

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2014

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Chemung County Industrial Development Agency
Elmira, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Chemung County Industrial Development Agency, a component unit of the County of Chemung, New York, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Chemung County Industrial Development 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chemung County Industrial Development Agency as of December 31, 2014 and 2013, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Chemung County Industrial Development Agency has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Chemung County Industrial Development Agency's basic financial statements. The supplementary schedule of Project Information on pages 14 to 15 is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary schedule of Project Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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, the supplementary schedule of Project Information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015, on our consideration of the Chemung 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chemung County Industrial Development Agency's internal control over financial reporting and compliance.

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Rochester, New York
March 30, 2015

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Net Position
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,239,719	\$ 1,447,448
Accounts receivable	29,726	-
Prepaid expenses	40,421	19,234
Other current assets	22,820	10,000
Loans receivable - current portion	252,015	275,306
Grants receivable - current portion	<u>485,371</u>	<u>458,979</u>
Total current assets	2,070,072	2,210,967
Loans Receivable - Net of Current Portion	1,426,390	2,078,696
Grants Receivable - Net of Current Portion	3,007,505	3,712,718
Property and Equipment - Net	5,079,175	33,404,941
Building Held for Resale	<u>3,000,000</u>	<u>-</u>
Total Assets	<u>\$ 14,583,142</u>	<u>\$ 41,407,322</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Loans payable - current portion	\$ 121,488	\$ 1,984,311
Bonds payable - current portion	538,215	508,557
Accounts payable	125,213	28,749
Contract advances - current portion	187,613	377,626
Accrued interest	75,150	129,232
Other current liabilities	<u>300</u>	<u>300</u>
Total current liabilities	<u>1,047,979</u>	<u>3,028,775</u>
Long-Term Debt		
Loans payable - net of current portion	180,000	21,242,441
Bonds payable - net of current portion	3,544,117	4,082,442
Contract advances - net of current portion	<u>183,676</u>	<u>252,296</u>
Total long-term debt	<u>3,907,793</u>	<u>25,577,179</u>
Total Liabilities	<u>4,955,772</u>	<u>28,605,954</u>
Net Position		
Net investment in capital assets	5,079,175	11,270,616
Unrestricted	<u>4,548,195</u>	<u>1,530,752</u>
Total net position	<u>9,627,370</u>	<u>12,801,368</u>
Total Liabilities and Net Position	<u>\$ 14,583,142</u>	<u>\$ 41,407,322</u>

The accompanying notes are an integral part of these financial statements.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Revenue, Expenses, and Changes in Net Position
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue		
Development grants and reimbursements	\$ -	\$ 862,398
Rental income	2,765,857	3,070,867
Fee income	613,812	565,098
Interest income	79,845	124,884
Other income	<u>95,613</u>	<u>63,627</u>
Total revenue	<u>3,555,127</u>	<u>4,686,874</u>
Expenses		
Development grants and project costs	1,398,406	1,351,357
Property and insurance expenses	88,133	97,410
Depreciation	854,714	1,004,080
Interest expense	1,049,691	1,508,341
Other expenses	<u>151,001</u>	<u>90,385</u>
Total expenses	<u>3,541,945</u>	<u>4,051,573</u>
Operating Income	<u>13,182</u>	<u>635,301</u>
Non-operating Revenue (Expenses)		
Contributions	-	1,315,155
Gain on sale of assets	137,242	-
Non-recurring lease payments	21,416,068	-
Impairment loss	<u>(24,740,490)</u>	<u>-</u>
Total non-operating revenue (expenses)	<u>(3,187,180)</u>	<u>1,315,155</u>
Change in Net Position	(3,173,998)	1,950,456
Net Position - Beginning	<u>12,801,368</u>	<u>10,850,912</u>
Net Position - Ending	<u>\$ 9,627,370</u>	<u>\$ 12,801,368</u>

The accompanying notes are an integral part of these financial statements.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Cash Flows
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities		
Cash received from operating income	\$ 3,852,923	\$ 5,426,706
Cash paid for operating expenses	<u>(1,562,263)</u>	<u>(3,200,736)</u>
Net cash flows from operating activities	<u>2,290,660</u>	<u>2,225,970</u>
Cash Flows from Capital and Related Financing Activities		
Repayments of loans payable	(22,925,263)	(1,864,245)
Repayments of bonds payable	(508,667)	(479,689)
Non-recurring lease payments	21,416,068	-
Reimbursement for previous years project expenditures	-	8,386
Interest paid	<u>(1,103,773)</u>	<u>(1,497,834)</u>
Net cash flows from capital and related financing activities	<u>(3,121,635)</u>	<u>(3,833,382)</u>
Cash Flows from Investing Activities		
Purchases of fixed assets	(282,273)	-
Proceeds from sale of land	150,076	-
Development loans repaid	675,598	293,183
Interest received	<u>79,845</u>	<u>124,884</u>
Net cash flows from investing activities	<u>623,246</u>	<u>418,067</u>
Net Change in Cash and Cash Equivalents	(207,729)	(1,189,345)
Cash and Cash Equivalents - Beginning	<u>1,447,448</u>	<u>2,636,793</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,239,719</u>	<u>\$ 1,447,448</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities		
Operating income	\$ 13,182	\$ 635,301
Adjustments		
Depreciation	854,714	1,004,080
Interest income	(79,845)	(124,884)
Interest expense	1,049,691	1,508,341
Changes in assets and liabilities		
Accounts receivable	(29,726)	232,100
Grants receivable	678,820	678,822
Prepaid expenses	(21,187)	7,667
Other current assets	(12,820)	(10,000)
Accounts payable	96,464	(1,669,550)
Other current liabilities	-	300
Contract advances	<u>(258,633)</u>	<u>(36,207)</u>
Net cash flows from operating activities	<u>\$ 2,290,660</u>	<u>\$ 2,225,970</u>

The accompanying notes are an integral part of these financial statements.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization and Purpose - The Chemung County Industrial Development Agency (the "Agency") is a public benefit corporation created in 1975 by an act of the New York State Legislature for the purpose of encouraging economic growth in the County of Chemung, New York. The Agency is exempt from federal, state, and local income taxes.

