

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2017 and 2016, 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, 2017 and 2016, 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 of America 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 schedules of First Arena Revenues and Expenses and Project Information on pages 15 and 16 - 18, respectively, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were 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 schedules are 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 27, 2018, 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.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Corning, New York
March 27, 2018

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statements of Net Position
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,600,082	\$ 2,644,933
Accounts receivable - net	91,863	528,963
Prepaid expenses	28,209	36,797
Other current assets	45,430	45,430
Loans receivable - current portion	150,132	145,035
Grants receivable - current portion	<u>574,004</u>	<u>542,793</u>
Total current assets	3,489,720	3,943,951
Loans Receivable - Net of Current Portion	539,252	1,088,859
Grants Receivable - Net of Current Portion	882,408	1,592,440
Property and Equipment - Net	4,888,595	4,939,779
Building Held for Resale	<u>3,443,709</u>	<u>3,443,709</u>
Total Assets	<u>\$ 13,243,684</u>	<u>\$ 15,008,738</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Loans payable - current portion	\$ 161,606	\$ 837,396
Bonds payable - current portion	635,282	600,097
Line of credit	149,811	-
Accounts payable	51,032	238,160
Contract advances	376,972	368,432
Accrued interest	47,060	59,042
Other current liabilities	300	300
Total current liabilities	<u>1,422,063</u>	<u>2,103,427</u>
Long-Term Debt		
Loans payable - net of current portion	1,532,730	1,267,788
Bonds payable - net of current portion	<u>1,740,809</u>	<u>2,375,562</u>
Total long-term debt	<u>3,273,539</u>	<u>3,643,350</u>
Total Liabilities	<u>4,695,602</u>	<u>5,746,777</u>
Deferred Inflows of Resources	<u>900,000</u>	<u>1,000,000</u>
Net Position		
Net investment in capital assets	4,888,595	4,939,779
Unrestricted	<u>2,759,487</u>	<u>3,322,182</u>
Total net position	<u>7,648,082</u>	<u>8,261,961</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 13,243,684</u>	<u>\$ 15,008,738</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue		
Development grants and reimbursements	\$ -	\$ 196,667
Rental income	146,830	197,315
Fee income	509,101	409,194
Contributions	35,000	-
Interest income	47,708	57,214
Other income	<u>47,507</u>	<u>46,405</u>
Total revenue	<u>786,146</u>	<u>906,795</u>
Expenses		
Development grants and project costs	287,952	787,724
Property and insurance expenses	120,436	76,556
Depreciation	110,184	110,184
Interest expense	188,616	234,047
Bad debt expense	-	95,242
Other expenses	<u>91,983</u>	<u>219,207</u>
Total expenses	<u>799,171</u>	<u>1,522,960</u>
Operating Loss	<u>(13,025)</u>	<u>(616,165)</u>
Non-operating Revenue (Expenses)		
First Arena revenue	305,776	-
First Arena expenditures	(1,006,630)	(434,502)
Gain on sale of asset	-	749,999
First Arena County funding	<u>100,000</u>	<u>-</u>
Total non-operating revenue (expenses)	<u>(600,854)</u>	<u>315,497</u>
Change in Net Position	(613,879)	(300,668)
Net Position - Beginning	<u>8,261,961</u>	<u>8,562,629</u>
Net Position - Ending	<u>\$ 7,648,082</u>	<u>\$ 8,261,961</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Cash received from operating income	\$ 1,862,899	\$ 1,234,574
Cash paid for operating expenses	<u>(678,911)</u>	<u>(1,193,451)</u>
Net cash flows from operating activities	<u>1,183,988</u>	<u>41,123</u>
Cash Flows from Capital and Related Financing Activities		
Repayments of loans payable	(765,184)	(118,044)
Repayments of bonds payable	(599,568)	(476,855)
Proceeds from loans payable	354,336	980,000
Interest paid	<u>(200,598)</u>	<u>(237,212)</u>
Net cash flows from capital and related financing activities	<u>(1,211,014)</u>	<u>147,889</u>
Cash Flows from Investing Activities		
Purchase of building	-	(2,978,211)
Purchase of land	(59,000)	(80,972)
First Arena activity	(551,043)	1,000,000
Development loans received (repaid)	544,510	392,494
Interest received	47,708	57,214
Proceeds from sale of capital assets	<u>-</u>	<u>750,000</u>
Net cash flows from investing activities	<u>(17,825)</u>	<u>(859,475)</u>
Net Change in Cash and Cash Equivalents	(44,851)	(670,463)
Cash and Cash Equivalents - Beginning	<u>2,644,933</u>	<u>3,315,396</u>
Cash and Cash Equivalents - Ending	<u>\$ 2,600,082</u>	<u>\$ 2,644,933</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities		
Operating income (loss)	\$ (13,025)	\$ (616,165)
Adjustments		
Depreciation	110,184	110,184
Interest income	(47,708)	(57,214)
Bad debt expense	-	95,242
Interest expense	188,616	234,047
Changes in assets and liabilities		
Accounts receivable	437,100	(487,917)
Grants receivable	678,821	588,842
Prepaid expenses	8,588	(16,006)
Other current assets	-	277,390
Accounts payable	(187,128)	(93,957)
Contract advances	<u>8,540</u>	<u>6,677</u>
Net cash flows from operating activities	<u>\$ 1,183,988</u>	<u>\$ 41,123</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.

