

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Financial Statements

December 31, 2019

BARBARA S. DWYER

Certified Public Accountant

P.O. Box 775

5694 Cascade Road

Lake Placid, NY 12946

518-523-9892

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1-2
Report on Compliance and on Internal Control Over Financial Reporting Based on and Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		3-4
Management Discussion and Analysis		5-8
Statement of Net Financial Position	A	9
Statement of Activities	B	10
Statements of Cash Flows	C	11
Notes to Financial Statements		12-23
	<u>Schedule</u>	
Schedule of Functional Expenses	1	24
Schedule of Industrial Parks Revenues and Expenses	2	25
Schedule of Revenues and Expenses- Operating Budget	3	26
Schedule of Revenues and Expenses – IDA and CRC	4	27
Schedule of Leases	5	28
Schedule of Payments in Lieu of Taxes	6	29

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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, 2019 and December 31, 2018 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, 2019 and December 31, 2018, 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.

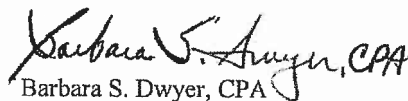
Other Information

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 February 24, 2020 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
February, 24, 2020

BARBARA S. DWYER

Certified Public Accountant

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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 the financial statements of Essex County Industrial Development Agency, Inc (a nonprofit organization), as of and for the year ended December 31, 2019, and have issued my report thereon dated February 24, 2020. I conducted my audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Essex County Industrial Development Agency, Inc, internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Essex County Industrial Development Agency's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Essex County Industrial Development Agency's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.


A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Essex County Industrial Development Agency, Inc, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

This report is intended solely for the information and use of management, audit committee, Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Barbara S. Dwyer, CPA

Lake Placid, New York
February 24, 2020

Essex County Industrial Development Agency, Inc.
Management's Discussion and Analysis
December 31, 2019 and December 31, 2018

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 Agency for the fiscal year ending December 31, 2019. 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 liabilities by \$6,879,542 for the fiscal year ended December 31, 2019. This compares to the previous year when assets exceeded liabilities by \$7,007,744, as restated with the prior period adjustment for the pension liability .

Total net assets comprise the following:

1. Capital assets are \$4,521,208, net of accumulated depreciation.
2. Net assets of \$741,690 are restricted by constraints from outside the Agency, such as grantor requirements, laws and regulations.
3. Unrestricted net assets of \$1,616,644 represent 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 \$133,711 to \$102,819 during the fiscal year.

Revenues for the year ended December 31, 2019, totaled \$562,506 of which \$225,058 was County support, \$292,100 was bond, application fees, and program fees, \$13,400 was rent income, \$28,605 was interest income and \$13,343 were specific purpose grants.

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, Inc.
Management's Discussion and Analysis
December 31, 2019 and December 31, 2018

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 \$262,670 for the fiscal year ended December 31, 2019. Operating revenues were \$299,839 more than budget. Operating expenses were \$382,382 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>2019</u>	<u>2018</u>
Current Assets	\$ 1,407,192	1,501,819
Capital Assets, net	4,521,208	4,495,872
Other Assets	<u>1,053,961</u>	<u>1,143,824</u>
Total Assets	6,982,361	7,141,515
Current liabilities	<u>102,819</u>	<u>133,771</u>
Net Assets	<u>6,879,542</u>	<u>7,007,744</u>
Total Net Assets	\$ <u>6,879,542</u>	<u>7,007,744</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 \$6,879,542 as of December 31, 2019. The Agency's net assets decreased by \$128,202 for the year ended December 31, 2019. The largest portion of net assets (64.75%) reflects the Agency's investment in capital assets.

