

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.**

Financial Statements

December 31, 2015

# BARBARA S. DWYER

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518-523-9892

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## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
Essex County Industrial Development Agency, Inc.  
Elizabethtown, New York

### ***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities of the Essex County Industrial Development Agency, Inc., as of and for the years ended December 31, 2015 and December 31, 2014 and the related notes to the financial statements, which collectively comprise of the Corporation'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 misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 misstatements 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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Essex County Industrial Development Agency, Inc., as of December 31, 2015 and December 31, 2014, and the respective changes in financial position and cash flows, where applicable, thereof 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 and budgetary comparison information on pages MDA 5 to MDA 8 and page 15, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

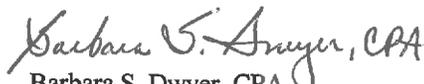
### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Essex County Industrial Development Agency, Inc.'s basic financial statements. The supplementary schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary schedule 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 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 my opinion, the supplementary schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated March 3, 2016 on my consideration of the Agency's internal control over financial reporting and on my 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 my 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 Essex County Industrial Development Agency, Inc.'s internal control over financial reporting and compliance.

  
Barbara S. Dwyer, CPA

Lake Placid, New York  
March 3, 2016

# BARBARA S. DWYER

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

To the Board of Directors  
Essex County Industrial Development Agency, Inc.  
Elizabethtown, New York

I have audited, 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, the financial statements of the, the aggregate information of Essex County Industrial Development Agency, Inc. as of and for the years ended December 31, 2015 and December 31, 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued my report thereon dated March 3, 2016.

### Internal Control Over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

My consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given the limitations, during my audit I did not identify any deficiencies in the internal control over financial reporting that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatements, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

  
Barbara S. Dwyer, CPA

Lake Placid, New York  
March 3, 2016

**Essex County Industrial Development Agency**  
Management's Discussion and Analysis  
December 31, 2015 and December 31, 2014

The management of the Essex County Industrial Development Agency, Component Unit of Essex County (the Agency) offers readers of the Agency's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending December 31, 2015. The Agency's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

**Financial Highlights**

The Essex County Industrial Development Agency's assets exceeded its liability by \$8,320,427 for the fiscal year ended December 31, 2015. This compares to the previous year when assets exceeded liabilities by \$8,318,935, as restated with the prior period adjustment for the pension liability

Total net assets comprise the following:

1. Capital assets of \$5,972,040, net of accumulated depreciation.
2. Net assets of \$731,197 are restricted by constraints from outside the Agency, such as grantor requirements, laws and regulations.
3. Unrestricted net assets of \$1,617,190 represents the portion available to continue the Agency's objectives to stimulate economic development in Essex County, New York.

Total liabilities of the Agency decreased from \$64,383 to \$37,673 during the fiscal year.

Revenues for the year ended December 31, 2015, totaled \$353,212 of which \$213,000 was County support, \$36,180 was bond and application fees, \$69,847 was rent income and \$33,085 was interest income, \$1,000 for a feasibility study and \$100 HUD program fee.

**Overview of the Financial Statements:**

The Agency's basic financial statements consist of four components; 1) the Management's Discussion and Analysis, 2) Fund financial statements, 3) Notes to the financial statements and 4) Supplemental information. Because the Agency is a special-purpose government agency engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Agency. In addition to the management's discussion and analysis, management has prepared the Statement of Net Assets, the Statement of Revenues, Expenses, and Change in Net Assets, and the Statement of Cash Flows, following the Management Discussion and Analysis.

**Overview of the Agency:**

The Agency's primary mission is to encourage economic growth and expansion through financial incentives, thus advancing job opportunities, health, general prosperity, and the economic welfare of the people of Essex County and the State of New York. The Agency's operations are funded entirely through County support, grants, fees, rents and interest income.

**Essex County Industrial Development Agency**  
**Management's Discussion and Analysis**  
**December 31, 2015 and December 31, 2014**

**Notes to the Financial Statements:**

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 8 through 11 of this report. After the notes, the supplemental information is provided to show details about the Agency's bonds and budget analysis.

**Budgetary Highlights**

The operating budget for the Agency was \$243,871 for the fiscal year ended December 31, 2015. Operating revenues were \$37,363 more than budget. Operating expenses were \$27,351 more than budget.

**Financial Analysis**

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information required by the New York State Office of the State Comptroller.

**The Agency's Net Assets**

	<u>2015</u>	<u>Restated</u> <u>2014</u>
Current Assets	\$1,682,787	1,703,066
Capital Assets, net	5,972,040	5,759,766
Other Assets	740,636	926,456
Total Assets	8,358,100	8,389,289
Current liabilities	<u>37,673</u>	<u>70,354</u>
Net Assets	<u>8,320,427</u>	<u>8,318,935</u>
Total Net Assets	\$ <u>8,320,427</u>	<u>\$8,318,935</u>

Net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Agency exceeded liabilities by \$8,320,427 as of December 31, 2015. The Agency's net assets increased by \$1,492 for the year ended December 31, 2015. The largest portion of net assets (71.31%) reflects the Agency's investment in capital assets.