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, 2017 and 2016, the Agency did not have a balance in restricted net position.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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 and Allowance for Doubtful Accounts - Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Agency estimates its allowance for doubtful accounts and bad debts based on management's assessment of the credit history with customers having outstanding balances and current relationships with them. The allowance for doubtful accounts was \$149,811 and \$- at December 31, 2017 and 2016, respectively.

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
Buildings	40 Years

Deferred Outflows and Inflows of Resources - In the Statement of Net Position, in addition to assets, the Agency will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Agency also records a deferred inflows of resources, representing an increase in net assets that applies to future periods. The amount recorded at December 31, 2017 and 2016 represents amounts received from the County of Chemung for the building held for resale in order to keep the building accessible to the public for ten years.

First Arena - During 2016, the Agency purchased the First Arena, a 3,784-seat multi-purpose facility that features two ice surfaces, a full-service restaurant and bar, a food service center for the recreational rink, video game arcade, 31 luxury suites, party/group outing facilities, and meeting/community rooms among other amenities, for \$3,443,709 representing debt assumed, purchase cost and expenses required to operate the facility. The building is held for sale and, accordingly, has been reported as building held for resale and no depreciation was recorded for 2017 or 2016. Certain other expenditures, including utilities, contracted services, collateral expense and repairs and maintenance, were expensed amounting to \$1,006,630 and \$434,502 during 2017 and 2016, respectively. In 2017, revenues amounting to \$305,776 were also recorded related to events and activities at First Arena. No revenues were recorded in 2016.

In addition, in connection with the Agency's purchase of First Arena, the County of Chemung provided \$1,000,000 to the Agency to keep the building accessible to the public for ten years, which has been reported as a deferred inflows of resources. The balance of this deferred inflow was \$900,000 and \$1,000,000 at December 31, 2017 and 2016, respectively.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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.

The amounts on deposit in banking institutions and the related collateral as of December 31, 2017, are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand and savings deposits	\$ <u>2,600,082</u>	\$ <u>2,628,672</u>
Covered by FDIC insurance		\$ 624,539
Pledged collateral		<u>2,004,133</u>
Total deposits		\$ <u>2,628,672</u>

Note 3. Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land and land improvements	\$ 3,070,441	\$ 59,001	\$ -	\$ 3,129,442
Buildings	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
Sub-total	5,570,441	59,001	-	5,629,442
Less, accumulated depreciation	<u>(630,663)</u>	<u>(110,184)</u>	<u>-</u>	<u>(740,847)</u>
Property and equipment - net	\$ <u>4,939,778</u>	\$ <u>(51,183)</u>	\$ <u>-</u>	\$ <u>4,888,595</u>
Building held for resale	\$ <u>3,443,709</u>	<u>-</u>	<u>-</u>	\$ <u>3,443,709</u>

Depreciation expense amounted to \$110,184 for each of the years ended December 31, 2017 and 2016.

During 2016, the Agency purchased a building from the County of Chemung for \$1 and later sold this building for \$750,000, resulting in a gain on sale of \$749,999.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 4. Fair Value Measurements

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, a framework has been established for measuring fair value of loans receivable. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 5. Loans Receivable

Loans receivable consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Loan A - Receivable from Southern Tier Commerce Center, LLC, monthly payments of \$4,944, including interest at 3.5%. Loan was established December 2006 and paid in full during 2017.	\$ -	\$ 5,184
Loan B - Receivable from Riverside Realty, LLC, non-interest bearing, monthly payments of \$196. Loan established November 2007 and paid in full during 2017.	-	13,693
Loan C - 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.	191,465	654,066
Loan D - 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>497,919</u>	<u>560,951</u>
Total	689,384	1,233,894
Less, current portion	<u>(150,132)</u>	<u>(145,035)</u>
Long-term portion	<u>\$ 539,252</u>	<u>\$ 1,088,859</u>

The table that follows presents a summary of changes in the fair value of each level 3 asset (loans receivable) for the year end December 31, 2017:

	<u>Loan A</u>	<u>Loan B</u>	<u>Loan C</u>	<u>Loan D</u>
Balance at beginning of year	\$ 5,184	\$ 13,693	\$ 654,066	\$ 560,951
Add, loans issued	-	-	-	-
Less, amounts paid	(5,184)	(13,693)	(462,601)	(63,032)
Less, amounts written off	-	-	-	-
Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,465</u>	<u>\$ 497,919</u>
 <u>Aging</u>				
Current	\$ -	\$ -	\$ 6,849	\$ 9,242
30 - 60 days	-	-	-	9,242
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,849</u>	<u>\$ 18,484</u>