Essex County Industrial Development Agency, Inc.
Management's Discussion and Analysis
December 31, 2019 and December 31, 2018

The Agency collected \$13,400 annually for the rental of the Moriah Business Park with one tenant

The Agency's Revenue and Expenses

	<u>2019</u>	<u>2018</u>
Operating Revenues:		
County Allocation	\$ 225,058	225,058
Grants	3,343	178,940
Bond and application fees	292,000	36,500
Program Fees	<u>100</u>	<u>121,778</u>
Total Operating Revenues	520,501	562,276
Other Revenues:		
Rental Income	13,400	90,500
Interest Income	28,605	32,225
Other Revenue	<u>-</u>	<u>(313)</u>
Total Other Revenue	<u>42,005</u>	<u>122,322</u>
Total Revenue	562,506	684,658
Operating Expenses:		
Personal Services	223,798	222,425
Program Expenses	438,321	508,726
Administration	<u>28,589</u>	<u>26,044</u>
Total Operating Expenses	<u>690,708</u>	<u>757,195</u>
Net Income (Loss)	<u>\$(128,202)</u>	<u>(72,537)</u>

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, 2019, was \$4,521,208. 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 infrastructure extension project at the Moriah Business Park. The decrease in the Agency's investment in capital assets for the current year of \$37,876 was due to the annual depreciation.

	<u>2019</u>	<u>2018</u>
Nondepreciable:		
Land and Land Improvements	\$ 3,730,110	3,666,898
Depreciable:		
Buildings and Leasehold Improvements	986,029	986,029
Machinery and Equipment	183,637	183,637
Accumulated Depreciation	<u>(378,568)</u>	<u>(340,692)</u>
Total	<u>\$ 4,521,208</u>	<u>4,495,872</u>

Essex County Industrial Development Agency, Inc.
Management's Discussion and Analysis
December 31, 2019 and December 31, 2018

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

	Year end December 31	
	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash (Note 4)	\$ 1,312,124	1,186,392
Prepaid expense	1,250	-
Accounts receivable	-	4,500
Grants funds advanced	-	178,940
Current portion of mortgage receivables	29,522	27,718
Current portion of notes receivable	64,296	104,269
Total Current Assets	<u>1,407,192</u>	<u>1,501,819</u>
Property, Plant and Equipment, net of accumulated depreciation (Note 6)	4,521,208	4,495,872
Other Assets		
Mortgage receivable	422,759	452,282
Notes receivable, net of allowance for bad debts, \$315,500 in 2019 and \$315,500 in 2018	576,288	593,125
Total Other Assets	<u>995,045</u>	<u>1,045,407</u>
Net pension asset - proportionate share	-	-
Deferred Outflow of Resources-Pension	54,914	98,417
TOTAL ASSETS	<u><u>6,982,361</u></u>	<u><u>7,141,515</u></u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accrued grant interest payable (Note 12)	136	203
Due to Essex County	9,767	-
Total Current Liabilities	<u>9,898</u>	<u>203</u>
Net pension liability-proportionate share	57,851	28,092
Deferred Inflows of Resources-Pension	35,070	105,476
Total Liabilities	<u>102,819</u>	<u>133,771</u>
Net Assets		
Net Assets without Restrictions	1,616,644	1,649,876
Investment in capital assets	4,521,208	4,495,872
Net Assets with Restrictions	741,690	861,996
Total Net Assets	<u>6,879,542</u>	<u>7,007,744</u>
LIABILITIES AND NET POSITION	<u><u>\$ 6,982,361</u></u>	<u><u>7,141,515</u></u>

See accompanying notes to financial statements.

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.
Statement of Activities

	Year end December 31	
	<u>2019</u>	<u>2018</u>
SUPPORT:		
County Allocation	\$ 225,058	225,058
Grant Income	3,343	178,940
Program Fees	100	121,778
Industrial Park rents	13,400	90,500
Revenue Bond fees	236,750	32,500
Application and administrative fees	55,250	4,000
Interest income	28,605	32,225
Real Estate Sales (Loss)	-	(343)
TOTAL SUPPORT	<u>562,506</u>	<u>684,658</u>
EXPENDITURES:		
Program expense (Schedule 1)	438,321	508,726
Personnel expense (Schedule 1)	223,798	222,425
Administration expense (Schedule 1)	<u>28,589</u>	<u>26,044</u>
TOTAL EXPENDITURES	<u>690,708</u>	<u>757,195</u>
Change in Net Position	(128,202)	(72,537)
Net Position, beginning of year	7,007,744	8,009,711
Transfer of assets - Town of Moriah	-	<u>(929,430)</u>
Net position, end of year	<u>\$ 6,879,542</u>	<u>7,007,744</u>