**Essex County Industrial Development Agency**  
**Management's Discussion and Analysis**  
**December 31, 2015 and December 31, 2014**

The Agency continues to collect \$69,847 currently for the rental of the Moriah Business Park with varying lease terms.

**The Agency's Revenue and Expenses**

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues:</b>		
County Allocation	\$213,000	213,000
Grants	1,000	-
Bond and application fees	<u>36,180</u>	<u>43,245</u>
Total Operating Revenues	250,180	256,145
<b>Other Revenues:</b>		
Rental Income	69,847	74,152
Interest Income	32,885	40,945
Other Revenue	<u>100</u>	<u>-</u>
Total Other Revenue	<u>102,832</u>	<u>115,197</u>
<b>Total Revenue</b>	<b>353,212</b>	<b>371,342</b>
<b>Operating Expenses:</b>		
Personal Services	203,713	204,591
Program Expenses	120,949	97,541
Administration	<u>28,648</u>	<u>29,449</u>
Total Operating Expenses	<u>351,581</u>	<u>331,581</u>
<b>Net Income (Loss)</b>	<b>\$ <u>1,492</u></b>	<b><u>39,761</u></b>

**Capital Assets**

The Essex County Industrial Development Agency's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2015, was \$ 5,972,040. This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The increase in the Agency's investment in capital assets for the current year was due to the investment in the Moriah Business Park of \$285,197 completing a building and expansion of the infrastructure. The decrease in the Agency's investment in capital assets for the current year of \$72,923 was due to the annual depreciation.

	<u>2015</u>	<u>2014</u>
<b><u>Nondepreciable:</u></b>		
Land and Land Improvements	\$3,835,007	3,786,317
Construction in Progress	-	254,950
<b><u>Depreciable:</u></b>		
Buildings and Leasehold Improvements	2,752,675	2,261,218
Machinery and Equipment	186,703	186,703
Accumulated Depreciation	<u>(802,345)</u>	<u>(729,422)</u>
Total	<u>\$5,972,040</u>	<u>5,759,766</u>

**Essex County Industrial Development Agency**  
Management's Discussion and Analysis  
December 31, 2015 and December 31, 2014

**Economic Factors and Next Year's Budget and Rates**

The purpose of the Essex County Industrial Development Agency is to promote, develop, encourage and assist in economic development and job creation in Essex County, New York.

**Contacting the Agency's Financial Management**

This financial report is designed to provide a general overview of the Essex County Industrial Agency's finances, comply with finance-related laws and regulations, and demonstrate the Agency's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Agency's administration at 7566 Court Street Elizabethtown, New York 12932.

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.  
Statement of Financial Position

ASSETS	Year end December 31	
	<u>2015</u>	<u>2014</u> Restated
<b>Current Assets</b>		
Cash (Note 4)	\$ 1,320,621	1,399,105
Accounts receivable	158,465	13,343
Prepaid expense	2,250	-
Current portion of notes receivable	<u>201,451</u>	<u>290,619</u>
<b>Total Current Assets</b>	<b>1,682,787</b>	<b>1,703,067</b>
Property, Plant and Equipment, net of accumulated depreciation (Note 6)	5,972,040	5,759,766
<b>Other Assets</b>		
Notes receivable, net of allowance for bad debts, \$88,558 in 2015 and \$143,000 in 2014	<u>664,627</u>	<u>926,456</u>
<b>Total Other Assets</b>	<u>664,627</u>	<u>926,456</u>
Net pension asset - proportionate share	32,687	
Deferred Outflow of Resources-Pension	<u>5,959</u>	<u>31,702</u>
<b>Total Assets</b>	<b><u>\$ 8,358,100</u></b>	<b><u>8,389,289</u></b>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current Liabilities</b>		
Accounts Payable	-	63,147
Accrued grant interest payable (Note 12)	<u>165</u>	<u>159</u>
<b>Total Current Liabilities</b>	<u>165</u>	<u>63,306</u>
Net pension liability-proportionate share	28,969	38,750
Deferred Inflows of Resources-Pension	<u>8,539</u>	<u>-</u>
<b>Total Liabilities</b>	<u>37,673</u>	<u>102,056</u>
<b>Net Assets</b>		
Unrestricted	1,617,190	2,190,045
Investment in capital assets	5,972,040	5,696,620
Temporarily restricted	<u>731,197</u>	<u>432,270</u>
<b>Total Net Position</b>	<u>8,320,427</u>	<u>8,318,935</u>
<b>LIABILITIES AND NET POSITION</b>	<b><u>\$ 8,358,100</u></b>	<b><u>8,420,991</u></b>

See accompanying notes to financial statements.