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 6. Loans Payable

Loans payable consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Payable to Chemung Canal Trust Co. Annual principal payments of \$60,000, plus interest at 6.25%, through the year 2018.	\$ 60,000	\$ 120,000
Payable to County of Chemung, New York. Funds will be reimbursed in future periods in association with excess cash flows and is non-interest bearing.	300,000	305,184
Payable to Southern Tier Region Economic Development Corporation (STREDC). Monthly payments are interest only through October 1, 2026 at which time monthly payments of principal plus interest are due through the year 2036. Interest is payable at 1.00%. The loan is collateralized by property in the Town of Big Flats, County of Chemung and State of New York.	1,334,336	980,000
Payable to Chemung Canal Trust Company. Monthly payments are interest only through January 31, 2017 at which time outstanding principal is due. Interest is payable at 5.25%. This loan was paid in full during 2017.	<u>-</u>	<u>700,000</u>
Total	1,694,336	2,105,184
Less, current portion	<u>(161,606)</u>	<u>(837,396)</u>
Long-term portion	<u>\$ 1,532,730</u>	<u>\$ 1,267,788</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 161,606	\$ 13,343	\$ 174,949
2019	29,689	13,343	43,032
2020	29,988	13,343	43,331
2021	30,289	13,343	43,632
2022	30,593	13,343	43,936
Thereafter	<u>1,412,171</u>	<u>84,230</u>	<u>1,496,401</u>
Total	<u>\$ 1,694,336</u>	<u>\$ 150,945</u>	<u>\$ 1,845,281</u>

Total accrued interest relating to these loans payable was \$2,224 and \$6,195 at December 31, 2017 and 2016, respectively.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 7. Bonds Payable

Bonds payable consisted of the following at December 31:

	<u>2017</u>	<u>2016</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.	\$ 1,822,924	\$ 2,365,717
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 5.	<u>553,167</u>	<u>609,942</u>
Total	2,376,091	2,975,659
Less, current portion	<u>(635,282)</u>	<u>(600,097)</u>
Long-term portion	<u>\$ 1,740,809</u>	<u>\$ 2,375,562</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 635,282	\$ 143,503	\$ 778,785
2019	672,616	106,206	778,822
2020	712,112	66,710	778,822
2021	75,114	24,886	100,000
2019	80,372	19,628	100,000
2020-2024	<u>200,595</u>	<u>23,525</u>	<u>224,120</u>
Total	<u>\$ 2,376,091</u>	<u>\$ 384,458</u>	<u>\$ 2,760,549</u>

Total accrued interest relating to these bonds payable was \$44,836 and \$52,847 at December 31, 2017 and 2016, respectively.

The Agency has recorded the following grants receivable at December 31, 2017:

County of Chemung, New York - future PILOT agreement	<u>\$ 1,456,412</u>
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CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 8. Line of Credit

The State's Industrial Financing Act permits local governments to extend nonexchange financial guarantees on certain debt issued by unrelated entities located within the government's physical boundaries. In accordance with the Act, the Agency has guaranteed certain debt of the First Arena, a legally separate entity that is located within Chemung County's boundaries but is not a component unit of the County or part of the County's financial reporting entity. This is the only nonexchange financial guarantee extended by the Agency.

In 2017, the Agency assumed First Arena's \$175,000 line of credit during the year ended December 31, 2017. At December 31, 2017, the outstanding principal amount of the line of credit is \$149,811. First Arena was unable to make the required payments on their debt and is not required to repay the Agency for any payments the Agency makes pursuant to the guarantee. Amounts were recorded in accounts receivable and fully reserved for as they are assumed to be uncollected.

Note 9. Industrial Revenue Bond and Note Transactions

The Agency has entered into multiple conduit financing arrangements. The primary function of the Agency was to arrange financing through the issuance of Industrial Development Revenue Bonds (IDRBs) between private organizations and the bond holders for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Agency is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2017 and 2016, there were 6 IDRBs outstanding with an aggregate principal amount payable of \$8,324,413 and \$9,790,895, respectively.

Note 10. Related Party Transactions

The Agency is related through common management to Southern Tier Economic Growth (STEG), who also promotes economic growth development in the County. STEG provides management and accounting services to the Agency and fees for these services totaled \$100,000 as of December 31, 2017 and 2016.

The Agency is also related through common management and Board of Directors membership with the Chemung County Capital Resource Corporation ("Corporation"), which also promotes economic development in the County. The Agency provides the use of facilities to the Corporation. The cost of this service is covered by the Agency.

Note 11. Supplemental Cash Flow Information

	<u>2017</u>	<u>2016</u>
Cash paid during the year for:		
Interest	\$ <u>200,598</u>	\$ <u>237,212</u>
Non-cash investing and financing activities:		
Loan payable assumed for purchase of building held for resale	\$ <u>-</u>	\$ <u>700,000</u>
Contribution of donated land	\$ <u>35,000</u>	\$ <u>-</u>
Line of credit assumed for purchase of building held for resale	\$ <u>149,811</u>	\$ <u>-</u>

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 12. 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 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 and was terminated during 2017.

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 and was terminated during 2017.

The Agency was the lessor of a portion of a building, as well as parking area to the County of Chemung, New York. This lease began on March 1, 2014 and continued through February 28, 2017. The lease required monthly payments of \$325 and was not renewed thereafter.