The Agency's primary purpose is to promote and assist private sector industrial development and advance the job opportunities and economic welfare of the people of the County of Chemung, New York.

One of the Agency's most important functions is to provide certain real property, sales and mortgage recording tax benefits in lease financing or revenue bond transactions to qualifying industrial and commercial entities in order to encourage industrial development in the County of Chemung, New York.

In addition to industrial development bonds and sale/leaseback transactions, the Agency offers a real property tax abatement program, known as PILOT. Projects that create new employment and are sponsored by the Agency may qualify for abatements of real property taxes, such as county, town and school taxes, through the PILOT (payment-in-lieu-of-taxes) program.

The Agency is a component unit of the County of Chemung, New York.

Basis of Accounting - The Agency complies with the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement codifies all sources of accounting principles generally accepted in the United States of America into the GASB's authoritative literature.

The accounts of the Agency are maintained on the accrual basis of accounting. Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on the determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel and depreciation.

Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Basis of Presentation - The Agency complies with the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These statements provide guidance on presenting deferred outflows, deferred inflows and net position. Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. GASB requires the classification of net position into three classifications defined as follows:

Net investment of capital assets - This component of net position consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Restricted net position - This component of net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. At December 31, 2014 and 2013, the Agency did not have a balance in restricted net position.

Unrestricted net position - This component of net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the Agency.

Cash and Cash Equivalents - For the purposes of the statements of net position and cash flows, cash and cash equivalents include deposits with original maturities of three months or less. The Agency maintains cash and cash equivalents which periodically may exceed federally insured limits.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end would be immaterial and therefore an allowance has not been established.

Grants Receivable - Grants receivable are stated at the amount earned under the grant agreements.

Property and Equipment - Property and equipment acquired by the Agency are stated at cost (or estimated historical cost) including interest capitalized during construction where applicable. Contributed assets are recorded at fair market value at the date received. Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets. Depreciation is computed over the following periods:

Land and land improvements	20 Years
Machinery and equipment	10 Years
Buildings	40 Years

Note 2. Deposits and Investments

The Agency's investment policies are governed by state law. Collateral is required for demand deposits, certificates of deposit, and repurchase agreements not covered by federal deposit insurance. Obligations which 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.

The Agency has a formal investment policy which is in compliance with the laws of the State of New York, Chapter 838, Title 7, Section 2925. The Agency is permitted to invest funds in the following types of investments: special time deposit accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America and obligations of the State of New York. All deposits of the Agency are public funds and shall have a pledge of collateral by the bank or trust company in which the funds are deposited. The Treasurer of the Agency will determine the amount and length of time all funds are to be invested. The Agency will maintain relationships with the banks or trust companies doing business with the Agency and secure the best possible return. The Agency will prepare any reports requested by the Board to aid in monitoring the Agency's investment policy and performance.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

The amounts on deposit in banking institutions and the related collateral as of December 31, 2014, are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand and savings deposits	\$ <u>1,239,719</u>	\$ <u>2,089,562</u>
Covered by FDIC insurance		\$ 576,829
Pledged collateral		<u>1,512,733</u>
Total deposits		\$ <u>2,089,562</u>

Note 3. Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>Beginning Balance</u>	<u>Additions / Reclassification</u>	<u>Disposals / Impairment</u>	<u>Ending Balance</u>
Land and land improvements	\$ 4,348,714	\$ 269,438	\$ 1,628,682	\$ 2,989,470
Machinery and equipment	1,065,785	-	1,065,785	-
Buildings	<u>33,397,356</u>	<u>-</u>	<u>30,897,356</u>	<u>2,500,000</u>
Sub-total	38,811,855	269,438	33,591,823	5,489,470
Less, accumulated depreciation	<u>(5,406,914)</u>	<u>(854,714)</u>	<u>(5,851,333)</u>	<u>(410,295)</u>
Property and equipment - net	\$ <u>33,404,941</u>	\$ <u>(585,276)</u>	\$ <u>27,740,490</u>	\$ <u>5,079,175</u>
 Building held for resale	 \$ <u>-</u>	 \$ <u>3,000,000</u>	 \$ <u>-</u>	 \$ <u>3,000,000</u>

Depreciation expense amounted to \$854,714 and \$1,004,080 for the years ended December 31, 2014 and 2013, respectively.

An impairment loss of \$24,740,490 for the year ended December 31, 2014 was recorded in relation to the Sikorsky related capital assets. On October 31, 2014, Sikorsky made final payment in full on their lease agreement with the Agency. There is no longer an income stream for these capital assets and in turn an impairment loss was recorded. The remaining value of the buildings recorded as building held for resale, \$3,000,000, was determined based on a offer the Agency has received to purchase the building which is expected to be finalized during 2015.

