

**Town of Mount Pleasant  
Industrial Development Agency**  
(A Component Unit of the  
Town of Mount Pleasant, New York)

Financial Statements

Year Ended December 31, 2015

**Town of Mount Pleasant Industrial Development Agency**  
(A Component Unit of the Town of Mount Pleasant, New York)

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## **Independent Auditors' Report**

### **The Board of Trustees of the Town of Mount Pleasant Industrial Development Agency**

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

We have audited the accompanying financial statements of the Town of Mount Pleasant Industrial Development Agency ("Agency") (a component unit of the Town of Mount Pleasant, New York) as of and for the year ended December 31, 2015 and the related notes to the financial statements.

#### ***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 auditors' 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 Agency as of December 31, 2015 and the changes in net position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2016 on our consideration of the 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 the Agency's internal control over financial reporting and compliance.

## ***Report on Other Legal and Regulatory Requirements***

We have also issued our report dated March 24, 2016 on our consideration of the Agency's compliance with Section 2925(3)(f) of the New York State Public Authorities Law ("Law"). The purpose of that report is to describe the scope and results of our tests of compliance with the Law.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

March 24, 2016

**Town of Mount Pleasant Industrial Development Agency**  
(A Component Unit of the Town of Mount Pleasant, New York)

Statement of Net Position  
December 31, 2015

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<b>ASSETS</b>	
Cash and equivalents	\$ 229,904
Investments	<u>504,582</u>
	<u>\$ 734,486</u>
 <b>NET POSITION</b>	
Unrestricted	<u>\$ 734,486</u>

See notes to financial statements.

**Town of Mount Pleasant Industrial Development Agency**  
(A Component Unit of the Town of Mount Pleasant, New York)

Statement of Revenues, Expenses and Changes in Net Position  
Year Ended December 31, 2015

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**OPERATING REVENUES**

Closing fees	\$ 26,717
Application fees	<u>9,000</u>
Total Operating Revenues	35,717

**OPERATING EXPENSES**

Contractual	<u>1,546</u>
Income from Operations	34,171

**NON-OPERATING REVENUES**

Interest income	<u>3,566</u>
Change in Net Position	37,737

**NET POSITION**

Beginning of Year	<u>696,749</u>
End of Year	<u>\$ 734,486</u>

See notes to financial statements.

**Town of Mount Pleasant Industrial Development Agency**  
(A Component Unit of the Town of Mount Pleasant, New York)

Statement of Cash Flows  
Year Ended December 31, 2015

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from customers	\$ 35,717
Cash paid for contractual expenses	(1,546)
Cash receipts due to other governments	68,400
Cash paid to other governments	<u>(68,400)</u>

Net Cash from Operating Activities 34,171

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	<u>3,566</u>
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Net Change in Cash and Equivalents 37,737

**CASH AND EQUIVALENTS**

Beginning of Year	<u>696,749</u>
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End of Year	<u><u>\$ 734,486</u></u>
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**RECONCILIATION OF INCOME FROM OPERATIONS  
TO NET CASH FROM OPERATING ACTIVITIES**

Income from operations/Net cash from operating activities	<u><u>\$ 34,171</u></u>
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See notes to financial statements.

**Town of Mount Pleasant Industrial Development Agency**  
(A Component Unit of the Town of Mount Pleasant, New York)

Notes to Financial Statements  
December 31, 2015

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**Note 1 - Organization**

The Town of Mount Pleasant Industrial Development Agency ("Agency") was created in 1980 by the New York State Legislature under the provisions of Chapter 632 of the Laws of New York State. The Agency was established for the purpose of encouraging economic growth in the Town of Mount Pleasant, New York ("Town"). Members of the governing board of the Agency are appointed by the Town Board. The Agency is exempt from Federal, State and local income taxes.

**Note 2 - Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Agency has been identified as a component unit of the Town. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61, the Agency's financial statements have been discretely presented in the Town's financial statements.

**Basis of Accounting**

The accounting policies of the Agency conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Cash and Equivalents**

Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months. Collateral is required for these deposits at 100% of all deposits not covered by Federal deposit insurance. The Agency has entered into custodial agreements with the depositories which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

**Investments**

All investments are stated at cost which approximates fair value and consists of certificates of deposit with original maturities in excess of 90 days.

**Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted only when there are limitations imposed on their use. The net position of the Agency is classified as unrestricted.

**Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Town of Mount Pleasant Industrial Development Agency**  
(A Component Unit of the Town of Mount Pleasant, New York)

Notes to Financial Statements (Concluded)  
December 31, 2015

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 24, 2016.