See accompanying notes to financial statements

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

	Year end December 31	
	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from County allocation	\$ 225,058	225,058
Receipts from lending activities	28,605	32,225
Receipts from rental activities	13,400	90,500
Receipts from grants and fees	295,943	337,218
Receipts from real estate sales	-	(343)
Payment of operating expenses	<u>(690,708)</u>	<u>(757,195)</u>
Net cash provided by operating activities	<u>(128,202)</u>	<u>(72,537)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Principal received (receivable) on non capital financing	137,812	(285,251)
Receivables and Advanced grant funds received, net of prepaid expenses	<u>182,190</u>	<u>-</u>
Net cash provided by financing activities	<u>320,002</u>	<u>109,679</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Construction of capital assets	<u>(63,212)</u>	<u>(24,767)</u>
Change in pensions, liability inflows and outflows	<u>(2,856)</u>	<u>-</u>
Net cash used by financial activities	<u>(66,068)</u>	<u>(24,767)</u>
NET INCREASE (DECREASE) IN CASH	125,732	12,375
CASH- BEGINNING OF YEAR	<u>1,186,392</u>	<u>1,174,017</u>
CASH- END OF YEAR	<u>1,312,124</u>	<u>1,186,392</u>
CASH SUMMARY:		
Cash	570,434	503,336
Restricted Cash	<u>741,690</u>	<u>683,056</u>
Total	<u>1,312,124</u>	<u>1,186,392</u>
Reconciliation of operating income to net cash provided by operating activities:		
Change in net position	(128,202)	(72,537)
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	37,876	34,926
Reserve for bad debts	-	111,500
Basis of assets sold, net	-	323,550
(Increase) decrease in:		
Accounts receivable and grants	183,440	(123,511)
Prepaid expense	(1,250)	-
Property, Plant and Equipment	63,212	-
Mortgage and Notes receivable	84,529	(286,251)
Other assets	43,503	(3,951)
Increase (decrease) in:		
Accrued liabilities and payables	<u>(30,952)</u>	<u>28,649</u>
Net cash (used) provided by operating activities	<u>\$ 125,732</u>	<u>12,375</u>

See accompanying notes to financial statements

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

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:

Net Assets Without Restrictions are resources available to support operations and may consist of both undesignated funds and Board designated funds.

The Board of Directors evaluates and considers all donor recommendations. However, the ultimate decision of the distribution of these funds rests solely with the Board of Directors as required by New York State Law and the Center's governing instruments (variance power). Accordingly, the financial statements classify all net assets (except assets subject to grant-imposed or endowment funds as Board-designated).

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

Note 2: **SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

Net Assets with Restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period.

Some donor-imposed restrictions are temporary in nature and the restrictions will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

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, 2019, the tax years for 2016, 2017, and 2018 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

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

Note 3: **CONTINUED**

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 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, 2019 and December 31, 2018, 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, 2019, the Agency's cash and cash equivalent balances were \$1,312,124. 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	\$1,062,124
Covered by federal deposit insurance	<u>250,000</u>
Total Insured and collateral status	<u>\$1,312,124</u>

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.