Note 4. Loans Receivable

Loans receivable consisted of the following at December 31:

	<u>2014</u>	<u>2013</u>
Receivable from Southern Tier Commerce Center, LLC, monthly payments of \$4,944, including interest at 3.5%. Loan was established December 2006 and due December 2016.	\$ 119,278	\$ 173,403
Receivable from the County of Chemung, New York, quarterly payments of \$25,750, including interest at 5.25%. Loan was established January 2000 and was paid in full during 2014.	-	489,946

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Receivable from Riverside Realty, LLC, non-interest bearing, monthly payments of \$196. Loan established November 2007 and due October 2022.	18,386	20,733
Receivable from Riverside Realty, LLC, monthly payments of \$7,239, including interest at 2.0%. Payments commenced the month after receipt of the final loan draw in the month of February 2010. Final loan was established in February 2010 and due February 2025.	798,620	868,759
Receivable from 2000 Lake Road, LLC, non-interest bearing, monthly payments of \$1,667. Loan was established May 2008 and due June 2018. Subsequent to year end, this note was paid in full.	66,667	86,667
Receivable from County of Chemung, New York, non-interest bearing, quarterly payments of \$25,000. Loan established in April 2010 and due April 2024. All amounts received from the County will be used to make required payments on the bond payable to Elmira Savings Bank. See Note 6.	<u>675,454</u>	<u>714,494</u>
Total	1,678,405	2,354,002
Less, current portion	<u>(252,015)</u>	<u>(275,306)</u>
Long-term portion	<u>\$ 1,426,390</u>	<u>\$ 2,078,696</u>

Note 5. Loans Payable

Loans payable consisted of the following at December 31:

	<u>2014</u>	<u>2013</u>
Payable to Chemung Canal Trust Co. Quarterly payments of \$25,750, including interest at 5.25%. This loan was paid in full during 2014.	\$ -	\$ 489,946
Payable to Chemung Canal Trust Co. Annual principal payments of \$60,000, plus interest at 6.25%, through the year 2018.	240,000	300,000
Payable to County of Chemung, New York. This loan was paid in full during 2014.	-	200,001
Payable to NYS Department of Transportation (NYSDOT), non-interest bearing. Repayment to be made annually based on the value determined by the NYSDOT of \$204,960 as follows: 10% in 2011, 20% for years 2012-2014 and final payment of 30% in 2015.	61,488	102,480
Payable to Five Star Bank. Monthly payments of \$35,073, including interest at 5.03%, amortized over twelve years and maturing January 2024. This note was paid in full during 2014 upon receipt of the final payment by Sikorsky on the lease agreement with the Agency.	-	3,291,517

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Payable to Five Star Bank. Monthly payments of \$199,124, including interest at 4.85%, amortized over twelve years and maturing in January 2024. This note was paid in full during 2014 upon receipt of the final payment by Sikorsky on the lease agreement with the Agency.

	-	18,842,808
Total	301,488	23,226,752
Less, current portion	(121,488)	(1,984,311)
Long-term portion	\$ 180,000	\$21,242,441

The following is a schedule of future principal and interest loan payments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 121,488	\$ 11,000	\$ 132,488
2016	60,000	7,000	67,000
2017	60,000	4,000	64,000
2018	60,000	1,000	61,000
Total	\$ 301,488	\$ 23,000	\$ 324,488

Total accrued interest relating to these loans payable was \$5,583 and \$57,386 at December 31, 2014 and December 31, 2013, respectively.

Note 6. Bonds Payable

Bonds payable consisted of the following at December 31:

	<u>2014</u>	<u>2013</u>
Series 2009E Bond - Payable to CVS Rx Services in annual installments with a maturity date of October 15, 2020. Interest is payable in annual installments at a rate of 5.75%. Repayment of principal for this bond was funded through a grant from the Economic Development Administration (EDA) for American Recovery and Reinvestment Act (ARRA) of \$1,454,080 to fund the portion of the project relating to the cost of enhancing the water and sewer system owned by the Agency as well as the cost of upgrading White Wagon Road owned by the County of Chemung, New York. The remaining portion of this bond will be paid back through PILOT revenue.	\$ 3,364,367	\$ 3,823,346
Bond - Payable to Elmira Savings Bank in annual installments of principal and interest of \$100,000 with a maturity date of April 2024. Interest is payable in quarterly installments at a rate of 6.5%. Repayment of this bond will be made with proceeds from the loan receivable from Chemung County described in Note 4.	717,965	767,653
Total	4,082,332	4,590,999
Less, current portion	(538,215)	(508,557)
Long-term portion	\$ 3,544,117	\$ 4,082,442

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

The following is a schedule of future principal and interest bond payments:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 538,215	\$ 240,606	\$ 778,821
2016	569,487	209,334	778,821
2017	602,825	175,996	778,821
2018	637,992	140,829	778,821
2019	675,214	103,607	778,821
2020-2024	<u>1,058,599</u>	<u>122,352</u>	<u>1,180,951</u>
Total	<u>\$ 4,082,332</u>	<u>\$ 992,724</u>	<u>\$ 5,075,056</u>

The Agency has recorded the following grants receivable:

County of Chemung, New York - future PILOT agreement	<u>\$ 3,492,876</u>
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Total accrued interest relating to these bonds payable was \$69,567 and \$71,846 at December 31, 2014 and December 31, 2013, respectively.

Note 7. Industrial Revenue Bond and Note Transactions

Certain industrial development revenue bonds and loans issued by the Agency are secured by property which is leased to companies and is retired by lease payments. The bonds and loans are not obligations of the Agency or the State. The Agency does not record assets or liabilities resulting from completed bond and loan issues in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and loan holders. The funds arising from these transactions are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of the bonds and loans.