The Agency is the lessor of a portion of a building, as well as parking area to Metadyne, Inc. This lease began on March 1, 2015 and is a month to month lease, ending when the tenant gives 30 days written notice to the Agency or at the end of 135 months. The lease required monthly payments of \$2,200 and was terminated during 2017.

The Agency is the lessor of a portion of land leased to Emhart Glass Manufacturing, Inc. The lease began on December 15, 2015 and ends on December 14, 2040. The lease required monthly payments of \$3,727 for the first 5 years. For each year thereafter, the base rent will be increased by the increase in the Consumer Price Index.

The Agency was the lessor of a portion of a building, as well as parking area to Greenstar Services, Inc. This lease began on May 1, 2016 and continued through May 1, 2017. The lease will automatically renew for an additional term of one year unless tenant gives 30 days written notice to the Agency. The lease required monthly payments of \$375 and was terminated during 2017.

The Agency was the lessor of a portion of a building, as well as parking area to Big Flats Fire District #1. This lease began on April 15, 2016 and continued through April 15, 2017. The lease will automatically renew for an additional term of one year unless tenant gives 30 days written notice to the Agency. The lease required monthly payments of \$188 and was terminated during 2017.

The Agency is the lessor of land to Wings of Eagles Discovery Center. This lease began November 11, 2011 and continues through September 30, 2049. This lease requires a yearly payment of \$1.

The Agency is the lessor of land to BEST Corporate Park, LLC. The lease began on September 1, 2017 and ends on August 31, 2022. The lease will automatically renew for an additional term of five years unless tenant gives 30 days written notice to the Agency. The lease requires a yearly payment of \$1.

Total rental income for the years ended December 31, 2017 and 2016 was \$146,830 and \$197,315, respectively. Deferred rental income for the years ended December 31, 2017 and 2016 was \$- and \$10,500, respectively.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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

2018	\$ 92,729
2019	92,729
2020	92,729
2021	92,729
2022	92,729
Thereafter	<u>805,119</u>
Total	<u>\$ 1,268,764</u>

At December 31, 2017 and 2016, the Agency had a balance of \$357,932 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.

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Schedule of First Arena Revenues and Expenses
For the Year Ended December 31, 2017

First Arena Revenues

Ticket revenue	\$ 119,493
League and camp income	59,801
Recreation rink income	50,458
Sponsorship income	37,175
Rental income	28,000
Service fee income	6,914
Other income	<u>3,935</u>
Total First Arena revenues	<u>\$ 305,776</u>

First Arena Expenses

Contracted services	\$ 245,444
Utilities	234,561
Bad debt expense	149,811
Event expense	131,083
Collateral expense	102,814
Building repair and maintenance	66,211
Insurance	16,936
Ticket fees	13,490
Legal expense	12,331
Telephone	9,136
Real estate taxes	8,707
Other professional fees	8,575
Other expense	<u>7,531</u>
Total First Arena expenses	<u>\$ 1,006,630</u>