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.  
Statement of Activities

	Year end December 31	
	<u>2015</u>	<u>2014</u>
<b>SUPPORT:</b>		
County Allocation	\$ 213,000	213,000
Grant NCCC study	1,000	-
HUD Program Fees	100	100
Industrial Park rents	69,847	74,152
Revenue Bond fees	35,000	26,843
Application and administrative fees	1,180	16,302
Interest income	<u>32,885</u>	<u>40,945</u>
<b>TOTAL SUPPORT</b>	<u>353,012</u>	<u>371,342</u>
 <b>EXPENDITURES:</b>		
Program expense (Schedule 1)	120,949	97,541
Personnel expense (Schedule 1)	201,923	204,591
Administration expense (Schedule 1)	<u>28,648</u>	<u>29,449</u>
<b>TOTAL EXPENDITURES</b>	<u>351,520</u>	<u>331,581</u>
 Change in Net Position	 1,492	 39,761
 Net Position, beginning of year	 <u>8,318,935</u>	 <u>8,286,222</u>
 Prior Period Adjustment - Notes 9 and 15		 <u>(7,048)</u>
 Net position, end of year	 <u>\$ 8,320,427</u>	 <u>8,318,935</u>

See accompanying notes to financial statements

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.  
Statement of Cash Flows

	Year end December 31	
	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from County allocation	\$ 213,000	213,000
Receipts from lending activities	401,228	163,162
Receipts from rental activities	69,847	74,152
Receipts from grants and fees	37,280	43,145
Loans granted	(18,000)	(110,000)
Payment of operating expenses	<u>(351,520)</u>	<u>(331,581)</u>
Net cash provided by operating activities	<u>351,835</u>	<u>51,878</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Principal received (receivable) on non capital financing	<u>(145,122)</u>	<u>152,754</u>
Net cash provided by financing activities	<u>(145,122)</u>	<u>152,754</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Construction of capital assets	(276,547)	(254,951)
Payment of land improvements	<u>(8,650)</u>	<u>(8,185)</u>
Net cash used by financial activities	<u>(285,197)</u>	<u>(263,136)</u>
<b>NET DECREASE IN CASH</b>	<b>(78,484)</b>	<b>(58,500)</b>
<b>CASH- BEGINNING OF YEAR</b>	<u>1,399,105</u>	<u>1,457,605</u>
<b>CASH- END OF YEAR</b>	<u>\$ 1,320,621</u>	<u>1,399,105</u>
<b>CASH SUMMARY:</b>		
Cash	589,424	966,835
Restricted Cash	<u>731,197</u>	<u>432,270</u>
Total	<u>\$ 1,320,621</u>	<u>1,399,105</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Change in net position	1,492	39,761
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	72,923	62,176
Reserve for bad debts		-
Accounts receivable	(145,122)	13,343
Prepaid expense	(2,250)	
Notes receivable	350,997	(121,297)
Increase (decrease) in:		
Accrued liabilities and payables	<u>(63,141)</u>	<u>57,895</u>
Net cash (used) provided by operating activities	<u>\$ 214,899</u>	<u>51,878</u>

See accompanying notes to financial statements

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

Note 1: **ORGANIZATION**

The Essex County Industrial Development Agency, Inc. (the Agency) is a public benefit corporation created by the New York State Legislature. The Essex County Board of Supervisors appoints the members to the Agency's Board of Directors. The Agency is empowered by law to issue tax-exempt bonds to finance qualified industrial firms. It also may purchase, develop, manage, sell and lease real property, including land and buildings, for the purpose of creating jobs and serving the public welfare generally. The real property used for such public purpose is exempt from property tax by law. The Agency can also loan funds and administer those loans to businesses to promote economic development.

In accordance with the contract, dated March 7, 1996, between Essex County Industrial Development Agency, Inc. and the County of Essex, it was agreed that each would be separate and independent entities of government effective January 1, 1982. According to the terms of the same contract the Industrial Development Agency was charged with the administration of the business of the Essex County Development Corporation.

As of January 1, 2006, the Essex County Empire Development Zone Corporation was dissolved and merged with the Essex County Industrial Development Agency, Inc. The administration of the Empire Development Zones within Essex County, New York are now through the Agency servicing existing certified businesses and administering the recertification of Empire Development Zone designated areas. The Agency is responsible to provide a zone coordinator to service the Empire Development Zone within Essex County, New York. This program ended June 30, 2010. The Agency is required to administer the program to existing certified business.