Note 6: **MORTGAGE RECEIVABLE**

In December 2019, the Agency sold land and an existing building and 3.47 acres in the Moriah Business Park for \$530,000. The Agency is holding the mortgage in the amount of \$480,000. Interest of 2% is being charged on the mortgage. Monthly payments of \$3,088.84 began in January 2019.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.
Notes to Financial Statements
December 31, 2019 and December 31, 2018

Note 7: PROPERTY, PLANT AND EQUIPMENT

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

Industrial Projects	<u>2019</u>	<u>2018</u>
Ausable Forks Hydro Project:		
Land	\$ 733	733
Chesterfield		
Land	<u>3,567,999</u>	<u>3,567,999</u>
Total	3,568,732	3,568,732
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>
Total	3,568,732	3,568,732
 Moriah Project		
Land	41,291	41,291
Land improvements	56,875	56,875
Building	466,511	434,425
Site development	321,233	290,107
Willsboro Project-engineering	-	-
Operating Assets of the Agency		
Building	261,497	261,497
Furniture and Fixtures	28,481	28,481
Training Equipment	127,781	127,781
Office equipment	<u>27,375</u>	<u>27,375</u>
Total	1,331,044	1,267,832
Less: Accumulated Depreciation	<u>(378,568)</u>	<u>(340,692)</u>
Total	<u>952,476</u>	<u>927,140</u>
 Property, Plant and Equipment, net of accumulated depreciation	<u>\$ 4,521,208</u>	<u>4,495,872</u>

Note 8: 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 sold this building to the tenant in fiscal year 2018.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

Note 8: 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 3,200 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 during the 2017 fiscal year. The infrastructure extension project will continue into fiscal year 2018. A contract of \$394,500 has been awarded for the work to be done. The infrastructure project and the finishing of the interior space of the building was completed in fiscal year 2019.

Additionally two lots were sold in the fiscal year 2017 and a lot with existing building was sold in fiscal year 2018 in the in the Moriah Business Park. Also, the Agency transferred the developed roadway in the Moriah Business Park to the Town of Moriah for maintenance and upkeep.

The Agency has 36 acres adjacent to the Moriah Business Park under contract to buy as of December 31, 2019.

Note 9: 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.

The Town of Chesterfield sold a lot in the Chesterfield Commerce Park in fiscal year 2017. As a result of the sharing of the development of the Park, the Agency received half of the sale proceeds per the existing agreement.

NOTE 10: COMMUNITY DEVELOPMENT BLOCK GRANT POLICY CHANGE

Recently there was a review of the administration of the Community Development Block Grant (CDBG) program. According to the New York State Office of Homes and Community Renewal, the rules concerning the accumulation, reuse and reporting of program income were not being followed. As a result of these findings, the Housing Trust Fund Corporation, a New York State agency, is requiring that all agencies return any uncommitted program income to the Albany, New York agency. Program income includes principal and interest on loans funded by CDBG grant funds.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

Note 10: **CONTINUED**

The Essex County Industrial Development Agency was allowed by contract to pay itself program administration fees for the years 2011 through and including 2017. This is the administration program fee of \$121,687 recognized as income in the fiscal year ended December 31, 2019.

Any funds on hand were to be remitted in full to Albany by March 31, 2019 unless Albany approved how the Agency planned to grant the funds. The Agency did receive approval prior to March 6, 2019 to grant \$325,000 of these fund to Paradox Brewery to complete its project in North Hudson, New York and granted the funds.

As of March 31, 2019, any revolving loan fund payments received whose funding originated from CDBG funds must be remitted to the Albany office monthly. Six of the loans in the Agency's portfolio have CDBG source funds.

Going forward, the Office of Homes and Community Renewal in Albany will be reviewing and approving each project of all the New York State participating agencies. No CDBG funds will be awarded if the Agency has accumulated funds sufficient to fund the proposed new activity.

PLAN DESCRIPTIONS AND BENEFITS PROVIDED

Note 11: **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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

NOTE 11: CONTINUED

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>
2019	\$27,360
2018	\$26,754
2017	\$27,177

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, 2018, 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, 2018 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-19
Net pension asset/(liability)	(57,851)
Agency's portion of the Plan's total net pension asset/(liability)	.0008165%

For the year ended December 31, 2019, the Agency's recognized pension expense of \$30,216 for ERS. At December 31, 2019 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</u> <u>ERS</u>	<u>Deferred Inflows of Resources</u> <u>ERS</u>
Differences between expected and actual experience	\$ 11,392	\$ 3,883
Changes in assumptions	\$ 14,542	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 14,848
Changes in proportion of differences between the Agency's contributions and proportionate share of contributions	\$ 1,621	\$ 16,339

