federal awards are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 - LOANS OUTSTANDING

The reporting entity had the following loan balances outstanding at December 31, 2012. The loan balances outstanding are also included in the federal expenditures presented in this schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
STEED Revolving Loan Fund	23.011	\$ 1,890,641

See the accompanying notes to financial statements.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	_____ yes <u> X </u> no
Significant deficiency (ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal Control over major programs:	
Material weakness (es) identified?	_____ yes <u> X </u> no
Significant deficiency (ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ yes <u> X </u> no

Identification of major programs:

CFDA Number(s)

23.011

Name of Federal Program

Steed Revolving Loan Fund

Dollar threshold used to distinguish Between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 X yes _____ no

Section II - Financial Statement Findings

Prior Year

No matters were reported.

Current Year

No matters were reported.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section III - Federal Award Findings and Questioned Costs

Prior Year

No matters would be reported under the U.S. Office of Management and Budget (OMB) Circular A -133 Compliance Supplement.

Current Year

No matters would be reported under the U.S. Office of Management and Budget (OMB) Circular A -133 Compliance Supplement.