**Chemung County Industrial Development Agency
Project Schedule
December 31, 2017**

Project Code	Project Type	Project Name	Project Address	City	State	Zip	School District	Project Purpose Notes	Project Purpose Code	
1	0701-01-01-A	Bonds/Notes Issuance	Hathorn Redevelopment	346 Woodlawn Ave.	Elmira	NY	14901	City	Acquisition of land, renovation & construction of building, purchase equip.	Services
2	0701-01-02-A	Bonds/Notes Issuance	Economic Opportunity Program	650 Baldwin St.	Elmira	NY	14901	NA Tax Exempt	Acquisition of land, construction of building, purchase equip.	Services
3	0701-03-02-A	Bonds/Notes Issuance	Woodbrook Adult Home	1250 Maple Ave.	Elmira	NY	14904	NA Tax Exempt	Acquisition of land, renovation & construction of building, purchase equip.	Services
4	0701-07-02-A	Bonds/Notes Issuance	DDR Horseheads, LLC	500 Ann Page Road	Horseheads	NY	14845	Horseheads	Acquisition of land, Demolition & construction of building, purchase equip.	Const/Retail
5	0701-09-05-A	Bonds/Notes Issuance	CVS RX Services, Inc.	150 White Wagon Road	Chemung	NY	14825	Waverly	Acquisition of land, Demolition & construction of building, purchase equip.	Retail/Construction
6	0701-09-01-A	Straight Lease	CVS RX Services, Inc.	150 White Wagon Road	Chemung	NY	14825	Waverly	Acquisition of Land, Construction of Building, Acquisition of Machinery	Wholesale/Const
7	0701-10-01-A	Bonds/Notes Issuance	Chemung Performing Arts	207 Clemens Center Parkway	Elmira	NY	14901	NA Tax Exempt	Acquisition of Land, Building, Equipment, Consolidation of Debt	Services
8	0701-04-04-A	Straight Lease	Silicon Carbide Products	Airport Corporate Park, Daniel Dr. Ext	Horseheads	NY	14845	Horseheads	Acquisition of Land, Construction of Building, Acquisition of Machinery	Const/Manu
9	0701-00-08-A	Straight Lease	Vulcraft of New York	621 Main Street	Chemung	NY	14825	Waverly	Construction of Steel Manufacturing Facility	Manu/Const
10	0701-00-09-A	Straight Lease	Arnot Realty Corporation	203 Colonial Drive	Big Flats	NY	14814	Horseheads	Acquisition of Land, Construction of Building, Acquisition of Machinery	Services/Const
11	0701-03-03-A	Straight Lease	Central Recycling Coop., Inc.	260 Latabrook Park	Horseheads	NY	14845	Elmira Heights	Acquisition of Land, Construction of Building, Acquisition of Machinery	Manu/Const
12	0701-07-03-A	Straight Lease	Riverside Realty of Elmira, LLC	14 Daniel Zenker Drive	Big Flats	NY	14814	No Pilot	Construction of Building	Retail/Const
13	0701-07-04-A	Straight Lease	Millenium Pipeline Company	One Blue Hill Plaza, 7th Floor	Pearl River	NY	10965	Various	Natural Gas Transportation Pipeline	Gas/Const
14	0701-07-05-A	Straight Lease	Empire State Pipeline	6363 Main St.	Williamsville	NY	14221	Various	Natural Gas Transportation Pipeline	Gas/Const
15	0701-08-03-A	Straight Lease	Clemens Center Landlord, LLC	207 Clemens Center Parkway	Elmira	NY	14901	City	Acquisition of Land, Renovation & Construction of Building, Acquisition of machinery & Equipment	Services/Const
16	0701-08-04-A	Straight Lease	DeMet's Candy Company	Hunt Drive	Big Flats	NY	14814	Horseheads	Acquisition of Land, Construction of Building, Acquisition of Machinery	Manu/Const
17	0701-09-02-A	Straight Lease	Seneca Beverage Corp.	2081 & 2085 Lake Road	Horseheads	NY	14845	Elmira Heights	Acquisition of Land, Construction of Building, Acquisition of Machinery	Wholesale/Const
18	0701-09-04-A	Straight Lease	3107 Group, LLC	100 West Chemung Place	Elmira	NY	14901	City	Acquisition of Land, Construction of Building, Acquisition of Machinery	Services/Const
19	0701-10-05-A	Straight Lease	Schlumberger	E Street	Village of Horseheads	NY	14845	Horseheads	Acquisition of Land, Construction of Building, Acquisition of Machinery	Services/Const
20	0701-11-01-A	Straight Lease	1580 Lake Street, LLC	1580 Lake Street	Elmira	NY	14901	City	Acquisition of Land, Renovation, Acquisition of Machinery and Equipment	Services
21	0701-12-02-A	Straight Lease	Chemung Supply Corp.	2420 Corning Road & 98 Philo Road	Elmira	NY	14903	Horseheads	Acquisition of Land, Construction of Buildings, Acquisition of Machinery and Equipment	Manufacturing