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.
Notes to Financial Statements
December 31, 2019 and December 31, 2018

Note 11: **CONTINUED**

Agency's contributions subsequent to the measurement date	\$ <u>27,360</u>	\$ <u> </u> -
Total	\$ <u>54,914</u>	\$ <u>35,070</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:

Year ended:	<u>ERS</u>
2020	6,014
2021	(15,857)
2022	(3,763)
2023	6,089
Thereafter	-

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, 2019
Actuarial valuation date	April 1, 2018
Interest Rate	7.0%
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

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

Note 11: CONTINUED

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 7.0% 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 7.0% for ERS, as well as what the Agency's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0% for ERS) or 1-percentage point higher (8.0% for ERS) than the current rate:

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share Of the net pension asset (liability)	\$(252,934)	\$(57,851)	\$(106,032)

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, 2019
Employers' total pension asset/(liability)	\$(70,910,269)
Plan Net Position	\$(70,852,418)
Employers' net pension asset/(liability)	\$ (57,851)

Ratio of plan net position to the
Employers' total pension asset/(liability) .0008165%

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 December 31, 2019 represent the projected employer contribution for the period of April 1, 2018 through December 31, 2019 based on paid ERS wages multiplied by the employer's contribution rate by tier. Accrued retirement contributions as of December 31, 2019 amounted to \$27,360.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

Note 11: **CONTINUED**

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 12: **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 13: **GRANT INTEREST EXPENSE**

Upon recent review of the Essex County Contract with the Essex County Industrial Development Agency, Inc. and the sub-recipient 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 2019 and 2018 fiscal years in these financial statements and will be remitted to Essex County.

Note 14: **DUE TO ESSEX COUNTY**

The liability accrued as Due to Essex County in the state of financial position represents to CDBG funds including interest income that have been collected and are to be transferred to Essex County. Essex County is then responsible for transferring funds to the CDBG Agency in Albany, New York.

Note 15: **CHAMPLAIN BRIDGE/HURRICANE IRENE GRANT**

Two significant events have occurred in the region which has 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. Note

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.

Notes to Financial Statements

December 31, 2019 and December 31, 2018

Note 15: CONTINUED

Through the Empire State Development Corporation, the Agency secured \$635,000 in funds to be made 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.

The Agency is still servicing loans from this grant program. Most have been fully paid off in the 2017 fiscal year. The Agency has been allowed to keep the principal funds of the grant to use as an additional revolving loan fund. In the 2016 fiscal year, award of loans began from this fund.

Note 16: OPERATING LEASES

The Agency has one equipment operating lease for a copier. The annual lease payments are \$2,106 in fiscal year 2019. The future lease payments under the current year are:

2019	\$ 2,106
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Note 17: COMMITMENTS

As of December 31, 2016 the Agency was administering a microenterprise grant with commitments to businesses to stimulate economic growth and development. The funds flowed through other entities for the administration of the grant.

A second microenterprise grant was awarded in the 2017 fiscal year in the amount of \$506,226. The Agency assisted in the grant application process. The grants were awarded by an independent committee. The Agency was then contracted to administer the grant funds. Twelve grants were awarded of which nine were completed by December 31, 2017. A tenth grant was completed by January 31, 2018, the end of the grant period, and two projects were awarded extensions. The Agency has been distributing funds for these grants prior to reimbursement. As of December 31, 2018, funds totaling \$178,940 have been advanced prior to reimbursement. The Agency received full reimbursement of these funds in the 2019 fiscal year.