Due to an end of the New York State civil facilities bond program, the Agency could no longer facilitate the bond financing arrangements for nonprofit entities in Essex County, New York. The Agency determined that this was a significant gap in services to stimulate economic development. In the 2010 fiscal year, the Agency created a related nonprofit corporate entity, The Essex County Capital Resources Corporation, whose purpose is to facilitate bond financing arrangements for non profit in Essex County, New York. These financial statements reflect a combination of the financial activity of the two entities.

Note 2: **SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Agency have been prepared on the accrual basis of accounting. The Agency follows the standards for external financial reporting by not-for-profit organizations which requires that resources be classified for accounting and reporting purposes into three net asset categories according to grant imposed restrictions.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of grant imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

- **Unrestricted net assets** include net assets that are not subject to grant or Board imposed stipulations.
- **Temporarily restricted net assets** include net assets subject to grant or Board imposed stipulations that may or will lapse either by actions of the Agency and/or the passage of time.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

Note 2: **SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

- **Permanently restricted net assets** include net assets subject to grant imposed restrictions with the intent that the Agency maintains the net assets permanently. Generally, the grantors of these assets permit the Agency to use all of the income earned or realized on related investments for general or specific purposes.

Revenues and Expenses

Revenues are reported as increase in unrestricted net assets unless use of the related assets is limited by grant-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents

The Agency considers cash and any appropriate investment with the initial maturity date of three months or less to be cash and cash equivalents. Funds are segregated in separate accounts as requested by granting agencies.

Donated Services

The Agency has not received any donated services or goods. Thus, none has been reflected in the financial statements. On occasion it receives facilities and the policy on this is described below.

Plant

Land, buildings, furniture and equipment are recorded at cost and include expenditures for new facilities and improvements that substantially increase the useful lives of existing buildings and equipment. Expenditures in the nature of normal repairs and maintenance are accounted for as expenses in the statement of activities of unrestricted net assets. Depreciation of building and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation is recognized on general operating assets and industrial projects with current earnings. Assets in excess of \$1,000 are capitalized.

Use of Estimates

The preparation of financial statements in conformity 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 applicable disclosures at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates of the Corporation and other revenues from nonexempt sources.

Income taxes

The Agency is generally exempt from income taxes on related income pursuant to Section 501(a) of the code. Management has determined that the Agency does not have any uncertain tax positions that materially impact the financial statements or related disclosures.

As of December 31, 2015, the tax years for 2012, 2013, and 2014 were subject to examination by the tax authorities. No audits are in process.

Note 3: **INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS**

Industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to or owned by companies and is retired by lease or principal payments. The bonds and notes are not obligations of the Agency or the State of New York. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

arrange the financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents.

**Note 4: CASH AND INVESTMENTS**

The Agency's investment policies are governed by State statutes. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of New York State or its localities. At December 31, 2015, and December 31, 2014 the Agency had no investments.

Collateral is required for demand and time deposits and certificates of deposit not covered by the Federal Deposit Insurance Corporation. Obligations that may be pledged as collateral include obligations guaranteed by the government of the United States or by the State of New York and obligations issued by a municipal corporation or school district of such State.

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. While the Agency does not have a specific policy for custodial credit risk, New York State statutes govern the Agency's investment policies, as described above. At December 31, 2015, the Agency's cash and cash equivalent balances were \$1,320,621. The insured and collateral status of the year end bank balances are as follows:

Status of bank balances:

Collateralized with securities held by the pledging financial institution	\$1,070,621
Covered by federal deposit insurance	<u>250,000</u>
Total Insured and collateral status	\$1,320,621

**Note 5: NOTES RECEIVABLE**

Notes receivables are recognized at the current outstanding balance. Funds collectible within twelve months are identified as the current portion of the notes receivable. Funds collectible in more than twelve months are identified as other assets.

The Allowance for Doubtful Accounts is evaluated annually and adjusted accordingly. The Agency seeks every means of collection of its notes.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

Note 6: **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment and related accumulated depreciation are as follows:

<b>Industrial Projects</b>	<u>2015</u>	<u>2014</u>
Chesterfield Industrial Park	\$ 3,580,499	3,580,499
Essex Industrial Park Ticonderoga Land		
Ausable Forks Hydro Project:		
Land	733	733
Willsboro:		
Land	<u>99,900</u>	<u>99,900</u>
Total	3,681,132	3,681,132
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>
Total	3,681,132	3,681,132
 Moriah Project		
Land	97,000	97,000
Land improvements	56,875	48,025
Construction in Progress	-	254,951
Buildings	1,331,056	918,092
Site development	1,052,777	934,443
Willsboro Project-engineering	107,345	107,345
Operating Assets of the Agency		
Building	261,497	261,497
Furniture and Fixtures	31,547	31,547
Training Equipment	127,781	127,781
Office equipment	<u>27,375</u>	<u>27,375</u>
Total	3,093,253	2,808,056
Less: Accumulated Depreciation	<u>(802,345)</u>	<u>(729,422)</u>
Total	<u>2,290,908</u>	<u>2,078,634</u>
 Property, Plant and Equipment, net of accumulated depreciation	 <u>\$ 5,972,040</u>	 <u>5,759,766</u>