22	0701-12-04-A	Straight Lease	Fennell Properties, LLC	951 Grand Central Ave.	Elmira	NY	14901	City	Renovation of Building	Manufacturing
23	0701-13-01-A	Straight Lease	Van Fleet (Elm Chevrolet)	301 & 223 East Church St.	Elmira	NY	14901	City	Acquisition of Interest of Land, Renovation of Buildings, Acquisition of Machinery and Equipment	Services
24	0701-13-02-A	Straight Lease	D&G Commercial Realty LLC	1836 & 1828 Grand Central Ave	Horseheads	NY	14845	Horseheads	Acquisition of Land, Renovation of Facility, Purchase of Machinery & Equip	Services
25	0701-13-06-A	Straight Lease	CAF USA, Inc.	300 East 18th Street, 3450 Oakwood Ave and Upper Oakwood Ave.	Village of Elmira Heights & Town of Horseheads	NY	14845	Horseheads & Elmira Heights	Acquisition of Interest of Land, Renovation & Construction of Buildings, Acquisition of Machinery and Equipment	Manufacturing
26	0701-13-07-A	Straight Lease	Southern Tier Lodging Associates, LLC	Colonial Drive	Big Flats	NY	14814	Horseheads	Acquisition of Land, Construction of Buildings, Acquisition of Machinery and Equipment	Retail
27	0701-14-02-A	Straight Lease	Sonwil Development Group LLC	315 Daniel Zenker Drive Ext	Big Flats	NY	14814	Horseheads	Acquisition of Land, Construction of Building, Acquisition of Machinery	Manufacturing
28	0701-14-03-A	Straight Lease	Cameron Manufacturing & Design, Inc.	727 Blostein Blvd	Village of Horseheads	NY	14845	Horseheads	Acquisition of Land and Buildings, Construction, Acquisition of Machinery and Equipment	Manufacturing
29	0701-14-04-A	Straight Lease	IBEW Local Union #139	415 W. Second Street	Elmira	NY	14901	City	Acquisition of Land, Renovation of Facility, Purchase of Machinery & Equip	Services
30	0701-14-06-A	Straight Lease	Upstate Commercial Property	224 N. Main St.	Village of Horseheads	NY	14845	Horseheads	Acquisition of Land, Construction of Building, Acquisition of Machinery	Services
31	0701-14-07-A	Straight Lease	Finger Lake LLC	2671 Corning Road	Horseheads	NY	14845	Horseheads	Acquisition of Land, Demolition and Construction of Building, Purchase of Equipment	Services
32	0701-15-01-A	Straight Lease	Southern Tier Custom Fabricators	1322 College Ave.	Elmira	NY	14901	City	Acquisition of Land, Construction of Building, Acquisition of Machinery	Manufacturing
33	0701-15-02-A	Straight Lease	Aces & Eights Realty	360 S. Main St.	Elmira	NY	14904	City	Acquisition of Land, renovation of Building, Acquisition of machinery and equipment	Retail
34	0701-15-05-A	Straight Lease	Postler & Jaeckle Corp.	2000 Lake Road	Elmira	NY	14903	Elmira Heights	Acquisition of Land, Renovation of Building, Acquisition of machinery & Equipment	Services
35	0701-16-01-A	Straight Lease	Envison Elmira	200 West Water St.	Elmira	NY	14901	City	Acquisition of Land, rehabilitation of building, acquisition of machinery & equipment	Retail
36	0701-16-02-A	Straight Lease	William Lake Properties LLC	610 Lake St	Elmira	NY	14901	City	Acquisition of land, renovation, purchase of machinery & equipment	Services
37	0701-16-03-A	Straight Lease	NY Beauty & Barber Academy, LLC	200 Baldwin St.	Elmira	NY	14901	City	Acquisition of land, renovation, purchase of machinery & equipment	Services
38	0701-16-04-A	Straight Lease	Capriotti Properties	389-399 W. Water St.	Elmira	NY	14901	City	Acquisition of land, renovation, purchase of machinery & equipment	Services
39	0701-16-07-A	Tax Exemptions	Emhart Glass Manufacturing, LLC	74 Kahler Rd	Big Flats	NY	14814	Horseheads	Acquisition of land, construction of an addition, purchase of machinery & equipment	Manufacturing
40	1701-17-02-A	Straight Lease	Maloney Properties, LLC.	1329 College Avenue	Elmira	NY	14901	Elmira	Acquisition of Land, Construction of Building, Acquisition of Machinery	Services/Const
41	1701-17-04-A	Straight Lease	John G. Ullman & Associates, Inc.	343 Daniel Zenker Drive	Big Flats	NY	14845	Horseheads	Acquisition of land, renovation, purchase of machinery & equipment	Services/Const
42	1701-17-05-A	Straight Lease	Libertad Elmira (Vecino)	624 Baldwin Street	Elmira	NY	14901	Elmira	Acquisition of land, renovation, purchase of furniture and equipment	Services/Const