As of December 31, 2019, the Agency had a real estate offer pending to buy a 36 acre parcel adjacent to the Moriah Business Park. The Agency also had a parcel in the Moriah Business Park under a contract for sale. Both transactions occurred by the report date of these financial statements.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, INC.
Notes to Financial Statements
December 31, 2019 and December 31, 2018

Note 18: SUBSEQUENT EVENTS

The Agency has evaluated events and transactions that occurred between December 31, 2019 and February 24, 2020 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>2019</u>	<u>2018</u>
PROGRAM EXPENSE:		
Program expenses	\$ 50,925	123,626
Grant Expenditures	325,000	171,355
Industrial Park expenses	7,780	39,825
Legal fees and notices	9,063	21,964
Marketing expense	197	450
Bad debt expense	-	111,500
Depreciation expense	31,458	28,503
Insurance	6,608	3,708
Telephone	2,471	2,265
Travel	2,935	2,870
Conferences and workshops	75	110
Dues and subscriptions	1,809	1,475
Miscellaneous	-	1,060
Total Program Expense	<u>438,321</u>	<u>508,726</u>
PERSONNEL EXPENSE		
Salaries	172,859	170,155
Payroll tax expense	13,535	15,897
Health Insurance	7,188	8,844
Retirement	30,216	27,529
Total Personnel Expense	<u>223,798</u>	<u>222,425</u>
ADMINISTRATIVE EXPENSE		
Office expense and supplies	6,560	5,242
Depreciation expense	6,418	6,418
Rent and occupancy	4,567	4,487
Postage and printing	1,083	609
Accounting	6,827	7,053
Equipment leases and maintenance	2,375	1,903
Business meetings	759	332
Total Administrative Expense	<u>\$ 28,589</u>	<u>26,044</u>

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

	<u>2019</u>		Schroon Lake/		<u>2018</u>
	<u>Total</u>	<u>Moriah</u>	<u>Jay</u>	<u>Chesterfield</u>	<u>Total</u>
Rental Income	\$ 13,400	13,400	-	-	90,500
Expenses:					
Maintenance	490	490	-	-	15,881
Landscaping	900	900	-	-	4,340
Real estate taxes	134	118	16	-	2,888
Insurance	6,147	5,078	475	594	9,879
Utilities	-	-	-	-	1,431
Services and fees	110	-	-	110	5,407
Total Expenses	7,781	6,586	491	704	39,826
Net Rental Income (Loss) Before Depreciation	5,619	6,814	(491)	(704)	50,674
Depreciation expense	31,458	31,458	-	-	28,508
Net Rental Income	\$ (25,839)	(24,638)	(491)	(704)	22,166

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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
County Support	\$ 210,058	225,058	15,000
Program fees	1,600	100	(1,500)
Rental administration fee		-	
Other revenue	51,012	308,743	257,731
Interest income	-	28,608	28,608
Total revenues	<u>262,670</u>	<u>562,509</u>	<u>299,839</u>
Expenditures			
Personel services	214,557	223,798	(9,241)
Legal fees and notices	8,100	9,063	(963)
Occupancy expenses	5,500	4,567	933
Audit and accounting fees	6,500	6,827	(327)
Marketing expense	5,000	197	4,803
Travel	2,500	2,935	(435)
Office expense	5,588	6,560	(972)
Insurance	3,200	6,608	(3,408)
Equipment rental and maintenance	3,500	2,375	1,125
Meetings and seminars	2,375	834	1,541
Telephone	2,400	2,471	(71)
Dues and subscriptions	2,000	1,809	191
Bank charges	150	-	150
Printing and postage	1,300	1,083	217
Program expenses	-	50,925	(50,925)
Grant expenditures	-	<u>325,000</u>	<u>(325,000)</u>
Total expenditures	<u>\$ 262,670</u>	<u>645,052</u>	<u>(382,382)</u>
Excess in Operating Budget		(82,543)	(82,543)