Note 7: **MORIAH BUSINESS PARK**

The Industrial Development Agency received grants to construct a building in the Town of Moriah for the purposes of industrial development without an objective of creating jobs. The project involved the construction of a one-story 22,000 sq. ft. high bay manufacturing and distribution facility, access road, utility connection and parking for 18 trailers and 14 cars. The building was built on land owned by the Agency totaling 30 acres, which was purchased for the purposes of this project. The Agency is currently renting the building to commercial tenants.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

**Note 7: MORIAH BUSINESS PARK CONTINUED**

During the fiscal year ended December 31, 2007, the Agency received multiple grants to improve the infrastructure of The Moriah Business Park. Three phase power, fiberoptics, highspeed internet access, water and sewer lines, grading, paving, and site preparation was installed and/or completed during the 2007 fiscal year. Additionally, The Town of Moriah built a new building for a Town health center at the park. Four building sites remain.

In February 2009, the Agency was awarded a performance grant of \$36,893 from The United States Department of Commerce Economic Development Administration for completing The Moriah Business Park project before deadlines and under budget. These funds have been used to complete landscaping at the park, which is a joint venture with CV-TEC involving materials and equipment rental.

During the 2014 fiscal year, the Agency began the construction of a 3,000 square foot building on a vacant lot at the Moriah Business Park. The building was completed May 31, 2015. A tenant did occupy the building. The water and sewer lines were also extended to accommodate future construction.

**Note 8: CHESTERFIELD COMMERCE PARK PROJECT**

The Agency was involved in a joint development project with the Town of Chesterfield. As project leader, the Agency received a grant of \$3,000,000 from the United States Department of Commerce for improvements to the water treatment plant and infrastructure to the proposed industrial park in the Town of Chesterfield. The Agency has disbursed its grant funds which are reflected in the assets but are not being depreciated totaling \$3,580,499 as of December 31, 2005.

The Town of Chesterfield had an obligation to match the Federal grant in improvements paid through the town. The final requisition had been submitted for the project as of December 31, 2004 and collected in the fiscal year ended December 31, 2005. Once complete, the assets are to transfer to the Town of Chesterfield. This transfer has not been finalized yet.

**PLAN DESCRIPTIONS AND BENEFITS PROVIDED**

**Note 9: PENSION BENEFIT PLAN**

**Employees' Retirement System (ERS)**

The Agency participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

<u>Contributions</u>	<u>ERS</u>
2015	\$29,851
2014	\$31,702
2013	\$29,585

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERED OUTFLOWS OF RESOURCES AND DEFERED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2015, the Agency reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2015 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Agency's proportion of the net pension asset/(liability) was based on a projection of the Agency's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the Agency.

	<u>ERS</u>
Actuarial valuation date	31-Mar-15
Net pension asset/(liability)	( \$28,969)
District's portion of the Plan's total net pension asset/(liability)	.0008575%

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

For the year ended December 31, 2015, the Agency's recognized pension expense of \$29,851 for ERS. At December 31, 2015 the Agency's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources ERS</u>	<u>Deferred Inflows of Resources ERS</u>
Differences between expected and actual experience	\$ 927	\$
Changes in assumptions	\$-	\$
Net difference between projected and actual earnings on pension plan investments	\$5,032	\$-
Changes in proportion of differences between the Agency's contributions and proportionate share of contributions	\$ -	\$8,539
Agency's contributions subsequent to the measurement date	\$ -	\$-
Total	<u>\$5,959</u>	<u>\$8,539</u>

Agency contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>ERS</u>
Year ended:	
2016	\$(645)
2017	(645)
2018	(645)
2019	(645)
2020	-
Thereafter	-

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

ACTUARIAL ASSUMPTIONS

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>
Measurement date	March 31, 2015
Actuarial valuation date	April 30, 2015
Interest Rate	7.5%
Salary scale	Varies
Decrement tables	April 1, 2005- March 31, 2010 System's Experience
Inflation rate	3.0%

For ERS, annuitant mortality rates are based on April 1, 2005- March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014.