**Note 3 - Industrial Revenue Bond and Notes and Straight-Lease Transactions**

Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and the bonds are retired by lease 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 arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as fiscal agents.

In exchange for providing this service, the Agency receives bond administration closing fees from the borrowing companies. The fee received by the Agency is one percent of the bond amount. In addition, the Agency receives closing fees for straight lease transactions as a percentage of the expected savings of mortgage recording, sales and use taxes. Such administrative fee income is recognized immediately upon issuance of bonds and notes or closing on leases.

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**Town of Mount Pleasant Industrial Development Agency**  
(A Component Unit of the Town of Mount Pleasant, New York)

Supplementary Information  
Statement of Indebtedness - Bonds and Notes Issued, Outstanding or Retired  
December 31, 2015

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<u>Project Name/Owner/Address</u>	<u>Purpose</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Federal Tax Status</u>	<u>Interest Rate</u>
Phelps Memorial Hospital 701 North Broadway Sleepy Hollow, NY 10591	Construction	6/2005	6/2030	Tax Exempt	4.15%

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<u>Original Issue Value</u>	<u>Outstanding Balance at January 1, 2015</u>	<u>New Issues</u>	<u>Payments</u>	<u>Outstanding Balance at December 31, 2015</u>
<u>\$ 27,440,000</u>	<u>\$ 21,060,000</u>	<u>\$ -</u>	<u>\$ 955,000</u>	<u>\$ 20,105,000</u>

**Town of Mount Pleasant Industrial Development Agency**  
 (A Component Unit of the Town of Mount Pleasant, New York)

Supplementary Information  
 Payments of Lieu of Taxes  
 December 31, 2015

	Assessed Valuation Exemption	Payments in Lieu of Taxes			Total
		County	Town	School	
Regeneron Pharmaceuticals, Inc.	\$ -	\$ 15,689	\$ 8,765	\$ 43,946	\$ 68,400
Phelps Memorial Hospital	Tax Exempt	\$ -	\$ -	\$ -	\$ -

**Mount Pleasant Industrial Development Agency**  
(A Component Unit of the Town of Mount Pleasant, New York)

Supplementary Information  
Schedule of Straight-Lease Transactions Executed in 2015  
December 31, 2015

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<u>Project</u>	<u>Project Address</u>	<u>Owner</u>	<u>Owner Address</u>
Regeneron Pharmaceuticals, Inc	785 Old Saw Mill River Road	BioMed Realty	777 Old Saw Mill River Road

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<u>Approximate Cost</u>	<u>Benefit (Sales Tax)</u>	<u>Benefit (Mortgage Tax)</u>	<u>Jobs at Location</u>	<u>Jobs to be Created</u>	<u>Jobs to be Retained</u>
\$ 228,871,749	\$ 12,301,985	\$ N/A	300	400	400

**Town of Mount Pleasant Industrial Development Agency**  
 (A Component Unit of the Town of Mount Pleasant, New York)

Supplementary Information  
 Full-time Equivalent (FTE) Jobs Created and Retained  
 December 31, 2015

<u>Project Name/ Owner/Address</u>	<u>No. of FTE Employees at Location Before IDA Status</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>	<u>No. of Current FTE Employees</u>	<u>No. of FTE Jobs Created During Fiscal Year</u>	<u>No. of FTE Jobs Retained During Fiscal Year</u>
Phelps Memorial Hospital 701 North Broadway Sleepy Hollow, NY 10591	816.00	10.00	10.00	1,445.00	-	10.00

**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**

**Independent Auditors' Report**

**The Board of Trustees of the  
Town of Mount Pleasant Industrial Development Agency**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Mount Pleasant Industrial Development Agency ("Agency") as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated March 24, 2016.

**Internal Control Over Financial Reporting**

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

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

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 the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

March 24, 2016



**Independent Accountants' Report on Compliance with Section 2925(3)(f)  
of the New York State Public Authorities Law**

**The Board of Trustees of the  
Town of Mount Pleasant Industrial Development Agency**

We have examined the Town of Mount Pleasant Industrial Development Agency's ("Agency's") compliance with Section 2925(3)(f) of the New York State Public Authorities Law during the year ended December 31, 2015. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining on a test basis evidence supporting the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2015.

This report is intended solely for the information and use of management, the Board of Trustees, officials of the Town of Mount Pleasant, New York and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
March 24, 2016