**Chemung County Industrial Development Agency
Project Schedule
December 31, 2017**

	Total Project Amount	Benefitted Project Amount	Bond/Note Amount	Total Lease Amount	Annual Lease Amount	Year Financial Assistance Ends	Federal Tax Status	Not For Profit	State 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
1	8,000,000	6,940,000	4,000,000	-	-	2023	Tax Exempt	Y	-	-	62,021	133,278	139,550	-	-	18,274	37,155	40,367	10/10/01	10/01/04
2	3,960,064	3,732,054	4,200,000	-	-	2026	Tax Exempt	Y	-	-	-	-	-	-	-	-	-	-	09/19/00	10/02/01
3	2,695,472	2,159,302	3,500,000	-	-	2023	Tax Exempt	Y	-	-	-	-	-	-	-	-	-	-	09/09/03	11/12/03
4	76,733,205	76,733,205	1,856,000	-	-	2018	Taxable	N	-	-	141,901	-	311,149	-	430,397	141,901	-	311,149	11/17/06	12/20/07
5	-	-	6,525,000	-	-	2021	Taxable	N	-	-	-	-	-	-	-	-	-	-	03/12/09	06/05/09
6	90,000,000	70,812,000	-	90,000,000	-	2025	Taxable	N	-	-	461,545	101,206	634,000	-	957,400	182,645	17,375	634,000	03/12/09	06/01/10
7	17,000,000	17,000,000	900,000	-	-	2024	Tax Exempt	Y	-	-	-	-	-	-	-	-	-	-	12/10/09	04/29/10
8	1,234,000	1,181,000	-	430,000	-	2020	Taxable	N	-	-	4,512	1,373	9,815	-	15,700	2,256	687	4,908	11/12/04	11/18/04
9	51,000,000	51,000,000	-	51,000,000	-	2021	Taxable	N	-	-	151,083	33,129	264,072	-	450,831	45,876	10,059	80,193	07/12/00	10/19/00
10	1,700,000	1,700,000	-	1,700,000	-	2020	Taxable	N	-	-	15,005	4,566	32,642	-	52,213	8,451	2,572	20,760	08/14/00	11/30/00
11	2,737,500	2,707,500	-	2,737,500	-	2019	Taxable	N	-	-	8,614	2,229	23,449	-	34,293	4,505	1,166	12,263	12/17/03	12/17/03
12	4,570,000	4,535,500	-	4,570,000	-	2018	Taxable	N	-	-	-	-	-	-	-	-	-	-	09/13/07	12/18/07
13	47,000,000	47,000,000	-	7,255,000	-	2024	Taxable	N	-	-	685,983	209,465	1,504,487	-	2,279,937	121,141	41,649	321,210	11/17/06	09/13/07
14	9,800,000	9,800,000	-	1,926,540	-	2024	Taxable	N	-	-	99,873	34,419	216,087	-	332,860	36,584	12,617	79,235	04/19/07	07/26/07
15	15,465,950	13,448,334	-	15,465,950	-	2019	Tax Exempt	Y	-	-	70,816	152,171	159,332	-	344,087	-	-	-	08/14/09	10/06/08
16	13,500,000	12,925,000	-	13,600,000	-	2019	Taxable	N	55,255	-	62,691	19,079	138,245	-	198,014	62,691	19,079	138,245	09/18/08	10/01/08
17	8,500,000	8,500,000	-	8,500,000	-	2020	Taxable	N	-	-	59,773	15,470	162,707	-	202,257	31,834	8,239	86,655	08/20/09	09/30/09
18	1,183,300	916,600	-	1,183,300	-	2020	Taxable	N	-	-	7,268	18,206	16,353	-	35,552	4,233	9,103	9,525	03/27/09	04/01/09
19	49,640,000	48,440,000	-	49,640,000	-	2021	Taxable	N	-	-	190,654	151,335	417,096	-	607,268	100,789	76,405	220,498	11/12/09	09/03/10
20	2,200,000	2,000,000	-	1,600,000	-	2027	Taxable	N	-	-	13,854	34,373	31,171	-	-	7,998	17,186	17,995	02/24/11	04/01/11
21	2,763,000	2,763,000	-	2,763,000	-	2028	Taxable	N	-	-	12,306	3,185	26,984	-	-	6,155	1,593	13,496	08/18/11	02/12/12
22	705,000	685,000	-	705,000	-	2028	Taxable	N	-	-	8,590	18,457	19,326	-	-	4,295	9,229	9,663	10/03/12	11/01/12
23	1,700,000	1,700,000	-	1,700,000	-	2023	Taxable	N	-	-	3,943	8,473	8,872	-	-	1,972	4,237	4,436	11/06/12	01/25/13
24	704,200	656,200	-	704,200	-	2023	Taxable	N	-	-	5,235	1,355	14,249	-	-	2,618	678	7,127	09/06/13	11/16/13
25	3,422,716	3,372,716	-	3,422,716	-	2024	Taxable	N	-	-	31,666	28,416	82,553	-	-	15,837	14,212	41,287	12/12/12	02/26/13
26	8,160,000	7,415,000	-	8,160,000	-	2023	Taxable	N	-	-	-	-	-	-	-	-	-	-	12/12/12	01/03/13
27	2,708,933	2,270,594	-	2,708,933	-	2025	Taxable	N	-	-	1,792	545	3,897	-	-	896	273	1,949	07/14/11	07/18/14
28	2,053,000	2,051,000	-	2,053,000	-	2029	Taxable	N	-	-	3,744	2,933	8,192	-	-	107	733	2,048	12/19/13	07/01/14
29	1,000,500	1,000,500	-	1,000,500	-	2028	Taxable	N	-	-	8,952	19,236	20,141	-	-	4,476	9,618	10,071	11/25/13	01/01/14
30	1,140,000	1,120,000	-	1,140,000	-	2028	Taxable	N	-	-	5,868	4,596	12,837	-	-	3,286	2,574	7,189	11/07/13	01/01/14
31	5,083,120	4,923,120	-	5,083,120	-	2024	Taxable	N	-	-	-	-	-	-	-	-	-	-	12/19/13	02/01/14
32	799,000	799,000	-	799,000	-	2030	Taxable	N	-	-	4,242	22,755	9,543	-	18,270	2,121	-	4,772	08/12/15	11/16/15
33	945,403	877,878	-	945,403	-	2025	Taxable	N	-	-	-	-	-	-	-	-	-	-	07/15/15	08/01/15
34	770,000	755,000	-	770,000	-	2024	Taxable	N	-	-	4,423	285	11,448	-	8,886	2,526	163	6,540	01/30/15	01/30/15
35	707,500	707,500	-	707,500	-	2027	Taxable	N	7,327	-	-	-	-	1,800	-	-	-	-	05/24/16	05/01/16
36	530,000	525,000	-	530,000	-	2027	Taxable	N	-	-	3,538	431	7,939	-	5,954	2,035	-	4,580	05/24/16	06/23/16
37	411,000	397,000	-	411,000	-	2027	Taxable	N	-	-	1,774	15,942	3,992	-	10,855	266	1,906	599	04/28/16	06/27/16
38	1,271,993	1,130,872	-	1,271,993	-	2027	Taxable	N	29,661	-	350	771	732	4,238	926	350	-	732	09/30/16	09/30/16
39	6,330,000	5,650,000	-	6,330,000	-	2017	Taxable	N	4,845	-	-	-	-	-	-	-	-	-	07/26/16	N/A
40	1,121,900	1,121,900	-	1,121,900	-	2029	Taxable	N	8,150	-	-	-	-	7,500	-	-	-	-	02/06/17; 08/14/17	10/01/17
41	4,399,299	3,615,724	-	4,399,299	-	2029	Taxable	N	-	-	-	-	-	-	-	-	-	-	08/14/17	10/01/17
42	20,800,000	16,180,000	-	20,800,000	-	2051	Taxable	N	-	-	-	-	-	78,000	-	-	-	-	09/27/17	12/27/17