Note 8. Supplemental Cash Flow Information

	<u>2014</u>	<u>2013</u>
Non-cash operating activities		
Contribution of donated land and building	\$ -	\$ 1,315,155
Impairment loss	<u>\$ 24,740,490</u>	<u>\$ -</u>

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 9. Leasing Arrangements

The Agency is the lessor of three facilities, equipment and paid-up oil and gas leases on three parcels of land.

One lease is for an industrial building in the Town of Horseheads for the term of forty years beginning December 1982 with a \$48,000 annual payment.

The second is for the Sikorsky facility discussed in Note 3, which required monthly payments of \$89,975. This lease was for fifteen years beginning September 2007. During years one through ten, base rent was determined on the amortized amount, as defined in the agreement, amortized over twenty years at an interest rate of 6.95%. During years eleven through fifteen, the base rental was to be adjusted from the 6.95% rate in years one through ten to the five year treasury rate on the first day of the eleventh year plus 225 basis points.

During 2012, the loan related to the above lease was restructured and the lease was amended, effective March 2012. The new lease called for two different payment structures. During the period of the loan closing until May 31, 2012, monthly payments of \$203,903 were required as well as an amount equal to 1.024 times the monthly interest-only payments of 5.03% on outstanding advances on the loan. For the period of June 2, 2012 through the expiration date, January 2024, monthly payments were \$239,818. During 2014, Sikorsky paid this lease agreement off in full with a lump sum payment to the Agency of \$20,823,968.

The Agency held an additional lease with Sikorsky for equipment used in the Sikorsky facility and required monthly payments of \$10,550 for a period of 168 months. During 2014, Sikorsky paid this lease agreement off in full with a lump sum payment to the Agency of \$592,100.

The Agency held a lease with Sikorsky for land that is used for a compass rose and parking area requiring monthly payments of \$761. This lease with Sikorsky also ended during 2014.

The Agency has various paid up leases with Anschutz Exploration Corporation for lease payments to be made to the Agency at an annual rate per mineral acre. Total rental income of this lease amounted to \$3,841 in 2014.

The Agency is the lessor of land leased to Danella Line Services, Inc. This lease began on June 1, 2013 and is a month to month lease, ending only when the tenant gives 30 days written notice to the Agency. The lease requires monthly payments of \$300.

The Agency is the lessor of land leased to Northern Neck Transfer, Inc. This lease began on October 1, 2013 and is a month to month lease, ending only when the tenant gives 30 days written notice to the Agency. The lease requires monthly payments of \$500.

The Agency is the lessor of a portion of a building leased to Swindell Dressler International Co. This lease began on January 11, 2014 and is a month to month lease, ending only when the tenant gives 30 days written notice to the Agency. The lease requires payments of \$4.00 per square foot annually. Total rental income of this lease amounted to \$130,055 in 2014.

The Agency is the lessor of a portion of a building, as well as parking area to the County of Chemung. This lease began on March 1, 2014 and continues through February 28, 2015. The lease requires monthly payments of \$325.

The Agency is the lessor of a portion of a building, as well as parking area to Metadyne, Inc. This lease began on May 1, 2014 and is a month to month lease, ending when the tenant gives 30 days written notice to the Agency or at the end of 144 months. The lease requires monthly payments of \$3,438 for the first 60 months of the lease and monthly payments of \$2,903 for the remaining term of the lease.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

The Agency is the lessor of a portion of a building leased to Dimon & Bacorn. This lease began on January 28, 2014 for an undetermined period of time, but not to exceed 8 months. The lease requires monthly payments of \$1,875 for space 1, \$1,200 for space 2 and \$675 for space 3..

Total rental income for the years ended December 31, 2014 and 2013 was \$24,181,925 and \$3,070,867, respectively. The rental income for the year ended December 31, 2014 includes non-recurring lease payments from Sikorsky for final paydown on their lease agreement of \$21,416,068.

The following is a schedule of future minimum rentals to be received over the next five years, excluding the oil and gas right leases:

2015	\$ 89,900
2016	89,250
2017	89,250
2018	89,250
2019	<u>84,970</u>
Total	<u>\$ 442,620</u>

During the years ended December 31, 2014 and 2013, the Agency had a balance of \$367,351 and \$378,443, respectively, in contract advances from Sikorsky to pay for environmental reviews to be completed over a four year period. This amount is included in contract advances on the statement of net position.

Note 10. Donation of Land and Building

During the year ended December 31, 2013, Chemung County donated land that consisted of a 129.10 acre site at Airport Corporate Park to the Agency. The estimated fair market value of this property was \$1,315,155.

Chemung County Industrial Development Agency
Project Information
December 31, 2014