For ERS, the actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each of the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

DISCOUNT RATE

The discount rate used to calculate the total pension liability was 7.5% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENTIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.5% for ERS, as well as what the Agency's proportionate share of the net pension

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5% for ERS) or 1-percentage point higher (8.5% for ERS) than the current rate:

ERS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share Of the net pension asset (liability)	\$193,091	\$28,969	\$(109,591)

PENSION PLAN FIDUCIARY NET POSITION

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)
	<u>ERS</u>
Valuation date	March 30, 2015
Employers' total pension asset/(liability)	\$33,842,004
Plan Net Position	<u>\$33,870,973</u>
Employers' net pension asset/(liability)	\$ (28,969)
Ratio of plan net position to the Employers' total pension asset/(liability)	.0008575%

PAYABLES TO THE PENSION PLAN

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2015 represent the projected employer contribution for the period of April 1, 2015 through June 30, 2015 based on paid ERS wages multiplied by the employer's contribution rate by tier. Accrued retirement contributions as of December 31, 2015 amounted to \$28,969.

RESTATEMENT OF NET POSITION

For the fiscal year ended December 31, 2015, the Agency implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions -Amendment to GASB Statement No. 27. The implementation of Statement No. 68 resulted in the reporting of an asset, deferred outflow of resources, liability and deferred inflow of resources related to the Agency's participation in the New York State Employees' retirement systems. The Agency's net position has been restated as follows:

Net position beginning of year, as previously stated	\$8,325,983
GASB Statement No. 68 implementation	
Beginning System liability – Employees' Retirement System, March 31, 2014	(38,750)
Beginning deferred outflow of resources for contributions subsequent to the date:	
Employee's Retirement System	<u>31,702</u>
Net position of beginning of year, as restated	<u>\$8,318,935</u>

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

Unearned Revenue

The Agency reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the Agency before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the Agency has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

Funding Policies-

The systems are noncontributory except for employees who joined the Systems after July 27, 1976, who contributed 3% of their salary until the employee has 10 years of service or membership in the plan. Those joining on or after January 1, 2010 and before April 1, 2012 are required to contribute 3 ½% of their annual salary for their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career. Employers are required to contribute at an actuarially determined rate, currently 18.5% of the annual covered payroll for the fiscal year ended June 30, 2013.

For the New York State and Local Employee's Retirement System, the comptroller shall certify the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. Those employees who joined the system prior to January 1, 1979, are currently having 20.65% of their salary assessed for retirement contributions by the government. Employees who joined the system on or after January 1, 1979 are currently having 18.5% of their salary assessed for retirement contributions by the government.

**Note 10: POST EMPLOYMENT BENEFITS**

Although the employees of the Agency participate in the New York State and Local Employees' Retirement System and do accrue retirement benefits for post employment, the Agency does not participate in the New York State Employees' Health Insurance program. The Agency has a policy to provide health insurance to its employees while they are employed at the Agency. The Agency contracts on its own for this employee benefit. There is no policy at this time to provide health insurance coverage to any employee in retirement.

**Note 11: GRANT INTEREST EXPENSE**

Upon recent review of the Essex County Contract with the Essex County Industrial Development Agency, Inc. and the subrecipient grant contracts from the Community Development Block Grants and the Governors Office of Small Cities Grants, it has been determined that the Agency owes the County the accrued interest income earned on the grant funds held on account including funds repaid from loans with the original grant funds or loaned again within the same grant program. This liability has been accrued at the end of the 2015 and 2014 fiscal years in these financial statements and will be remitted to Essex County.

**Note 12: CHAMPLAIN BRIDGE/HURRICANE IRENE GRANT**

Two significant events have occurred in the region which have had an impact on the underlying economic environment of the region in recent years.

The first event was the condemnation of the Champlain Bridge at the narrows of the lake near Crown Point, New York in October 2009. With the cessation of traffic through this transportation artery, businesses within twenty-five miles of the bridge felt an immediate decline in economic activity. Through the Empire State Development Corporation, the Agency secured \$635,000 in funds to be made

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

available as a Community Loan Fund to these suffering businesses to provide loans and lines of credit up to \$25,000. No interest is to be charged and no payments are due until six months after the newly constructed bridge is opened which occurred November 7, 2011.

Not all of these grant funds had been disbursed when the second event occurred which was the devastation wrought by Hurricane Irene on August 28, 2011. Flooding levels well in excess of the 100 year flood plain did extensive damage to roadways, commercial properties and residential properties. Again, businesses immediately felt the impact of this event with transportation arteries closed or in repair, structural damage inflicted on buildings and destruction of inventory available for sale.

The Agency appealed to the Empire State Development Corporation to allow the remaining funds available through the Champlain Bridge initiative to be loaned to businesses affected by Hurricane Irene.

A new grant disbursement agreement was approved in which up to \$385,000 is available to be disbursed to assist businesses impacted by the closure of the Champlain Bridge and up to \$250,000 is available to be disbursed to assist businesses impacted by Hurricane Irene. The Agency also agreed to reduce its administrative charge for the servicing of this grant from 10% of the grant funds at \$63,500 to 4.5% of the grant funds at \$28,575.