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

	Year ended December 31, 2019		
	<u>IDA</u>	<u>CRC</u>	<u>Total</u>
SUPPORT:			
County Allocation	\$ 225,058	-	225,058
Grant Income	3,343		3,343
Program Fees	100		100
Industrial Park Rents	13,400	-	13,400
Revenue Bond fees	183,250	53,500	236,750
Application and administrative fees	55,250	-	55,250
Interest Income	28,608	-	28,608
Real estate sales	-	-	-
TOTAL SUPPORT	<u>509,006</u>	<u>53,500</u>	<u>562,506</u>
EXPENDITURES:			
Program expense	438,321	-	438,321
Personnel expense	223,798	-	223,798
Administration expense	28,589	-	28,589
TOTAL EXPENDITURES	<u>690,708</u>	<u>-</u>	<u>690,708</u>
Expenditures in Excess of Support	<u>\$ (181,702)</u>	<u>(53,500)</u>	<u>(128,202)</u>

See accompanying notes to financial statements

ESSEX COUNTY INDUSTRIAL DEVELOPEMENT AGENCY, INC.

Schedule of Leases

Year ended December 31, 2018

Schedule 5

<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 Willisboro, 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. 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
3. Paradox Brewery	Paradox Brewery 154 Route 9 Schroon Lake, NY 12870	2018	Craft Brewery with canning operation	\$ 5,600,000		14 Full-time 2 Part-time 3 Seasonal
4. Saranac Lake Rosort Owner, LLC	Saranac Lake Resort 250 Lake Flower Avenue Saranac Lake, NY 12983	2019	93 Room Hotel with amenities	\$ 11,242,898	Sales tax exception on materials	71 Full-time 15 Part-time

Name of Project

1. CVSC, LLC

Project Owner and Address:
CVSC, LLC
10 Giltland Lane
Willsboro, NY 12996

Purpose: Senior Assisted 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 exemption percentage is 5%. In 2022, the PILOT expires.

Estimated Jobs:

New 15-20

2. 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 exemption percentage is 5%. In 2025, the PILOT expires.

Estimated Jobs:

New 9

3. Champlain Valley Milling Corp. Inc.

Project Owner and Address:
Champlain Valley Milling Corp. Inc.
6679 Main Street
P. O. Box 454
Westport, NY 12993

Purpose: Expand Grain Milling Capacity

Amount of Pilot

The Pilot is a ten year schedule in which the payment due will increase annually 50% starting in year one (2018) at 5% of the real property taxes due based on the assessed value of the project. In year ten (2027) the PILOT will be 50% of the real property taxes due. In year eleven (2028), the PILOT expires.

Estimated Jobs:

New 3

4. Paradox Brewery

154 Route 9
Schroon Lake, NY 12870

Purpose: Expand craft Brewery with casking options.

Amount of PILOT

The PILOT is a ten year schedule in which the first two years, 2018 and 2019, there are no real property tax payments due. In year three (2020), 50% of the real property taxes due based on the assessed value of the project are payable. Through to and including 2025, the exemption percentage decreases annually by 5%, being 30% exempt in 2025. In 2026 and 2027, the exemption percentage decreases 10% annually. In 2028, the exemption percentage is 5%. In 2029, the PILOT expires.

Estimated Jobs:

New 10

5. Moriah BP LLC

3085 Plank Road
Mineville, NY 12956

Purpose:
Maintain business project

Amount of PILOT

The PILOT is a ten year schedule in which the first two years, 2020 and 2021, there are no real property tax payments due. In year three (2022), 50% of the real property taxes due are based on the assessed value of the project are payable. Through to and including 2026, the exemption percentage decreases annually by 5%, being 30% exempt in 2026. In 2027 and 2028, the exemption percentage decreases 10% annually. In 2029, the exemption percentage is 5%. In 2030, the PILOT expires.

Estimated Jobs:

Maintain 32

6. Trailhead Resort, LLC

P. O. 50
Newcomb, New York 12852

Purpose
Expand campground and amenities

Amount of PILOT

The PILOT is a ten year schedule in which the first two years, 2020 and 2021, there are no real property tax payments due. In year three (2022), 50% of the real property taxes due are based on the assessed value of the project are payable. Through to and including 2026, the exemption percentage decreases annually by 5%, being 30% exempt in 2026. In 2027 and 2028, the exemption percentage decreases 10% annually. In 2029, the exemption percentage is 5%. In 2030, the PILOT expires.

Estimated Jobs:

New 5