2014

Project Code	Project Type	Project Name	Project Address	City	State	Zip	Zip +4	Count	School District	Project Purpose Notes	Project Purpose Code	Total Project Amount	Benefitted Project Amount	Bond/Note Amount	Total Lease Amount	Annual Lease Amount	Year Financial Assistance Ends	Federal Tax Status
1	0701-01-01-A	Bonds	Hathorn Redevelopment	346 Woodlawn Ave.	Elmira	NY	14901 1331	USA	City	Acquisition of land, renovation	Services	8,000,000	6,940,000	4,000,000	0	0	2023	Tax Exempt
2	0701-01-02-A	Bonds	Economic Opportunity Program	of Chemung County 650 Baldwin St.	Elmira	NY	14901 2216	USA	NA Tax Exempt	Acquisition of land, construction	Services	3,960,064	3,732,054	4,200,000	0	0	2026	Tax Exempt
3	0701-03-02-A	Bonds	Woodbrook Adult Home	1250 Maple Ave.	Elmira	NY	14904 2812	USA	NA Tax Exempt	Acquisition of land, renovation	Services	2,695,472	2,159,302	3,500,000	0	0	2023	Tax Exempt
4	0701-04-01-A	Bonds	Arnot Ogden Medical Center	600 Roe Ave.	Elmira	NY	14905 1629	USA	NA Tax Exempt	Acquisition of land, renovation	Construction	16,203,307	10,088,864	16,710,000	0	0	2034	Tax Exempt
5	0701-04-02-A	Bonds	Arnot Ogden Medical Center	600 Roe Ave.	Elmira	NY	14905 1629	USA	NA Tax Exempt	Acquisition of land, renovation	Construction	18,742,980	17,274,221	20,000,000	0	0	2034	Tax Exempt
6	0701-99-01-A	Bonds	Sonwil Development Group, LLC	Daniel Zenker Drive Ext.	Big Flats	NY	14814	USA	Horseheads	Acquisition of land, construction	Const/Manu	5,911,400	5,911,400	5,024,690	0	0	2015	Tax Exempt
7	0701-00-01-A	Bonds	Elmira Sports Entertainment	155 N. Main St.	Elmira	NY	14901 2900	USA	NA Tax Exempt	Construction of Ice skating/hoc	Services	15,500,000	15,300,000	1,250,000	0	0	2020	Tax Exempt
8	0701-07-02-A	Bonds	DDR Horseheads, LLC	500 Ann Page Road	Horseheads	NY	14845 7200	USA	Horseheads	Acquisition of Land, Demolition	Const/Retail	76,733,205	76,733,205	1,856,000	0	0	2018	Taxable
9	0701-09-05-A	Bonds	CVS RX Services, Inc.	150 White Wagon Road	Chemung	NY	14825	USA	Waverly	Acquisition of land, Demolition	Retail/Construct	0	0	6,525,000	0	0	2021	Taxable
10	0701-09-01-A	Straight	CVS RX Services, Inc.	150 White Wagon Road	Chemung	NY	14825	USA	Waverly	Acquisition of Land, Construct	Wholesale/Const	90,000,000	70,812,000	0	90,000,000	0	2025	Taxable
11	0701-10-01-A	Bonds	Chemung Performing Arts	207 Clemens Center Parkway	Elmira	NY	14901 3031	USA	NA Tax Exempt	Acquisition of Land, Building	Services	17,000,000	17,000,000	900,000	0	0	2024	Tax Exempt
12	0701-04-04-A	Straight	Silicon Carbide Products	Airport Corporate Park, Daniel Dr. Ext	Horseheads	NY	14845	USA	Horseheads	Acquisition of Land, Construct	Const/Manu	1,234,000	1,181,000	0	430,000	0	2020	Taxable
13	0701-00-06-A	Straight	EAS Development, LLC	Airport Corporate Park, Daniel Zenker I	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Construct	Services/Const	2,027,000	2,027,000	0	2,000,000	0	2016	Taxable
14	0701-00-08-A	Straight	Vulcraft of New York	5362 Railroad St., Box 280	Chemung	NY	14825 9750	USA	Waverly	Construction of Steel Manufact	Manu/Const	51,000,000	51,000,000	0	51,000,000	0	2021	Taxable
15	0701-00-09-A	Straight	Arnot Realty Corporation	203 Colonial Drive	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Construct	Services/Const	1,700,000	1,700,000	0	1,700,000	0	2020	Taxable
16	0701-03-01-A	Straight	F.M. Howell & Company	79 Pennsylvania Ave.	Elmira	NY	14904	USA	City	Acquisition of Land, Construct	Manufacturing	1,400,000	1,400,000	0	1,400,000	0	2019	Taxable
17	0701-03-03-A	Straight	Central Recycling Co-op	260 Lattabrook Park	Horseheads	NY	14845 9008	USA	Elmira Heights	Acquisition of Land, Construct	Manu/Const	2,737,500	2,707,500	0	2,737,500	0	2019	Taxable
18	0701-01-04-A	Straight	The Krog Corporation	1316 College Ave	Elmira	NY	14901 1169	USA	City	Acquisition of Land, Construct	Construction	2,140,000	2,140,000	0	2,140,000	0	2015	Taxable
19	0701-06-06-A	Straight	Elmira Eastown Mall	150 Baldwin St.	Elmira	NY	14901 3016	USA	City	Acquisition of Land, Construct	Finance...	1,500,000	1,500,000	0	1,500,000	0	2016	Taxable
20	0701-05-01-A	Straight	John Meier, LLC	133 Philo Road	Elmira Heig	NY	14903 9705	USA	Horseheads	Acquisition of Land, Construct	Manu/Const	680,000	680,000	0	680,000	0	2021	Taxable
21	0701-05-03-A	Straight	Dena Enterprises	2666 Corning Road	Horseheads	NY	14845 4207	USA	No Pilot	Renovation of Building	Retail/Const	1,000,000	980,000	0	1,000,000	0	2016	Taxable
22	0701-07-03-A	Straight	Riverside Realty of Elmira, LLC	14 Daniel Zenker Drive	Big Flats	NY	14814	USA	No Pilot	Construction of Building	Retail/Const	4,570,000	4,535,500	0	4,570,000	0	2018	Taxable
23	0701-07-04-A	Straight	Millenium Pipeline Company	One Blue Hill Plaza 7th Floor	Pearl River	NY	10965 3104	USA	Various	Natural Gas Transportation Pip	Gas/Const	47,000,000	47,000,000	0	7,255,000	0	2024	Taxable