**Note 13: OPERATING LEASES**

The Agency has one equipment operating lease for a copier. The annual lease payments are \$1,177 in fiscal year 2015. The future lease payments under the current year are:

2016	\$1,177
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**Note 14: COMMITMENTS**

As of December 31, 2015 the Agency has made microenterprise grant commitments to businesses with the objective of stimulating economic growth and development. The Agency is administering grants received from other agencies

**Note 15: PRIOR PERIOD ADJUSTMENT**

The Government Accounting Standards Board issued a new standard concerning the accounting and financial reporting of pensions for government entities that was effective for the fiscal year ended December 31, 2015. In applying this standard, the beginning net assets had to be adjusted for the impact of the beginning of the year pension liability as follows:

Beginning System Liability - ERS	\$(38,750)
Employees' Retirement System	<u>31,702</u>
Net decrease in beginning net assets	\$ (7,048)

The prior period adjustment for the impact of applying this new standard of accounting and financial reporting for pensions was an increase to net assets of \$7,048 during the fiscal year ended December 31, 2015.

**Note 16: SUBSEQUENT EVENTS**

The Agency has evaluated events and transactions that occurred between December 31, 2015 and March 19, 2015 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.  
Schedule of Functional Expenses

	<u>2015</u>	<u>2014</u>
<b>PROGRAM EXPENSE:</b>		
HUD Program expenses	\$ 1,961	299
Industrial Park expenses	24,066	22,471
Legal fees and notices	8,120	8,261
Marketing expense	6,050	-
Depreciation expense	66,026	55,279
Insurance	5,287	3,354
Telephone	2,026	1,984
Travel	3,546	3,664
Conferences and workshops	1,614	1,288
Dues and subscriptions	1,960	455
Miscellaneous	293	486
Total Program Expense	<u>120,949</u>	<u>97,541</u>
<b>PERSONNEL EXPENSE</b>		
Salaries	153,060	153,060
Payroll tax expense	12,285	12,453
Health Insurance	6,727	7,376
Retirement	29,851	31,702
Total Personnel Expense	<u>201,923</u>	<u>204,591</u>
<b>ADMINISTRATIVE EXPENSE</b>		
Office expense and supplies	6,406	5,966
Depreciation expense	6,897	6,897
Rent and occupancy	4,900	4,117
Postage and printing	912	941
Accounting	6,432	8,957
Equipment leases and maintenance	2,634	2,322
Miscellaneous	-	126
Board expenses	127	62
Business meetings	340	61
Total Administrative Expense	<u>\$ 28,648</u>	<u>29,449</u>

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.  
 Schedule of Industrial Parks Revenues and Expenses  
 Year end December 31

	<u>2015</u>				<u>2014</u>
	<u>Total</u>	<u>Moriah</u>	<u>Willsboro</u>	<u>Chesterfield</u>	<u>Total</u>
Rental Income	\$ 69,847	69,847			74,152
Expenses:					
Maintenance	10,405	10,405			9,997
Landscaping	3,620	3,620			3,710
Real estate taxes	831	514	317		258
Insurance	8,276	6,885	923	468	7,818
Utilities	823	90	733		488
Services and fees	<u>110</u>			<u>110</u>	<u>200</u>
Total Expenses	24,065	21,514	1,973	578	22,471
Net Rental					
Income (Loss)	45,782	48,333	(1,973)	(578)	51,681
Before Depreciation					
Depreciation expense	<u>66,026</u>	<u>66,026</u>	<u>-</u>	<u>-</u>	<u>52,593</u>
Net Rental Income					
(Loss)	<u>\$ (20,244)</u>	<u>\$ (17,693)</u>	<u>(1,973)</u>	<u>(578)</u>	<u>(912)</u>

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.  
 Required Supplementary Information  
 Schedule of Revenues and Expenses Operating -Budget  
 (Non-GAAP Basis) And Actual

For the Year ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
County Support	\$ 198,000	198,000	-
Fees	2,000	36,280	34,280
Rental administration fee	14,598	13,969	(629)
Other revenue	29,248	32,885	3,637
Interest income	25	-	(25)
Total revenues	<u>243,871</u>	<u>281,134</u>	<u>37,263</u>
<b>Expenditures</b>			
Personal services	204,821	201,923	2,898
Legal fees and notices	8,000	8,120	(120)
Occupancy expenses	4,550	6,406	(1,856)
Audit and accounting fees	6,700	6,432	268
Marketing expense	100	6,050	(5,950)
Travel	4,000	3,546	454
Office expense	7,700	7,318	382
Insurance	3,550	5,287	(1,737)
Equipment rental and maintenance	2,650	2,634	16
Meetings and seminars	375	467	(92)
Telephone	2,000	2,026	(26)
Dues and subscriptions	1,250	1,960	(710)
Bank charges	3,000	1,614	1,386
Miscellaneous	-	-	-
Total expenditures	<u>248,696</u>	<u>253,783</u>	<u>(5,087)</u>
Excess in Operating Budget	<u>\$ (4,825)</u>	<u>27,351</u>	<u>32,176</u>