**Chemung County Industrial Development Agency
Project Schedule
December 31, 2017**

	# of FTE's 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 FTE's	# of FTE Const Jobs During Fiscal Year	Current Year is the Last 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	5	13	No Data	18	No Data	8	0	No	Na	Na	Na	Na	Na
2	83	-	No Data	83	No Data	153	0	No	Na	Na	Na	Na	Na
3	47	16	No Data	63	No Data	55	0	No	Na	Na	Na	Na	Na
4	-	350	30,000	-	-	970	0	Yes	Na	Na	Na	Na	Na
5	-	-	-	-	-	-	0	No	Na	Na	Na	Na	Na
6	-	500	25,000	-	-	535	0	No	Na	Na	Na	Na	Na
7	16	-	-	16	31,700	15	0	No	Na	Na	Na	Na	Na
8	-	10	No Data	10	No Data	20	0	No	Na	Na	Na	Na	Na
9	-	300	No Data	300	No Data	264	0	No	Na	Na	Na	Na	Na
10	-	100	No Data	100	No Data	164	0	No	Na	Na	Na	Na	Na
11	27	10	No Data	37	No Data	32	0	No	Na	Na	Na	Na	Na
12	70	30	45,000	70	45,000	91	0	No	Na	Na	Na	Na	Na
13	-	-	-	-	-	-	0	No	Na	Na	Na	Na	Na
14	-	-	-	-	-	-	0	No	Na	Na	Na	Na	Na
15	16	17	38,220	16	30,030	15	0	Yes	Na	Na	Na	Na	Na
16	-	82	-	-	-	261	0	No	Na	Na	Na	Na	Na
17	67	8	45,000	67	45,000	70	0	No	Na	Na	Na	Na	Na
18	27	3	50,000	27	50,000	19	0	No	Na	Na	Na	Na	Na
19	-	340	65,000	-	-	51	0	No	Na	Na	Na	Na	Na
20	45	14	43,500	45	43,500	95	0	No	Na	Na	Na	Na	Na
21	17	27	35,000	17	35,000	55	0	No	Na	Na	Na	Na	Na
22	-	3 Const	22,000	-	22,000	36	0	No	Na	Na	Na	Na	Na
23	34	-	-	34	66,512	49	0	No	Na	Na	Na	Na	Na
24	50	7	50,000	50	50,000	106	0	No	Na	Na	Na	Na	Na
25	150	125	35,000	150	51,000	476	0	No	Na	Na	Na	Na	Na
26	-	15	28,000	-	-	18	25	No	Na	Na	Na	Na	Na
27	20	20	33,413	20	33,413	109	0	No	Na	Na	Na	Na	Na
28	-	8	50,000	-	-	10	0	No	Na	Na	Na	Na	Na
29	41	10	39,000	41	26,000	50	0	No	Na	Na	Na	Na	Na
30	8	10	55,000	8	55,000	12	0	No	Na	Na	Na	Na	Na
31	-	47	39,000	-	-	1	20	No	Na	Na	Na	Na	Na
32	160	20	56,000	160	55,000	131	1	No	Na	Na	Na	Na	Na
33	3	1	19,000	3	28,000	3	0	No	Na	Na	Na	Na	Na
34	25	5	50,000	25	50,000	44	45	No	Na	Na	Na	Na	Na
35	-	9	32,500	-	-	2	16	No	Na	Na	Na	Na	Na
36	33	22	58,750	33	62,500	43	0	No	Na	Na	Na	Na	Na
37	-	8	33,400	-	-	5	4	No	Na	Na	Na	Na	Na
38	-	4	25,000	-	-	4	4	No	Na	Na	Na	Na	Na
39	111	-	-	111	61,000	111	20	Yes	Na	Na	Na	Na	Na
40	39	9	29,375	38	29,375	39	5	No	Na	Na	Na	Na	Na
41	40	14	112,860	40	112,860	40	40	No	Na	Na	Na	Na	Na
42	-	8	38,000	6	38,000	-	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, 2017, 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 27, 2018.

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.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Corning, New York
March 27, 2018

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2017

FINDINGS - COMPLIANCE AND OTHER MATTERS

FINDING 2016-001 - NON-COMPLIANCE WITH AUTHORITIES BUDGET OFFICE REQUIREMENTS

Significant Deficiency - Non-compliance with Authorities Budget Office Policy No. 10-03: Public Authorities Law requires state and local authorities to file specific financial and budgetary information with the Authorities Budget Office (ABO), as well as to report property transactions, debt issuances, and other information on their operations with a focus primarily on public disclosure and transparent reporting of public authority financial and management information. During the current year audit, we reviewed the Agency's compliance with Policy No. 10-03, *Posting and Maintaining Reports on Public Authority Web Sites*, noting that required information was missing or not easily accessible.

Status: This finding was resolved during the current year.