24	0701-07-05-A	Straight	Empire State Pipeline	6363 Main St.	Williamsvil	NY	14221 5855	USA	Various	Natural Gas Transportation Pip	Gas/Const	9,800,000	9,800,000	0	1,926,540	0	2024	Taxable
25	0701-08-02-A	Straight	2000 Lake Road Holding Co.	2000 Lake Road	Elmira	NY	14903 1822	USA	Elmira Heights	Acquisition of Land, Acquisit	Manufacturing	2,150,000	2,150,000	0	2,150,000	0	2028	Taxable
26	0701-08-03-A	Straight	Clemens Center Landlord, LLC	207 Clemens Center Parkway	Elmira	NY	14901 3031	USA	City	Acquisition of Land, Renovatio	Services/Const	15,465,950	13,448,334	0	15,465,950	0	2019	Tax Exempt
27	0701-08-04-A	Straight	DeMet's Candy Company	Hunt Drive	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Construct	Manu/Const	13,500,000	12,925,000	0	13,600,000	0	2019	Taxable
28	0701-09-02-A	Straight	Seneca Beverage Corp.	2081 & 2085 Lake Road	Horseheads	NY	14845	USA	Elmira Heights	Acquisition of Land, Construct	Wholesale/Const	8,500,000	8,500,000	0	8,500,000	0	2020	Taxable
29	0701-09-04-A	Straight	3107 Group, LLC	100 West Chemung Place	Elmira	NY	14901	USA	City	Acquisition of Land, Construct	Services/Const	1,183,300	916,600	0	1,183,300	0	2020	Taxable
30	0701-10-02-A	Straight	General Revenue	325 Daniel Zenker Drive	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Renovatio	Services/Const	2,750,000	2,750,000	0	2,750,000	0	2020	Taxable
31	0701-10-05-A	Straight	Schlumberger	E Street	Village of H	NY	14845	USA	Horseheads	Acquisition of Land, Construct	Services/Const	49,640,000	48,440,000	0	49,640,000	0	2021	Taxable
32	0701-10-07-A	Straight	Anchor Glass	Grand Central, Lynwood Ave, McCann	Various	NY	Various	USA	City	Acquisition of Land, Renovatio	Manufacturing	1,000,000	1,000,000	0	1,000,000	0	2016	Taxable
33	0701-11-01-A	Straight	1580 Lake Street, LLC	1580 Lake Street	Elmira	NY	14901	USA	City	Acquisition of Land, Renovatio	Services	2,200,000	2,000,000	0	1,600,000	0	2027	Taxable
34	0701-11-04-A	Straight	Grace Real Property	343 Daniel Zenker Drive	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Acquisit	Services	1,675,000	1,675,000	0	1,675,000	0	2021	Taxable
35	0701-12-02-A	Straight	Chemung Supply Corp.	2420 Corning Road & 98 Philo Road	Elmira	NY	14903	USA	Horseheads	Acquisition of Land, Construct	Manufacturing	2,763,000	2,763,000	0	2,763,000	0	2028	Taxable
36	0701-12-04-A	Straight	Fennell Properties, LLC	951 Grand Central Ave.	Elmira	NY	14901	USA	City	Renovation of Building	Manufacturing	705,000	685,000	0	705,000	0	2028	Taxable
37	0701-12-06-A	Straight	Arnot Associates III, LLC	Hickory Grove Road	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Const	Services	11,920,000	11,920,000	0	11,920,000	0	2015	Taxable
38	0701-13-01-A	Straight	Van Fleet (Elm Chevrolet)	301 & 223 East Church St.	Elmira	NY	14901	USA	City	Acquisition of Interest of L	Services	1,700,000	1,700,000	0	1,700,000	0	2023	Taxable
39	0701-13-02-A	Straight	D&G Commercial Realty LLC	1836 & 1828 Grand Central Ave	Horseheads	NY	14845	USA	Horseheads	Acquisition of Land, Renov	Services	704,200	656,200	0	704,200	0	2023	Taxable
40	0701-13-06-A	Straight	CAF USA, Inc.	300 East 18th Street, 3450 Oakwood Av	Village of E	NY	14845	USA	Horseheads & E	Acquisition of Interest of L	Manufacturing	3,422,716	3,372,716	0	3,422,716	0	2024	Taxable
41	0701-13-07-A	Straight	Southern Tier Lodging Associates	Colonial Drive	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Const	Retail	8,160,000	7,415,000	0	8,160,000	0	2023	Taxable
42	0701-14-01-A	Straight	Dick's Sporting Goods	830 County Route 64	Big Flats	NY	14814	USA	Horseheads	Acquisition of Machinery,	Retail	10,125,000	10,125,000	0	10,125,000	0	2015	Taxable
43	0701-14-02-A	Straight	Sonwil Development Group LLC	315 Daniel Zenker Drive Ext	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Const	Manufacturing	2,708,933	2,270,594	0	2,708,933	0	2025	Taxable
44	0701-14-03-A	Straight	Cameron Manufacturing & Design	727 Blostein Blvd	Village of H	NY	14845	USA	Horseheads	Acquisition of Land and Bu	Manufacturing	2,053,000	2,051,000	0	2,053,000	0	2029	Taxable
45	0701-14-04-A	Straight	IBEW Local Union #139	415 W. Second Street	Elmira	NY	14901	USA	City	Acquisition of Land, Renov	Services	1,000,500	1,000,500	0	1,000,500	0	2028	Taxable
46	0701-14-05-A	Straight	BG Big Flats 1, LLC	830 County Route 64	Big Flats	NY	14814	USA	Horseheads	Acquisition of Land, Demol	Retail	11,725,000	11,725,000	0	11,725,000	0	2015	Taxable
47	0701-14-06-A	Straight	Upstate Commercial Property	224 N. Main St.	Village of H	NY	14845	USA	Horseheads	Acquisition of Land, Const	Services	1,140,000	1,120,000	0	1,140,000	0	2028	Taxable
48	0701-14-07-A	Straight	Finger Lake LLC	2671 Corning Road	Horseheads	NY	14845	USA	Horseheads	Acquisition of Land, Demol	Services	5,083,120	4,923,120	0	5,083,120	0	2024	Taxable