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.  
Revenues and Expenses - IDA and CRC

	Year ended December 31, 2015		
	<u>IDA</u>	<u>CRC</u>	<u>Total</u>
<b>SUPPORT:</b>			
County Allocation	\$ 213,000	-	213,000
Grant NCCC Study	1,000		1,000
HUD Program Fees	100		100
Industrial Park Rents	69,847	-	69,847
Revenue Bond fees	35,000	-	35,000
Application and administrative fees	1,180	-	1,180
Interest Income	<u>32,885</u>	<u>-</u>	<u>32,885</u>
<b>TOTAL SUPPORT</b>	<u>353,012</u>	<u>-</u>	<u>353,012</u>
<b>EXPENDITURES:</b>			
Program expense	120,949	-	120,949
Personnel expense	201,923	-	201,923
Administration expense	<u>28,648</u>	<u>-</u>	<u>28,648</u>
<b>TOTAL EXPENDITURES</b>	351,520	-	351,520
<b>Support in Excess of Expenditures</b>	<u>\$ 1,492</u>	<u>-</u>	<u>1,492</u>

See accompanying notes to financial statements

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.

Schedule of Leases

Year ended December 31, 2015

<u>Name of Project</u>	<u>Project Owner and Address</u>	<u>Year of Origination</u>	<u>Purpose</u>	<u>Estimated Project Amount</u>	<u>Amount of Tax Exemption</u>	<u>Estimated Jobs</u>
1. CVSC, LLC	CVSC, LLC 10 Gilliland Lane Willsboro, NY 12996	2012	Senior Assisted Living Community	\$ 7,904,958	Mortgage tax and Recording Fees Exemption and sales tax exemption of materials	43 Full-time 11 Part-time
2. Adirondack Meat Company, Inc.	Adirondack Meat Company, Inc. 30 Commerce Street Ticonderoga, NY 12883	2014	Meat butchering and packaging plant	\$ 1,730,000	Mortgage tax and recording fees exemption	13 Full-time 1 Part-time
3. High Peaks Distributing, LLC and 1016 Saranac Lake Properties, LLC	High Peaks Distributing, LLC 20 Burrstone Road New York Mills, NY 13417	2014	Beer Distributing Business	\$ 975,000	Sales tax exemption on materials	5 Full-time 2 Part-time

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.  
 Schedule of Payments in Lieu of Taxes  
 Year ended December 31, 2013

Name of Project

1. CVSC, LLC

Project Owner and Address:

CVSC, LLC  
 10 Gilliland Lane  
 Willsboro, NY 12996

Purpose: Senior Assited Living Community

Amount of PILOT:

The PILOT is a ten year schedule in which the first two years, 2013 and 2014, there are no real property tax payments due. In year three (2015), 50% of the real property taxes due based on the assessed value of the project are payable. Through to and including 2018, the exemption percentage decreases annually by 5%, being 30% exempt in 2018. In 2019 and 2020, the exemption percentage decreases 10% annually. In 2021, the exemptoin percentage is 5%. In 2022, the PILOT expires.

Estimated Jobs:

New 15-20

2. Adirondack Meat Company, Inc.

Project Owner and Address:

Adirondack Meat Company, Inc.  
 30 Commerce Drive  
 Ticonderoga, NY 12883

Purpose Meat Processing Facility

Amount of PILOT:

The PILOT is a ten year schedule in which the first two years, 2014 and 2015, there are no real property tax payments due. In year three (2016), 50% of the real property taxes due based on the assessed value of the project are payable. Through to and including 2023, the exemption percentage decreases annually by 5%, being 5% exempt in 2023. In 2024, the PILOT expires.

Estimated Jobs:

New 20

3. High Peaks Distributing, LLC

Project Owner and Address:

High Peaks Distributing, LLC  
 20 Burrstone Road  
 New York Mills, NY 13417

Purpose: Expand Beer Distribution Center Facilities

Amount of PILOT:

The PILOT is a ten year schedule in which the first two years, 2013 and 2014, there are no real property tax payments due. In year three (2017), 50% of the real property taxes due based on the assessed value of the project are payable. Through to and including 2021, the exemption percentage decreases annually by 5%, being 30% exempt in 2021. In 2022 and 2023, the exemption percentage decreases 10% annually. In 2024, the exemptoin percentage is 5%. In 2025, the PILOT expires.

Estimated Jobs:

New 9