Chemung County Industrial Development Agency
Project Information
December 31, 2014

Not For Profit	State Tax Exemption	Sales Tax Exemption	Local Sales Tax Exemption	County Real Property Tax Exemption	Local Real Property Tax Exemption	School Real Property Tax Exemption	Mortgage Recording Tax	Total Exemptions Net of RPTL Sec. 485 B Exemptions	County Pilot	Local Pilot	School Pilot	Date Project Approved	Date IDA Took Title or Leasehold Interest in Property	# of FTEs Before IDA Status	Original Est. of Jobs to be created	Average Est. Salary of Jobs to be created	Original Est. of Jobs to be Retained	Average Est. Salary of jobs to be Retained	Current # of FTEs	# of FTE Const. Jobs During Fiscal Year	Current Year Project needs to be Reported	There is no Debt Outstanding for this project	IDA Does Not hold title to the Property	The project receives no tax exemptions	Is this a multi-phase project related to an existing project	If yes, what is the original project code
1	Y	0	0	62,949	116,458	131,125	0	0	18,720	34,630	39,007	10/10/2001	10/1/2004	5	13	No Data	18	No Data	9	0	No	Na	Na	Na	Na	Na
2	Y	0	0	0	0	0	0	0	0	0	0	9/19/2000	10/2/2001	83	0	No Data	83	No Data	166	0	No	Na	Na	Na	Na	Na
3	Y	0	0	0	0	0	0	0	0	0	0	9/9/2003	11/12/2003	47	16	No Data	63	No Data	59	0	No	Na	Na	Na	Na	Na
4	Y	0	0	0	0	0	0	0	0	0	0	9/9/2003	3/10/2004	1404	4	No Data	1408	No Data	2154	0	No	Na	Na	Na	Na	Na
5	Y	0	0	0	0	0	0	0	0	0	0	9/9/2003	3/10/2004	0	4	No Data	0	No Data	0	0	No	Na	Na	Na	Na	Na
6	N	0	0	64,519	18,654	141,673	0	224,845	33,984	9,826	74,624	12/15/1999	12/29/1999	0	168	No Data	168	No Data	105	0	No	Na	Na	Na	Na	Na
7	Y	0	0	0	0	0	0	0	0	0	0	1/28/2000	1/28/2000	0	79	No Data	79	No Data	87	0	No	Na	Na	Na	Na	Na
8	N	0	0	133,523	0	289,437	0	338,368	133,523	0	289,437	11/17/2006	12/20/2007	0	350	30000	0	0	629	0	No	Na	Na	Na	Na	Na
9	N	0	0	0	0	0	0	0	0	0	0	3/12/2009	6/5/2009	0	0	0	0	0	0	0	No	Na	Na	Na	Na	Na
10	N	0	0	309,504	29,952	634,000	0	681,419	154,752	14,976	634,000	3/12/2009	6/1/2010	0	500	25000	0	0	485	0	No	Na	Na	Na	Na	Na
11	Y	0	0	0	0	0	0	0	0	0	0	12/10/2009	4/29/2010	16	0	0	16	31700	14	0	No	Na	Na	Na	Na	Na
12	N	0	0	8,480	2,474	11,025	0	20,880	6,343	1,778	5,512	11/12/2004	11/18/2004	0	10	No Data	10	No Data	28	0	No	Na	Na	Na	Na	Na
13	N	0	0	13,785	3,975	30,271	0	48,031	6,893	1,993	15,135	3/31/2000	6/9/2000	76	14	No Data	71	No Data	71	0	No	Na	Na	Na	Na	Na
14	N	0	0	147,497	27,659	242,142	0	417,298	44,787	8,399	73,525	7/12/2000	10/19/2000	0	300	No Data	300	No Data	235	0	No	Na	Na	Na	Na	Na
15	N	0	0	15,129	4,374	33,222	0	52,726	9,684	2,800	16,482	8/14/2000	11/30/2000	0	100	No Data	100	No Data	119	0	No	Na	Na	Na	Na	Na
16	N	0	0	18,505	34,064	37,826	0	90,395	15,706	28,887	31,774	6/13/2003	12/30/2003	267	16	No Data	267	No Data	230	0	No	Na	Na	Na	Na	Na
17	N	0	0	8,670	0	23,231	0	31,901	4,534	0	12,149	12/17/2003	12/17/2003	27	10	No Data	37	No Data	31	0	No	Na	Na	Na	Na	Na
18	N	0	0	12,071	20,010	23,393	0	55,474	12,071	20,010	23,393	5/1/2001	8/23/2001	0	215	No Data	0	No Data	91	0	No	Na	Na	Na	Na	Na
19	N	0	0	16,009	29,615	34,621	0	68,208	8,459	14,807	18,293	1/13/2005	8/2/2005	0	25	No Data	25	No Data	196	0	No	Na	Na	Na	Na	Na
20	N	0	0	2,895	0	6,275	0	8,253	1,958	0	4,245	10/21/2005	12/2/2005	14	19	No Data	33	No Data	0	0	No	Na	Na	Na	Na	Na
21	N	0	0	0	0	0	0	0	0	0	0	7/8/2005	8/26/2005	27	0	No Data	27	No Data	30	0	No	Na	Na	Na	Na	Na
22	N	0	0	0	0	0	0	0	0	0	0	9/13/2007	12/18/2007	70	30	45,000	70	45,000	85	0	No	Na	Na	Na	Na	Na
23	N	0	0	777,640	174,686	1,675,001	0	2,101,862	125,627	36,038	322,336	11/17/2006	9/13/2007	0	0	0	0	0	0	0	No	Na	Na	Na	Na	Na
24	N	0	0	97,777	28,322	211,069	0	269,735	18,833	5,455	39,930	4/19/2007	7/26/2007	0	0	0	0	0	0	0	No	Na	Na	Na	Na	Na
25	N	0	0	4,044	387	11,473	0	11,928	2,310	221	6,554	4/10/2008	5/1/2008	28	79	N/A	28	24,570	31	0	No	Na	Na	Na	Na	Na
26	Y	0	0	71,877	132,966	155,444	0	270,216	0	0	0	8/14/2009	10/6/2008	16	17	38,220	16	30,030	14	0	No	Na	Na	Na	Na	Na
27	N	0	0	63,212	18,276	140,038	0	166,145	63,212	18,276	140,038	9/18/2008	10/1/2008	0	82	0	0	0	217	0	No	Na	Na	Na	Na	Na
28	N	0	0	60,161	0	161,195	0	154,949	32,040	0	85,850	8/20/2009	9/30/2009	67	8	45,000	67	45,000	73	0	No	Na	Na	Na	Na	Na
29	N	0	0	7,377	13,647	15,954	0	25,884	4,297	7,954	9,293	3/27/2009	4/1/2009	27	3	50,000.00	27	50,000	22	0	No	Na	Na	Na	Na	Na
30	N	0	0	44,914	12,986	99,501	0	102,311	44,914	12,986	99,501	1/13/2005	5/31/2005	0	220	30000	0	0	345	0	No	Na	Na	Na	Na	Na
31	N	0	0	192,392	111,230	415,011	0	467,111	101,708	58,802	219,396	11/12/2009	9/3/2010	0	340	65000	0	0	233	0	No	Na	Na	Na	Na	Na
32	N	0	0	19,484	84,042	42,650	0	146,176	9,742	8,479	21,325	5/1/2010	5/1/2010	312	0	64000	312	64000	292	0	No	Na	Na	Na	Na	Na
33	N	0	0	14,062	26,013	30,410	0	70,485	8,118	15,018	17,556	2/24/2011	4/1/2011	45	14	43500	45	43500	66	0	No	Na	Na	Na	Na	Na
34	N	0	0	13,649	3,946	29,971	0	47,566	7,662	2,215	16,824	9/10/2010	1/13/2011	34	0	0	34	97554	18	0	No	Na	Na	Na	Na	Na
35	N	0	0	12,390	0	26,857	0	21,585	6,197	0	13,432	8/18/2011	2/12/2012	17	27	35000	17	35000	66	0	No	Na	Na	Na	Na	Na
36	N	0	0	8,697	26,193	18,854	0	29,559	4,348	8,044	9,427	10/3/2012	11/1/2012	0	3	Const 22000	0	22000	30	0	No	Na	Na	Na	Na	Na
37	N	95000	0	0	0	0	0	0	0	0	0	2/23/2012	9/27/2012	3	3	25000	3	25000	15	28	No	Na	Na	Na	Na	Na
38	N	0	0	0	0	8,655	0	0	0	0	4,328	11/6/2012	1/25/2013	34	0	0	34	66512	55	0	No	Na	Na	Na	Na	Na
39	N	28657	0	0	0	14,116	0	0	0	0	7,061	9/6/2013	11/16/2013	50	7	50000	50	50000	83	0	No	Na	Na	Na	Na	Na
40	N	0	0	0	0	91,588	0	0	0	0	31,116	12/12/2012	2/26/2013	150	125	35000	150	51000	749	0	No	Na	Na	Na	Na	Na
41	N	9632	0	0	0	0	0	0	0	0	0	12/12/2012	1/3/2013	0	15	28000	0	0	8	0	No	Na	Na	Na	Na	Na
42	N	332,461	0	0	0	0	0	0	0	0	0	11/7/2013	6/19/2014	0	30	27300	0	0	33	0	No	Na	Na	Na	Na	Na
43	N	271,743	0	0	0	0	21,000	0	0	0	0	7/14/2011	7/18/2014	20	20	33413	20	33413	126	75	No	Na	Na	Na	Na	Na
44	N	20,028	0	0	0	0	0	0	0	0	0	12/19/2013	7/1/2014	0	8	50000	0	0	201	0	No	Na	Na	Na	Na	Na
45	N	7,634	0	0	0	0	3,000	0	0	0	0	11/25/2013	1/1/2014	41	10	39000	41	26000	60	17	No	Na	Na	Na	Na	Na
46	N	0	0	0	0	0	0	0	0	0	0	11/7/2013	6/19/2014	0	30	27300	0	0	217	0	No	Na	Na	Na	Na	Na
47	N	16,820	0	5,859	0	12,753	0	9,306	3,282	0	7,144	11/7/2013	1/1/2014	8	10	55000	8	55000	15	6	No	Na	Na	Na	Na	Na
48	N	20,018	0	0	0	0	0	0	0	0	0	12/19/2013	2/1/2014	0	47	39000	0	0	2	0	No	Na	Na	Na	Na	Na

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Chemung County Industrial Development Agency
Elmira, 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 Chemung County Industrial Development Agency as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Chemung County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chemung County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chemung County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Chemung County Industrial Development Agency's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chemung 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Rochester, New York
March 30, 2015